

ASX APPENDIX 4D

TRANSCENDENCE TECHNOLOGIES LIMITED

ABN 57 096 781 716

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

(Previous corresponding period is the period ended 31 December 2017)

KEY INFORMATION	31-Dec-18	31-Dec-17	% Change
	\$	\$	
Revenue from ordinary activities	11,376	24,887	(54%)
Loss from ordinary activities after tax attributable to members	(400,267)	(301,664)	33%
Net loss attributable to members	(400,267)	(301,664)	33%

DIVIDEND INFORMATION

No dividend has been proposed or declared.

NET TANGIBLE ASSETS PER SECURITY	31-Dec-18	31-Dec-17
Net tangible assets per security	0.01	0.01

EARNINGS PER SHARE	31-Dec-18	31-Dec-17
	Cents	Cents
Basic earnings per share	(0.23)	(0.17)
Diluted earnings per share	(0.23)	(0.17)

CONTROL GAINED OR LOST OVER ENTITIES IN THE PERIOD

There have been no gains or losses of control over entities in the period ended 31 December 2018.

Refer to the Directors Report for an explanation of the operational and financial results of the Company.

This report is based on, and should be read in conjunction with, the attached financial report for the half-year ended 31 December 2018 for Transcendence Technologies Limited, which has been audited by BDO (WA) Pty Ltd.

The half-year report is to be read in conjunction with the 30 June 2018 Annual Report.



TRANSCENDENCE TECHNOLOGIES LIMITED

ABN 57 096 781 716

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2018**

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CORPORATE DIRECTORY

Board of Directors

Mr Peter Wall	(Non-Executive Chairman)
Mr Jeremy King	(Non-Executive Director)
Mr Patrick Burke	(Non-Executive Director, appointed 28 September 2018)
Mr Edwin Bulseco	(Non-Executive Director, resigned 28 September 2018)

Secretary

Ms Sarah Smith

Registered Office

Suite 2, Level 1
1 Altona Street
West Perth WA 6005

Telephone: 08 6559 1792
Website: www.tt-limited.com

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: TTL)

Auditors

BDO (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors

Steinpreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 4, Brookfield Place, Tower Two
123 St Georges Terrace
Perth WA 6000

Share Registry

Automic Share Registry
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

DIRECTORS' REPORT

The Directors of Transcendence Technologies Limited ("TTL" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Transcendence Technologies Limited and its controlled entities for the half-year ended 31 December 2018 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2018 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

1. DIRECTORS

The names of the Company's Directors who held office during the Period and until the date of this report are set out below. Directors were in office for this entire Period unless otherwise stated.

Director	Position	Duration of Appointment
Peter Wall	Non-Executive Chairman	Appointed 6 October 2015
Jeremy King	Non-Executive Director	Appointed 8 June 2016
Patrick Burke	Non-Executive Director	Appointed 28 September 2018
Edwin Bulseco	Non-Executive Director	Appointed 8 June 2016; Resigned 28 September 2018

2. REVIEW OF OPERATIONS AND ACTIVITIES

E-Collate

The Company has continued its review of the commercial viability of the E-Collate business model and platform. As such, limited work was performed on the platform during the period.

Until such time that the Board is satisfied that an appropriate financial return can be generated for the Company through commercialising the E-Collate platform, the Board remains focused on preserving shareholder funds.

PrimeX

In the prior year, the Company signed a Collaboration Agreement ("**Agreement**") with Prime X Connect Pty Ltd ("**PrimeX**").

Transcendence's E-Collate solution provides a cloud-based service which enables customers to upload, arrange and manage a range of compliance documentation. PrimeX is a digital marketplace for wholesale red meat that connects International buyers and sellers so they can negotiate and trade securely and efficiently.

The respective boards of Transcendence and PrimeX believe that technology synergies may exist and have agreed to explore how the E-Collate software can be used to provide a more efficient workflow. E-Collate's self-monitoring of document collection automates the request for and collection of documents at each stage of order processing to streamline the creation, management and fulfilment of orders.

The Agreement will see both companies work together to evaluate the feasibility of integrating both platforms and the estimated cost should the project move to a commercial rollout.

