Tubi Limited

ABN: 25 139 142 493

Consolidated Financial Statements

For the Year Ended 30 June 2020

Tubi Limited

ABN: 25 139 142 493

Contents

For the Year Ended 30 June 2020

Directors' Report
30 June 2020

The directors present their report, together with the financial statements of the Group, being Tubi Limited (the Company) and its controlled entities, for the financial year ended 30 June 2020.

Directors & Information on Directors

The Directors of the Company during the year ended 30 June 2020, and up to the date of this report are set out below. All Directors held their position as a Director throughout the entire year and up to the date of this report unless otherwise stated.

Mr. Simon Bird	Chairman (*Appointed 9 March 2020*) & Independent Non-Executive Director (*Appointed 6 December 2019*)
Mr. Marcello Russo	Executive Director & Chief Executive Officer (*Appointed 24 February 2020*)
Mr. Brent Emmett	Independent Non-Executive Director
Mr. Anthony Willsallen	Non-Executive Director
Mr. Michael Tilley	Chairman & Non-Executive Director (*Retired 9 March 2020*)
Mr. Jeffrey Shorter	Chief Executive Officer (Tubi Limited) & Executive Chairman (Tubi USA Inc) (*Resigned 23 February 2020*)
Mr. Craig Lawn	Non-Executive Director (Resigned 6 December 2019)

Director	Experience
Simon Bird Chairman & Independent Non-Executive Director *Interests in Shares:* Nil *Interests in Listed Options:* Nil	Simon has over 30 years of global public company experience in both senior executive and board roles. Current directorships include Lead Independent Director of Mount Gibson Iron (ASX: MGX) and Non-Executive Director of Pacific American Holdings (ASX: PAK). Recent directorships include CPA Australia and several private companies. Simon is a member of the Nominations & Human Resources Committee and the Audit & Risk Committee.
Marcello Russo Executive Director, Chief Executive Officer & Founder *Interests in Shares:* 37,949,642 *Interests in Listed Options:* 740,741	Marcello Russo is the Founder and executive Director of Tubi, having steered the Company since its inception in 2009. Marcello has had over 25 years of experience in pipe strategy, innovation and manufacture, which is reflected in Tubi's focus on future growth and global industry development. ASX Listed Company Directorships in the past three years: Nil
Brent Emmett Independent Non-Executive Director *Interests in Shares:*	Brent Emmett has over 40 years' experience in petroleum exploration, exploration and production management and investment banking. Brent began work as an explorationist in Australia, Papua New Guinea and New Zealand for Esso (now ExxonMobil) and then Elf

Director	Experience
875,000 *Interests in Listed Options:* 41,666	Aquitaine. He joined Ampolex as Exploration Manager in 1983 and filled general management roles in North and South America, International and Business Development, and was a member of the Executive Committee. From 1997 until 2001 Brent was Managing Director - Oil & Gas Advisory with the investment banking firm of CIBC World Markets. Brent was the Chief Executive Officer and Managing Director of Horizon Oil for 17 years, where he was a member of the risk management and disclosure committees. He retired as CEO of Horizon Oil in June 2018 and is currently an advisor to the board. He remains actively involved in the oil business as a senior advisor to industry participants. He holds a Bachelor of Science First Class Honours degree in physics and geophysics from Adelaide University. Brent is Chairman of the Nominations & Human Resources Committee, and Chairman of the Audit & Risk Committee. ASX Listed Company Directorships in the past three years: Horizon Oil Limited. Resigned 30 June 2018.
Anthony Willsallen Non-Executive Director *Interests in Shares:* 117,348,314 *Interests in Listed Options:* 4,444,444	Tony Willsallen has 45 years in contracting, farming and heavy equipment. He managed family agricultural enterprises for 35 years before retiring in 2010. He is currently Managing Director of a private company involved in quarrying and waste services since 1987 which produces and supplies quarry products to large infrastructure projects in Southern New South Wales. He holds a Bachelor of Agricultural Economics from the University of New England. Tony is a member of the Nominations & Human Resources Committee and the Audit & Risk Committee. ASX Listed Company Directorships in the past three years: Nil

Company Secretary

Ariel Sivikofsky is the Company Secretary and Chief Financial Officer of the Group. He was appointed to these positions from 2 March 2020.

Ariel has more than 15 years of experience as a senior finance executive primarily in financial services and accounting both in Australia and internationally, undertaking Chief Financial Officer and Company Secretary roles with ASX listed and private companies, including Macquarie Media Limited and Investorfirst Limited (now HUB24 Limited). Further, Ariel previously served as a Director of Financial Advisory Services at Deloitte Australia, where he specialised in Chief Financial Officer secondments and technical accounting advisory engagements.

Ariel is a Fellow of the Institute of Chartered Accountant in Australia & New Zealand (FCA) and a graduate member of the Australian Institute of Company Directors (GAICD)

Ian Coates was the previous Company Secretary and Chief Financial Officer and resigned from these positions on 2 March 2020.

Directors & Committee Meetings

The number of meetings of the Group's Board of Directors and each Board Committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

Director	Board Meetings		Audit & Risk Committee Meetings		Nominations & HR Committee meetings	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Simon Bird	6	6	1	1	2	2
Marcello Russo	12	11	-	-	-	-
Brent Emmett	12	12	3	3	2	2
Anthony Willsallen	12	12	3	3	2	2
Michael Tilley	9	9	-	-	-	-
Jeffery Shorter	9	8	-	-	-	-
Craig Lawn	6	4	2	2	-	-

Principal Activities

The principal activities of the Group during the year were the development, operation, leasing and sale of mobile manufacturing plants for the production of high-density polyethylene ("**HDPE**") pipes for use in the oil and gas, irrigation, mining and infrastructure sectors.

The Group continues to operate in Australia, New Zealand and the United States.

There were no significant changes in those activities during the year.

Review of Operations

2020 Review of operations

Significant highlights of the 2020 financial year include:

- revenues of $20.81 million (2019: $31.56 million);
- loss after tax attributable to Group shareholders was $4.67 million (2019: profit after tax $1.50 million);
- underlying EBITDA was a loss of $4.37 million (2019: profit of $3.13 million)[1];

During the first half of the year the Group completed the building, commissioning, and delivery of a Mobile Plant to Iplex Pipelines NZ Limited.

From the commencement of the year until March 2020 the Group continued to manufacture HDPE pipe from its Mobile Extrusion Plant in the Permian Basin, Texas, USA for MPS Enterprises, Inc under a Manufacturing and Supply Agreement. The decline in investment activity in the upstream oil and gas industry caused by the decline in oil prices led to a reduction in orders, selling prices, exclusivity restrictions, and margins.

The Group also incurred significant operating costs in 1H FY20 due to a series of operator failings, resulting in approximately six weeks of lost production.

[1] "EBITDA" and "underlying EBITDA" are non-statutory financial measures which are not prescribed by Australian Accounting Standards ("**AAS**"). They represent the profit under AAS adjusted for interest, tax, depreciation and amortisation and other certain specific items. "Underlying EBITDA" is also adjusted for one-off legal expenses and costs associated with the IPO. The Directors consider that "EBITDA" and "underlying EBITDA" reflect core earnings of the entity consistent with internal reporting.

Restructure and new strategy

To mitigate the decline in the Permian Basin and the risks of operations, the Group has invested in an internal sales team and instigated a change in senior management. Marcello Russo, Founder of the business, was appointed Chief Executive Officer in February 2020.

The Group secured customers in new markets in Florida. Through late March to May two plants were commissioned at a base site leased from a key customer and global miner of phosphate and potash in Bartow, Florida.

Impact of COVID-19

Production at our base site in Florida is currently classified as an essential service under the Covid-19 restrictions. Tubi is not currently experiencing material operating restrictions in Florida, where the Company's operations, primarily supplying the mining industry, satisfy the essential services exemptions to business and social restrictions. Raw materials are delivered to a rail siding close to Tubi's manufacturing site. The manufacture and supply of raw materials together with other services currently remain active.

Production volumes from both these plants have steadily increased in the last quarter of the year. Production at the plant located in Odessa, Texas has temporarily been suspended. A decision on whether to keep the plant at the Odessa location or re-deploy it will be made as different regional markets are evaluated.

Financial Position at 30 June 2020

The Group's net assets were $17.03 million representing net tangible assets per share of $0.07 (June 2019: $0.09). Major current assets included cash of $0.78 million and other current assets of $4.46 million (mainly comprising trade receivables and inventories). Non-current assets increased by $4.95 million on the previous year largely due to the commissioning and work in progress on the development of new plants.

Current liabilities (excluding borrowings) increased by $1.04 million mainly due to an increase in trade payables.

Significant changes in the state of affairs

There were no significant changes in the state of affairs other than the items disclosed above.

Likely developments, business strategies and prospects

The Group continues to focus on executing its strategy outlined in its prospectus issued on 31 July 2020.

The commissioning of two new plants in the second half of the year, and a further plant by the end of quarter 2 FY21, bringing the total to 4 operational plants will allow Tubi to significant scale it operations across a wider and more diverse industry footprint.

Key priorities for the next twelve months include:

- Mobile extrusion plant – Tubi has mobile extrusion plants that can be located at the site of demand, providing a clear transport cost advantage. It can produce long lengths and large diameters (4” – 48”) providing flexible production capacity. Long lengths also provide a material cost saving to the customer in installation (fusion) and transport. Tubi intends to continue to develop and sell its unique technology with a focus on mining, municipal and water and gas reticulation projects
- Reeling and stringing projects – Being able to deliver long lengths and large diameter pipe on specialised stringing trailers and drums materially reduces installation costs for the client. Pre-treated, chlorinated, reeled pipe is ready for laying adding a unique value added service available for customers.
- Mobile recycling capabilities – Tubi intends to develop a mobile recycling capability which is unique to Tubi. Mobile recycling is expected to be a high margin opportunity to recycle customers' old pipe into new pipe reducing their environmental impact, recycling, and raw material costs. It is anticipated that the mobile plant will be co-located with the mobile extrusion plant.

Risk management

The nature of the Group's business exposes it to certain risks. These risks are actively monitored and managed by the Company's Board Audit and Risk Committee who assists the Board in fulfilling its responsibilities relating to the oversight of the Tubi Group's risk profile.

Dividends

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

Subsequent Events

Subsequent to the year end, the Group successfully completed a $6.1 million capital raising by way of a placement and accelerated non-renounceable institutional entitlement offer to eligible new investors and existing shareholders. The capital raising was well supported and sees several new institutions and sophisticated investors joining the register. All Directors and related parties participated in the capital raising.

Eligible Shareholders also received one free New Option for every three New Shares they subscribe for under the Entitlement Offer. The New Options are exercisable at $0.15 at any time from the date of issue until 30 June 2022.

The Group's revenues, and earnings for the year ended 30 June 2020 were within the range outlined in our Prospectus for the capital raising, dated 31 July 2020.

The Group is well poised to continue its growth strategy, further product diversification and investment in higher margin products. The Group has strengthened its balance sheet and is capitalised to add product and recycling capabilities and continue its customer and industry diversification.

Environmental Issues

The Group's operations are subject to local, state and federal environmental legislation and regulations in the jurisdictions in which it operates. The Board are responsible for the regular monitoring of environmental exposure and compliance with environmental regulations and are not aware of any breaches of these regulations during the year.

