

29th April 2022

March 2022 Quarterly Activities Report

The quarter produced a cash result that reflected the slower trading conditions due to Covid impacts.

The Cash Result for the 1st quarter reflects the reality of the Pandemic era, with the client base generally not back at the office or investing in capital works. Cash on hand at the end of the quarter was \$2,401K, decreasing from \$3,971K last quarter.

Overall, the Revenue for the March 2022 quarter was again impacted by NSW and VIC COVID 19 lock down and worker isolations. The revenue was \$3,503K, a 8.42% decrease compared to the December 2021 quarter. Capital works tenders slowly begin to return to the market particularly in our core Renewable Energy sector.

As noted last quarter Tempo Construction & Maintenance (TCM) continues working on several Tenders and Early Contractor Involvement proposals, which should come to fruition in this calendar and financial year. Revenue in the construction business has been considerably impacted however the business has an extremely flexible cost base and has had minimal impact on our cash flow.

Tempo Asset Management Services (TAMS) - the electrical maintenance business - continues to manage its cash flow well in difficult times due to the continuing effect of Covid 19 however the business purchased in 2017 continues to be a significant negative impact on our overall cash flow performance. TAMS is continuing to submit several EOI's and Tenders which are predominately for quality Corporate Businesses, and Government Agencies. We are focussing on our core business in construction and maintenance in the renewables area, and therefore are considering options for the TAMS business unit, including divestment or major downsizing.

Tempo Renewables development, referred to in previous updates, is continuing, and is gathering pace particularly in the Hydrogen Storage area. The company hopes to be able to provide further updates on the next stage of developments in the coming quarter. Trials of Hydrogen Storage Technology, encompassing Solar Energy coupled with Hydrogen Storage has commenced in the month of April 2022, with updates to be provided in May/June 2022. A new wholly owned vehicle will be registered in which to complete the development and house new contracts and any associated risk. This will include projects similar to our previous Solar EPC, such as Cohuna solar farm, which was successfully completed for ENEL. Also, as noted last quarter we will do OEM type projects as envisioned for Hydrogen Storage Technology and Hybrid Standalone Power supplies which may be a combination of Solar, Wind or other renewable generation, coupled with Storage such as Lithium batteries and Hydrogen Storage. The new entity, should our trials show promising results, will have more focussed resources for Hydrogen Storage Technology development in our Engineering and Construction Business and targeted branding of the Technology and future Business.

As per ASX list rule 4.7C.1, please see attached summary of expenditure incurred on business activities below.

	Current Quarter
	\$A'000
Product manufacturing and operating costs	1,690
Leased assets	107
Staff costs	2,538
Administration and corporate costs	168
Interest and other costs of finance paid	19
Total	4,522

The main elements of cash flow for the quarter were:

- Receipts from customers was \$3,711K, decreased 2.68% compared to last quarter.
- Payment to Related Parties was \$130K, comprising salaries and director fees paid to all executive and non-executive directors.



William Howard
Executive Director, Chief Financial Officer & Company Secretary
Tempo Australia Ltd

This announcement had been authorised for release by the board.

FOR FURTHER INFORMATION PLEASE CONTACT:

Paul Dalglish
Chief Executive Officer
Head Office +61 2 7253 3500

William Howard
Executive Director, CFO & COMPANY SECRETARY
Head Office +61 2 7253 3500

ABOUT TEMPO

Tempo Australia Ltd (ASX: TPP) is one of Australia's leading innovators in the delivery of engineering, construction, maintenance, asset management and telecommunication infrastructure services. The company was established in 2011 and has specific expertise in structural, mechanical, piping, electrical, telecommunication and data communication.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Tempo Australia Limited

ABN

51 000 689 725

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	3,711	3,711
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(1,690)	(1,690)
	(c) advertising and marketing		
	(d) leased assets	(107)	(107)
	(e) staff costs	(2,538)	(2,538)
	(f) administration and corporate costs	(168)	(168)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(20)	(20)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(811)	(811)
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	(348)	(348)

