



ASX Announcement | 26 February 2024
TPC Consolidated Limited (ASX:TPC)

TPC Consolidated releases its Appendix 4D and 2024 Half-Year Financial Report

TPC Consolidated Limited (ASX:TPC) provides the attached Appendix 4D and Financial Report for the half-year ended 31 December 2023.

Authorised for release by the Board of TPC.

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About TPC Consolidated

TPC Consolidated Limited (ASX:TPC) owns and operates leading Australian-based electricity and gas retailer CovaU (pronounced “cover you”), which offers competitively priced products to household as well as business (Small Medium enterprises and Commercial and Industrial) customers.

The client base of TPC’s CovaU business, spread across most Australian states and territories, can choose from a wide range of products, from conventional gas and electricity through to solar, wind and ‘greenpower’ plans.

TPC is focussed on further expanding CovaU’s market presence in the energy segment of the Australian utilities sector. The Company’s expansion plans include additions to its current suite of renewables segment-related energy products, as consumers preference energy sources that accelerate the decarbonisation process.

To learn more, please visit:
www.tpc.com.au
www.covau.com.au

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Appendix 4D Half-year Report

TPC CONSOLIDATED LIMITED ABN 99 073 079 268

Current Reporting Period:	Half-year Ended 31 December 2023
Previous Corresponding Period:	Half-year Ended 31 December 2022

Results for Announcement to the Market

		Change		Amount
Revenue from ordinary activities	Down	-12.4%	To	\$66,056,595
Result from ordinary activities after tax attributable to members	Down	-66.2%	To	\$4,088,123
Result for the period attributable to members	Up	105.3%	To	\$1,280,116

Earnings Per Share

	31 December 2023 Cents	31 December 2022 Cents
Basic earnings per share	36.04	106.23
Diluted earnings per share	36.04	106.23

Net Tangible Asset Backing

	31 December 2023 Cents	31 December 2022 Cents
Net tangible asset per share*	235.17	205.57

* Net tangible asset is calculated based on net assets less intangible assets

Dividend

	Amount per Security Cents	Franked amount per Security Cents
Interim dividend for current reporting period (Payable 13 March 2024)	20.00	20.00
Record date for determining entitlements to dividend	4 March 2024	n/a

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Review and Results of Operations

Highlights

- Group revenue totalled \$66.1 million in 1H FY24, down 12.4% from the previous comparative period (PCP)
- Gross profit was \$17.8 million, down 35.6% on the PCP total of \$27.6 million
- EBITDA from operations was \$6.1 million, down 67.8% on the PCP total of \$18.9 million
- A robust balance sheet was maintained, with cash and bank deposits totalling \$23.2 million at the end of 1H FY24
- A fully franked FY24 interim dividend 20.0 cents per share declared, reflecting the TPC Consolidated Board's confidence in the long-term outlook for the Company's core business

\$000's	Half-year Ended 31 December 2023	Half-year Ended 31 December 2022	% change
Revenue	66,057	75,449	-12.4%
EBITDA ⁽¹⁾	6,096	18,950	-67.8%
NPAT	4,088	12,084	-66.2%

⁽¹⁾ EBITDA is a non-IFRS measure and is used internally by management to assess the performance of the business. EBITDA has been extracted from the full financial report.

Continuing operations remain strong with outperformance for new billable meters

While there was a material decrease in financial results for 1H FY24 compared to the record achieved in 1H FY23, the results are still the second strongest first half results for a financial year since TPC focused on the CovaU energy business in FY2014. This result also reflects the overall drop in gas wholesale spot and future prices compared to the worldwide price volatility seen in 1H FY23 which has led to a reduction in revenue and margins. From a new customer acquisition perspective, we experienced an increase in the number of billable meters to around 46,000 by the end of 1H FY24 (a figure up 188% on PCP basis). We expect this trend to continue into the next half enabling the momentum of our customer base build up.

Revenue of the consolidated entity for the half year decreased by \$9.4 million to \$66.1 million, down 12.4% from the PCP. The decrease of \$9.4 million was due to the decrease of \$8.0 million in energy services, and the decrease of \$1.4 million in telecommunication services which was terminated during the period.

