

## ASX ANNOUNCEMENT

31 August 2022

### Tempo Australia Ltd | Appendix 4D – Half Year Report

Please find attached Tempo Australia Ltd (ASX: TPP) Appendix 4D – Half Year Report.

ENDS

This announcement has been authorised for release by  
Tempo Australia Limited's Board of Directors..

#### FOR FURTHER INFORMATION PLEASE CONTACT:

**Guido Belgiorno-Nettis**  
Non-Executive Chairman  
+61 (2) 9375 7983

**William Howard**  
Executive Director, CFO, COY SECRETARY  
+61 (2) 9375 7983

#### 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.

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**Tempo Australia Limited**

ABN 51 000 689 725

**Interim Condensed  
Consolidated Financial Statements  
For the Half Year Ended 30 June 2022**

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### Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. The Company complies with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (the Principles).

## CORPORATE DIRECTORY

**DIRECTORS**

Guido Belgiorno-Nettis	Non-Executive Chairman
Paul Dalgleish	Managing Director
William Howard	Executive Director, Chief Financial Officer and Company Secretary
Charles Rottier	Non-Executive Director
Christopher Cook	Alternate Non-Executive Director for Guido Belgiorno-Nettis

**LEADERSHIP TEAM**

John Cuffe	Executive General Manager TAMS
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**STOCK EXCHANGE LISTING**

The company's shares are quoted on the Australian Stock Exchange under the code TPP.

<b>REGISTERED OFFICE</b> c/o Company Matters Pty Limited Level 12, 680 George Street Sydney NSW 2000	<b>PRINCIPAL PLACE OF BUSINESS</b> Suite 303, 75 King Street Sydney, NSW 2000 +61 2 9375 7983 info@tempoast.com www.tempoast.com	<b>POSTAL ADDRESS</b> Suite 303, 75 King Street Sydney, NSW 2000
<b>AUDITOR</b> PKF (NS) Audit & Assurance Ltd Partnership Level 8, 1 O'Connell Street Sydney NSW, 2000 +61 02 8346 6000 www.pkf.com.au	<b>SHARE REGISTRY</b> Link Market Services Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000 +61 1300 554 474 www.linkmarketservices.com.au	

## APPENDIX 4D

## COMPANY DETAILS

Name of entity	Tempo Australia Limited
ABN	51 000 689 725
Reporting period	Half-year ended 30 June 2022
Previous corresponding period	Half-year ended 30 June 2021

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

All figures expressed in Australian dollars unless otherwise stated.

Revenue from continuing operations	Decrease 67.5% from \$388K to \$126K
Loss after tax from ordinary activities	Increase 36.4% from \$1,404K to \$1,915K
Loss for the half-year attributable to the owners	Increase 36.4% from \$1,404K to \$1,915K

An explanation of the above figures is included within the "Review of Operations and Financials" section of the attached Director's Report.

## NET TANGIBLE ASSETS

	30 June 2022	30 June 2021
Net asset backing per ordinary share	\$0.01	\$0.02
Net tangible asset backing per ordinary share	\$0.00	\$0.02

## DIVIDENDS

	Amount per share	Franked amount per share (%)
Interim dividend declared	Nil	N/A
Final dividend declared	Nil	N/A

## SHARE BUY-BACK SCHEME

The Company does not currently have an on-market share buy-back scheme in place.

## DIVIDEND REINVESTMENT PLANS

Not applicable.

## DETAILS OF ASSOCIATES AND JOINT VENTURES

Not applicable.

## FOREIGN ENTITIES

Not applicable.

**AUDIT QUALIFICATION OR REVIEW**

The Interim Financial Report was subject to a review by the auditors and the unqualified auditor's review report is attached as part of the Interim Report.

**ATTACHMENTS**

The Interim Financial Report of Tempo Australia Limited for the half-year ended 30 June 2022 is attached.

**SIGNED**

William Howard  
Executive Director, CFO and Company Secretary  
Date: 31 August 2022

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## DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial statements for the half-year ended 30 June 2022.

### DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Guido Belgiorno-Nettis	Non-Executive Chairman <ul style="list-style-type: none"> <li>- Appointed as Non-Executive Chairman 11 July 2019</li> <li>- Appointed as Executive Chairman 29 April 2019</li> <li>- Appointed as Non-Executive Director 22 December 2016</li> </ul>
Paul Dalgleish	Managing Director <ul style="list-style-type: none"> <li>- Appointed as Managing Director 9 February 2022</li> <li>- Resigned as Chief Executive Officer 9 February 2022</li> <li>- Appointed as Chief Executive Officer 15 July 2019</li> </ul>
William Howard	Executive Director <ul style="list-style-type: none"> <li>- Appointed as Executive Director 15 August 2019</li> <li>- Appointed as Chief Financial Officer and Company Secretary 15 July 2019</li> </ul>
Charles Louis Rottier	Non-Executive Director <ul style="list-style-type: none"> <li>- Appointed as Non-Executive Director 18 March 2020</li> </ul>
Christopher Cook	Alternate Non-Executive Director for Guido Belgiorno-Nettis <ul style="list-style-type: none"> <li>- Stayed as Alternate Non-Executive Director for Guido Belgiorno-Nettis 9 February 2022</li> <li>- Resigned as Non-Executive Director 9 February 2022</li> <li>- Appointed as Non-Executive Director 19 March 2021</li> <li>- Appointed as Alternate Non-Executive Director for David Iverach and Guido Belgiorno-Nettis 26 November 2020</li> </ul>

### PRINCIPAL ACTIVITIES

During the period the Group generated revenues from renewable energy study, asset management, maintenance and construction across the telecommunications, infrastructure, resources, power, industrial and commercial sectors.

### RESULTS

The consolidated loss after income tax attributable to the members of Tempo Australia Limited was \$1,915K.

Basic Loss – cents per share	(0.53)	(0.39)
Diluted Loss – cents per share	(0.53)	(0.39)

*The above statement of cash flows should be read in conjunction with the accompanying notes*

### REVIEW OF OPERATIONS AND FINANCIALS

Cash on hand at the end of the quarter was \$1,309K, decreasing from \$2,401K last quarter, reflecting the slower trading conditions of the TAMS business, which is now sold, subsequent to H1 FY2022 and this activities report, and as such we now refer you to the ASX announcement of 4 July where it was announced that the TAMS business has been sold, inter alia:

### “Tempo Completes Sale of TAMS

The Board of Tempo Australia Limited (ASX: TPP, “Tempo”) is pleased to advise that Tempo has completed the sale of TAMS, an electrical maintenance business, to E&A Limited (EAL) on the 2<sup>nd</sup> of July 2022, in line with our Heads of Agreement, announced on the 23<sup>rd</sup> of May 2022. The net proceeds of the transaction is approximately \$1.1 million, with a much reduced operating cost going forward.

Moving forward Tempo will be entirely focussed on our core Renewable Energy Strategy, in particular, Solid State Hydrogen Storage Batteries.

Tempo anticipates making further announcements on our Renewable Energy Strategy the next quarter, which will detail the technology delivery, trials of the technology and results thereof.

Tempo will also soon be announcing our new branding to enhance our Renewable Energy and Hydrogen Storage strategic positioning”.

The Solid-State Hydrogen Storage business continues to gather momentum with a number of sales opportunities now being tendered and/or negotiated. As such we are expecting our first sales in H2 FY2022 and a number of further announcements with regard to our trial projects and our rebranding activities.

The current market for Hydrogen Storage is quite extensive and in a large range of sectors however Tempo is focussed on completely renewable Stand-Alone Power Supplies for both Utilities and private operators.

### SUBSEQUENT EVENTS

On 4th July 2022 the Company announced Tempo has completed the sale of TAMS (Electrical Maintenance Operations business) to E&A Limited on 2<sup>nd</sup> July 2022. Moving forward the company will focus on the core Renewable Energy Strategy, in particular, Solid State Hydrogen Storage Batteries.

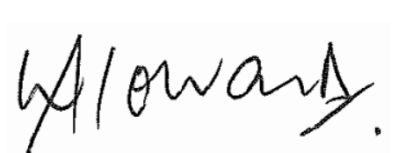
### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within the financial report.

### ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

On behalf of the directors,



William Howard  
Executive Director  
Date: 31 August 2022



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Consolidated entity	
	Note	30 Jun 2022	30 Jun 2021
		\$'000	\$'000
Revenue	3	126	388
Other income	3	3	9
<b>Revenue and other income</b>		<b>129</b>	<b>397</b>
Employee and director benefits expense		1,171	425
Administration costs		(145)	(452)
Occupancy costs		42	85
Depreciation and amortisation		75	93
Other expenses		-	-
Project material costs		-	(37)
Equipment and other subcontractor costs		72	222
Listing and other statutory charges		54	50
Interest and finance charges		16	14
Other professional expenses		133	167
Impairment expense		-	-
<b>Total expenses</b>		<b>1,418</b>	<b>567</b>
<b>Loss before income tax expense from continuing operations</b>		<b>(1,289)</b>	<b>(170)</b>
Income tax (expense)/benefit		-	-
<b>Loss after income tax expense from continuing operations</b>		<b>(1,289)</b>	<b>(170)</b>
Loss after income tax expense from discontinued operations	11	(626)	(1,234)
<b>Loss before income tax expense from continuing operations</b>		<b>(1,915)</b>	<b>(1,404)</b>
Other comprehensive income		-	-
<b>Loss after income tax expense for the half-year</b>		<b>(1,915)</b>	<b>(1,404)</b>
<b>Earnings per share for loss from continuing operations attributable to the owners of Tempo Australia Ltd</b>			
Basic Loss – cents per share		(0.35)	(0.05)
Diluted Loss – cents per share		(0.35)	(0.05)
<b>Earnings per share for loss from discontinued operations attributable to the owners of Tempo Australia Ltd</b>			
Basic Loss – cents per share		(0.17)	(0.34)
Diluted Loss – cents per share		(0.17)	(0.34)
<b>Earnings per share for loss attributable to the owners of Tempo Australia Limited</b>			
Basic Loss – cents per share		(0.53)	(0.39)
Diluted Loss – cents per share		(0.53)	(0.39)

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated entity	
		30 Jun 2022	31 Dec 2021
		\$'000	\$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	886	3,971
Trade and other receivables	6	199	2,578
Contract assets		9	716
Inventories		-	166
Other assets		6	677
		1,100	8,108
Current assets classified as held for sale	11	3,825	-
Non-current assets classified as held for sale	11	998	-
<b>Total current assets</b>		<b>5,923</b>	<b>8,108</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		36	935
Intangible Assets		1,675	983
Other assets		804	804
<b>Total non-current assets</b>		<b>2,515</b>	<b>2,722</b>
<b>Total assets</b>		<b>8,438</b>	<b>10,830</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	312	2,515
Contract liabilities		28	-
Interest bearing loans and borrowings	6	-	854
Provisions		147	949
		487	4,318
Current liabilities classified as held for sale	11	3,292	-
Non-current liabilities classified as held for sale	11	336	-
<b>Total current liabilities</b>		<b>4,115</b>	<b>4,318</b>
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing loans and borrowings	6	-	204
Provisions		35	197
<b>Total non-current liabilities</b>		<b>35</b>	<b>401</b>
<b>Total liabilities</b>		<b>4,150</b>	<b>4,719</b>
<b>Net assets</b>		<b>4,288</b>	<b>6,111</b>
<b>EQUITY</b>			
Contributed equity	9	84,949	84,949
Share option reserve	10	2,312	2,220
Accumulated losses		(82,973)	(81,058)
<b>Total equity</b>		<b>4,288</b>	<b>6,111</b>

The above statement of cash flows should be read in conjunction with the accompanying notes