As part of the Agreement, Transcendence has invested \$200,000 towards the initial project assessment by way of subscription to an unsecured convertible note issued by PrimeX. The Company subscribed for 2,000 Convertible Notes.

DIRECTORS' REPORT

During the period, the Company converted the convertible note issued by PrimeX. The Company received a total of 2,000,000 fully paid ordinary shares in PrimeX as a result of this conversion.

Corporate

On 28 September 2018, Mr Patrick Burke was appointed as a Non-Executive Director of the Company and Mr Edwin Buselco resigned as Non-Executive Director.

During the period, Mr Bowen Plug resigned as Chief Executive Officer.

On 5 December 2018, the Company issued 11,500,000 unlisted options (exercisable at \$0.032; expiry 5 December 2022) to Directors and 6,500,000 unlisted options (exercisable at \$0.032; expiry 5 December 2022) to an advisor as consideration for the provision of corporate advisory fees. The Director and advisor options were approved by shareholders at the Annual General Meeting held on 30 November 2018.

During the period, the Company has been presented with a number of complementary acquisition and investment opportunities. The Company will continue to review these opportunities with a view of determining if any of them have strategic or commercial fit.

3. FINANCIAL RESULTS

The financial results of the Company for the half-year ended 31 December 2018 are:

	31-Dec-18	30-Jun-18
Cash and cash equivalents (\$)	1,407,809	1,651,887
Net assets (\$)	1,550,645	1,584,879

	31-Dec-18	31-Dec-17
Revenue (\$)	11,376	24,887
Net loss after tax (\$)	(400,267)	(301,664)
Loss per share (cents)	(0.23)	(0.17)

4. DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

The Director do not propose to declare or pay any dividend for the half-year ended 31 December 2018.

5. EVENTS OCCURRING AFTER REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

DIRECTORS' REPORT

6. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2018.

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



Peter Wall
Non-Executive Chairman
28 February 2019

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TRANSCENDENCE TECHNOLOGIES LIMITED

As lead auditor for the review of Transcendence Technologies Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Transcendence Technologies Limited and the entity it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 28 February 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	31-Dec-18 \$	31-Dec-17 \$
Interest income	3	11,376	24,887
Compliance and regulatory expenses		(31,717)	(30,805)
Consulting and corporate expenses		(124,625)	(71,639)
Employee and director benefits expense		(74,300)	(128,220)
Finance costs		(91)	(125)
Marketing costs		-	(41,718)
Other expenses		(14,877)	(24,456)
Research expenses		-	(29,588)
Share based payment expense	5	(166,033)	-
Loss before income tax for the period		(400,267)	(301,664)
Income tax expense		-	-
Loss after income tax for the period		(400,267)	(301,664)
Other comprehensive income, net of income tax			
<i>Items that will not be reclassified to profit or loss</i>			
Fair value of equity investments at fair value through other comprehensive income		200,000	-
Other comprehensive income, net of income tax		200,000	-
Total comprehensive loss for the period attributable to members of Transcendence Technologies Limited		(200,267)	(301,664)
Loss per share for the period attributable to the members of Transcendence Technologies Limited:			
Basic and diluted loss per share (cents)		(0.23)	(0.17)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	31-Dec-18 \$	30-Jun-18 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,407,809	1,651,887
Trade and other receivables		39,805	37,838
Total Current Assets		1,447,614	1,689,725
Non-Current Assets			
Financial assets	4	200,000	-
Total Non-Current Assets		200,000	-
TOTAL ASSETS		1,647,614	1,689,725
LIABILITIES			
Current Liabilities			
Trade and other payables		96,969	102,513
Provisions		-	2,333
Total Current Liabilities		96,969	104,846
TOTAL LIABILITIES		96,969	104,846
NET ASSETS		1,550,645	1,584,879
EQUITY			
Issued capital		14,471,769	14,471,769
Reserves		565,382	199,349
Accumulated losses		(13,486,506)	(13,086,239)
TOTAL EQUITY		1,550,645	1,584,879

