

Appendix 4D

Half yearly report

Name of Entity	Tubi Limited
ABN	25 139 142 493
Reporting Period, half-year ended	31 December 2019
Previous Corresponding Reporting Period, half-year ended	31 December 2018

1. Results for Announcement to the Market

	\$ change	% change over corresponding period
Revenue from ordinary activities	4,805,951	down 28%
Profit from ordinary activities after tax attributable to members	3,125,358	down 275%
Net profit for the period attributable to members	3,125,358	down 275%
Dividends – refer to Item 2 below		
Record date – refer to Item 2 below		

2. Dividends

There were no dividends paid, recommended or declared for the half-year ended 31 December 2019.

3. Net Tangible Assets per Security

	31 December 2019	31 December 2018*
	\$	\$
Net tangible assets per ordinary security	0.08	0.04*

* **NOTE:** *The total number of ordinary shares used to calculate the net tangible assets per security have been based on the assumption that the share split of 1:30 shares in 2019 was also in effect in 2018 to allow comparability.*

Other information

4. Control gained or lost over entities during period

Not Applicable.

5. Associates and joint venture entities

During and since the half-year ended 31 December 2019 the Group has not had any interests in associate or joint venture entities.

6. Information supporting the disclosure requirements of the Appendix 4D and commentary on results

Additional information supporting the Appendix 4D disclosure requirements can be found in the attached Interim Financial Report for the half-year ended 31 December 2019.

7. Status of review

The Interim Financial Report for half-year ended 31 December 2019 has been reviewed by PKF.

Tubi Limited

ACN: 139 142 493

Interim Financial Report

For the Half Year Ended 31 December 2019

Tubi Limited

ACN: 139 142 493

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For the Half Year Ended 31 December 2019

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Tubi Limited

ACN: 139 142 493

Directors' Report

31 December 2019

The Directors present their report, together with the financial statements of the Group, being Tubi Limited ACN 139 142 493 (the Company) and its controlled entities, for the half-year ended 31 December 2019

Directors

The Directors of the Company during the half-year ended 31 December 2019, and up to the date of this report are set out below. All Directors held their position as a Director throughout the half-year and up to the date of this report unless otherwise stated.

Mr. Michael Tilley	Chairman & Non-Executive Director
Mr. Jeffrey Shorter	Chief Executive Officer (Tubi Limited) & Executive Chairman (Tubi USA)
Mr. Marcello Russo	Executive Director Business Development & Founder
Mr. Anthony Willsallen	Non-Executive Director
Mr. Brent Emmett	Non-Executive Director
Mr. Simon Bird	Non-Executive Director (<i>Appointed 6 December 2019</i>)
Mr. Craig Lawn	Non-Executive Director (<i>Resigned 6 December 2019</i>)

Company Secretary

Mr. Ian Coates is the Company Secretary. He is also the Chief Financial Officer of the Group.

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 period.

Operating results and review of operations for the year

The consolidated loss of the Group for the six months ended 31 December 2019 was \$1.988 million (31 December 2018: profit of \$1.136 million).

The Group continued to manufacture HDPE pipe from its Mobile Extrusion Plant in the Permian Basin, United States for MPS Enterprises, Inc, under a Manufacturing and Supply Agreement. The decline in investment activity in the upstream oil and gas industry in the Permian Basin has led to a reduction in the demand for HDPE pipe in the region. As a consequence, the Group has experienced a significant decline in orders and selling prices, and a reduction in margins during the period.

Construction of a second US mobile extrusion plant was completed and was ready to commence production in October 2019 under a second Manufacturing and Supply contract with MPS Enterprises, Inc. However, due to the weak market conditions, production has been put on hold until the fourth quarter of this financial year. In anticipation of the second plant commencing production in October 2019, new staff to operate the second plant were recruited and trained on the first plant located in the Permian Basin. As part of the on-boarding process to train new staff, a series of operator failings in the Group’s manufacturing processes occurred, resulting in lost production of approximately six weeks due to the Group’s decision to remake HDPE pipe.