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed equity	Accumulated losses	Share Option Reserve	Total equity
Note	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2021</b>	84,842	(76,907)	1,634	9,569
Loss for the year	-	(1,404)	-	(1,404)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss</b>	-	<b>(1,404)</b>	-	<b>(1,404)</b>
Share issues	-	-	-	-
Share based payments	-	-	27	27
Transfer on the cancellation of performance rights	-	-	-	-
Cost of share raising	-	-	-	-
<b>At 30 June 2021</b>	<b>84,842</b>	<b>(78,311)</b>	<b>1,661</b>	<b>8,192</b>
<b>At 1 January 2022</b>	84,949	(81,058)	2,220	6,111
Loss for the year	-	(1,915)	-	(1,915)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss</b>	-	<b>(1,915)</b>	-	<b>(1,915)</b>
Share issues	-	-	-	-
Share based payments	-	-	92	92
Transfer on the cancellation of performance rights	-	-	-	-
Cost of share raising	-	-	-	-
<b>At 30 June 2022</b>	<b>84,949</b>	<b>(82,973)</b>	<b>2,312</b>	<b>4,288</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Consolidated entity	
		30 Jun 2022 \$'000	30 Jun 2021 \$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		8,121	9,444
Payments to suppliers and employees		(9,607)	(8,939)
Interest and finance charges paid		(41)	(55)
Interest received		3	7
<b>Net cash (used)/generated by operating activities</b>		<b>(1,524)</b>	<b>457</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		106	2
Intangibles		(692)	-
<b>Net cash (used)/generated by investing activities</b>		<b>(586)</b>	<b>2</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		370	-
Repayment of borrowings		(922)	(592)
<b>Net cash used in by financing activities</b>		<b>(552)</b>	<b>(592)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,662)</b>	<b>(133)</b>
Cash and cash equivalents at beginning of year		3,971	6,637
<b>Cash and cash equivalents at the end of the year</b>		<b>1,309</b>	<b>6,504</b>

The above figures reconcile to the balance sheet at the end of the financial year as follows:

Balances as above	1,309	6,504
Reclassification of cash of disposal groups held for sale (refer note 11)	(423)	-
<b>Cash and cash equivalents at the end of the financial year</b>	<b>886</b>	<b>6,504</b>

The above statement of cash flows should be read in conjunction with the accompanying notes

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 30 JUNE 2022

#### 1 Corporate information

The interim condensed consolidated financial statements of Tempo Australia Limited (the Company) and its subsidiaries (collectively, the Group) for the six months ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 31 August 2022.

Tempo Australia Limited is a for profit company limited by shares, incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The company's registered office is c/o Company Matters Pty Limited, Level 12, 680 George Street, Sydney NSW 2000.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency

The nature of the operations and principal activities of the consolidated entity are described in the Directors' Report.

#### Rounding

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

#### 2 Significant accounting policies

##### 2.1 Basis of preparation

These interim financial statements for the half-year reporting period ended 30 June 2022 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 interim 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 31 December 2021 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

##### Compliance with International Financial Reporting Standards (IFRS)

The financial report also complies with the IFRS as issued by the International Accounting Standards Board (IASB).

##### 2.2 New standards, interpretations and amendments adopted by the Group

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.

Except as described below, the accounting policies adopted in the preparation of the interim condensed consolidated financial report are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

### 2.3 Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

## 3 Revenue and other income

	Consolidated entity	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Revenues from contracts with customers	126	388
Interest revenue calculated using the effective interest method	3	9
<b>Total revenue and other income</b>	<b>129</b>	<b>397</b>

Revenue from contracts with customers by type of customer	Consolidated entity	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Commercial	126	388
<b>Total revenues from contracts with customers</b>	<b>126</b>	<b>388</b>

The transaction price allocated to the remaining performance obligations is as follows:

	Consolidated entity	
	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Within one year	-	-
<b>Total revenue and other income</b>	<b>-</b>	<b>-</b>

#### 4 Significant transactions during the period

Included within employee and director benefits expenses are the following items:

	Consolidated entity	
	30 Jun 2022 \$'000	30 Jun 2021 \$'000
Job Keeper	-	534
<b>Total Government incentives</b>	<b>-</b>	<b>534</b>

#### 5 Cash and short-term deposits

	Consolidated entity	
	30 Jun 2022 \$'000	31 Dec 2021 \$'000
Cash at bank and on hand	886	1,020
Short term deposits	-	2,951
<b>Cash and cash equivalents</b>	<b>886</b>	<b>3,971</b>

#### 6 Financial assets and financial liabilities

##### 6.1 Financial assets

At 30 June 2022 the Group had financial assets (consisting of trade and other receivables) of \$199K (31 December 2021: \$2,578K). These assets were measured at amortised cost.

