

**Transmetro Corporation Limited ABN 45 001 809 043**  
**and Controlled Entities**

**Appendix 4D and Half-Year Financial Report**  
**31 December 2020**

This half-year report is for the six months ended 31 December 2020. The previous corresponding period is the half-year ended 31 December 2019.

The information in this report should be read in conjunction with the most recent annual financial report.

**Results for announcement to the market**

\$A'000

Revenues from ordinary activities – continuing operations	Down	44.1%	to	7,911
Net Profit from ordinary activities after tax attributable to members	Down	76.6%	to	32
Net Profit for the period attributable to members	Down	76.6%	to	32
Earnings before interest, tax, depreciation and amortisation from continuing operations	Down	69.2%	to	1,033
<b>Dividends</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Final dividend		- ¢		- ¢
Interim dividend		- ¢		- ¢
Record date for determining entitlements to the dividend <span style="border: 1px solid black; display: inline-block; width: 300px; height: 20px; vertical-align: middle;"></span>				
Brief explanation of any of the figures reported above:  Refer to comments in the attached Directors' Report.				
<b>NTA Backing</b>		<b>31 December 2020</b>		<b>30 June 2020</b>
Net tangible asset backing per share		\$1.52		\$1.52

**Transmetro Corporation Limited ABN 45 001 809 043  
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Interim Financial Report**

**DIRECTORS' REPORT**

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2020.

**Directors**

The names of directors who held office during or since the end of the half-year:

John McEvoy (Chairman)	Director since November 1979
Peter Frawley (Managing Director)	Director since June 2015
Alan Notley (Non-Executive Director)	Director since October 1994
David Lloyd (Non-Executive Director)	Director since March 2002
Susan Notley (Non-Executive Director) (Alternate for Alan Notley)	Director since September 2008

Total Revenue from continuing operations decreased \$6.2M to \$7.9M which is a 44.1% decrease from the corresponding period in December 2019.

The consolidated entity's EBITDA from continuing operations decreased \$2.32M to \$1.03M a 69.2% decrease on the previous corresponding period.

Net Profit after tax from continuing operations for the period was \$47k compared to a Net Profit after tax of \$241k for the previous corresponding period.

***Rounding of Amounts***

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

***Auditor's Declaration***

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 16 for the half-year ended 31 December 2020.

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



Director

John McEvoy

Dated this 26<sup>th</sup> February 2021

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**CONSOLIDATED INCOME STATEMENT FOR THE HALF-YEAR ENDED**

**31-Dec-20**

	Note	Consolidated Group	
		31.12.2020	31.12.2019
		\$000	\$000
Sales Revenue		6,442	14,140
Other revenue – government assistance		1,465	-
Interest income		4	1
<b>Total Revenue</b>		<b>7,911</b>	<b>14,141</b>
Cost of Sales		(451)	(1,468)
Employee benefits expense		(2,874)	(4,536)
Other expenses		(3,553)	(4,784)
<b>Earnings Before Interest, Tax, Depreciation and Amortisation</b>		<b>1,033</b>	<b>3,353</b>
Rent concession gain		1,530	-
Depreciation and amortisation expense		(450)	(507)
Amortisation of right of use assets		(2,205)	(2,184)
Interest expense on lease liabilities		(182)	(330)
Finance costs		(7)	-
<b>Profi/(loss) before income tax</b>		<b>(281)</b>	<b>332</b>
Income tax benefit/(expense)	2	328	(91)
<b>Profit from continuing operations</b>		<b>47</b>	<b>241</b>
Profit /(loss) from discontinued operations	9	(15)	(104)
Profit from operations attributable to:			
Members of the parent entity		32	137
<b>Earnings per share</b>			
From continuing operations:			
Basic and diluted earnings per share (cents)		0.24	1.80

The accompanying notes form part of this financial report.

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED  
31-Dec-20**

	<b>Consolidated Group</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>\$000</b>	<b>\$000</b>
Profit for the period	32	137
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the period</b>	<b>32</b>	<b>137</b>
Total comprehensive income attributable to:		
Members of the parent entity	32	137

The accompanying notes form part of this financial report.