To mitigate the decline in demand from the Permian, the Group has invested in its sales capability and has identified new markets. This has led to orders being obtained from new customers outside the Permian basin in December.

During the period, the Group completed the building, commissioning and delivery of a Mobile Plant to Iplex Pipelines NZ Limited (“IPLEX”).

Tubi Limited

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Directors' Report

31 December 2019

On 1 November 2019, the Group determined not to proceed with the order for one of the 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 are 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.

Under the terms of this agreement, Hopetoun has contracted with the Company the right to use this plant once constructed in its manufacturing operations 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. Exercise of this option is subject to the Company obtaining shareholder approval. Hopetoun has received a right to sell the plant with a license to use the Tubi technology from 1 January 2021 in the event that the Company has neither acquired the plant or nominated a preferred party to acquire the plant. The Company also has the right until 31 March 2021 to sell this plant to a third party and for the Company to earn any premium over the amount payable to Hopetoun being its original purchase cost.

Half Year Financial Performance

In the six months to 31 December 2019, the Group generated operating revenues of \$12.4 million (2018: \$17.2 million). Revenues for the year were generated from the sale of HDPE pipe of \$3million and \$9.4 million from the completion of the IPLEX plant sale transaction. The \$14.2 million reduction in revenue from the sale of the HDPE pipe from the same period last year was due to the following -

- Soft market conditions leading to a 45% reduction in the selling price of HDPE on the previous period;
- Lost production of approximately six weeks due to the Group's decision to remake HDPE pipe; and
- A 74% reduction in sales orders on the prior comparative period due to the remake of pipe and a contraction in demand for HDPE pipe in the Permian basin.

The Group's net loss after tax for the six months ended 31 December 2019 was \$1.99 million compared to a profit after tax of \$1.14 million for the previous period. The loss for the period was due to -

- The six-week remake of HDPE which led to additional raw material and manufacturing costs (\$2.6million);
- The reduction in orders;
- The decline in the net selling price (selling price less raw material) ;
- New plant preparation and training costs, including retaining labour in preparation for second plant production which did not occur; and
- Other expenses associated with being a Listed entity.

The adverse impact of HDPE pipe production was offset by the after-tax profit earned on completion of the IPLEX transaction.

Financial Position

The Group's net assets were \$19.6 million representing net tangible assets per share of \$0.08 (June 2019: \$0.09).

Major assets and liabilities included cash of \$3.5 million and other current assets of \$2.2 million. Non-current assets increased \$2.1 million on the previous year primarily due to the development of new Plants and Equipment (\$1.5 million) and deferred assets \$0.7 million.

Current liabilities reduced by \$2.8 million. The reduction is due to the completion of the IPLEX transaction and the transfer of the \$3.8 million deposit to revenue offset by commitments on new Plants.

Tubi Limited

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Directors' Report

31 December 2019

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Dividends

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

Auditor's Independence Declaration

An independence declaration has been provided by the Group's auditor, PKF. A copy of this declaration is attached to, and forms part of, the financial report for the financial half-year ended 31 December 2019.

This Director's report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Michael Tilley". The signature is written in a cursive style and is positioned above the printed name and title.

Michael Tilley
Chairman

Dated: 21 February 2020

Tubi Limited

ACN: 139 142 493

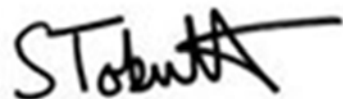
Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Tubi Limited for the half-year ended 31 December 2019, 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 review; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.