##### 6.2 Financial liabilities: Interest-bearing loans and borrowings

Set out below is an overview of financial liabilities held by the Group as at 30 June 2022 and 31 December 2021:

	Interest Rate	Maturity	Consolidated entity	
			30 Jun 2022	31 Dec 2021
<b>Current interest-bearing loans and borrowings</b>				
Obligations under leases	4.84%		-	596
Insurance Borrowing	2.75%		-	258
NAB Loan Drawdown Facility (\$1,000,000 Facility)	1.30%	On Demand	-	-
<b>Total current interest-bearing loans and borrowings</b>			<b>-</b>	<b>854</b>
<b>Non Current interest-bearing loans and borrowings</b>				
Obligations under leases	4.84%		-	204
<b>Total non- current interest-bearing loans and borrowings</b>			<b>-</b>	<b>204</b>
<b>Total interest-bearing loans and borrowings</b>			<b>-</b>	<b>1,058</b>

Tempo has a \$1M Drawdown Loan with the National Australia Bank Limited ('NAB'). At 30 June 2022, the effective rate was 1.30% and \$1M was unused (2021: \$1M Drawdown Loan was unused).

The Group has an asset leasing facility with NAB of \$3,450K. At 30 June 2022 the amount of the facility that was unused was \$3,450K. This facility was for \$3,450K at 31 December 2021, and the amount that was unused was \$3,450K.

Other leases in relation to plant, vehicles and other equipment amount is nil. At 31 December 2021 the amount relating to other leases was \$800K.

All finance liabilities are repayable on demand except for leases.

### 6.3 Financial liabilities: Bank guarantees and surety bonds

The Group has surety bond facilities of \$7 million (31 December 2021: \$7 million). At 30 June 2022 bonds valued at \$50K had been issued (31 December 2021: \$50K). The bond premium rate is 1.5% per annum on the face value of each bond.

As at 30 June 2022 the Company had no bank guarantees issued (31 December 2021: \$54K) which were secured by term deposits. Corresponding nil term deposits (31 December 2021: \$54K) are recorded in other assets.

### 6.4 Fair values

The carrying value of all current financial assets and liabilities approximates the fair value largely due to the short-term maturity of these instruments. Non-current financial liabilities are recognised at a discount value implicit in the leases.

Set out below is a comparison of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Consolidated entity			
	30-Jun-2022		30 Jun 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Non-current interest-bearing loans and borrowings	-	-	204	207
<b>Obligations under finance leases</b>	-	-	<b>204</b>	<b>207</b>

The fair value of obligations under leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

### 6.5 Financial instruments risk management objectives and policies

The Group's principal liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables and cash and short-term deposits that derive directly from its operations. The Group has determined that there is no material market, credit, liquidity or interest risk in relation to the cash or other receivables held in deposits. The Group's senior management oversees the management of these risks under the policies approved by the Risk, HSE and Commercial Committee and the Board.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk comprises three types of risk, interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt.



### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's long-term debt is secured with fixed interest rates. All long-term deposits have fixed interest rates. As a result, the Board believes there is no material interest rate risk.

### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's has minimal to this risk profile.

### **Other price risk**

The Group does not have any equity instruments or commodity risk exposure.

### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with reputable banks and financial institutions.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 6.1. The Group does not hold collateral as security.

The Group evaluates the concentration risk with respect to trade receivables as low, as its customers are located within several industries and operate in largely independent markets.

Historically the Group's incurred losses have been insignificant.

### **Liquidity Risk**

The Group monitors its risk of a shortage of funds using by utilising liquidity planning tools across a 15-month horizon.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short-term borrowings and finance leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a variety of sources of funding and the majority of the debt maturing within 12 months can be rolled over with existing lenders.

## **7 Segment reporting**

The Group comprises the following main business segments:

- Asset maintenance and service: provide customers fully integrated electrical asset management solutions, which are bespoke and tailored specifically to the unique conditions, assets and customer requirements.
- Construction & electrical project work: manage mechanical & electrical installation, solar, instrumentation and communication projects including one off capital works.