Indemnification & Insurance of Directors & Officers

The Group has entered into deeds of indemnity, access and insurance with each Director. Under these deeds, the Group has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Group. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Group, including legal expenses.

The Group has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Auditor

PKF(NS) Audit & Assurance Limited Partnership continues in office in accordance with section 327 of the *Corporations Act 2001*.

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 page 20 of the Annual Report.

Non-Audit Services

During the year, entities associated with PKF(NS) Audit & Assurance Limited Partnership (external auditor to the Group) have provided other services in addition to the statutory audits, as disclosed in Note 28 of the financial statements.

The Directors are satisfied that the provision of non-audit services provided by the auditor are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that these non-audit services do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management of decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

Remuneration Report (Audited)

Introduction

The remuneration report details the key management personnel ("**KMP**") remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors. The following persons of the Group were classified as KMP during the 2020 financial year and unless otherwise indicated, were classified as KMP for the entire year:

Simon Bird	Chairman (Appointed 9 March 2020) & Independent Non-Executive Director (Appointed 6 December 2019)
Marcello Russo	Executive Director & Chief Executive Officer (24 February 2020)
Brent Emmett	Independent Non-Executive Director
Anthony Willsallen	Non-Executive Director
Michael Tilley	Chairman & Non-Executive Director (Retired 9 March 2020)
Jeffery Shorter	Chief Executive Officer (Tubi Limited) & Executive Chairman (Tubi USA) (Resigned 23 February 2019)
Craig Lawn	Independent Non-Executive Director *(Resigned 6 December 2019)*
Ariel Sivikofsky	Company Secretary & Chief Financial Officer (Appointed 2 March 2020)
Ian Coates	Company Secretary & Chief Financial Officer (Resigned 2 March 2020)

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

- Remuneration Framework
- Equity Incentive Plans
- Service Agreements
- Details of Remuneration
- Share-Based Compensation
- Additional Disclosures Relating to Key Management Personnel

Remuneration Framework

The remuneration policy of the Group has been designed to align KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy has been developed by the Remuneration Committee and approved by the Board following professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the law, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement.

All remuneration paid to KMP is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The current maximum is $750,000.

Certain KMP are also entitled to long-term incentives ("**LTIs**") in the form of share-based compensation to further align their interests with shareholders' interests. Details regarding share-based compensation is set out below.

Key management personnel who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

Equity Incentive Plans

<u>Australian Long-Term Incentive Plan</u>

The Group has adopted an employee incentive plan known as the Tubi Limited Long-Term Incentive Plan ("**LTI Plan**"), to assist in the reward, retention and motivation of the Group's Directors, senior management, and other employees. The LTI Plan is intended to assist with aligning the interests of participants with shareholders by providing an opportunity for Eligible Participants to earn equity interests in the Company.

Under the rules of the LTI Plan, the Board has discretion to offer:

- a full-time or part-time employee of any Group Company or a Director Options to acquire shares and/or Performance Rights to acquire Shares; and
- any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options to acquire shares and/or Performance Rights to acquire Shares inclusive of any Options, Performance Rights or similar instruments issued under any other incentive plan operated by the Company.

(each recipient is an Eligible Employee and the above awards are collectively the Awards).

In each case the Awards can be made subject to vesting conditions and/or performance hurdles as determined by the Board.

The terms and conditions of the LTI Plan are set out in comprehensive rules. A summary of the rules of the LTI Plan is set out below:

- The LTI Plan is open to Eligible Employees as determined by the Board. Participation is voluntary.
- The Board may determine the type and number of Awards to be issued under the LTI Plan to each participant and other terms of issue of the Awards, including but not limited to:
  - what conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
  - the amount payable to be paid by a participant on the grant of Awards (if any);
  - the exercise price of any option granted to a participant;
  - the period during which a vested option can be exercised; and

  - any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or vesting of Performance Rights.

- When any conditions and/or performance hurdles have been satisfied, their Options/Performance Rights will become vested and will be exercisable into Shares.
- Each vested Option and Performance Right enables the participant to be issued or to be transferred one Share upon exercise or vesting (as applicable), or an equivalent cash value, subject to the rules governing the LTI Plan and the terms of any particular offer.
- Participants holding Options or Performance Rights are not permitted to participate in new issues of Securities by the Company but adjustments may be made to the number of Shares over which the options or Performance Rights are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the LTI Plan and the ASX Listing Rules.
- If a "change of control event" occurs to the Company, and unless the Board determines otherwise, all granted Awards will immediately vest.

  A "change of control" event will occur when a person or entity becomes a legal or beneficial owner of 50% or more of the issued capital of the Company; a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company; or the Board determines that there are circumstances that have occurred or are likely to occur which will result in significant changes to the structure or control of the Company which may adversely affect the value of the Awards. A "change of control" event does not include the listing of the Company on the ASX.
- If a participant becomes a "bad leaver":
  - all vested options which have not been exercised will continue in force and remain exercisable for 30 days, unless the Board in its sole and absolute discretion determines otherwise; and
  - all unvested options and/or performance rights will automatically be forfeited by the participant for the payment by the Company to the participant of nominal consideration.

  A participant will be a "bad leaver" if the participant resigns (other than because they have died or resign due to incapacity arising from serious personal illness or injury), is terminated for performance or is terminated or dismissed for misconduct, unless the Board determines otherwise in its absolute discretion.
- If a participant is a "good leaver":
  - unless the Board determines otherwise any and all vested options held by the participant which have not been exercised will continue in force and remain exercisable for 12 months; and
  - the Board may determine the manner in which any unvested Awards held by the participant will be dealt with.

  A participant is a "good leaver" if they are not a "bad leaver".
- The LTI Plan limits the number of Awards that the Company may grant without Shareholder approval, such that the sum of all Awards on issue (assuming all options and Performance Rights were exercised) do not at any time exceed in aggregate 5% of the fully diluted share capital of the Company as at the date of any proposed new Awards.
- The Board may delegate management and administration of the LTI Plan, together with any of their powers or discretions under the LTI Plan, to a committee of the Board or to any one or more persons selected by them.
- Subject to the ASX Listing Rules and the Constitution, the Board may at any time amend the LTI Plan or the terms and conditions upon which Awards have been issued under the LTI Plan provided, generally, that the amendment does not materially reduce the rights of any Participant in respect of Awards granted to them.
- The Board may elect to use an employee share trust or other mechanism for the purposes of holding Awards for Participants under the Plan and delivering Plan Shares on behalf of Participants upon exercise of Options and/or Performance Rights (as the case may be).

United States Share Incentive Plan

The Company has adopted an employee incentive plan known as the Tubi Limited Share Incentive Plan ("**SI Plan**"), to assist in the reward, retention and motivation of certain of the Group's Directors, senior management, and other employees. The SI Plan is intended to assist with aligning the interests of participants with shareholders by providing an opportunity for eligible participants to earn equity interests in the Company.

Under the rules of the SI Plan, the Board has discretion to offer any person who is declared by the Board in its sole and absolute discretion to be eligible (Eligible Employee) to receive grants of options to acquire Shares and/or restricted stock units to acquire Shares (Awards).

In each case the Awards can be made subject to vesting conditions and/or performance hurdles as determined by the Board.

The terms and conditions of the SI Plan are set out in comprehensive rules. A summary of the rules of the SI Plan is set out below:

- The SI Plan is open to Eligible Employees as determined by the Board. Participation is voluntary.
- The Board may determine the type and number of Awards to be issued under the SI Plan to each participant and other terms of issue of the Awards, including but not limited to:
  - what conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
  - the amount payable to be paid by a participant on the grant of Awards (if any);
  - the exercise price of any option granted to a participant;
  - the period during which a vested option can be exercised; and
  - any forfeiture conditions or disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or vesting of restricted stock units.
- When any conditions and/or performance hurdles have been satisfied, their options/restricted stock units will become vested and will be exercisable into Shares.
- Each vested option and restricted stock unit enables the participant to be issued or to be transferred one Share upon exercise or vesting (as applicable), subject to the rules governing the SI Plan and the terms of any particular offer.
- Participants holding options or restricted stock units are not permitted to participate in new issues of Securities by the Company but adjustments may be made to the number of Shares over which the options or restricted stock units are granted and/or the exercise price (if any) to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the rules of the SI Plan and the ASX Listing Rules.
- If a "change of control event" occurs to the Company, and unless the Board determines otherwise, all granted Awards will immediately vest.

  A "change of control" event will occur when a person or entity becomes a legal or beneficial owner of 50% or more of the issued capital of the Company; a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company; or the Board determines that there are circumstances that have occurred or are likely to occur which will result in significant changes to the structure or control of the Company which may adversely affect the value of the Awards. A "change of control" event does not include the listing of the Company on the ASX.
- If a participant becomes a "bad leaver":
  - all vested options which have not been exercised will continue in force and remain exercisable within 30 days of the participant becoming a bad leaver, unless the Board in its sole and absolute discretion determines otherwise;
  - all vested restricted stock units which have not been settled will be immediately settled in plan shares, unless the Board in its sole and absolute discretion determines otherwise; and
  - all unvested Awards will automatically be forfeited by the participant for the payment by the Company to the participant of nominal consideration.

A participant will be a "bad leaver" if the participant resigns (other than because they have died or resign due to incapacity arising from serious personal illness or injury), is terminated for performance or is terminated or dismissed for misconduct, unless determined otherwise by the Board in its sole discretion.

- If a participant is a "good leaver":
  - unless the Board determines otherwise any and all vested Options held by the participant which have not been exercised will continue in force and remain exercisable for 12 months;
  - all unvested Options will be automatically forfeited by the participant for the payment by the Company to the participant of nominal consideration;
  - all vested Restricted Stock Units which have not been settled will be immediately settled in Shares; and
  - the Board may determine, in its sole and absolute discretion, the manner in which the unvested Restricted Stock Units will be dealt with.

  A participant is a "good leaver" if they are not a "bad leaver".
- The SI Plan limits the number of Awards that the Company may grant without Shareholder approval, such that the sum of all Awards on issue (assuming all options and restricted stock units were exercised) do not at any time exceed in aggregate 5% of the fully diluted share capital of the Company as at the date of any proposed new Awards inclusive of any Options, Restricted Stock Units or similar instruments issued under any other incentive plan operated by the Company.
- The Board may delegate management and administration of the SI Plan, together with any of their powers or discretions under the SI Plan, to a committee of the Board or to any one or more persons selected by them.
- Subject to the ASX Listing Rules and the Constitution, the Board may at any time amend the SI Plan or the terms and conditions upon which Awards have been issued under the SI Plan provided, generally, that the amendment does not materially reduce the rights of any Participant in respect of Awards granted to them.
- The Board may elect to use an employee share trust or other mechanism for the purposes of holding Awards for Participants under the Plan, and delivering Plan Shares on behalf of Participants upon exercise of Options and/or restricted stock units (as the case may be).

There are also certain rules of the SI Plan which are applicable to Awards granted under the SI Plan to participants who are residents of the USA (“**U.S Persons**”), including that:

- A U.S Person may only be granted an Award if they are a U.S employee, consultant or member of the Board of a Group entity.
- A consultant is only eligible to become a participant if they are a natural person providing bona fide services to a Group entity and such services are not:
  - in connection with the offer or sale of securities in a capital-raising transaction; or
  - performed to directly or indirectly promote or maintain a market for the Company's securities.
- No U.S. Person shall be eligible to be granted an Award prior to the date such person commences employment or other personal service relationship with a Group entity.
- No option granted to an eligible U.S. Person shall have an exercise price that is less than 100% of the fair market value of a Share on the date that the option is granted.

