

29th January 2021

December Quarter and FY2020 Activities Report

EBITDA for FY 2020 was \$775K, an increase from a negative (\$3,099K) last year.

The December quarter produced Revenue of \$6.6M [down from \$18.9M last year] with EBITDA at \$342K [increase from loss (\$16K) last year].

Full year revenue in FY2020 was \$30.1M down from \$52.9M last year, which was impacted by the COVID-19 pandemic.

Tempo finalized one construction contract in the December quarter, and another one in January. Both contracts delivered budgeted outcomes. Tempo is working on several Early Contractor Involvement [ECI] style proposals, which should be awarded during the 1st Half of 2021 and delivered through 2021 if they proceed.

Tempo Asset Management Services (TAMS) - the electrical maintenance business - continues to perform well considering the impact of COVID. Financials have been assisted by the Job Keeper program which will be in place through to the March 2021. TAMS is continuing to submit several EOIs and Tenders going into the new Financial Year (calendar 2021) which are predominately for Government Agencies.

Cash on hand at the end of the quarter was \$6,637K, down from \$7,005 last quarter. The main elements of cash flow for the quarter were:

- Receipts from customers was \$5,799K, down 36% compared to last quarter.
- Receipt of \$824K from Job Keeper *and Cash Boost*.
- Payment to Related Parties was \$172K, comprising salaries and director fees paid to all executive and non-executive directors.
- Delay in the finalisation of completion documentation of one construction contract means \$1.4 Million will be received in the 1st Quarter of 2021.



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:

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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 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 month) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	5,799	35,280
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs ¹	(3,305)	(21,681)
	(c) advertising and marketing		
	(d) leased assets	(73)	(320)
	(e) staff costs	(3,151)	(13,372)
	(f) administration and corporate costs	(288)	(1,751)
1.3	Dividends received (see note 3)		
1.4	Interest received	13	49
1.5	Interest and other costs of finance paid	(46)	(213)
1.6	Income taxes paid		
1.7	Government grants and tax incentives	824	2,657
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(227)	649
2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		(103)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		

Consolidated Statement of Cash flows		Current quarter \$A'000	Year to date (12 month) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	231	438
	(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	231	335
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		(41)
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	(372)	(1,646)
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	(372)	(1,687)
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,005	7,340
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(227)	648
4.3	Net cash from / (used in) investing activities (item 2.6 above)	231	335
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(372)	(1,687)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	6,637	6,637

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	6,637	7,005
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)	6,637	7,005

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	172
6.2 Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: 6.1 - \$172K 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
10,000	
200	121
10,200	121

7.5 **Unused financing facilities available at quarter end**

10,079

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 \$10m is NAB Invoice Finance. At balance date the above amount was available for draw down, but not utilised. The amount available for draw down under the facility will vary from month to month. The interest rate is 5.02%
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)	649
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,637
8.3	Unused finance facilities available at quarter end (item 7.5)	10,079
8.4	Total available funding (item 8.2 + item 8.3)	16,716
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

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

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

Date:29th January 2021.....

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

Notes

- 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.
- 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.