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HALF-YEARLY  
FINANCIAL REPORT

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## APPENDIX 4D | HALF-YEARLY REPORT

### 1. Company details

Name of entity:	TopBeta Holdings Limited
ABN:	21 164 521 395
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

### 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	128.0% to	1,019,279
Loss from ordinary activities after tax attributable to the owners of TopBeta Holdings Limited	up	221.4% to	(2,330,073)
Loss for the half-year attributable to the owners of TopBeta Holdings Limited	up	221.4% to	(2,330,073)

#### Dividends

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

#### Comments

The loss for the group after providing for income tax amounted to \$2,330,073 (31 December 2014: \$725,002).

Further information on the 'Review of operations' is detailed in the Directors' report which is part of the Interim Report.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>6.51</u>	<u>(6.20)</u>

The net tangible assets per ordinary share amount is calculated based on 96,364,546 ordinary shares on issue as at 31 December 2015 and 21,259,883 ordinary shares that would have been in existence had the split factor of 1:29.5 occurred as at 31 December 2014.

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

### 6. Dividends

#### Current period

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

#### Previous period

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

## APPENDIX 4D | HALF-YEARLY REPORT

### 7. Dividend reinvestment plans

Not applicable.

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### 8. Details of associates and joint venture entities

Not applicable.

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### 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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### 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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### 11. Attachments

*Details of attachments (if any):*

The Interim Report of TopBeta Holdings Limited for the half-year ended 31 December 2015 is attached.

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### 12. Signed

Signed \_\_\_\_\_



Date: 23rd February 2016

Todd Buckingham  
Director  
Newcastle

# INTERIM REPORT

## 30 DEC 2015

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## DIRECTORS REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of TopBeta Holdings Limited (referred to hereafter as the 'company', 'TopBeta' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

### Directors

The following persons were directors of TopBeta Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Nicholas Chan - Chairman	Appointed 29 October 2015
Todd Buckingham	
Matthew Cain	Appointed 2 October 2015
Simon Dulhunty	Appointed 2 October 2015

### Principal activities

The group's principal activities during the financial half-year were digital fantasy wagering, wagering and content services.

### Review of operations

The loss for the group after providing for income tax amounted to \$2,330,073 (31 December 2014: \$725,002).

The group operates various online platforms, which together offer a comprehensive wagering business, and combines fantasy wagering with traditional wagering. This model is supported by extensive content provided to its customers. Further details on the group's operations during the financial half-year is set out in the Investor Presentation lodged with Australian Securities Exchange ('ASX') on 18 February 2016 and [announcement attached to Appendix 4D (Half-year Report to the ASX)].

#### *Launch/progress of Fantasy tournaments*

TopBeta tournaments were released during October with a number of features and user engagement processes added.

Features included multi Buy-In to tournaments, cross-event tournaments along with a number of smaller additions. The new structure has seen a significant tournament growth in the last quarter of 2015.

#### *Revenue growth*

The group's revenues increased during the financial half-year ended 31 December 2015, and has more than doubled when compared to same period in 2014. This growth was achieved despite senior management simultaneously progressing and being intensely involved with the process leading up to the initial public offering ('IPO'), and without the financial resources now secured by the group via the IPO.

#### *Software/platform development*

The group's proprietary software allows effective customisation that adapts to the user's preferences. During the financial half-year ended 31 December 2015, the group implemented various improvements to its software platform, including:

- Improving user engagement with a new front-end to the TopBeta system;
- Adding/improving the sports betting functionality;
- Improving data-communication capabilities with data suppliers/partners through a new data-interface ('API');
- Improving scalability and controls by improving the administrative functions of the platform; and
- Improving controls with upgrades to the group's risk management systems, especially with respect to sports betting functionality.

#### *Employment and operations*

The group engaged several new members to provide services to the 12Follow content team, product development team, and risk management team.

#### *Board of directors*

The group secured a committed and highly skilled Board of directors with experience in senior roles in some of Australia's leading companies.

### *Partnerships*

The group has partnered with several popular racing and sports businesses pursuant to which the group will provide these partners with exclusive TopBeta fantasy tournaments to further engage with its users whilst the group benefits from the marketing and additional traffic generated by the partner's promotion of its exclusive TopBeta tournament. This allows TopBeta to have a bigger audience and therefore allow for larger value tournaments to continue growth during the year ending 31 December 2016.

### **Significant changes in the state of affairs**

On 6 October 2015, the company OM Group Holdings Pty Ltd converted from a private company to a public company and on 16 November 2015, changed its name to TopBeta Holdings Limited.