The Tubi Board has resolved and adopted a policy that there will be no option or share plan incentives awarded to non-executive directors of the Company.

Service Agreements

Non-Executive Service Agreements

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. The current maximum is $750,000.

The Group has entered into an appointment letter with each of its non-executive directors. The following table sets out the non-executive Directors' annual remuneration commencing from 1 July 2019. No fees were paid to non-executive Directors prior to 1 July 2019.

Director	Key Terms of Service Agreement	
Simon Bird Chairman & Independent Non-Executive Director	Term:	Renewed a least every three years in accordance with the Company's Constitution and ASX Listing Rules.
	Remuneration:	$75,000 per annum for services as Chairman of the Board. $5,000 for services as a member of the Audit & Risk Committee $2,500 for services as a member of the Nominations & HR Committee
Brent Emmett Independent Non-Executive Director	Term:	Renewed a least every three years in accordance with the Company's Constitution and ASX Listing Rules.
	Remuneration:	$50,000 per annum for services as a Non-Executive Director $10,000 for services as a Chair of the Audit & Risk Committee $5,000 for services as Chair of the Nominations & HR Committee
Anthony Willsallen Non-Executive Director	Term:	Renewed a least every three years in accordance with the Company's Constitution and ASX Listing Rules.
	Remuneration:	$50,000 per annum for services as a Non-Executive Director $5,000 for services as a member of the Audit Committee $2,500 for services as a member of the Human Resources Committee

Executive Service Agreements

The key terms concerning the employment of executives are set out in the following table:

Director	Key Terms of Service Agreement
Marcello Russo Executive Director & Chief Executive Officer	Marcello Russo is employed by the Company in the position of Executive Director and Chief Executive Officer. Marcello is employed on a full-time basis and his fixed annual remuneration for the year ending 31 December 2019 is $259,000 inclusive of superannuation and subject to tax deductions. Marcello's fixed annual remuneration for the year commencing 1 January 2020 is $300,000 inclusive of superannuation and subject to tax deductions. Marcello is eligible to receive the following short-term cash incentives: ▪ for the financial year ending 30 June 2020, up to 50% of his base salary (gross), subject to satisfactory achievement of individual and Company performance hurdles as determined by the Company in its absolute discretion; and ▪ from 1 July 2020, eligible to participate in any senior executive short-term incentive plan. The Board has resolved to grant Performance Rights to Marcello on or about 30 November 2019 under the Company's Long Term Incentive (LTI) Plan. The aggregate number of Performance Rights to be granted will calculated by dividing $150,000 by the VWAP of the Shares over the five trading days immediately prior to 30 November 2019. The vesting conditions, performance hurdles and general terms of the Performance Rights are summarised under the heading "Share-Based Compensation" below. Marcello's employment contract contains express provisions protecting the Company's confidential information and intellectual property. Marcello's employment contract contains mutual non-disparagement obligations which survive the termination of employment. Under the terms of Marcello's employment contract, either party is entitled to terminate Marcello's employment by giving six months' written notice. After termination of employment, the employment contract provides that Marcello will be subject to non-compete and non-solicitation of employee restrictions for a period of 12 months following the termination or cessation of employment.
Ariel Sivikofsky Company Secretary & Chief Financial Officer	Ariel Sivikofsky is employed by the Company in the position of Company Secretary and Chief Financial Officer. Ariel is employed on a full-time basis and his fixed annual remuneration to 30 June 2020 is $250,000 per annum inclusive of superannuation and subject to tax deductions. In addition to this base salary the Company will pay health insurance costs up to a maximum of $5,000 per annum. Ariel is eligible to receive the following short-term cash incentives: ▪ for the financial year ending 30 June 2020 50% of his base salary (gross) subject to satisfactory achievement of individual and Company performance hurdles as determined by the Company in its absolute discretion; and ▪ from 1 July 2020, eligible to participate in any senior executive short-term incentive plan.

Directors' Report
30 June 2020

Director	Key Terms of Service Agreement
	The Board has resolved to award 3 million Performance Rights to Ariel in recognition of joining the Company. The vesting conditions, performance hurdles and general terms of the Performance Rights are summarised under the heading "Share-Based Compensation" below. Ariel's employment contract contains express provisions protecting the Company's confidential information and intellectual property. Ariel's employment contract contains mutual non-disparagement obligations which survive the termination of employment. Under the terms of Ariel's employment contract, either party is entitled to terminate Ariel's employment by giving six months' written notice. After termination of employment, the employment contract provides that Ariel will be subject to non-compete and non-solicitation of employee restrictions for a period of 12 months following the termination or cessation of employment.

Details of Remuneration

Details of the remuneration of KMP of the Group are set out in the following tables:

	Short term Benefits			Post employment Benefits	Long-term Benefits	Share-based payments	Total
	Cash Salaries, Fees & Bonuses	Annual Leave Accrued	Non-monetary	Super-annuation	Long Service Leave	Equity Settled	
2020							
Directors:							
Simon Bird	27,447	-	-	2,607	-	-	30,054
Michael Tilley	28,540	-	-	2,711	-	-	31,251
Marcello Russo	303,443	17,734	-	22,557	5,490	-	349,224
Jeffrey Shorter	320,759	-	-	-	-	-	320,759
Anthony Willsallen	21,880	-	-	2,079	-	-	23,959
Craig Lawn	24,639	-	-	2,341	-	-	26,979
Brent Emmett	47,945	-	-	4,555	-	-	52,500
Other KMP:							
Ian Coates	203,729	-	-	16,952	-	-	220,681
Ariel Sivikofsky	76,126	6,375	-	7,171	-	-	89,672
Total	**1,054,508**	**24,109**	**-**	**60,973**	**5,490**	**-**	**1,145,079**

	Short term Benefits			Post employment Benefits	Long-term Benefits	Share-based payments	Total
	Cash Salaries, Fees & Bonuses	Annual Leave Accrued	Non-monetary	Super-annuation	Long Service Leave	Equity Settled	
2019							
Directors:							
Michael Tilley	-	-	-	-	-	-	-
Marcello Russo	285,423	12,582	-	21,417	21,715	9,079	350,215
Jeffrey Shorter	210,283	14,235	-	-	-	64,530	289,049
Anthony Willsallen	-	-	-	-	-	-	-
Craig Lawn	-	-	-	-	-	-	-
Brent Emmett	-	-	-	-	-	-	-
Brian Vowels	-	-	-	-	-	-	-
Other KMP:							
Ian Coates	244,879	14,473	-	19,521	1,715	7,565	288,154
Total	**740,585**	**41,290**	**-**	**40,938**	**23,430**	**81,174**	**927,418**

Share-Based Payments

The accounting standards require share-based payments expense to be calculated using the fair value of the shares at grant date, amortised over the relevant performance and service period. FY20 share based payments includes the LTI plan and represents the FY20 portion of the fair value of rights granted in FY19. During FY20, the Group did not grant any further share-based compensation to KMPs, instead share-based compensation granted to previous KMPs have been forfeited due to resignations. These were:

- 4,500,000 options previously granted (in FY19) to Jeffery Shorter – forfeited upon resignation without vesting;
- 1,500,000 Tenure Restricted Stock Units previously granted (in FY19) to Jeffery Shorter - forfeited upon resignation without vesting;

- USD$150,000 Performance Restricted Stock Units previously granted (in FY19) to Jeffery Shorter - forfeited upon resignation without vesting; and
- AUD$125,000 Performance Rights previously granted (in FY19) to Ian Coates - forfeited upon resignation without vesting.

Performance Rights

During the year, the Board resolved to grant Performance Rights to Marcello Russo on or about 30 November 2019. The aggregate number of Performance Rights to be granted will be calculated by dividing the amount of the award (A$150,000 in the case of Marcello Russo) by the VWAP of the Group's shares over the five trading days immediately prior to 30 November 2019.

The following terms apply to the Performance Rights:

<table>
<tr><th>Term</th><th>Details</th></tr>
<tr><td>Expiry Date</td><td>30 August 2023</td></tr>
<tr><td>Vesting</td><td>On satisfaction of the vesting conditions and performance hurdles, Performance Rights will automatically convert into shares of the Group. Marcello Russo's Performance Rights may be cash settled at the discretion of the Board.

Performance Rights have a nil exercise price and no consideration is payable by the holder of the Performance Rights on vesting.</td></tr>
<tr><td>Vesting Dates</td><td>The Performance Rights vest (subject to satisfaction of the vesting conditions and performance hurdles, as follows:
<table>
<tr><th>Vesting Date</th><th>$</th></tr>
<tr><td>30 August 2020</td><td>$50,000</td></tr>
<tr><td>30 August 2021</td><td>$50,000</td></tr>
<tr><td>30 August 2022</td><td>$50,000</td></tr>
<tr><td>Total</td><td>$150,000</td></tr>
</table></td></tr>
<tr><td>Vesting Conditions</td><td>Holders of the Performance Rights must be an employee of Tubi Limited as at the applicable vesting date.</td></tr>
<tr><td>Performance Hurdles</td><td>The performance hurdles for each tranche of Performance Rights are:
▪ positive total shareholder return during the prior financial year; and
▪ 10% per annum growth in earnings per share in the prior financial year.</td></tr>
<tr><td>Rollover</td><td>If both the vesting condition and performance hurdles are not satisfied, the relevant tranche of Performance Rights will be added to the immediately subsequent tranche and the relevant performance hurdle will be added to the immediately subsequent performance hurdle. If both the vesting condition and performance hurdles are not satisfied by the third and final tranche, all Performance Rights will automatically lapse.</td></tr>
<tr><td>Listing</td><td>The Performance Rights are not listed on the ASX or any other listing authority, stock exchange or market.</td></tr>
<tr><td>Transfer</td><td>The PRSUs may only be transferred with the prior consent of the Board or by force of law.</td></tr>
</table>

Additionally, as per the terms of the employment contract, Ariel Sivikofsky is to be awarded 3 million Performance Rights (rights to 3 million shares) in recognition of his agreement to join the Company. The award of 3 million performance rights at the 5-day variable weighted average price as determined by trading on the ASX up until the day prior to making the award. It must be noted that the award date is yet to be determined but will be on or about 30 October 2020.

The vesting dates for these rights shall be over 3 equal tranches, the first being 31 August 2021, the second being 31 August 2022, and the final tranche will vest in 31 August 2023. To be eligible for vesting Ariel must be employed by the Company and not serving any period of notice or suspension at the vesting date.

