

Transmetro Corporation Limited ABN 45 001 809 043

Quarterly Activities report

Quarter Ended 31 March 2022

The Company remains in positive cash flow despite a substantive decline in EBITDA versus the previous quarter. Revenue rose marginally but the depletion of government assistance and a consequential increase in direct costs impacted the result. Seasonal declines and disruptions due to the changing regulatory climate in relation to Covid-19 also played a part.

Whilst the March quarter has been disappointing there are encouraging signs the accommodation sector at least is starting to turn in the eastern capitals. Western Australia is struggling to gain traction due in major part to its two-year isolation from the rest of the country, and the world.

The pub sector has been slow to recover as the Company's properties are in city areas. Whilst the Sydney CBD is buoyant, the fringe areas where our property is located is suffering quite badly. Both ends of the city, The Rocks and Haymarket, without regular inflows of international visitors, and backpackers, remain quiet.

Accommodation hotels in Sydney, in particular, are seeing very high occupancies on Fridays and Saturdays, while midweek business is still lagging. The tight nature of the weekend business has ensured a marked increase in ADR on those days.

Despite the challenges, the Company is poised to creep back into profit. With all domestic and international borders open and restrictions having been relaxed, the mood across Australia is becoming more optimistic. The Company continues to look for new opportunities to expand its portfolio, but the climate remains a difficult one in which to negotiate terms of new contracts. Nonetheless the Company will continue to pursue opportunities.

The outlook for cash flow estimates is that the Company will remain positive. An improved EBITDA is anticipated in the June quarter.

A summary of expenditure for the quarter of the consolidated entity.

Expenditure for the quarter	Current Quarter \$A'000	Year to date Mar'22 \$A'000
Hotel & Apartments Operations	2,828	8,181
Pubs operations	375	893
Consolidation Operating Costs	3,203	9,074

Authorised by: Jakin Agus, Company Secretary on behalf of Transmetro Corporation Ltd