PKF



SCOTT TOBUTT
PARTNER

21 FEBRUARY 2020
SYDNEY, NSW

Tubi Limited

ACN: 139 142 493

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2019

		31 December 2019	31 December 2018
	Note	\$	\$
Revenue	5	12,366,413	17,172,364
Other income	5	150,545	43,569
Raw materials and consumables used		(12,965,138)	(14,363,685)
Employee benefits expense		(421,414)	(294,060)
Depreciation and amortisation expense		(521,403)	(530,092)
Travel and accommodation		(232,373)	(148,071)
Repairs and maintenance		(17,430)	(21,724)
Legal and professional		(256,899)	(61,325)
Consultancy		(183,138)	(41,303)
Rental expense		(20,043)	(19,186)
Insurance		(50,615)	(6,263)
Other operating expenses		(216,314)	(118,125)
Finance expenses		14,023	37,700
(Loss) / Profit before income tax		(2,353,786)	1,649,799
Income tax benefit/(expense)		365,418	(512,809)
(Loss) / Profit for the half year		(1,988,368)	1,136,990
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities		(169,918)	76,213
Other comprehensive income for the year, net of tax		(169,918)	76,213
Total comprehensive income for the year		(2,158,286)	1,213,203
(Loss) / Profit attributable to:			
Members of the parent entity		(1,988,368)	1,136,990
Total comprehensive income attributable to:			
Members of the parent entity		(2,158,286)	1,213,203
Earnings per share			
Basic earnings per share (cents)		(0.82)	0.65
Diluted earnings per share (cents)		(0.80)	0.65

The above consolidated statement should be read in conjunction with the accompanying notes.

Tubi Limited

ACN: 139 142 493

Consolidated Statement of Financial Position As At 31 December 2019

		31 December 2019	30 June 2019
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	3,462,160	7,605,594
Trade and other receivables		352,374	3,623,199
Inventories		1,806,239	1,593,012
Other assets		30,363	23,143
TOTAL CURRENT ASSETS		<u>5,651,136</u>	<u>12,844,948</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	18,299,588	16,814,696
Deferred tax assets	9	887,438	227,337
Intangible assets		280,190	275,223
TOTAL NON-CURRENT ASSETS		<u>19,467,216</u>	<u>17,317,256</u>
TOTAL ASSETS		<u>25,118,352</u>	<u>30,162,204</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,631,617	5,641,538
Borrowings		-	140,395
Current tax liabilities	9	877,079	597,855
Employee benefits		211,669	187,494
TOTAL CURRENT LIABILITIES		<u>3,720,365</u>	<u>6,567,282</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	9	1,772,411	1,966,825
TOTAL NON-CURRENT LIABILITIES		<u>1,772,411</u>	<u>1,966,825</u>
TOTAL LIABILITIES		<u>5,492,776</u>	<u>8,534,107</u>
NET ASSETS		<u>19,625,576</u>	<u>21,628,097</u>
EQUITY			
Issued capital		18,042,218	18,042,218
Reserves		177,492	191,645
Retained earnings		1,405,866	3,394,234
TOTAL EQUITY		<u>19,625,576</u>	<u>21,628,097</u>

The above consolidated statement should be read in conjunction with the accompanying notes.

Tubi Limited

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Consolidated Statement of Changes in Equity For the Half Year Ended 31 December 2019

	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	-	(1,988,368)	-	-	(1,988,368)
Other comprehensive income for the half-year	-	-	(169,918)	-	(169,918)
Total comprehensive income for the half-year	-	(1,988,368)	(169,918)	-	(2,158,286)
Share based payment transactions	-	-	-	155,765	155,765
Balance at 31 December 2019	18,042,218	1,405,866	(59,447)	236,939	19,625,576

	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	-	1,136,990	-	-	1,136,990
Other comprehensive income for the half-year	-	-	76,213	-	76,213
Total comprehensive income for the half-year	-	1,136,990	76,213	-	1,213,203
Balance at 31 December 2018	4,838,823	3,032,171	128,907	-	7,999,901

The above consolidated statement should be read in conjunction with the accompanying notes.