Additional Disclosures Relating to Key Management Personnel

Ordinary Shares Held by KMP

The number of Ordinary Shares in the Company during the 2020 reporting period held by each of the Group's key management personnel, including their related parties, is set out below:

	Ordinary shares				
KMP	Held at 30 June 2019	Acquired in the year	Disposed in the year	Held at 30 June 2020	As a % of Ordinary shares
Directors:					
Michael Tilley 6,8	104,014,980	-	-	104,014,980	42.78%
Marcello Russo 9	35,727,420	-	-	35,727,420	14.69%
Anthony Willsallen 7,8	104,014,980	-	-	104,014,980	42.78%
Craig Lawn 10	1,942,500	-	-	1,942,500	0.80%
Brent Emmett 11	750,000	-	-	750,000	0.31%
Other KMP:					
Ian Coates 12	1,553,130	-	(752,786)	800,344	0.33%

	Ordinary Shares						
KMP	Held at 30 June 2018	Capital Raising [1]	Impact of Share Split [2]	Conversion of Loans [3]	IPO Offer [4]	Held at 30 June 2019	As a % of Ordinary Shares [5]
Directors:							
Michael Tilley [6, 8]	3,000,000	108,000	90,132,000	10,774,980	-	104,014,980	42.78%
Marcello Russo [9]	2,000,000	72,000	60,088,000	2,367,420	(28,800,000)	35,727,420	14.69%
Anthony Willsallen [7, 8]	3,000,000	108,000	90,132,000	10,774,980	-	104,014,980	42.78%
Craig Lawn [10]	62,500	2,250	1,877,750	-	-	1,942,500	0.80%
Brent Emmett [11]	-	-	-	-	750,000	750,000	0.31%
Other KMP:							
Ian Coates [12]	50,000	1,771	1,501,359	-	-	1,553,130	0.64%

[1] On 8 February 2019, the Company raised $1,259,153 via the issue of 208,469 Ordinary Shares at an issue price of $6.04 per Share.

[2] On 29 April 2019, the Company undertook a 1:30 share split.

[3] On 29 April 2019, the Company converted shareholders loans in the sum of $2,628,483.64 into Ordinary Shares at an issue price of $0.20 per Share.

[4] As part of the IPO Offer, 28,800,000 Shares were sold by existing shareholders at a sale price of $0.20 per Share. Under the Offer, Brent Emmett acquired 750,000 Ordinary Shares.

[5] Based on 243,142,400 Ordinary Shares on issue.

[6] 51,882,480 shares are held by Oxleigh Pty Ltd, an entity associated with Michael Tilley. Oxleigh Pty Ltd has a relevant interest in the 52,132,500 shares held by Bald Hill Quarry Pty Ltd.

[7] 52,132,500 shares are held by Bald Hill Quarry Pty Ltd, an entity associated with Anthony Willsallen. Bald Hill Quarry Pty Ltd has a relevant interest in the 51,822,480 shares held by Oxleigh Pty Ltd.

[8] Oxleigh Pty Ltd and Bald Hill Quarry Pty Ltd are associates.

[9] Held by Chiara Corporations Pty Ltd as trustee for the Russo Family Trust.

[10] Held by Craig Lawn and Joy Lawn as trustee for the Lawn Family Superannuation Fund.

[11] Held by VLH Pty Ltd, an entity associated with Brent Emmett

[12] Held by Jecki Holdings Pty Ltd as trustee for the Coates Family Trust.

KMP Related Party Transactions

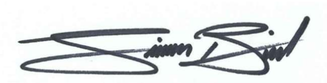
During the year ended 30 June 2020, the following transactions occurred between the Group and its other related parties:

- As at 30 June 2020, related party loans amounting to $200,575, including accrued interest of $575 was payable by the Group to entities related to a certain Director and shareholder. The principle loan and interest was repaid in full in September 2020.

- During the year the Company determined not to proceed with the order for one of four new manufacturing plants proposed for completion during the current financial year. A company (Hopetoun Corporation Pty Ltd ("Hopetoun")) associated with Mr Michael Tilley and Mr Anthony Willsallen who were both substantial shareholders and directors of the Company offered to approach the individual component suppliers and seek to place orders for the same components as those cancelled by the Company and entered into an Lease Agreement with Hopetoun. Further details of the arrangement can be found at Note 31(b) of the financial report.

End of Audited Remuneration Report

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Director: ....

Simon Bird

Date: 30 September 2020

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Company has a detailed governance framework.

The Company has adopted the fourth edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council in February 2019 and become effective for the financial years beginning on or after 1 January 2020 however the Company has elected to apply early adoption.

The Company's Corporate Governance Statement is current at 30 September 2020 and is available on the Company's website at https://tubigroup.com/investors/corporate-governance/.

Tubi Limited
ABN: 25 139 142 493

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Tubi Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

PKF

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SCOTT TOBUTT
PARTNER

30 SEPTEMBER 2020
SYDNEY, NSW

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue	5	**20,811,108**	31,563,749
Other income	5	**651,527**	117,059
Raw materials and consumables used		**(23,051,888)**	(25,902,032)
Employee benefits expense		**(706,820)**	(626,368)
Depreciation and amortisation expense		**(1,306,455)**	(1,019,454)
Travel and accommodation		**(407,765)**	(290,072)
Repairs and maintenance		**(180,364)**	(40,893)
Legal and professional		**(346,981)**	(1,220,195)
Consultancy		**(269,679)**	(157,261)
Rental expense		**(17,368)**	(29,406)
Insurance		**(85,956)**	(27,133)
Other operating expenses		**(745,650)**	(234,006)
Finance expenses	6	**(28,445)**	(9,683)
(Loss) / Profit before income tax	7	**(5,684,736)**	2,124,305
Income tax expense	8	**1,016,863**	(625,252)
(Loss) / Profit for the year		**(4,667,873)**	1,499,053
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		**91,184**	57,777
Other comprehensive income for the year, net of tax		**91,184**	57,777
Total comprehensive income for the year		**(4,576,689)**	1,556,830
(Loss) / Profit attributable to:			
Members of the parent entity		**(4,667,873)**	1,499,053
Total comprehensive (loss) / income attributable to:			
Members of the parent entity		**(4,576,689)**	1,556,830
Earnings per share			
From continuing operations:			
Basic earnings per share (cents)	22	**(1.92)**	0.80
Diluted earnings per share (cents)	22	**(1.89)**	0.80

Tubi Limited

ABN: 25 139 142 493

Consolidated Statement of Financial Position

As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	**776,092**	7,605,594
Trade and other receivables	11	**1,792,104**	3,623,199
Inventories	12	**2,669,132**	1,593,012
Other assets	15	**22,686**	23,143
TOTAL CURRENT ASSETS		**5,260,014**	12,844,948
NON-CURRENT ASSETS			
Property, plant and equipment	13	**19,746,630**	16,814,696
Deferred tax assets	25	**1,402,646**	227,337
Intangible assets	14	**307,987**	275,223
Right-of-use assets	16	**807,087**	-
TOTAL NON-CURRENT ASSETS		**22,264,350**	17,317,256
TOTAL ASSETS		**27,524,364**	30,162,204
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	**6,747,172**	5,641,538
Borrowings	18	**200,575**	140,395
Current tax liabilities	25	**455,741**	597,855
Lease liabilities	16	**67,713**	-
Employee benefits	19	**198,754**	187,494
TOTAL CURRENT LIABILITIES		**7,669,955**	6,567,282
NON-CURRENT LIABILITIES			
Deferred tax liabilities	25	**2,076,006**	1,966,825
Lease liabilities	16	**744,619**	-
TOTAL NON-CURRENT LIABILITIES		**2,820,625**	1,966,825
TOTAL LIABILITIES		**10,490,580**	8,534,107
NET ASSETS		**17,033,784**	21,628,097
EQUITY			
Issued capital	20	**18,042,218**	18,042,218
Reserves	21	**265,205**	191,645
Retained earnings		**(1,273,639)**	3,394,234
Total equity attributable to equity holders of the Company		**17,033,784**	21,628,097
TOTAL EQUITY		**17,033,784**	21,628,097

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Note	Ordinary Shares $	Retained Earnings $	Foreign Currency Translation Reserve $	Share Based Payments Reserve $	Total $
Balance at 1 July 2019		**18,042,218**	**3,394,234**	**110,471**	**81,174**	**21,628,097**
Loss attributable to members of the parent entity		**-**	**(4,667,873)**	**-**	**-**	**(4,667,873)**
Total other comprehensive income for the year		**-**	**-**	**91,184**	**-**	**91,184**
Total comprehensive income for the year		**-**	**(4,667,873)**	**91,184**	**-**	**(4,576,689)**
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	20(a)	**-**	**-**	**-**	**-**	**-**
Share based payment transactions	33	**-**	**-**	**-**	**(17,624)**	**(17,624)**
Balance at 30 June 2020		**18,042,218**	**(1,273,639)**	**201,655**	**63,550**	**17,033,784**

2019

	Note	Ordinary Shares $	Retained Earnings $	Foreign Currency Translation Reserve $	Share Based Payments Reserve $	Total $
Balance at 1 July 2018		4,838,823	1,895,181	52,694	-	6,786,698
Profit attributable to members of the parent entity		-	1,499,053	-	-	1,499,053
Total other comprehensive income for the year		-	-	57,777	-	57,777
Total comprehensive income for the year		-	1,499,053	57,777	-	1,556,830
Transactions with owners in their capacity as owners						
Contribution of equity, net of transaction costs	20(a)	13,203,395	-	-	-	13,203,395
Share based payment transactions	33	-	-	-	81,174	81,174
Balance at 30 June 2019		18,042,218	3,394,234	110,471	81,174	21,628,097

Tubi Limited

ABN: 25 139 142 493

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**19,067,773**	33,864,232
Payments to suppliers and employees		**(21,906,313)**	(31,122,037)
Interest received		**16,676**	43,575
Interest paid		**(20,989)**	(10,264)
Income taxes paid		**(191,379)**	(175,436)
Receipt from grants		**319,848**	-
Net cash (used in) / provided by operating activities	32	**(2,714,384)**	2,600,070
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**7,876,310**	129,943
Purchase of property, plant and equipment		**(12,055,376)**	(9,334,574)
Purchase of intangble assets		**(56,995)**	(36,044)
Net cash used in investing activities		**(4,236,061)**	(9,240,675)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**-**	10,574,911
Proceeds from borrowings		**200,000**	-
Repayment of borrowings		**(140,395)**	(77,293)
Repayment of lease liabilities		**(29,846)**	-
Net cash provided by financing activities		**29,759**	10,497,618
Effects of exchange rate changes on cash and cash equivalents		**91,184**	57,777
Net (decrease) / increase in cash and cash equivalents held		**(6,829,502)**	3,914,790
Cash and cash equivalents at beginning of financial year		**7,605,594**	3,690,804
Cash and cash equivalents at end of financial year	10	**776,092**	7,605,594

The accompanying notes form part of these financial statements.

The consolidated financial report covers Tubi Limited and its controlled entities ('the Group'). Tubi Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 30 September 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Change in Accounting Policy

Leases - Adoption of AASB 16

The Group has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

Under AASB 117, the Group assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the consolidated statement of financial position (except for short-term leases and leases of low value assets).

The Group has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the consolidated statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Group has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Group's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;

2 Change in Accounting Policy continued

Leases - Adoption of AASB 16 continued

Impact of adoption of AASB 16 continued

- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the consolidated statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Group has recognised right-of-use assets of $Niland lease liabilities of $Nil at 1 July 2019, for leases previously classified as operating leases. Refer to Note 16 for details of new leases entered into during the year and recognised under the provisions of AASB 16.

3 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 29 to the financial statements.

