

ASX APPENDIX 4D

TRANSCENDENCE TECHNOLOGIES LIMITED

ABN 57 096 781 716

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

(Previous corresponding period is the period ended 31 December 2018)

| KEY INFORMATION | 31-Dec-19 \$ | 31-Dec-18 \$ | % Change |
|---|-----------------|-----------------|----------|
| Revenue from ordinary activities | 4,294 | 11,376 | (62%) |
| Loss from ordinary activities after tax attributable to members | (255,982) | (400,267) | (36%) |
| Net loss attributable to members | (255,982) | (400,267) | (36%) |

DIVIDEND INFORMATION

No dividend has been proposed or declared.

| NET TANGIBLE ASSETS PER SECURITY | 31-Dec-19 | 31-Dec-18 |
|----------------------------------|-----------|-----------|
| Net tangible assets per security | 0.01 | 0.01 |

| EARNINGS PER SHARE | 31-Dec-19 Cents | 31-Dec-18 Cents |
|----------------------------|--------------------|--------------------|
| Basic earnings per share | (0.15) | (0.23) |
| Diluted earnings per share | (0.15) | (0.23) |

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 2019.

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 2019 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 2019 Annual Report.



TRANSCENDENCE TECHNOLOGIES LIMITED

ABN 57 096 781 716

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

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CORPORATE DIRECTORY

Board of Directors

| | |
|---------------------|---|
| Mr Peter Wall | Non-Executive Chairman |
| Mr Jeremy King | Non-Executive Director |
| Mr Patrick Holywell | Non-Executive Director (appointed 20 November 2019) |
| Mr Patrick Burke | Non-Executive Director (resigned 20 November 2019) |

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

Steinepreis 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 2019 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2019 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

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 Holywell | Non-Executive Director | Appointed 20 November 2019 |
| Patrick Burke | Non-Executive Director | Resigned 20 November 2019 |

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.

Corporate

On 23 September 2019, the Company was suspended from official quotation in accordance with Listing Rule 17.3, as ASX determined that the Company's operations are not adequate to warrant the continued quotation of its securities pursuant to ASX Listing Rule 12.1. The suspension will continue until the Company is able to demonstrate compliance with Listing Rule 12.1.

During the period, a total of 73,554,272 quoted options exercisable at \$0.05 each on or before 11 August 2019 expired unexercised.

On 20 November 2019, Mr Patrick Holywell was appointed as a Non-Executive Director of the Company and Mr Patrick Burke resigned as Non-Executive Director.

The Board continues to proactively identify and review acquisition and investment opportunities. In the meantime, the Board has implemented a cost reduction programme in order to conserve cash.

DIRECTORS' REPORT

FINANCIAL RESULTS

The financial results of the Group for the half-year ended 31 December 2019 are:

| | 31-Dec-19 | 30-Jun-19 |
|--------------------------------|-----------|-----------|
| Cash and cash equivalents (\$) | 889,272 | 1,198,254 |
| Net assets (\$) | 898,926 | 1,154,908 |

| | 31-Dec-19 | 31-Dec-18 |
|-------------------------|-----------|-----------|
| Revenue (\$) | 4,294 | 11,376 |
| Net loss after tax (\$) | (255,982) | (400,267) |
| Loss per share (cents) | (0.15) | (0.23) |

DIVIDENDS

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

The Directors do not propose to declare or pay any dividend for the half-year ended 31 December 2019.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

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.

AUDITOR'S INDEPENDENCE DECLARATION

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Peter Wall
Non-Executive Chairman
14 February 2020

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 2019, 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, 14 February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

| | Note | 31-Dec-19 \$ | 31-Dec-18 \$ |
|--|------|------------------|------------------|
| Interest income | 3 | 4,294 | 11,376 |
| Compliance and regulatory expenses | | (23,887) | (31,717) |
| Consulting and corporate expenses | | (157,525) | (124,625) |
| Employee and director benefits expense | | (58,012) | (74,300) |
| Other expenses | | (20,852) | (14,877) |
| Share based payment expense | 5 | - | (166,033) |
| Loss before income tax for the period | | (255,982) | (400,267) |
| Income tax expense | | - | - |
| Loss after income tax for the period | | (255,982) | (400,267) |
| 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 | | (255,982) | (200,267) |
| Loss per share for the period attributable to the members of Transcendence Technologies Limited: | | | |
| Basic and diluted loss per share (cents) | | (0.15) | (0.23) |