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31-Dec-20**

	Note	Consolidated Group 31.12.2020 \$000	30.06.2020 \$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,952	726
Current tax receivable		61	61
Trade and other receivables		1,703	1,371
Inventories		128	149
TOTAL CURRENT ASSETS		3,844	2,307
NON-CURRENT ASSETS			
Property, plant and equipment		21,249	21,699
Deferred tax assets		951	586
Intangible assets		1,122	1,124
Right of use assets		9,467	11,719
Other financial assets		1	1
Other non-current assets		250	250
TOTAL NON-CURRENT ASSETS		33,040	35,379
TOTAL ASSETS		36,884	37,686
CURRENT LIABILITIES			
Trade and other payables		3,056	2,535
Borrowings	3	1,157	-
Lease liabilities		4,439	4,252
Short-term provisions		847	779
TOTAL CURRENT LIABILITIES		9,499	7,566
NON-CURRENT LIABILITIES			
Borrowings	3	-	600
Deferred tax liabilities		1,136	1,105
Lease liabilities		5,504	7,701
TOTAL NON-CURRENT LIABILITIES		6,640	9,406
TOTAL LIABILITIES		16,139	16,972
<b>NET ASSETS</b>		<b>20,745</b>	<b>20,714</b>
EQUITY			
Issued capital		6,856	6,856
Reserves		3,094	3,094
Retained earnings		10,795	10,764
<b>TOTAL EQUITY</b>		<b>20,745</b>	<b>20,714</b>

The accompanying notes form part of this financial report.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED  
31-Dec-20**

	<b>Issued Capital Ordinary</b>	<b>Asset Revaluation Reserve</b>	<b>Capital Contribution Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Balance at 1.7.2019</b>	6,856	2,716	378	11,640	21,590
Profit attributable to members of the parent entity	-	-	-	137	137
Other comprehensive income	-	-	-	-	-
<b>Balance at 31.12.2019</b>	<u>6,856</u>	<u>2,716</u>	<u>378</u>	<u>11,777</u>	<u>21,727</u>
 <b>Balance at 1.7.2020</b>	 6,856	 2,716	 378	 10,763	 20,713
Profit attributable to members of the parent entity	-	-	-	32	32
Other comprehensive income	-	-	-	-	-
<b>Balance at 31.12.2020</b>	<u>6,856</u>	<u>2,716</u>	<u>378</u>	<u>10,795</u>	<u>20,745</u>

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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED**

**31-Dec-20**

	<b>Consolidated Group</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>\$000</b>	<b>\$000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	6,745	14,591
Payments to suppliers and employees	(6,990)	(11,969)
Other Income	1,814	-
Interest received	4	1
Interest paid	(189)	(336)
Income tax (paid)/refund	-	(47)
Net cash provided by operating activities	<u>1,384</u>	<u>2,240</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current assets	(53)	(349)
Proceeds from sale of assets	-	-
Net cash used in investing activities	<u>(53)</u>	<u>(349)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowing	796	-
Repayment of borrowings	(239)	-
Repayment of lease principal	(663)	(2,155)
Dividends paid	-	-
Net cash used in financing activities	<u>(106)</u>	<u>(2,155)</u>
Net Increase/(decrease) in cash held	1,225	(264)
Cash and cash equivalents at beginning of period	<u>727</u>	<u>3,327</u>
Cash and cash equivalents at end of period	<u><u>1,952</u></u>	<u><u>3,063</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

**Basis of preparation**

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of freehold property and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

**Significant accounting policies**

The accounting policies applied by the Consolidated Entity in this Consolidated Interim Financial Report are the same as those applied by the Consolidated Entity in the Consolidated Annual Financial Report as at and for the year ended 30 June 2020.

**Going Concern**

The financial statements for the half year ended 31 December 2020 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the half year, the Consolidated Entity incurred a loss before tax from continuing operations of \$281k after recording revenue from government assistance of \$1.46 million. At 31 December 2020 the Consolidated Entity had cash reserves of \$1.95 million, however current liabilities exceeded current assets by \$5.65 million.

Results for the half year were significantly adversely impacted by the COVID-19 pandemic. Restrictions imposed by Government resulted in the temporary closure of pubs and some hotel operations. Rent concessions were negotiated with landlords for a number of leased properties. Although Government eased restrictions, at 31 December 2020 the Consolidated Entity's operations were still significantly impacted by the ban on international travel, the decline in domestic travel, and social distancing requirements.

It is anticipated that the COVID-19 pandemic is likely to continue to have an adverse impact on the Consolidated Entity's business, the results of its operations and cash flows during the short to medium term. Management will continue to monitor the impact of COVID-19 on the financial performance of the business and further measures may be required.