### *Successful initial public offering ('IPO')*

On 11 December 2015, the company was admitted to the Official List of the Australian Securities Exchange with the ASX code TBH. The company also raised \$6,000,000 in an IPO of its shares.

There were no other significant changes in the state of affairs of the group during the financial half-year.

### **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 on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Nicholas Chan  
Chairman



Todd Buckingham  
Director

23rd February 2016  
Newcastle

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF TOPBETTA HOLDINGS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of TopBetta Holdings Limited.

As lead audit partner for the review of the financial statements of TopBetta Holdings Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



**PKF**  
Chartered Accountants

Newcastle, NSW

Dated: 23 February 2016



**Martin Matthews**  
Partner

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
		<b>\$</b>	<b>\$</b>
Revenue		1,019,279	447,021
Cost of sales		<u>(678,205)</u>	<u>(257,394)</u>
Gross profit		341,074	189,627
Other income	4	209,608	211,903
<b>Expenses</b>			
Employee benefits expense		(903,875)	(671,244)
Professional fees		(213,793)	(182,944)
Marketing expenses		(211,328)	(172,525)
Administration expenses		(164,854)	(75,072)
IT expenses		(123,198)	(81,332)
Occupancy expenses		(33,553)	(25,537)
Depreciation and amortisation expense		(3,320)	(1,158)
Non-reoccurring expenses		(1,513,064)	-
Other expenses		(6,737)	(4,251)
Finance costs		<u>(64,666)</u>	<u>(117,022)</u>
<b>Loss before income tax benefit</b>		(2,687,706)	(929,555)
Income tax benefit	6	<u>357,633</u>	<u>204,553</u>
<b>Loss after income tax benefit for the half-year attributable to the owners of TopBeta Holdings Limited</b>		(2,330,073)	(725,002)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the half-year attributable to the owners of TopBeta Holdings Limited</b>		<u>(2,330,073)</u>	<u>(725,002)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	15	(3.61)	(4.07)
Diluted earnings per share	15	(3.61)	(4.07)

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

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	Consolidated 31 Dec 2015 \$	30 Jun 2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	5,261,658	432,387
Trade and other receivables	8	1,149,111	1,306,753
Prepayments		47,926	-
<b>Total current assets</b>		<b>6,458,695</b>	<b>1,739,140</b>
<b>Non-current assets</b>			
Property, plant and equipment		24,319	20,828
Goodwill		4,275,527	4,275,527
Deferred tax	9	1,386,318	701,055
<b>Total non-current assets</b>		<b>5,686,164</b>	<b>4,997,410</b>
<b>Total assets</b>		<b>12,144,859</b>	<b>6,736,550</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	1,388,744	1,164,434
Borrowings - loans to related parties		3,000	482,153
Employee benefits		165,139	76,005
Deferred revenue		6,192	-
<b>Total current liabilities</b>		<b>1,563,075</b>	<b>1,722,592</b>
<b>Non-current liabilities</b>			
Employee benefits		33,783	24,027
<b>Total non-current liabilities</b>		<b>33,783</b>	<b>24,027</b>
<b>Total liabilities</b>		<b>1,596,858</b>	<b>1,746,619</b>
<b>Net assets</b>		<b>10,548,001</b>	<b>4,989,931</b>
<b>Equity</b>			
Issued capital	11	14,694,486	8,059,683
Reserves		1,253,340	-
Accumulated losses		(5,399,825)	(3,069,752)
<b>Total equity</b>		<b>10,548,001</b>	<b>4,989,931</b>

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

## STATEMENT OF CHANGE IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2014	3,866,954	-	(1,787,291)	2,079,663
Loss after income tax benefit for the half-year	-	-	(725,002)	(725,002)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(725,002)	(725,002)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,808,364	-	-	1,808,364
Balance at 31 December 2014	<u>5,675,318</u>	<u>-</u>	<u>(2,512,293)</u>	<u>3,163,025</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2015	8,059,683	-	(3,069,752)	4,989,931
Loss after income tax benefit for the half-year	-	-	(2,330,073)	(2,330,073)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,330,073)	(2,330,073)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	6,634,803	-	-	6,634,803
Share-based payments	-	1,253,340	-	1,253,340
Balance at 31 December 2015	<u>14,694,486</u>	<u>1,253,340</u>	<u>(5,399,825)</u>	<u>10,548,001</u>