Tubi Limited

ACN: 139 142 493

Consolidated Statement of Cash Flows For the Half Year Ended 31 December 2019

	31 December 2019	31 December 2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	11,376,245	20,735,209
Payments to suppliers and employees	(12,998,884)	(16,853,389)
Interest received	13,568	656
Interest paid	(2,915)	(13,057)
Income taxes paid	(209,873)	(48,065)
Net cash (used in) / provided by operating activities	<u>(1,821,859)</u>	<u>3,821,354</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for intangible asset	(14,967)	(13,854)
Payments for property, plant and equipment	(1,996,295)	(210,930)
Deposits paid for HDPE extrusion plants	-	(3,872,228)
Net cash used in investing activities	<u>(2,011,262)</u>	<u>(4,097,012)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(140,395)	(79,220)
Net cash used in financing activities	<u>(140,395)</u>	<u>(79,220)</u>
Effects of exchange rate changes on cash and cash equivalents	(169,918)	76,213
Net decrease in cash and cash equivalents held	(4,143,434)	(278,665)
Cash and cash equivalents at beginning of year	7,605,594	3,690,804
Cash and cash equivalents at end of the half year	7 <u><u>3,462,160</u></u>	<u><u>3,412,139</u></u>

The above consolidated statement should be read in conjunction with the accompanying notes.

Tubi Limited

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Notes to the Financial Statements For the Half Year Ended 31 December 2019

The interim 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 interim financial report was authorised for issue by the Directors on 21 February 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This consolidated interim financial report for the reporting period ending 31 December 2019 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Tubi Limited and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2019, together with any public announcements made during the half year.

The accounting policies adopted in the preparation of the interim set of financial statements are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2019, other than where disclosed and with the exception of changes in accounting policies required following the adoption of new accounting standards on 1 July 2019. Changes to the Group's key accounting policies during the period are described in this report in Note 3.

2 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated interim 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 Group 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 Group. All controlled entities have a June financial year end.

(b) Revenue and other income

For current half year

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

Notes to the Financial Statements For the Half Year Ended 31 December 2019

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

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

Manufacture of HDPE pipe - sale of goods

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

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.

3 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 half year ended 31 December 2018 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 statement of profit or loss on a straight line basis. With the Group's leases all being short term leases or leases of low value assets, the aggregate effect of the change in accounting policy on the financial statements for the half-year ended 31 December 2019 was not material and therefore did not result in any changes to the opening balance sheet on 1 July 2019.

Tubi Limited

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Notes to the Financial Statements For the Half Year Ended 31 December 2019

4 Critical Accounting Estimates and Judgements

The Directors make estimates and judgements during the preparation of these 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.

The judgements, estimates and assumptions applied in the Interim Financial Report, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

5 Revenue and Other Income

	31 December 2019	31 December 2018
	\$	\$
Revenue from contracts with customers		
- sale of goods	3,004,214	17,172,364
- sale of equipment	5(a) 9,362,199	-
Total Revenue	12,366,413	17,172,364
Other Income		
- interest income	13,569	656
- other income	136,976	42,913
Total Other income	150,545	43,569

(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 half-year and revenue has been recognised in accordance with the Group's accounting policy. Refer to Note 8(a) for further details of the disposal of the Capital Works in Progress relating to this equipment.

Tubi Limited

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Notes to the Financial Statements For the Half Year Ended 31 December 2019

6 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, the sale of technology licenses to manufacture HDPE pipe and the sale of equipment.

7 Cash and Cash Equivalents

	31 December 2019	30 June 2019
Cash at bank and in hand	\$ 3,462,160	\$ 7,605,594

Tubi Limited

ACN: 139 142 493

Notes to the Financial Statements For the Half Year Ended 31 December 2019

8 Property, plant and equipment

	31 December 2019 \$	30 June 2019 \$
PLANT AND EQUIPMENT		
Capital works in progress		
At cost	<u>9,755,037</u>	8,453,616
Total capital works in progress	<u>9,755,037</u>	<u>8,453,616</u>
Plant and equipment		
At cost	10,353,606	9,662,907
Accumulated depreciation	<u>(2,036,404)</u>	<u>(1,564,606)</u>
Total plant and equipment	<u>8,317,202</u>	<u>8,098,301</u>
Furniture, fixtures and fittings		
At cost	33,630	33,653
Accumulated depreciation	<u>(20,132)</u>	<u>(18,106)</u>
Total furniture, fixtures and fittings	<u>13,498</u>	<u>15,547</u>
Motor vehicles		
At cost	352,456	352,138
Accumulated depreciation	<u>(138,605)</u>	<u>(104,906)</u>
Total motor vehicles	<u>213,851</u>	<u>247,232</u>
Total property, plant and equipment	<u>18,299,588</u>	<u>16,814,696</u>