Consolidated Statement of Cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(7)	(7)
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(355)	(355)
3 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(404)	(404)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(404)	(404)
4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,971	3,971
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(811)	(811)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(355)	(355)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(404)	(404)
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of period	2,401	2,401

5 Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	2,401	3,971
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,401	3,971

6 Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	130
6.2 Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: 6.1 - \$130K is the payment to Director fees</i>	

7 Financing facilities available
 Note: the term "facility" includes all forms of financing arrangements available to the entity.
 Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities
 7.2 Credit standby arrangements
 7.3 Other (AMEX credit Card)
7.4 Total financing facilities

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
1,000	
200	199
1,200	199

7.5 Unused financing facilities available at quarter end

1,001

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Loan Facilities \$1M is NAB draw down facility. At balance date the above amount was available for draw down, but not utilised. The interest rate is 1.30%
 Other – AMEX credit card \$200k is unsecured. Company always pay on time and there is no interest charge.

8 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(811)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

8.2	Cash and cash equivalents at quarter end (item 4.6)	2,401
8.3	Unused finance facilities available at quarter end (item 7.5)	1,001
8.4	Total available funding (item 8.2 + item 8.3)	3,402
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

86.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

86.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

86.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:29th April 2022.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Board of Directors
Tempo Australia Limited

29th April 2022

Directors

Appendix 4C for the quarter ended 31st March 2022 for the purpose of Recommendation 4.2 of the Corporate Governance Principles and Recommendations (4th edition)

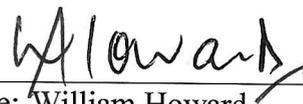
1. Recommendation 4.2 of the ASX Corporate Governance Council, Corporate Governance Principles and Recommendations, 4th Edition (**Principles and Recommendations**), requires the board of a listed entity, before it approves the company's financial statements for a financial period, to receive a declaration from the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**) in respect of the company's financial statements.
2. We make the following declaration as if the attestation required under section 295A of the *Corporations Act 2001* (Cth) (**Corporations Act**) applies in respect of the Company's interim report for the period ending 31st March 2022 (**Financial Period**):

In our opinion:

- (a) the financial records of the Company and its controlled entities for the Financial Period have been properly maintained in accordance with section 286 of the Corporations Act;
 - (b) the financial statements and the notes referred to in section 295(3)(b) of the Corporations Act for the Financial Period comply with the applicable accounting standards; and
 - (c) the financial statements and notes for the Financial Period give a true and fair view of the financial position and performance of the Company in accordance with section 297 of the Corporations Act.
3. As suggested by the Recommendation 4.2 of the Principles and Recommendations, we also declare that, in our opinion, the declaration in paragraph 2 has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
 4. The statements given in accordance with Recommendation 4.2 regarding the risk management and internal compliance and control systems of the Company provide a reasonable, but not absolute level of assurance and do not imply a guarantee against adverse events or more volatile outcomes arising in the future.



Name: Dr Paul Dalgleish
Position: Chief Executive Officer



Name: William Howard
Name: Chief Financial Officer

Tempo Australia Ltd
ACN 000 689 725
(the "Company")

Circulating Resolution in accordance with clause 16.11 of the Company's Constitution

Purpose

To approve Appendix 4C quarterly cash flow report and Activities Report for the quarter ending 31 March 2022.

Background

It is noted that the Appendix 4C and Activities Report that are required to be lodged by entities subject to Listing Rule 4.7B, which are attached to this circulating resolution, had been previously circulated to the Directors.

All queries by the Directors have been responded to by William Howard (CFO).

NOTED: that this circulating resolution is to be executed by all of the undermentioned Directors; that it may be executed in counterparts; and that it takes effect upon execution by the last voting Director.

THE DIRECTORS UNANIMOUSLY RESOLVED: to approve the Appendix 4C and Activities Report for the quarter ending 31 March 2022 for lodgement with the ASX.



Guido Belgiorno-Nettis

Date: 29th April 2022



William Herbert Howard

Date: 29th April 2022



Charles Rottier

Date: 29th April 2022



Paul Dalgleish

Date: 29th April 2022