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Issued Capital \$	Issued Options \$	Fair Value through Other Comprehensive Income Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2018	14,471,769	199,349	-	(13,086,239)	1,584,879
Loss for the period	-	-	-	(400,267)	(400,267)
Other comprehensive income	-	-	200,000	-	200,000
Total comprehensive loss for the period after tax	-	-	200,000	(400,267)	(200,267)
Transactions with owners in their capacity as owners:					
Options issued	-	166,033	-	-	166,033
Balance at 31 December 2018	14,471,769	365,382	200,000	(13,486,506)	1,550,645
At 1 July 2017	14,471,769	199,349	-	(12,243,711)	2,427,407
Loss for the period	-	-	-	(301,664)	(301,664)
Total comprehensive loss for the period after tax	-	-	-	(301,664)	(301,664)
Transactions with owners in their capacity as owners:					
Issue of share capital	-	-	-	-	-
Balance at 31 December 2017	14,471,769	199,349	-	(12,545,375)	2,125,743

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	31-Dec-18	31-Dec-17
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(255,454)	(351,383)
Interest received	11,376	24,887
Net cash flows used in operating activities	(244,078)	(326,496)
Cash flows used in investing activities		
Payment of convertible note	-	(200,000)
Net cash flows used in investing activities	-	(200,000)
Net decrease in cash and cash equivalents	(244,078)	(526,496)
Cash and cash equivalents at the beginning of the period	1,651,887	2,522,472
Cash and cash equivalents at the end of the period	1,407,809	1,995,976

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements are presented in Australian dollars, which is Transcendence Technologies Limited's functional and presentation currency.

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

(b) Significant accounting judgements and key estimates

The preparation of the interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the period are discussed below.

Fair value of investments

The fair value of investments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 6.

(c) Accounting policies

A number of new or amended standards became applicable for the current reporting period for which the Company has adopted:

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

The new accounting policies are disclosed in note below. There is no impact on the Company for the period ended 31 December 2018 and the prior year financial statements did not have to be restated as a result.

(i) *AASB 15 Revenue from contracts with Customers*

AASB 15 Revenue from contracts with Customers replaces *AASB 118 Revenue*. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers.

The Group has considered AASB 15 in detail and determined that the impact on the Group's sales revenue from contracts under AASB 15 is insignificant for the year.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

(ii) AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below.

Classification and measurement

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: The Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Equity Instruments

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the profit or loss as other income when the Group's right to receive payments is established.

Impairment

From 1 July 2018 the group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: OPERATING 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 information presented in the financial report in the same information that is viewed by the Directors.

The Group is currently operating in one business segment being an administrative entity in the technology sector and one geographic segment being Australia.

NOTE 3: REVENUE

The following revenue items are relevant in explaining the financial performance for the interim period:

	31-Dec-18	31-Dec-17
	\$	\$
<i>Other Revenue</i>		
Interest received	11,376	24,887
	11,376	24,887

NOTE 4: FINANCIAL ASSETS

In the prior year, the Company signed a Collaboration Agreement (Agreement) with Prime X Connect Pty Ltd (PrimeX). As part of the Agreement, Transcendence has invested \$200,000 towards the initial project assessment by way of subscription to an unsecured convertible note (Convertible Note) issued by PrimeX. The Convertible Notes were to be automatically redeemed on 30 April 2019 (Maturity Date) if they had not been converted or otherwise redeemed prior to the Maturity Date.

On 23 July 2018, the Company elected to convert the unsecured convertible note issued by PrimeX in November 2017. The Company received a total of 2,000,000 fully paid ordinary shares in PrimeX as a result of this conversion.

	31-Dec-18	30-Jun-18
	\$	\$
Financial assets at fair value through other comprehensive income	200,000	-
Convertible note receivable – PrimeX	-	200,000
Impairment of financial assets	-	(200,000)
	200,000	-

- (i) The value of financial assets at fair value through other comprehensive income has been determined by reference to the share price of the last capital raising completed by PrimeX. Refer to Note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 SHARE-BASED PAYMENTS

	31-Dec-18	30-Jun-18
	\$	\$
(a) Recognised share-based payment transactions		
Options issued to Directors ⁽ⁱ⁾	118,033	-
Options issued to consultants ⁽ⁱⁱⁱ⁾	48,000	-
	166,033	-

(i) Options issued to Directors

On 5 December 2018, the Company issued 11,500,000 unlisted options to Directors, exercisable at \$0.032 on or before 5 December 2022. The Grant Date of the 11,500,000 options is 30 November 2018 which is the date of the Annual General Meeting when the options were approved. In line with Australian Accounting Standards, these options have been fair valued based on the Grant Date, 30 November 2018, and a share-based payment expense has been recognised in the statement of profit or loss and other comprehensive income. The total value of the options issued was \$118,033 and the options are exercisable at any time prior to the expiry date.