(a) Segment performance

30-Jun-2022		Construction & electrical project work \$'000	Corporate / unallocated \$'000	Total \$'000
<b>Revenue</b>				
Sales		126	-	126
Other revenue		-	3	3
<b>Total segment revenue</b>		<b>126</b>	<b>3</b>	<b>129</b>
Operating expenses		(1,342)	14	(1,328)
<b>Losses before interest, tax, depreciation &amp; amortisation (EBITDA)</b>		<b>(1,216)</b>	<b>17</b>	<b>(1,199)</b>
Depreciation and amortisation		(69)	(6)	(75)
<b>Earnings before interest and tax (EBIT)</b>		<b>(1,285)</b>	<b>11</b>	<b>(1,274)</b>
Interest expense		(5)	(11)	(16)
Income tax (credit)/expenses		-	-	-
Impairment of assets		-	-	-
<b>Net loss for the year</b>		<b>(1,290)</b>	<b>-</b>	<b>(1,290)</b>
<b>30-Jun-2021</b>				
	Asset maintenance and service \$'000	Construction & electrical project work \$'000	Corporate / unallocated \$'000	Total \$'000
<b>Revenue</b>				
Sales	7,272	388	-	7,660
Other revenue	19	-	9	28
<b>Total segment revenue</b>	<b>7,291</b>	<b>388</b>	<b>9</b>	<b>7,688</b>
Operating expenses	(8,119)	(462)	1	(8,580)
<b>Earnings before interest, tax, depreciation &amp; amortisation (EBITDA)</b>	<b>(828)</b>	<b>(74)</b>	<b>10</b>	<b>(892)</b>
Depreciation and amortisation	(372)	(84)	(9)	(465)
<b>Earnings before interest and tax (EBIT)</b>	<b>(1,200)</b>	<b>(158)</b>	<b>1</b>	<b>(1,357)</b>
Interest expense	(33)	(13)	(1)	(47)
Income tax (credit)/expenses	-	-	-	-
Impairment of assets	-	-	-	-
<b>Net profit/(loss) for the year</b>	<b>(1,233)</b>	<b>(171)</b>	<b>-</b>	<b>(1,404)</b>

30-Jun-2022	Asset	Construction	Corporate /	Total
	maintenance	& electrical	unallocated	
	and service	project work		
	\$'000	\$'000	\$'000	\$'000
Total Assets	4,823	1,924	1,691	8,438
Total Liabilities	3,628	148	374	4,150

31-Dec-2021	Asset	Construction	Corporate /	Total
	maintenance	& electrical	unallocated	
	and service	project work		
	\$'000	\$'000	\$'000	\$'000
Total Assets	5,005	1,488	4,338	10,831
Total Liabilities	3,764	145	811	4,720

## 8 Trade and other payables

	Consolidated entity	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Trade payables	69	1,037
Other payables	243	1,478
<b>Total trade and other payables</b>	<b>312</b>	<b>2,515</b>

## 9 Contributed equity

	Consolidated entity	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Ordinary shares fully paid	84,949	84,949
	<b>84,949</b>	<b>84,949</b>

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movements in ordinary shares	Consolidated entity		Consolidated entity	
	30 Jun 2022		31 Dec 2021	
	# of shares	\$'000	# of shares	\$'000
Balance as at the beginning of the year	364,135,506	84,949	362,635,506	84,842
Shares issued – proceeds received	-	-	1,500,000	107
Costs of share issue	-	-	-	-
Release of other contributed equity	-	-	-	-
<b>Balance as at the end of the year</b>	<b>364,135,506</b>	<b>84,949</b>	<b>364,135,506</b>	<b>84,949</b>

## 10 Share based payments

An Employee Share Incentive Right Plan (ESIRP) was established by the Company and approved by shareholders at the general meeting held in May 2013 and renewed at the general meeting held on 31 May 2016. Under the ESIRP the Company may grant options and/or performance rights over ordinary shares in the parent entity to certain employees of the Company. The options and/or performance rights are issued for nil consideration and are granted in accordance with guidelines established by the ESIRP.

The expense recognised for employee services received during the half year was \$92K (2021: \$27K). No performance rights were issued in the period. The movement in performance rights on issue is set out below:

	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Balance as at the beginning of the year	2,220	1,634
Share-based payments	92	654
Reversal of unvested options	-	(68)
<b>Balance as at the end of the year</b>	<b>2,312</b>	<b>2,220</b>

## 11 Discontinued operations

On 4<sup>th</sup> July 2022 the Company announced Tempo has completed the sale of TAMS (Electrical Maintenance Operations business) to E&A Limited on 2<sup>nd</sup> July 2022.