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

## STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	<b>Consolidated</b>	
<b>Note</b>	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers - net	1,091,808	482,434
Payments to suppliers and employees	(2,672,347)	(1,346,070)
Interest received	685	204
Interest and other finance costs paid	(32,496)	(117,022)
Research and development tax rebated received	415,595	602,152
	<u>(1,196,755)</u>	<u>(378,302)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,811)	(52)
	<u>(6,811)</u>	<u>(52)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	11 7,258,694	190,010
Share issue transaction costs	(790,272)	-
(Repayment)/proceeds of loans to related parties	(435,585)	161,600
	<u>6,032,837</u>	<u>351,610</u>
Net increase/(decrease) in cash and cash equivalents	4,829,271	(26,744)
Cash and cash equivalents at the beginning of the financial half-year	432,387	50,500
	<u>5,261,658</u>	<u>23,756</u>

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

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

### Note 1. General information

The financial statements cover TopBeta Holdings Limited as a group consisting of TopBeta Holdings Limited (the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (the 'group'). The financial statements are presented in Australian dollars, which is TopBeta Holdings Limited's functional and presentation currency.

TopBeta Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

#### Registered office

Suite 2  
155-157 Lambton Road  
Broadmeadow, NSW 2292

#### Principal place of business

83 Regent Street  
New Lambton, NSW 2305

A description of the nature of the group'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 \_\_\_\_ February 2016.

### Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

#### 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.

#### Employee benefits - share based payments

Equity-settled share-based compensation benefits are provided to employees and advisers. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services and to others as part of their compensation for services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes 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 group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

### Note 2. Significant accounting policies (continued)

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 group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the group 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.

### Earnings per share

#### *Basic earnings per share*

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

#### *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.

### New, revised or amending Accounting Standards and Interpretations adopted

The group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial half-year ended 31 December 2015 and are not expected to have any significant impact for the full financial year ending 30 June 2016.

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

### Note 3. Operating segments

#### *Identification of reportable operating segments*

The group operates in three segments being the fantasy wagering and wagering, content services, and corporate. This 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. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements are the same as that presented to the CODM.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

### Note 3. Operating segments (continued)

#### Operating segment information

	Fantasy wagering and wagering \$	Content services \$	Corporate \$	Intersegment eliminations/ unallocated \$	Total \$
<b>Consolidated - 31 Dec 2015</b>					
<b>Revenue</b>					
Sales to external customers	493,933	525,765	-	-	1,019,698
<b>Total revenue</b>	<b>493,933</b>	<b>525,765</b>	<b>-</b>	<b>-</b>	<b>1,019,698</b>
<b>Segment results</b>					
	(364,346)	(112,232)	(835,141)	-	(1,311,719)
Depreciation and amortisation					(3,320)
Research and development tax rebate					204,378
Interest revenue					685
Finance costs					(64,666)
Non-reoccurring expenses					(1,513,064)
<b>Loss before income tax benefit</b>					<b>(2,687,706)</b>
Income tax benefit					357,633
<b>Loss after income tax benefit</b>					<b>(2,330,073)</b>
<b>Consolidated - 31 Dec 2014</b>					
<b>Revenue</b>					
Sales to external customers	200,570	206,654	-	-	407,224
<b>Total revenue</b>	<b>200,570</b>	<b>206,654</b>	<b>-</b>	<b>-</b>	<b>407,224</b>
<b>Segment results</b>					
	(339,456)	(92,872)	(586,950)	-	(1,019,278)
Depreciation and amortisation					(1,158)
Research and development tax rebate					207,699
Interest revenue					204
Finance costs					(117,022)
<b>Loss before income tax benefit</b>					<b>(929,555)</b>
Income tax benefit					204,553
<b>Loss after income tax benefit</b>					<b>(725,002)</b>

### Note 4. Other income

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>\$</b>	<b>\$</b>
Research and development tax rebate	204,378	207,699
Payroll tax rebate	4,545	4,000
Interest received	685	204
Other income	<b>209,608</b>	<b>211,903</b>

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

### Note 5. Non-reoccurring expenses

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
IPO and transaction costs	259,724	-
Share-based payments expense	1,253,340	-
Total non-reoccurring expenses	<u>1,513,064</u>	<u>-</u>