Notes to the Financial Statements

For the Half Year Ended 31 December 2019

8 Property, plant and equipment (continued)

(a) 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 half year:

	Capital Works in Progress	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Half Year ended 31 December 2019					
Balance at the beginning of year	8,453,616	8,098,301	15,547	247,232	16,814,696
Additions	6,932,426	694,286	-	-	7,626,712
Disposals	(5,631,005)	-	-	-	(5,631,005)
Depreciation expense	-	(475,680)	(2,024)	(33,699)	(511,403)
Foreign exchange movements	-	295	(25)	318	588
Balance at the end of the half year	9,755,037	8,317,202	13,498	213,851	18,299,588

During the half-year ended 31 December 2019, disposal of Capital Works in Progress comprised the following:

1) 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(a) 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;

2) Disposal of the component parts which were no longer required by the Company and taken up by Hopetoun Corporation Pty Limited in accordance with the terms detailed in Note 11.

9 Tax assets and liabilities

(a) Current Tax Liability

	31 December 2019	30 June 2019
	\$	\$
Income tax payable	877,079	597,855

Notes to the Financial Statements

For the Half Year Ended 31 December 2019

9 Tax assets and liabilities (continued)

(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	(11,724)	-	18,928
Accruals	16,752	(8,646)	-	8,106
Deferred tax assets attributable to tax losses	-	696,003	-	696,003
Transaction costs on equity issue	179,933	(15,532)	-	164,401
Balance at 31 December 2019	227,337	660,101	-	887,438

(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	(191,664)	-	1,724,871
Other	50,290	(2,750)	-	47,540
Balance at 31 December 2019	1,966,825	(194,414)	-	1,772,411

10 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019.

As disclosed in the 2019 Annual Report, on 14 August 2019 the Group identified that a production run of HDPE pipe in April 2019 may not have met its production expectations. The Group decided to remake approximately 6 weeks of HDPE pipe over a period from late August until early October 2019. The costs associated with the remake of this pipe has been fully recognised during the half-year ended 31 December 2019 and there are no further contingencies relating to this matter.

Tubi Limited

ACN: 139 142 493

Notes to the Financial Statements For the Half Year Ended 31 December 2019

11 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 has been recognised as a disposal of Capital Works in Progress during the half-year ended 31 December 2019. Refer to Note 8(a) for further details.

Under the terms of this agreement, Hopetoun has offered to 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. Exercise of this option is subject to the Company obtaining shareholder approval. Hopetoun has received a right to sell the plant with a license to use the Tubi technology from 1 January 2021 in the event that the Company has neither acquired the plant or nominated a preferred party to acquire the plant. The Company also has the right until 31 March 2021 to sell this plant to a third party. and for the Company to earn any premium over the amount payable to Hopetoun being its original purchase cost.

12 Events Occurring After the Reporting Date

The financial report was authorised for issue on 21 February 2020 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial half 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.

13 Statutory Information

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

Tubi Limited
2 Hopetoun Street
Paddington NSW 2021
Australia

Tubi Limited

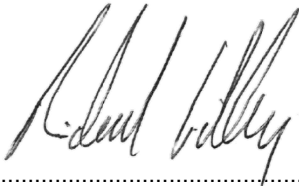
ACN: 139 142 493

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
2. 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

Michael Tilley

Dated 21 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TUBI LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Tubi Limited (the company) and its controlled entities (the consolidated entity), which comprises the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of the consolidated entity's the financial position as at 31 December 2019, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

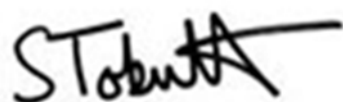
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tubi Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



PKF



SCOTT TOBUTT
PARTNER

21 FEBRUARY 2020
SYDNEY, NSW