

Transmetro Corporation Limited ABN 45 001 809 043

Quarterly Activities report

Quarter Ended 30 Sept 2022

The first quarter of the new financial year has been a positive one for the Company. Cash flow has continued to improve, bolstered by strong trading at the Company's accommodation hotels with most markets experiencing buoyant conditions. The Company's Melbourne property has been the exception. The Sydney pub operation continued to trade at a significant loss as its fringe CBD location continues to suffer from city workers working from home, and the subdued number of international visitors to Sydney.

Buoyant trading conditions for the accommodation hotels is expected to continue into the second quarter, however the Darwin property has now entered its low season and occupancies and rates have started to slide markedly.

Economic conditions remain mixed coming off the peak of the Covid-19 pandemic. Sentiment is also being impacted by surging inflation, higher interest rates, and talk of a global recession. Nonetheless, at the time of writing, the Company is confident cash flow will be maintained at current levels through to the end of the second quarter and beyond.

The Company continues to explore potential additions to its portfolio. A new long-term operating agreement was entered into during the quarter for a property in the Perth CBD which has been closed for the duration of the pandemic. The Metro Hotel Perth City has been earmarked for a 7 November 2022 reopening. The hotel has been a drain on first quarter cash flow, which has continued into the second quarter as the hotel undergoes renovation and preparations for the reopening. The Company is confident the hotel will be in positive cash flow by the third quarter.

Directors' fee of \$12k was paid in this quarter.

The outlook overall for cash flow estimates for the 2022/23 year remains positive.

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

Expenditure for the quarter	Current Quarter \$A'000	Year to date Sept'22 \$A'000
Hotel & Apartments Operations	3,469	3,469
Pubs operations	767	767
Consolidation Operating Costs	4,236	4,236

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