Subsidiaries

Subsidiaries are all entities over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

3 Summary of Significant Accounting Policies continued

(b) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Leases

For comparative year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

3 Summary of Significant Accounting Policies continued

(c) Leases continued

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

For current year

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

3 Summary of Significant Accounting Policies continued

(d) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Specific revenue streams

Sale of goods - manufacture of HDPE pipe

The principal revenue stream of the Group is the operation of Mobile Plants to manufacture High Density Polyethylene (HDPE) pipes for industrial projects. Revenue is recognised upon successful delivery of manufactured pipes under the terms of the contract over the project term, being the point at which the performance obligation has been met under the terms of the contract with customers.

Sale of equipment - construction and sale of Mobile Plants

Revenue from the sale of equipment represents the construction and sale of Mobile Plants used in the manufacture of HDPE pipes for industrial use. Revenue is recognised on completion of the performance obligations and when control of the performance obligations relating to the equipment is transferred to the customer.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(f) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

3 Summary of Significant Accounting Policies continued

(f) Goods and services tax (GST) continued

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment is depreciated on a straight-line or reducing balance basis (as appropriate) over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Capital Works in Progress	See below
Plant and Equipment	10 - 20%
Furniture, Fixtures and Fittings	20%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Capital works in progress relate to the construction of new mobile manufacturing plants which once completed and commisioned as ready for use will be transferred to plant and equipment and depreciated in line with the respective rate above.

(i) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

3 Summary of Significant Accounting Policies continued

(i) Financial instruments continued

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

3 Summary of Significant Accounting Policies continued

(i) Financial instruments continued

Financial assets continued

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, financial assets have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision incorporate forward looking information.

Trade receivables

Impairment of trade receivableshave been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

(j) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

3 Summary of Significant Accounting Policies continued

(j) Impairment of non-financial assets continued

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(k) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life of 20 years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(m) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

3 Summary of Significant Accounting Policies continued

(n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(q) Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

(r) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the

3 Summary of Significant Accounting Policies continued

(r) Foreign currency transactions and balances continued

Transaction and balances continued

date of the transaction; and

- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and

- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(s) Segment reporting

Operating segments are identified on the basis of internal reports to senior management about components of the Group that are regularly reviewed by senior management who have been identified as the chief operating decision makers, in order to allocate resources to the segment and to assess its performance. Information reported to senior management for the purposes of resource allocation and assessment of performance is specifically focused on core products and services offered, comprising one reportable segments as disclosed in Note 9.

3 Summary of Significant Accounting Policies continued

(t) Going concern

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

The Group has incurred net losses after tax of $4,667,873 (2019: profit of $1,499,053) and net cash outflows of $6,829,502 (2019: inflows of $3,914,790) for the year ended 30 June 2020. At 30 June 2020, the Group had net current liabilities of $2,409,941 (2019: net current assets of $6,277,666). The directors have considered the following factors in their assessment of the going concern basis:

- From the commencement of the year until March 2020 the Group continued to manufacture HDPE pipe from its Mobile Extrusion Plant in the Permian Basin, Texas, USA for MPS Enterprises, Inc under a Manufacturing and Supply Agreement. The decline in investment activity in the upstream oil and gas industry caused by the decline in oil prices led to a reduction in orders, selling prices, exclusivity restrictions, and margins;

- The Group also incurred significant operating costs in 1H FY20 due to a series of operator failings, resulting in approximately six weeks of lost production;

- To mitigate the decline in the Permian Basin and the risks of operations, the Group has invested in an internal sales team and instigated a change in senior management;

- The Group has further secured customers in new markets in Florida. Through late March to May two plants were commissioned at a base site leased from a key customer and global miner of phosphate and potash in Bartow, Florida;

- The Group had cash of $776,092 as at 30 June 2020 and, as disclosed in Note 34, the Group successfully completed a $6.1m capital raising subsequent to the year end.

Based on the cash flow forecasts prepared by the directors underpinned by the above factors, and having carefully assessed the likelihood and timing of cash flows from planned operations, the directors are confident that the Group will be able to fund its activities and be able to pay its debts as they fall due. The directors have therefore determined the going concern basis as being appropriate in the preparation of this financial report.

(u) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group or refer to Note 2 for details of the changes due to standards adopted.

3 Summary of Significant Accounting Policies continued

(v) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
Conceptual Framework for Financial Reporting (Conceptual Framework)	1 January 2020	The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards.	The Group has determined not to early adopt this Standard. The Group will consider the revised definitions included within the revised Conceptual Framework, particularly where the accounting for an existing balance has been developed with reference to the previous conceptual framework. In addition, any balances or transactions which have been taken to other comprehensive income will be reviewed to confirm that they are permitted by an accounting standard.

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

(a) Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

4 Critical Accounting Estimates and Judgments continued

(a) Key estimates - impairment of property, plant and equipment continued

If such impairment indicators were to be triggered, management would perform such calculations incorporating the use of cash flow projections for plant and equipment incorporating growth rates factored into valuation models for the next five years on the basis of management’s expectations around the Group’s continued ability to capture market share from competitors. Cash flow growth rates would then also be determined for periods subsequent to the five year period to reflect historical industry averages. The rates would incorporate an allowance for inflation. Pre-tax discount rates would be used in all models based on management's assessment of market factors relevant to the Group's business and industry.

(b) Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An expected credit loss provision is included for any receivable where the entire balance is not considered collectible. Refer to Note 11(a) for further details on the determination of the expected credit loss provision.

(c) Key judgments - revenue recognition relating to construction and sale of mobile plants

The Group undertakes contracts for the construction and sale of mobile plants and related activities. Recognition of revenue in relation to these contracts involves determining when all performance conditions and obligtaions under the terms of the contract have been met, and control over the asset constructed together with the related benefits have been passed in the entirety to the customer. The assumptions are based on the information available to management at the reporting date together with formal acceptance being recieved from the customer that such performance obligations under the terms of the contract have been met. Refer to Note 3(d) for further details of the Group's accounting policy in relation to revenue recognition.

(d) Key judgments - capitalisation of expenditure relating to mobile plants

The Group capitalises expenditure relating to the construction of new mobile manufacturing plants. In determinig which costs qualify for capitalisation as capital works in progress, the Group determines whether costs that are directly attributable to the construction of such plant can be measured reliably, and whether economic benefit from such construction will flow to the Group. Directly attributable costs are those costs that the Group incurs in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Refer to Note 3(h) for further details of the Group's accounting policy in relation to capital works in progress.

4 Critical Accounting Estimates and Judgments continued

(e) Impact of Coronavirus (COVID-19)

Background

The spread of novel coronavirus (COVID-19), a respiratory illness caused by a new virus, was declared a public health emergency by the World Health Organisation in January 2020 and upgraded to a global pandemic in March 2020. This pandemic has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening.

Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Group has considered the effects of these events based on the information at the date of issuing this financial report and potential effects of business and other market volatility in preparing its financial statements.

Impact and considerations for the financial statements of the Group

The Group has determined that the financial position and performance of the Group will not be significantly or materially impacted by COVID-19 when considering the nature of the Group's operations, customer and supplier base, and levels of activity to date.

Production at our base site in Florida is currently classified as an essential service under the COVID-19 restrictions. Tubi is not currently experiencing material operating restrictions in Florida, where the Group's operations, primarily supplying the mining industry, satisfy the essential services exemptions to business and social restrictions. Raw materials are delivered to a rail siding close to Tubi's manufacturing site. The manufacture and supply of raw materials together with other services currently remain active.

Production volumes from both these plants have steadily increased in the last quarter of the year. Production at the plant located in Odessa, Texas has temporarily been suspended. A decision on whether to keep the plant at the Odessa location or re-deploy it will be made as different regional markets are evaluated

5 Revenue and Other Income

Revenue from continuing operations

		2020	2019
		$	$
Revenue from contracts with customers			
- Sale of goods		**11,448,909**	31,563,749
- sale of equipment	(a)	**9,362,199**	-
Total Revenue		**20,811,108**	31,563,749

5 Revenue and Other Income continued

		2020	2019
		$	$
Other Income			
- interest		**16,102**	19,789
- other income		**315,577**	97,270
- grants	(b)	**319,848**	-
		651,527	117,059

(a) Sale of equipment

Sale of equipment represents the supply of Mobile Plant and related equipment (the Plant) in accordance with the Equipment Purchase Agreement (EPA) with Iplex Pipelines NZ Limited (IPLEX) entered into on 21 December 2018. The construction and assembly of the Plant together with related performance obligations under the terms of the EPA were completed during the year and revenue has been recognised in accordance with the Group's accounting policy.

(b) Grants

The government grant was received for the US Small Business Administration's Paycheck Protection Program with the entire amount received being used exclusively for payroll purposes.

6 Finance Income and Expenses

Finance expenses

	2020	2019
	$	$
Interest expense	**20,877**	9,683
Foreign currency loss on financial assets and liabilities	**7,568**	-
Total finance expenses	**28,445**	9,683

7 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	$	$
Cost of sales	**23,051,888**	25,902,032
Other expenses:		
Depreciation	**1,282,224**	1,002,654
Amortisation	**24,231**	16,800

Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2020	2019
	$	$
Current tax expense		
Income tax - current period	**61,993**	609,471
Deferred tax expense		
Origination and reversal of temporary differences	**(1,078,856)**	15,781
Total income tax expense	**(1,016,863)**	625,252

(b) Reconciliation of income tax to accounting profit:

	2020	2019
	$	$
Profit	**(5,684,736)**	2,124,305
Tax	**27.50 %**	27.50 %
	(1,563,302)	584,184
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	**486,476**	387,509
- share options expensed during year	**-**	24,352
- non-deductible expenses	**320,941**	-
	(755,885)	996,045
Less:		
Tax effect of:		
- other	**(624,892)**	(80,094)
Recoupment of prior year tax losses previously not brought to account	**-**	(226,627)
Income tax attributable to the Group	**(1,380,777)**	689,324
Difference in overseas tax rates	**363,914**	(64,072)
Income tax expense	**(1,016,863)**	625,252
Weighted average effective tax rate	**(18)%**	29 %

The decrease in the weighted average effective consolidated tax rate for 2020 compared to 2019 is primarily as a result of losses brought to account in 2020 that previously were not recognised in 2019.

8 Income Tax Expense continued

(c) Income tax relating to each component of other comprehensive income:

	2020			2019		
	Before-tax Amount	Tax (Expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (Expense) Benefit	Net-of-tax Amount
	$	$	$	$	$	$
Exchange differences on translating foreign controlled entities	**125,771**	**(34,587)**	**91,184**	79,692	(21,915)	57,777

9 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

Performance is measured based on segment profit before income tax as included in the internal financial reports.

The Group has one reportable segment, being the manufacturing of HDPE pipe and the sale of technology licenses to manufacture HDPE pipe. The sale of mobile plants is not considered an operating segment based on above and the Group's accounting polilcy.

10 Cash and Cash Equivalents

	2020	2019
	$	$
Cash at bank and in hand	**776,092**	7,605,594
	776,092	7,605,594

Notes to the Financial Statements

For the Year Ended 30 June 2020

11 Trade and other receivables

		2020	2019
		$	$
CURRENT			
Trade receivables		**1,759,489**	2,982,869
Provision for impairment	(a)	**-**	-
		1,759,489	2,982,869
Deposits		**-**	515,928
Other receivables		**32,615**	98,813
Amounts due from related party	31(b)	**-**	25,589
Total current trade and other receivables		**1,792,104**	3,623,199

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2020 is determined as follows, the expected credit losses incorporate forward looking information.