Financial performance information

	30 Jun 2022	30 Jun 2021
	\$'000	\$'000
Revenue	7,552	7,272
Other income	13	19
<b>Revenue and other income</b>	<b>7,565</b>	<b>7,291</b>
Employee and director benefits expense	3,500	3,887
Administration costs	832	1,049
Occupancy costs	141	123
Depreciation and amortisation	344	372
Project material costs	1,676	1,529
Equipment and other subcontractor costs	1,765	1,450
Interest and finance charges	25	33
Other professional expenses	59	82
Impairment expense	(151)	-
<b>Total expenses</b>	<b>8,191</b>	<b>8,525</b>
<b>Loss before income tax expense</b>	<b>(626)</b>	<b>(1,234)</b>
Income tax (expense)/benefit	-	-
<b>Loss after income tax expense from discontinued operations</b>	<b>(626)</b>	<b>(1,234)</b>

Cash flow information

	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Net cash from operating activities	227	427
Net cash generated by investing activities	15	2
Net cash used in by financing activities	(294)	(372)
<b>Net (decrease)/increase in cash and cash equivalents from discontinued operations</b>	<b>(52)</b>	<b>57</b>

Carrying amounts of assets and liabilities disposed

	30 Jun 2022 \$'000	31 Dec 2021 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	423	475
Trade and other receivables	2,299	2,451
Contract assets	844	716
Inventories	166	166
Other assets	93	391
<b>Total current assets</b>	<b>3,825</b>	<b>4,199</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	998	806
<b>Total non-current assets</b>	<b>998</b>	<b>806</b>
<b>Total assets</b>	<b>4,823</b>	<b>5,005</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,964	2,057
Contract liabilities	166	-
Interest bearing loans and borrowings	529	596
Provisions	633	764
<b>Total current liabilities</b>	<b>3,292</b>	<b>3,417</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest bearing loans and borrowings	262	204
Provisions	74	143
<b>Total non-current liabilities</b>	<b>336</b>	<b>347</b>
<b>Total liabilities</b>	<b>3,628</b>	<b>3,764</b>
<b>Net assets</b>	<b>1,195</b>	<b>1,241</b>

## 12 Subsequent events

The company will focus on the core Renewable Energy Strategy, in particular, Solid State Hydrogen Storage Batteries.

## 13 Related party disclosures

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 30 June 2022, as well as balances with related parties as at 31 December 2021.

		Consolidated entity		
		Purchases from related parties	Amounts owed to related parties	Amounts owed by related parties
		\$'000	\$'000	\$'000
Angophora Capital Pty Ltd	2022	38	11	-
	2021	105	10	-
CLR Consulting Pty Ltd	2022	26	9	-
	2021	48	4	-
Einstein Nominees Pty Ltd ATF Dagleish Superannuation Fund	2022	-	-	684
	2021	-	-	684
Sadsacks Pty Ltd ATF The WH & GF Howard Superannuation Fund	2022	-	-	120
	2021	-	-	120

**14 Contingencies**

The consolidated entity has no contingent assets or liabilities as at 30 June 2022 (2021: Nil).

**15 Dividends**

There were no dividends paid or proposed in the half-year.

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## DIRECTORS' DECLARATION

### FOR THE HALF YEAR ENDED 30 JUNE 2022

The directors declare that the financial statements and notes are in accordance with the Corporations Act 2001 and:

- a. Comply with Australian Accounting standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b. Give a true and fair view of the financial position of the consolidated entity as at 30 June 2022 and of its performance as represented by the results of their operations and its cash flows, for the year ended on that date; and
- c. Comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the opinion of the directors, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.



William Howard  
Executive Director  
Sydney  
Date: 31 August 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT



## INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF TEMPO AUSTRALIA LTD

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tempo Australia Ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

## Conclusion

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 Tempo Australia Ltd is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

## Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the Company a written Auditor's Independence Declaration.

## 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 the Australian Accounting Standards and the Corporations Regulations 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.

PKF (NS) Audit & Assurance Limited Partnership  
ABN 91 850 861 839

Liability limited by a scheme approved  
under Professional Standards Legislation

Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 8346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

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### Auditor's Responsibility for the Review of the Half-Year Financial Report

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 consolidated entity's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of Tempo Australia Ltd, 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.

PKF

PKF

SCOTT TOBUTT  
PARTNER

31 AUGUST 2022  
SYDNEY, NSW

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## AUDITOR'S INDEPENDENCE DECLARATION



Tempo Australia Ltd

### Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2022, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF

SCOTT TOBUTT  
PARTNER

31 AUGUST 2022  
SYDNEY, NSW

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Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 8346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

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