As a result of these matters there exists a material uncertainty that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern, and therefore it may be unable to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

The economic uncertainty associated with the COVID-19 pandemic has been considered by the Board in assessing the financial impact on Consolidated Entity's ability to meet debts as and when they fall due. At the date of this report, the Board are of the opinion that the Consolidated Entity will be successful in managing the impacts of the COVID-19 pandemic and will continue to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Consolidated Entity not continue as a going concern.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**NOTE 2: INCOME TAX BENEFIT/(EXPENSE)**

	<b>Consolidated Group</b>	
	<b>31.12.2020</b>	<b>31.12.2019</b>
	<b>\$000</b>	<b>\$000</b>
The prima facie tax on profit/(loss) before income tax from continuing operations is reconciled to the income tax benefit/(expense) as follows:		
Prima facie tax benefit / (expense) at 26% (2019:27.5%)	73	(91)
Recognition of tax loss carry back	244	-
Other Items	11	-
Income tax benefit/(expense)	<u>328</u>	<u>(91)</u>

**NOTE 3: BORROWINGS**

**CURRENT**

	<b>31.12.2020</b>	<b>30.06.2020</b>
	<b>\$000</b>	<b>\$000</b>
Unsecured loan(ii)	557	-
Unsecured loans – related party(i)	600	-

**NON CURRENT**

Unsecured loans – related party(i)	-	600
	<u>1,157</u>	<u>600</u>

- (i) Unsecured loans- related party comprise interest free loans from an entity associated with a director and a majority shareholder. The loans were initially repayable by 30 September 2017 and subsequently extended to 30 September 2021.
- (ii) Loan from Principal Finance Pty Ltd for insurance premium instalments with a flat rate of 3.49%.

**NOTE 4: 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 makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of service offerings and operating segments are therefore determined on the same basis.

Transmetro Corporation Limited's operation during the year related to operation of Hotels, Serviced Apartments, Inns and Theme Pubs.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

**Basis of accounting for purposes of reporting by operating segments**

*Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**NOTE 4: OPERATING SEGMENTS (cont'd)**

*Unallocated items*

The following items of income and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Depreciation and amortisation;
- Finance costs; and
- income tax expense;

**Segment performance**

	<b>Hotels, Inns &amp; Apartments</b>	<b>Theme Pubs</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Six months ended</b>			
<b>31.12.2020</b>			
<b>Revenue</b>			
External sales	4,954	1,488	6,442
Inter-segment sales	71	-	71
Interest and Other revenue	1,069	400	1,469
<b>Total segment revenue</b>	<b>6,094</b>	<b>1,888</b>	<b>7,982</b>
<i>Reconciliation of segment revenue to group revenue</i>			
Inter-segment elimination	(71)	-	(71)
Total group revenue	6,023	1,888	7,911
<b>Segment result before tax</b>	<b>889</b>	<b>144</b>	<b>1,033</b>

*Reconciliation of segment result to group net profit/(loss)*

Unallocated items:

• Gain on rent concession	1,530
• Depreciation and amortisation	(450)
• Amortisation right of use assets	(2,205)
• Interest paid on lease liabilities	(182)
• Finance costs	(7)
• Income tax benefit/(expense)	328
Net Profit after tax from continuing operations	<u>47</u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**Segment performance**

	<b>Hotels, Inns &amp; Apartments</b>	<b>Theme Pubs</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Six months ended</b>			
<b>31.12.2019</b>			
<b>Revenue</b>			
External sales	9,562	4,578	14,140
Inter-segment sales	132	-	132
Interest and Other revenue	1	-	1
<b>Total segment revenue</b>	<b>9,695</b>	<b>4,578</b>	<b>14,273</b>
<i>Reconciliation of segment revenue to group revenue</i>			
Inter-segment elimination	(132)	-	(132)
Total group revenue	9,563	4,578	14,141
<b>Segment result before tax</b>	<b>2,885</b>	<b>468</b>	<b>3,353</b>
<i>Reconciliation of segment result to group net profit/(loss)</i>			
Amounts not included in segment result but reviewed by the Board:			
Unallocated items:			
• Depreciation and amortisation			(507)
• Amortisation of right of use assets			(2,184)
• Interest paid on lease liabilities			(330)
• Income tax benefit/(expense)			(91)
Net Profit after tax from continuing operations			<u>241</u>

**NOTE 5: ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND BUSINESS OPERATION**

No subsidiaries or businesses were acquired or sold during the period under review

**NOTE 6: CONTINGENT LIABILITIES AND COMMITMENTS**

There has been no change in contingent liabilities and commitments since the last annual reporting date.