### Note 6. Income tax benefit

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
<i>Income tax benefit</i>		
Current tax	-	113,525
Deferred tax - origination and reversal of temporary differences	<u>(357,633)</u>	<u>(318,078)</u>
Aggregate income tax benefit	<u>(357,633)</u>	<u>(204,553)</u>
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets (note 9)	<u>(357,633)</u>	<u>(318,078)</u>
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	<u>(2,687,706)</u>	<u>(929,555)</u>
Tax at the statutory tax rate of 30%	(806,312)	(278,867)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	376,002	-
Research and development tax incentive expenditure	74,938	76,156
Sundry items	<u>(2,261)</u>	<u>(1,842)</u>
Income tax benefit	<u>(357,633)</u>	<u>(204,553)</u>

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
<i>Amounts credited directly to equity</i>		
Deferred tax assets (note 9)	<u>(327,630)</u>	<u>-</u>

### Note 7. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Cash on hand	711	719
Cash at bank	1,760,947	431,668
Cash on deposit	<u>3,500,000</u>	<u>-</u>
	<u>5,261,658</u>	<u>432,387</u>

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

### Note 8. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Trade receivables	42,482	56,639
Other receivables	776,664	776,664
Research and development tax receivable	203,516	414,734
Rental bonds	11,432	3,640
Goods and services tax ('GST') receivable	115,017	55,076
	<u>1,106,629</u>	<u>1,250,114</u>
	<u>1,149,111</u>	<u>1,306,753</u>

### Note 9. Non-current assets - deferred tax

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Tax losses	1,058,688	701,055
Amounts recognised in equity:		
Transaction costs on share issue	327,630	-
Deferred tax asset	<u>1,386,318</u>	<u>701,055</u>
<i>Movements:</i>		
Opening balance	701,055	382,977
Credited to profit or loss (note 6)	357,633	318,078
Credited to equity (note 6)	327,630	-
Closing balance	<u>1,386,318</u>	<u>701,055</u>

### Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2015	30 Jun 2015
	\$	\$
Trade payables	625,037	273,990
Accrued expenses	102,942	116,605
Other payables	660,765	773,839
	<u>1,388,744</u>	<u>1,164,434</u>

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

### Note 11. Equity - issued capital

	31 Dec 2015 Shares	Consolidated 30 Jun 2015 Shares	31 Dec 2015 \$	30 Jun 2015 \$
Ordinary shares - fully paid	96,364,546	1,836,879	14,694,486	8,059,683

#### Movements in ordinary share capital

Details	Date	Shares	\$
Balance	1 July 2015	1,836,879	8,059,683
Shares issued before Initial Public Offering ('IPO') to existing shareholders during the period		412,766	1,399,275
Share-split 29:50 new shares issued for each 1 existing share held	15 November 2015	64,114,901	-
Shares issued at IPO	11 December 2015	30,000,000	6,000,000
Transaction costs arising on IPO		-	(1,092,102)
Deferred tax credit recognised directly in equity (note 9)		-	327,630
Balance	31 December 2015	96,364,546	14,694,486

### Note 12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Note 13. Contingent liabilities

There are no contingent liabilities as at 31 December 2015.

### Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

### Note 15. Earnings per share

	Consolidated 31 Dec 2015 \$	31 Dec 2014 \$
Loss after income tax attributable to the owners of TopBeta Holdings Limited	(2,330,073)	(725,002)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	64,499,015	17,822,410
Weighted average number of ordinary shares used in calculating diluted earnings per share	64,499,015	17,822,410
	Cents	Cents
Basic earnings per share	(3.61)	(4.07)
Diluted earnings per share	(3.61)	(4.07)

The basic and diluted earnings per share above is calculated based on the number of ordinary shares that would have been in existence had the share split of 1:29.5 (29.5 new shares for each existing 1 old share) had occurred at 1 July 2014.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

### **Note 15. Earnings per share (continued)**

26,667,000 options over ordinary shares were granted at the IPO and are not included in the calculation of diluted earnings per share because they are antidilutive for the half-year ended 31 December 2015. These options could potentially dilute basic earnings per share in the future.

## DIRECTORS DECLARATION 31 DECEMBER 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Nicholas Chan  
Chairman

23rd February 2016  
Newcastle



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Todd Buckingham  
Director

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TOPBETTA HOLDINGS LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TopBetta Holdings Limited, which comprises the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Australian Auditing Standard on Review Engagements ASRE 2410 Review of Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*. As the auditor of TopBetta Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

## Independence

In conducting our review, we have complied with the independence requirements of *the Corporations Act 2001*.

## Conclusion

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

- (i) giving a true and fair view of the of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



**PKF**  
Chartered Accountants

Newcastle, NSW

Dated: 23 February 2016



**Martin Matthews**  
Partner