The Group determines the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Based on the the Group's historical experience and assessment of these factors, no loss allowance has been required for the year.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Notes to the Financial Statements

For the Year Ended 30 June 2020

12 Inventories

	2020 $	2019 $
CURRENT		
At cost:		
Raw materials	**2,135,295**	1,218,187
Finished goods	**533,837**	374,825
	2,669,132	1,593,012

Write downs of inventories to net realisable value during the year were $ NIL (2019: $ NIL).

13 Property, plant and equipment

	Note	2020 $	2019 $
Capital works in progress			
At cost	(a)	**3,229,469**	8,453,616
Plant and equipment			
At cost		**19,048,169**	9,662,907
Accumulated depreciation		**(2,716,218)**	(1,564,606)
Total plant and equipment		**16,331,951**	8,098,301
Furniture, fixtures and fittings			
At cost		**34,240**	33,653
Accumulated depreciation		**(27,233)**	(18,106)
Total furniture, fixtures and fittings		**7,007**	15,547
Motor vehicles			
At cost		**359,098**	352,138
Accumulated depreciation		**(180,895)**	(104,906)
Total motor vehicles		**178,203**	247,232
Total property, plant and equipment	(b)	**19,746,630**	16,814,696

(a) Capital works in progress

Capital works in progress relates to the construction of Tubi's third group owned, mobile manufacturing plant, Plant 5004 (its fourth plant in operation, as one is currently leased) to be commissioned by the end of FY2021. Details of the capital commitments in relation to these works are included in Note 23(c).

Notes to the Financial Statements

For the Year Ended 30 June 2020

13 Property, plant and equipment continued

(b) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Capital Works in Progress	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	$	$	$	$	$
Year ended 30 June 2020					
Balance at the beginning of year	**8,453,616**	**8,098,301**	**15,547**	**247,232**	**16,814,696**
Additions	**3,035,491**	**9,389,326**	**-**	**6,960**	**12,431,777**
Disposals	**(8,254,651)**	**(17,250)**	**(1,537)**	**-**	**(8,273,438)**
Depreciation expense	**-**	**(1,200,922)**	**(5,549)**	**(75,733)**	**(1,282,204)**
Foreign exchange movements	**(4,987)**	**62,496**	**(1,454)**	**(256)**	**55,799**
Balance at the end of the year	**3,229,469**	**16,331,951**	**7,007**	**178,203**	**19,746,630**

	Capital Works in Progress	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	$	$	$	$	$
Year ended 30 June 2019					
Balance at the beginning of year	-	8,292,726	6,375	277,701	8,576,802
Additions	8,453,616	850,057	10,551	20,350	9,334,574
Disposals	-	(138,902)	-	-	(138,902)
Depreciation expense	-	(934,967)	(1,626)	(66,061)	(1,002,654)
Foreign exchange movements	-	29,387	247	15,242	44,876
Balance at the end of the year	8,453,616	8,098,301	15,547	247,232	16,814,696

During the year, disposal of Capital Works in Progress comprised the following:

- Sale of the Mobile Plant on completion of construction in accordance with the Equipment Purchase Agreement with Iplex Pipelines NZ Limited. Refer to Note 5 for details of the revenue recognised in relation to this Plant. Cash flows from the proceeds of this sale have been recognised in receipts from customers in the Consolidated Statement of Cash Flows;

Notes to the Financial Statements

For the Year Ended 30 June 2020

14 Intangible Assets

	2020	2019
	$	$
Patents and trademarks		
Cost	**410,649**	353,654
Accumulated amortisation and impairment	**(102,662)**	(78,431)
Net carrying value	**307,987**	275,223
Total Intangibles	**307,987**	275,223

(a) Movements in carrying amounts of intangible assets

	Patents and trademarks	Total
	$	$
Year ended 30 June 2020		
Balance at the beginning of the year	**275,223**	**275,223**
Additions	**56,995**	**56,995**
Amortisation	**(24,231)**	**(24,231)**
Closing value at 30 June 2020	**307,987**	**307,987**

	Patents and trademarks	Total
	$	$
Year ended 30 June 2019		
Balance at the beginning of the year	255,979	255,979
Additions	36,044	36,044
Amortisation	(16,800)	(16,800)
Closing value at 30 June 2019	275,223	275,223

15 Other non-financial assets

	2020	2019
	$	$
CURRENT		
Prepayments	**22,686**	23,143

16 Leases

The Group has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Group has leases over land and buildings.

The Group has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

This asset and corresponding liability relate to the manufacturing site lease at Batow, Florida. The initial lease term is for a 2 year period, with an option to extend the lease every 2 years, for 4 additional periods. That is, a rolling two year lease for 4 additional rollovers, being for a 10 year period.

Right-of-use assets

	Buildings	Total
	$	$
Year ended 30 June 2020		
Balance at beginning of year	842,178	842,178
Depreciation charge	(35,091)	(35,091)
Balance at end of year	807,087	807,087

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Consolidated Statement Of Financial Position
	$	$	$	$	$
2020					
Lease liabilities	67,713	308,183	436,436	812,332	812,332

Extension options

A number of the building leases contain extension options which allow the Group to extend the lease term by up to twice the original non-cancellable period of the lease.

The Group includes options in the leases to provide flexibility and certainty to the Group operations and reduce costs of moving premises and the extension options are at the Group's discretion.

At commencement date and each subsequent reporting date, the Group assesses where it is reasonably certain that the extension options will be exercised.

Notes to the Financial Statements

For the Year Ended 30 June 2020

16 Leases continued

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	2020	2019
	$	$
Depreciation of right-of-use assets	**(35,091)**	-
	(35,091)	-

Consolidated Statement of Cash Flows

	2020	2019
	$	$
Total cash outflow for leases	**29,846**	-

17 Trade and Other Payables

	2020	2019
	$	$
Current		
Trade payables	**6,240,993**	1,540,310
Deposits	**-**	3,798,785
GST payable	**11,217**	-
Accrued expenses	**339,511**	276,562
Other payables	**155,451**	25,881
	6,747,172	5,641,538

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Deposits relate to payments received in advance for the commissioning of mobile manufacturing plants under the terms of agreed contracts with customers. These plants are currently under construction and included as capital works in progress in Property, plant and equipment - refer to Note 13.

Notes to the Financial Statements

For the Year Ended 30 June 2020

18 Borrowings

	Note	2020 $	2019 $
CURRENT			
Unsecured liabilities:			
Related party payables		**200,575**	-
Secured liabilities:			
Lease liability secured	23	**-**	140,395
Total current borrowings		**200,575**	140,395
Total borrowings		**200,575**	140,395

(a) Borrowings - related party loans

In June 2020, related party loans amounting to $200,575, including accrued interest of $575, was payable by the Group to entities related to certain directors and shareholders.

19 Employee Benefits

	2020 $	2019 $
Current liabilities		
Provision for employee benefits	**198,754**	187,494
	198,754	187,494

20 Issued Capital

	2020 $	2019 $
243,142,400 (2019: 243,142,400) Ordinary shares	**18,042,218**	18,042,218

20 Issued Capital continued

(a) Ordinary shares

	No.	$.
Opening balance at 1 July 2018	**5,791,531**	**4,838,823**
19: Rights issue at $6.04 per share	**208,469**	**1,259,152**
Subtotal	**6,000,000**	**6,097,975**
Conversion on 1:30 share split	**180,000,000**	**6,097,975**
Apr 2019: Issue pre-IPO shares at $0.20 per share	**50,000,000**	**10,000,000**
Apr 2019: Conversion of director and shareholder loans to shares	**13,142,400**	**2,628,484**
Transaction costs	**-**	**(684,241)**
Balance at 30 June 2019	**243,142,400**	**18,042,218**
Movement	**-**	**-**
Balance at 30 June 2020	**243,142,400**	**18,042,218**

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital Management

The key objectives of the Group when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Group defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios.

21 Reserves

(a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

21 Reserves continued

(b) Share based payments reserve

This reserve records the cumulative value of employee service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

22 Earnings per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	2020	2019
	$	$
(Loss) / Profit from continuing operations	**(4,667,873)**	1,499,053
Earnings used in the calculation of dilutive EPS from continuing operations	**(4,667,873)**	1,499,053

(b) Earnings used to calculate overall earnings per share

	2020	2019
	$	$
Earnings used to calculate overall earnings per share	**(4,667,873)**	1,499,053

(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2020	2019
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**243,142,423**	192,378,671
Weighted average number of dilutive options outstanding	**2,995,890**	764,384
Weighted average number of dilutive restricted share units on issue	**998,630**	254,795
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**247,136,943**	193,397,850

23 Capital and Leasing Commitments

(a) Finance Leases

	2020	2019
	$	$
Minimum lease payments:		
- not later than one year	**-**	140,395
Present value of minimum lease payments	**-**	140,395

Notes to the Financial Statements

For the Year Ended 30 June 2020

23 Capital and Leasing Commitments continued

(a) Finance Leases continued

Finance leases are in place for plant and equipment and normally have a term between 1 and 2 years. The leases have terms of renewal but no purchase option or escalation clauses. Renewals are at the option of the entity holding the lease.

(b) Operating Leases

	2020	2019
	$	$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**-**	31,173

Operating leases are in place for plant and equipment and normally have a term between 1 and 2 years. Lease payments are increased on an annual basis to reflect market rentals.

(c) Contracted Commitments

Contracted commitments for:

	2020	2019
Rental of storage facility in US		
- not later than one year	**-**	133,138
- between one year and five years	**-**	3,750
	-	136,888
Construction of mobile manufacturing plants		
- not later than one year	**1,624,462**	10,316,735
- between one year and five years	**-**	610,328
Total contracted commitments	**1,624,462**	11,063,951

24 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

	2020 $	2019 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**776,092**	7,605,594
Trade and other receivables	**1,792,104**	3,623,199
Financial liabilities		
Financial liabilities at amortised cost	**7,403,488**	6,379,788
Total financial liabilities	**7,403,488**	6,379,788
Total	**(4,835,292)**	4,849,005

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of

24 Financial Risk Management continued

Objectives, policies and processes continued

exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a small number of customers, spread across similar industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Board receives monthly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually and the Group's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group is currently dependent on the credit worthiness of two key customers. In the event that either counterparty were to fall into bankruptcy, fail financially or otherwise default on its payment obligations to the Group, the Group may be exposed to significant financial loss both from a failure of that counterparty to pay amounts owing to the Group for product or plant supplied, and from the failure of that party's ability to meet its contractual obligations to the Group.

On a geographical basis, the Group has significant credit risk exposures in Australia, New Zealand and USA given the

24 Financial Risk Management continued

Credit risk continued

location of its operations in those regions.

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
	Gross amount	Past due and impaired	< 30	31-60	61-90	> 90	Within initial trade terms
	$	$	$	$	$	$	$
2020							
Trade receivables	**1,759,489**	**-**	**1,759,489**	**-**	**-**	**-**	**-**
Other receivables	**32,615**	**-**	**32,615**	**-**	**-**	**-**	**-**
Total	**1,792,104**	**-**	**1,792,104**	**-**	**-**	**-**	**-**
2019							
Trade receivables	2,982,869	-	2,964,246	-	-	18,623	-
Other receivables	640,330	-	640,330	-	-	-	-
Total	3,623,199	-	3,604,576	-	-	18,623	-

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US Dollars (USD) and New Zealand Dollars (NZD).