(ii) Options issued to Consultants

On 5 December 2018, the Company issued 6,500,000 unlisted options to Consultants, exercisable at \$0.032 on or before 5 December 2022. The unlisted options were issued to Consultants as consideration for the provision of corporate advisory services and have been fair valued based on the services provided. The share-based payment expense of \$48,000 has been recognised in the statement of profit or loss and other comprehensive income at 31 December 2018. The options are exercisable at any time prior to the expiry date.

(b) Summary of options granted during the period

Options	Issue Date	Date of Expiry	Exercise Price	Balance at the start of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at the end of the period
Directors	05-12-18	05-12-22	\$0.032	-	11,500,000	-	-	11,500,000 ⁽ⁱ⁾
Consultant	05-12-18	05-12-22	\$0.032	-	6,500,000	-	-	6,500,000
				-	18,000,000	-	-	18,000,000
Weighted average exercise price			\$0.032					

(i) The options were issued on 5 December 2018 but was granted on 30 November 2018.

The options issued to the Directors of the Company, have been valued using the Black-Scholes model. The model and assumptions are shown in the table below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 SHARE-BASED PAYMENTS (CONTINUED)

Black-Scholes Option Pricing Model	
	Directors
Grant Date	30-11-18
Expiry Date	05-12-22
Strike (Exercise) Price	\$0.032
Underlying Share Price (at date of issue)	\$0.016
Risk-free Rate (at date of issue)	2.16%
Volatility	110%
Number of Options Issued	11,500,000
Dividend Yield	0%
Probability	100%
Black-Scholes Valuation	\$0.0103
Total Fair Value of Options	\$118,033

NOTE 6 FAIR VALUE MEASUREMENT

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the assets or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2018 on a recurring basis:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Financial assets at fair value through comprehensive income	-	-	200,000	200,000
Assets held for sale	-	-	-	-
	-	-	200,000	200,000

Level 3 financial assets held for trading unobservable inputs and sensitivity are as follows:

Description	Unobservable Inputs	Range	Sensitivity
Unlisted investments	Share price from last capital raising	Share price	Decrease share price decreases fair value.

The Group did not measure any other financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2018 and did not transfer any fair value amounts between the fair value hierarchies during the half-year period FY 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 CONTINGENCIES

There are no known contingent liabilities or contingent assets at reporting date (30 June 2018: Nil).

NOTE 8 COMMITMENTS

There are no commitments at 31 December 2018 (30 June 2018: Nil).

NOTE 9 RELATED PARTY TRANSACTIONS

During the period, the Group incurred legal fees, payable to Steinepreis Paganin (a company of which Peter Wall is a Partner). The Group also incurred consulting fees, payable to Mirador Corporate Pty Ltd ("Mirador"). Mirador is a company of which Jeremy King is a Director. The Group also incurred corporate advisory fees, payable to Xcel Capital Pty Ltd ("Xcel"). Xcel is a company of which Edwin Bulseco is a Director (resigned as Director on 28 September 2018).

	31-Dec-18	31-Dec-17
	\$	\$
Steinepreis Paganin	8,831	6,514
Mirador Corporate Pty Ltd	55,125	62,625
Xcel Capital Pty Ltd	48,000	-

On 5 December 2018, the Company issued 11,500,000 unlisted options to Directors and 6,500,000 unlisted options to Consultants. Refer to Note 5 for details.

NOTE 10 EVENTS AFTER THE END OF THE INTERIM PERIOD

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

DIRECTORS' DECLARATION

In the Directors' opinion

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Peter Wall
Non-Executive Chairman
28 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Transcendence Technologies Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Transcendence Technologies Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, 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 half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, 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 the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with 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 Group's financial position as at 31 December 2018 and its financial 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 the Group, 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*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', is written below the printed name.

Jarrad Prue

Director

Perth, 28 February 2019