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**NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE**

Since the end of the financial period, the directors are not aware of any matter that has significantly affected or may significantly affect the operations of the Company in subsequent financial periods.

**NOTE 8: FAIR VALUE MEASUREMENT**

The Consolidated Entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets; and
- freehold properties.

**Valuation techniques**

The Consolidated Entity selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Consolidated Entity are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Consolidated Entity gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Consolidated Entity's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

**Fair Value Measurement**

	Level	31 December 2020	30 June 2020
		\$	\$
Shares in listed corporations	Level 1	506	506
Freehold Properties	Level 3	17,001,525	17,119,305

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

**NOTE 8: FAIR VALUE MEASUREMENT (cont'd)**

**Valuation techniques used to derive level 3 fair values**

<b>Asset Category</b>	<b>Fair Value \$</b>	<b>Valuation Technique</b>	<b>Significant Unobservable Inputs</b>	<b>Range</b>	<b>Relationship of Unobservable Inputs to Fair Value</b>	<b>Sensitivity of fair value measurement to changes in significant unobservable inputs</b>
<b>Freehold Properties</b>	17,001,525	Income Approach using discounted cashflow methodology and capitalisation approach.	Adopted capitalisation rate Adopted terminal yield Adopted discount rate	8.00% - 8.50% 8.50% 10.25%	A significant increase or decrease in the adjustment would result in a significantly lower (higher) fair value.	A significant increase or decrease in the adjustment would result in a significantly lower/higher fair value.

**Valuation process**

The Board reviews the freehold property valuation process on a semi-annual basis. All valuations are performed either by independent professionally qualified external valuers or the directors. If the external valuation is more than three years old then the property is externally valued. For those with an external valuation less than three year old an assessment is made as to which properties are likely to have had material movements in the book value reported at the last reporting period to determine whether they should be revalued externally. At each reporting date the management will perform initial desktop assessment of current value through a capitalisation of income and discounted cashflow approach. If the result is materially different external independent valuation is conducted.

Reconciliation from opening balances to closing balances for recurring Level 3 fair value measurements

	<b>CONSOLIDATED</b>
Freehold Properties	\$
<b>Opening Balance</b>	17,119,305
Additions by purchase	-
Depreciation	(117,780)
Net revaluation adjustment	-
<b>Closing Balance</b>	<u>17,001,525</u>

**NOTE 9: DISCONTINUED OPERATIONS**

In August 2020 the group discontinued the lease of property known as Metro Hotel & Apartments Gladstone.

The financial performance of discontinued operations for the half year ended 31 December 2020 was:

	<b>31.12.2020</b>	<b>30.12.2019</b>
	<b>\$000</b>	<b>\$000</b>
Revenue	284	965
Expenses	(305)	(1,108)
Profit/(Loss) before income tax	(21)	(143)
Income tax benefit/(expense)	6	39
Profit/(Loss) after income tax	<u>(15)</u>	<u>(104)</u>

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**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 to 12 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 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.

A handwritten signature in black ink, appearing to read 'John McEvoy', with a stylized, cursive script.

Director: John McEvoy

Dated this 26<sup>th</sup> February 2021



# STIRLING INTERNATIONAL

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TRANSMETRO CORPORATION LIMITED AND CONTROLLED ENTITIES

### Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Transmetro Corporation Limited and Controlled Entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, other selected explanatory notes and the directors' 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 Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such 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 an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Transmetro Corporation Limited and Controlled Entities, 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.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Transmetro Corporation Limited and Controlled Entities would be in the same terms if given to the directors as at the time of this auditor's report.

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### *Conclusion*

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

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- complying with AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

### *Material Uncertainty Related to Going Concern*

We draw attention to the Going Concern section in Note 1 in the financial report, which indicates that the Consolidated Entity's operations have been significantly impacted by the global COVID-19 pandemic in an adverse manner. The conditions disclosed in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Stirling International  
Chartered Accountants



Peter Turner

Partner

26<sup>th</sup> February 2021

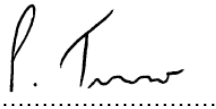
225 Clarence St Sydney 2000

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001***  
**TO THE DIRECTORS OF**  
**TRANSMETRO CORPORATION LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have been:

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

Stirling International  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'P. Turner', written over a dotted line.

Peter Turner

Partner

26<sup>th</sup> February 2021

225 Clarence St Sydney 2000