To mitigate the Group's exposure to foreign currency risk, non-Australian Dollar cash flows are monitored. The Group aims to hold sufficient cash and cash equivalents in these respective currencies to enable it to carry out its operations

24 Financial Risk Management continued

and settle amounts primarily in the currency in which the overseas sales and purchases take place.

Therefore, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows,

	USD	NZD	Total AUD
2020	**$**	**$**	**$**
Nominal amounts			
Financial assets	**2,419,870**	**257,228**	**2,677,098**
Financial liabilities	**(7,392,370)**	**(88,231)**	**(7,480,601)**
Short-term exposure	**(4,972,500)**	**168,997**	**(4,803,503)**
2019			
Nominal amounts			
Financial assets	3,826,567	281,487	4,108,054
Financial liabilities	(1,433,075)	(419,537)	(1,852,612)
Short-term exposure	2,393,492	(138,050)	2,255,442

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and financial liabilities and the US Dollar – Australian Dollar exchange rate and New Zealand Dollar – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a +/- 5% change of the Australian Dollar / USD exchange rate for the year ended 30 June 2020 (30 June 2019: 5%). A +/- 5% change is considered for the Australian Dollar / NZD exchange rate (30 June 2019: 5%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

The year end exchange rate is 0.6863 (2019: 0.7013) for USD and 1.0547 (2019: 1.0424) for NZD.

The sensitivity analysis is based on the foreign currency financial instruments held at the reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the Australian Dollar had strengthened and weakened against the USD and NZD by 5% (30 June 2019: 5%) and 5% (30 June 2019: 5%) respectively then this would have had the following impact:

Notes to the Financial Statements

For the Year Ended 30 June 2020

24 Financial Risk Management continued

	2020		2019	
	+5%	-5%	+5%	-5%
USD				
Net results	**(248,625)**	**248,625**	113,411	(113,411)
Equity	**248,625**	**(248,625)**	(113,411)	113,411
NZD				
Net results	**8,450**	**(8,450)**	7,364	(7,364)
Equity	**(8,450)**	**8,450**	(7,364)	7,364

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

25 Tax assets and liabilities

(a) Current Tax Liability

	2020	2019
	$	$
Income tax payable	**455,741**	597,855

(b) Deferred Tax Assets

	Note	Opening Balance	Charged to Income	Charged directly to Equity	Closing Balance
		$	$	$	$
Deferred tax assets					
Provisions - employee benefits		-	30,652	-	30,652
Accruals		-	16,752	-	16,752
Transaction costs on equity issue		-	179,933	-	179,933
Balance at 30 June 2019		-	227,337	-	227,337
Provisions - employee benefits		**30,652**	**674,436**	**-**	**705,088**
Accruals		**16,752**	**500,873**	**-**	**517,625**
Transaction costs on equity issue		**179,933**	**-**	**-**	**179,933**
Balance at 30 June 2020		**227,337**	**1,175,309**	**-**	**1,402,646**

25 Tax assets and liabilities continued

(c) Deferred Tax Liabilities

	Opening Balance $	Charged to Income $	Charged directly to Equity $	Closing Balance $
Deferred tax liabilities				
Property, plant & equipment	1,717,694	198,841	-	1,916,535
Other	-	50,290	-	50,290
Balance at 30 June 2019	1,717,694	249,131	-	1,966,825
Property, plant & equipment	**1,916,535**	**(191,672)**	**-**	**1,724,863**
Other	**50,290**	**300,853**	**-**	**351,143**
Balance at 30 June 2020	**1,966,825**	**109,181**	**-**	**2,076,006**

26 Dividends

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

Franking account

	2020 $	2019 $
The franking credits available for subsequent financial years at a tax rate of 30%	**-**	-

The above available balance is based on the dividend franking account at year-end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;

(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

As at 30 June 2020, the Group has franking debits amounting $3,070,115 (2019: $2,878,736) arising from R&D tax offsets. The franking debits will be recouped against future dividends. The ability to use franking credits on future dividends will only be available once the franking debits have been fully recouped. This is dependent upon the Company's future ability to declare dividends.

Notes to the Financial Statements

For the Year Ended 30 June 2020

27 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2020	2019
	$	$
Short-term employee benefits	**1,078,617**	759,229
Long-term benefits	**5,490**	22,890
Post-employment benefits	**60,972**	40,938
Share-based payments	**9,654**	81,174
	1,154,733	904,231

28 Auditors' Remuneration

	2020	2019
	$	$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements for the current year	**76,500**	48,878
- taxation services	**-**	7,304
- other services	**-**	96,435
Total	**76,500**	152,617

Other services in prior year relate to advisory services in relation to the initial public offering and listing of Tubi Limited on the Australian Stock Exchange (ASX).

29 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2020	Percentage Owned (%)* 2019
Subsidiaries:			
Tubi USA Inc.	USA	**100**	100
Tubi NZ Limited	New Zealand	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

The principal activities of both subsidiaries during the year was the development, operation, leasing and sale of mobile manufacturing plants for the production of high-density polyethylene ("HDPE") pipes for use in the oil and gas, irrigation, mining and infrastructure sectors.

30 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 .

31 Related Parties

(a) The Group's main related parties are as follows:

- Key management personnel - refer to Note 27.
- Subsidiaries - refer to Note 29
- Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

On 1 November 2019 the Company determined not to proceed with the order for one of four new manufacturing plants proposed for completion during the current financial year.

A company (Hopetoun Corporation Pty Ltd ("Hopetoun")) associated with Mr Michael Tilley and Mr Anthony Willsallen who were both substantial shareholders and directors of the Company offered to approach the individual component suppliers and seek to place orders for the same components as those cancelled by the Company.

These orders were subsequently placed on the understanding that the major component suppliers would refund to the Company any deposits made for the components. As part of this process Hopetoun also purchased some miscellaneous parts which the Company had already purchased including electrical wiring, cooling components and pumps from the Company at the Company's cost and reimbursed the Company for capitalised design, engineering and other direct costs incurred by the Company. The prices paid for these components and services were the same as the prices Hopetoun might have acquired them from the original suppliers. The carrying value of these costs amounted to $850,716 and have been recognised as a disposal of Capital Works in Progress during the year.

Under the terms of this agreement, Hopetoun entered into a lease arrangement on 1 February 2020 providing the Company the right to use this plant in its manufacturing operations once constructed for a period of 12 months, for US$1 in rent. Hopetoun has also given the Company an exclusive option until 31st December 2020 to acquire the plant at Hopetoun's cost of construction. The term of the lease is 12 months and has been accounted for as a short-term lease in accordance with the Accounting Standards. Under the arrangement, the Company also contributed commissioning costs of AU$333,339 to bring the plant to its current condition and use. This amount has been capitalised as part of plant and equipment during the year. Hopetoun has also received unrestricted technology license to operate the plant in any market other than New Zealand upon completion of the lease term.

31 Related Parties continued

(c) Loans to/from related parties

Unsecured loans are made to the subsidiaries, key management personnel and other related parties on an arm's length basis. Loans are unsecured and repayable in cash.

	Opening balance	Closing balance	Interest not charged	Interest paid/payable	Impairment
	$	$	$	$	$
Loans from KMP					
2020	**-**	**200,000**	**-**	**575**	**-**
2019	473,484	-	-	-	-
Loans from related parties					
2019	2,155,000	-	-	-	-

32 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020	2019
	$	$
(Loss) / Profit for the year	**(4,667,873)**	1,499,053
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- amortisation	**24,231**	16,800
- depreciation	**1,282,224**	1,002,654
- share based payments expensed	**(17,624)**	81,174
- other	**575**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**1,830,959**	(2,270,855)
- (increase)/decrease in other assets	**457**	83,041
- (increase)/decrease in inventories	**(1,076,120)**	(1,037,472)
- (increase)/decrease in deferred tax asset	**(1,175,309)**	(227,337)
- increase/(decrease) in trade and other payables	**1,105,634**	2,760,244
- (increase)/decrease in other liabilities	**-**	(35,917)
- increase/(decrease) in income taxes payable	**(141,979)**	428,022
- increase/(decrease) in deferred tax liability	**109,181**	249,131
- increase/(decrease) in provisions	**11,260**	51,532
Cashflows from operations	**(2,714,384)**	2,600,070

33 Share-based Payments

The Company provides benefits to employees (including senior executives) of the Group in the form of share-based payments whereby employees render services in exchange for options and shares.

At 30 June 2020 the Group has the following share-based payment schemes:

- Australian Long Term Incentive Plan;
- United States Share Incentive Plan;
- Tenure Restricted Stock Units;
- Performance Restricted Stock Units.

(a) Options granted

A summary of the Company options issued is as follows:

2020 Grant Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
30 April 2019	30 August 2022	0.20	-	4,500,000	-	(4,500,000)	-	-

The weighted average fair value of the options granted during the year was $ - (2019: $ 0.07).

(b) Restricted stock units

A summary of the Restricted Stock Units (RSUs) issued is as follows:

	Note	Grant Date	Expiry Date	Balance at start of year	Granted during the year	Forfeited during the year	Balance at end of year
Tenure RSUs	(i)	30 April 2019	30 August 2022	-	1,500,000	(1,500,000)	-
Performance RSUs	(ii)	30 April 2019	30 August 2022	-	-	-	-
Performance RSUs	(iii)	30 November 2019	30 August 2023	-	-	-	-

(i) These Tenure RSUs were forfeited during the year.

(ii) These Performance RSUs were forfeited during the year.

(ii) The Board resolved to grant these Performance RSUs on or about 30 November 2019. The aggregate

33 Share-based Payments continued

(b) Restricted stock units continued

number of Performance Rights to be granted will be calculated by dividing the amount of the award by the VWAP of the Group's shares over the five trading days immediately prior to 30 November 2019.

34 Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 30 September 2020 by the board of directors.

1) Subsequent to the year end, the Group successfully completed a $6.1 million capital raising by way of a placement and accelerated non-renounceable institutional entitlement offer to eligible new investors and existing shareholders.

The capital raising was well supported and sees several new institutions and sophisticated investors joining the register. All Directors and related parties participated in the capital raising.

Eligible Shareholders also received one free New Option for every three New Shares they subscribe for under the Entitlement Offer. The New Options are exercisable at $0.15 at any time from the date of issue until 30 June 2022.

2) In September 2020, the related party loan amounting to $200,575 was repaid in full.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

35 Parent entity

The following information has been extracted from the books and records of the parent, Tubi Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Tubi Limited has been prepared on the same basis as the consolidated consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

35 Parent entity continued

	2020 $	2019 $
Statement of Financial Position		
Assets		
Current assets	**4,139,363**	6,560,376
Non-current assets	**15,096,469**	15,978,678
Total Assets	**19,235,832**	22,539,054
Liabilities		
Current liabilities	**1,374,494**	4,795,471
Non-current liabilities	**1,941,298**	1,728,074
Total Liabilities	**3,315,792**	6,523,545
Equity		
Issued capital	**18,042,218**	18,042,218
Retained earnings	**(2,185,728)**	(2,077,883)
Option reserve	**63,550**	81,174
Total Equity	**15,920,040**	16,045,509
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or (loss) for the year	**107,832**	(525,475)
Total comprehensive income	**107,832**	(525,475)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2020 or 30 June 2019.

Contractual commitments

The parent entity had capital commitments for the construction of mobile manufacturing plants amounting to $1,624,462 as at 30 June 2020 .