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 2019

| | Note | 31-Dec-19 \$ | 30-Jun-19 \$ |
|----------------------------------|------|-----------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 889,272 | 1,198,254 |
| Trade and other receivables | | 33,966 | 34,594 |
| Total Current Assets | | 923,238 | 1,232,848 |
| TOTAL ASSETS | | 923,238 | 1,232,848 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 24,312 | 77,940 |
| Total Current Liabilities | | 24,312 | 77,940 |
| TOTAL LIABILITIES | | 24,312 | 77,940 |
| NET ASSETS | | 898,926 | 1,154,908 |
| EQUITY | | | |
| Issued capital | | 14,471,769 | 14,471,769 |
| Reserves | | 365,382 | 365,382 |
| Accumulated losses | | (13,938,225) | (13,682,243) |
| TOTAL EQUITY | | 898,926 | 1,154,908 |

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 2019

| | Issued Capital \$ | Issued Options \$ | Fair Value through Other Comprehensive Income Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|--|-------------------------|-------------------------|--|-----------------------------|--------------------|
| At 1 July 2019 | 14,471,769 | 365,382 | - | (13,682,243) | 1,154,908 |
| Loss for the period | - | - | - | (255,982) | (255,982) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive loss for the period after tax | - | - | - | (255,982) | (255,982) |
| Transactions with owners in their capacity as owners: | | | | | |
| Options issued | - | - | - | - | - |
| Balance at 31 December 2019 | 14,471,769 | 365,382 | - | (13,938,225) | 898,926 |
| 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 |

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 2019

| | 31-Dec-19 | 31-Dec-18 |
|---|------------------|------------------|
| | \$ | \$ |
| Cash flows used in operating activities | | |
| Payment to suppliers and employees | (313,276) | (255,454) |
| Interest received | 4,294 | 11,376 |
| Net cash flows used in operating activities | (308,982) | (244,078) |
| Net decrease in cash and cash equivalents | (308,982) | (244,078) |
| Cash and cash equivalents at the beginning of the period | 1,198,254 | 1,651,887 |
| Cash and cash equivalents at the end of the period | 4 889,272 | 1,407,809 |

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

Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2019 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 2019 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.

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.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 16 – Leases

The consolidated entity has adopted AASB 16 from 1 July 2019 using the retrospective modified approach and as such the comparatives have not been restated. The impact of adoption is not material to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SEGMENT INFORMATION

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 is 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-19 \$ | 31-Dec-18 \$ |
|----------------------|-----------------|-----------------|
| <i>Other Revenue</i> | | |
| Interest received | 4,294 | 11,376 |
| | 4,294 | 11,376 |

NOTE 4 CASH AND CASH EQUIVALENTS

| | 31-Dec-19 \$ | 30-Jun-19 \$ |
|---------------------|-----------------|------------------|
| Cash at bank | 389,272 | 198,254 |
| Short-term deposits | 500,000 | 1,000,000 |
| | 889,272 | 1,198,254 |

NOTE 5 SHARE-BASED PAYMENTS

(a) Recognised share-based payment transactions

| | 31-Dec-19 \$ | 31-Dec-18 \$ |
|--|-----------------|-----------------|
| 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 SHARE-BASED PAYMENTS (CONTINUED)

(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.

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:

| 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 CONTINGENCIES

There are no known contingent liabilities or contingent assets at reporting date (30 June 2019: Nil).

NOTE 7 COMMITMENTS

There are no commitments at 31 December 2019 (30 June 2019: Nil).

NOTE 8 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.

| | 31-Dec-19 \$ | 31-Dec-18 \$ |
|---------------------------|-----------------|-----------------|
| Steinepreis Paganin | 56,435 | 8,831 |
| Mirador Corporate Pty Ltd | 46,875 | 55,125 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 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 2019 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
14 February 2020

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 2019, 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 2019 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 2019 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
J Prue

Jarrad Prue

Director

Perth, 14 February 2020