36 Statutory Information

The registered office and principal place of business of the company is:

Tubi Limited
2 Hopetoun Street
Paddington NSW 2021
Australia

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2020 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position and performance of the consolidated group;

2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:

   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

   b. the consolidated financial statements and notes for the financial year comply with the Accounting Standards; and

   c. the consolidated financial statements and notes for the financial year give a true and fair view.

3. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....

Simon Bird

Dated 30 September 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUBI LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Tubi Limited and its controlled entities (the company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the financial report of Tubi Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

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

Independence

We are independent of the consolidated entity 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.

Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. 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. For each matter below, our description of how our audit addressed the matter is provided in that context

1. Revenue recognition - IPLEX contract

Why significant	How our audit addressed the key audit matter
During the year the Group recognised revenue of $9.362m in relation to a stand-alone contract with IPLEX for the construction, assembly and supply of a Mobile Plant (refer to Note 5). Revenue recognition under this particular contract involved significant judgement regarding the level and timing of revenue and the satisfaction of performance obligations under the following three key components of the contract: - Equipment purchase; - License of intellectual property; and - Service contract. Given the nature of the transaction and degree of judgement required in the accounting treatment, we consider this be a Key Audit Matter.	Our work included, but was not limited to, the following procedures: • Reviewing revenue recognition policy with reference to AASB 15 Revenue from Contracts with Customers. • Performing detailed assessment in respect of the 3 components of the IPLEX contract; • Reviewing management's assessment of the IPLEX contract in relation to revenue recognition under the five step model of AASB 15 and the appropriate accounting treatment; and • Vouching sales invoices and amounts received to bank, and ensuring in accordance with the agreed terms of the contract.

Key Audit Matters (cont'd)

2. Capitalised expenditure

Why significant	How our audit addressed the key audit matter
As disclosed in note 13, the Group has capitalised expenditure of $12.432m in the year to 30 June 2020. Capitalised expenditure is predominantly in relation to the construction of three new mobile manufacturing plants (two of which have been commissioned during the year). These mobile manufacturing plants represent the core assets of the Group. Therefore existence, ownership and valuation of capitalised expenditure, in accordance with AASB 116 Property, Plant and Equipment, is materially significant for the Group. The carrying value of mobile manufacturing plants is therefore considered a Key Audit Matter.	Our work included, but was not limited to, the following procedures: • reviewing the construction project plans relating to the mobile manufacturing plants along with any key assumptions/ judgments made by management. • discussing capitalised projects with key personnel responsible for overseeing the projects to assess validity of capitalised expenditure; • vouching a sample of additions to supporting purchase invoices and tracing to bank payment or supplier ledger balance as appropriate; • vouching a sample of labour costs charged to the projects for validity, including review of rationale around calculations and allocation; • assessing expenditure in line with the construction project plans to confirm legitimacy of capital expenses allocated to each plant project in accordance with AASB 116 Property, Plant and Equipment; • assessing work in progress at 30 June 2020 with reference to construction project plans to determine their continued viability and tracking to budget. This includes reviewing progress reports to management and the Board and related minutes of meetings; • reviewing the historical accuracy of project plans with particular attention for any project defaults or write offs of previously capitalised expenditure; • reviewing management's assessment in relation to forecasts and sales pipeline in relation to future utilisation of mobile manufacturing plants; and • verifying physical existence of the mobile manufacturing plants through date stamped photographs and live video feed from the actual physical site.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities 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 entity'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 consolidated entity 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 and 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Auditor’s Responsibilities for the Audit of the Financial Report (cont’d)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors’ report for the period ended 30 June 2020.

In our opinion, the Remuneration Report of Tubi Limited for the period ended 30 June 2020, 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.

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SCOTT TOBUTT
PARTNER

30 SEPTEMBER 2020
SYDNEY

Additional Information for Listed Public Companies

30 June 20120

The following information is current as at 27 September 2020.

Ordinary Shares (ASX:2BE)

Distribution of Shareholders

Fully Paid Ordinary Shares Holdings Ranges	Holders	Number Total Units	%
1-1,000	30	1,211	0.000
1,001-5,000	80	242,087	0.080
5,001-10,000	139	1,233,910	0.400
10,001-100,000	403	15,491,700	4.990
100,001-9,999,999,999	148	293,360,094	94.530
Totals	**800**	**310,329,002**	**100.000**

Top 20 Shareholders

No.	Name	No. of Ordinary Shares Held	% of Issued Capital
1.	BALD HILL QUARRY PTY LTD	58,799,167	18.947%
2.	OXLEIGH PTY LTD	58,549,147	18.867%
3.	CHIARA CORPORATION PTY LTD <RUSSO FAMILY A/C>	37,949,642	12.229%
4.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	24,691,005	7.956%
5.	BETA GAMMA PTY LTD <WALSH STREET S/F A/C>	7,500,000	2.417%
6.	KTM VENTURES INNOVATION FUND LP	7,222,222	2.327%
7.	SEALIGHT CAPITAL PTY LTD	6,700,000	2.159%
8.	GW BURKE INVESTMENTS PTY LTD <BURKE INVESTMENT A/C>	5,833,333	1.880%
9	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	5,304,384	1.709%
10.	CHARLES & CORNELIA GOODE FOUNDATION PTY LTD <CCG FOUNDATION A/C>	4,999,999	1.611%
11.	STRUCTURE INVESTMENTS PTY LTD <ROGERS FAMILY A/C>	4,611,112	1.486%
12.	BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	3,807,111	1.227%
13.	MR DAVID ALAN VERSCHOOR & MRS DANIELLE MILINDA VERSCHOOR <D&D VERSCHOOR SUPERFUND A/C>	3,531,000	1.138%
14.	NATIONAL NOMINEES LIMITED	3,333,334	1.074%
15.	WHITS END PTY LTD	3,135,000	1.010%
16.	IFM PTY LTD <IFM SUPER FUND A/C>	2,771,000	0.893%
17.	MR DAVID RIDLEY GRAY	2,166,169	0.698%
18.	MR CRAIG LAWN & MRS JOY LAWN <LAWN FAMILY SUPER FUND A/C>	1,942,500	0.626%
19.	CITICORP NOMINEES PTY LIMITED	1,901,196	0.613%
20.	ROGERS SF MANAGEMENT PTY LTD <ROGERS SUPER FUND A/C>	1,722,222	0.555%
	Total Securities of Top 20 Holdings	246,469,543	79.422%

Total of Securities	**310,329,002**

Substantial Shareholders

The following shareholders are substantial holders:

Holder Name	Number of Shares	% Voting Power
Oxleigh Pty Ltd[1]	117,348,314[4]	37.81%[4]
Bald Hill Quarry[2]	117,348,314[4]	37.81%[4]
Chiara Corporation Pty Ltd[3]	37,949,642	12.23%
J P Morgan Nominees Australia Pty Limited	24,691,005	7.96%

1. Oxleigh Pty Ltd is controlled by director Mr. Michael Tilley
2. Bald Hill Quarry Pty Ltd is controlled by director Mr. Anthony Willsallen
3. Chiara Corporation Pty Ltd is controlled by director Mr. Marcello Russo
4. Oxleigh Pty Ltd and Bald Hill Quarry Pty Ltd have entered in to a Consultation Deed Consultation Deed under which each has agreed to not dispose of Shares without first notifying and consulting with the other party on (among other things) the terms, the manner and the extent to which the other party may acquire those shares. The effect of the Consultation Deed is that each Related Party Shareholder (among other things) has a "relevant interest" (as that term is defined in the Corporations Act) in each other's Shares and has voting power of 37.81% in the Company.

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Unmarketable Holders

There are 140 shareholders holding less than a marketable parcel of shares based on the closing price of AUD 0.073 on 25 September 2020 representing a total of 4,25,223 shares.

Restricted Securities

The Company has the 69,871,200 fully paid ordinary restricted securities which are voluntarily escrowed for 24 months from quotation (ending 16/06/2021).

Options (ASX:2BEO)

Tubi Limited has 22,395,423 listed options on issue exercisable at $0.15 and expiring 30 June 2020. These are held by 308 Optionholders.

Distribution of Optionholders

Listed Options Holdings Ranges	Holders	Number Total Units	%
1-1,000	34	16,658	0.070
1,001-5,000	134	305,213	1.360
5,001-10,000	29	214,602	0.960
10,001-100,000	68	2,602,040	11.620
100,001-9,999,999,999	43	19,256,910	85.990
Totals	**308**	**22,395,423**	**100.000**

Top 20 Optionholders

No.	Name	No. of Options Held	% of Issued Capital
1.	OXLEIGH PTY LTD	2,222,222	9.923%
2.	BALD HILL QUARRY PTY LTD	2,222,222	9.923%
3.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,091,016	9.337%
4.	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	1,925,927	8.600%
5.	NATIONAL NOMINEES LIMITED	1,111,111	4.961%
6.	BETA GAMMA PTY LTD <WALSH STREET S/F A/C>	833,333	3.721%
7.	KTM VENTURES INNOVATION FUND LP	740,741	3.308%
8.	CHIARA CORPORATION PTY LTD <RUSSO FAMILY A/C>	740,741	3.308%
9	CHARLES & CORNELIA GOODE FOUNDATION PTY LTD <CCG FOUNDATION A/C>	565,681	2.526%
10.	MR KENNETH JOSEPH HALL <HALL PARK A/C>	444,444	1.985%
11.	KNIGHT61 INVESTMENTS PTY LTD <KNIGHT61 INVESTMENTS A/C>	387,074	1.728%
12.	STRUCTURE INVESTMENTS PTY LTD <ROGERS FAMILY A/C>	370,371	1.654%
13.	BANNABY INVESTMENTS PTY LTD <BANNABY SUPER FUND A/C>	370,370	1.654%
14.	MR DAVID RIDLEY GRAY	370,367	1.654%
15.	E-TECH CAPITAL PTY LTD <ASF SUPER FUND A/C>	333,333	1.488%
16.	BEARAY PTY LIMITED <BRIAN CLAYTON S/F A/C>	333,333	1.488%
17.	GW BURKE INVESTMENTS PTY LTD <BURKE INVESTMENT A/C>	277,778	1.240%
18.	MASTER STEPHEN DINESH RAJARATNAM	248,413	1.109%
19.	APPWAM PTY LTD	233,333	1.042%
20.	BEIRNE TRADING PTY LTD	231,111	1.032%
	Total Securities of Top 20 Holdings	16,052,921	71.679%
	Total of Securities	**22,395,423**	

Voting Rights

Options do not carry a right to vote.

Additional Information for Listed Public Companies

30 June 2020

Corporate Directory

Company
Tubi Limited ACN 139 142 493
2 Hopetoun Street
Paddington NSW 2021
Phone: +61 2 9331 8725
Email companysecretary@tubigroup.com
Web www.tubigroup.com

Directors

Mr. Simon Bird	Independent Non-Executive Chairman
Mr. Marcello Russo	Managing Director
Mr. Tony Willsallen	Non-Executive Director
Mr. Brent Emmett	Independent Non-Executive Director

Company Secretary

Mr. Ariel Sivikofsky	Company Secretary and Chief Financial Officer

Share Registry
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Level 12
225 George Street
Sydney NSW 2000
Telephone +61 2 9290 9600

Auditor
PKF
Level 8
1 O'Connell Street
Sydney NSW 2000

ASX Code: 2BE