Gross profit of the consolidated entity decreased by \$9.8 million to \$17.8 million (down 35.6% from the PCP). Overall gross margin for 1H FY24 decreased by 9.7% from the 36.6% to 26.9%. The decrease in overall gross margin was due to the increase in overall energy wholesales costs compared to the PCP.

The total operating expenses and employee benefit expense of the consolidated entity decreased by \$0.3 million to \$11.7 million (down 2.4% from the PCP). Efficiency ratio of expenses over revenue increased from 15.9% to 17.7% for 1H FY24.

Earnings before interest, taxation, depreciation, amortisation and impairment (EBITDA) from operations in 1H FY24 was \$6.1 million, down by 67.8% or \$12.8 million on the PCP of \$18.9 million.

Net profit after tax (NPAT) of the consolidated entity totalled \$4.1 million in 1H FY 24, down by \$8.0 million on the PCP of \$12.1 million.

TPC Group net assets as at end of 1H FY24 totalled \$30.2 million, down 6.1% or \$2.0 million on the PCP. The decrease in net assets represented the profit after tax of \$4.1 million and the increase in the negative fair value movement on derivatives of \$2.8 million after tax (a fair value adjustment on derivatives designated for hedge accounting) with dividend payment of \$3.4 million, which were reported in 1H FY24.

As at the end of 1H FY24 cash and bank deposits totalled \$23.2 million (including an amount of \$11.0 million held as security for bank facilities). This cash and bank balances total was down \$9.9 million or 30.0% on PCP.

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The second half 2024 outlook

TPC's retail electricity and gas services provider CovaU experienced a relatively stable operating environment over its first half of 2024 reporting period. Wholesale energy prices behaviour remained within the normal price ranges, providing the business with a runway to grow its customer base during this half-year period. Part of the energy retailers' cost mix, CovaU included, remained dependent on hedges, however, which are contracted to supplement our wholesale procurement activities. These hedges, remained relatively expensive over this reporting period, were a drag on our margin performance.

In the face of these power pricing-related challenges, TPC continues to seek out opportunities to improve efficiencies across the whole of CovaU business.

While we did not add any new power purchase agreements this half, we continue to advance discussions which we are optimistic to conclude in coming months. Efforts on this front should build upon our plan to be a Net Zero energy retailer.

Despite the challenges still presenting in the retail energy sector, TPC's strong financial position means it is well-placed to meet current volatility in electricity markets and provide value-oriented investors consistent returns over the longer term.

Associated Entities

The Group does not have any interests in associates or joint ventures outside the group.

Auditor review

This report is based on the financial statements reviewed by the auditor Grant Thornton Audit Pty Ltd which are not subject to any disputes or qualifications.

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TPC CONSOLIDATED LIMITED

A.B.N. 99 073 079 268

**Financial Report
For The Half-Year Ended
31 December 2023**

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CORPORATE DIRECTORY

DIRECTORS

Greg McCann	Chairman (Non-executive)
Chiao-Heng (Charles) Huang	Managing Director, Chief Executive Officer
Jeffrey Ma	Director, Company Secretary
Steven Goodarzi	Director, Chief Strategy Officer

COMPANY SECRETARY

Jeffrey Ma

REGISTERED OFFICE

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AUDITOR

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street, Sydney NSW 2000

SOLICITOR

Baker & McKenzie
Level 46, 100 Barangaroo Avenue, Sydney NSW 2000

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street, Sydney NSW 2000

DIRECTORS' REPORT

Your directors present their report on the consolidated entity for the half-year ended 31 December 2023

Directors

The names of the directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Greg McCann	Chairman (Non-executive)
Chiao-Heng (Charles) Huang	Managing Director, Chief Executive Officer
Jeffrey Ma	Director, Company Secretary
Steven Goodarzi	Director, Chief Strategy Officer

Principal Activities

The principal activities of the consolidated entity during the half-year were the provision of retail electricity and gas services to residential and business customers in Australia. These activities have not changed during the period.

Review and Results of Operations

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DIRECTORS' REPORT (Continued)

Review and Results of Operations (Continued)

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DIRECTORS' REPORT (Continued)

Dividend

On 26 February 2024, the directors of TPC Consolidated Limited declared a FY24 interim dividend on ordinary shares. The total amount of \$2,268,571 represents a fully franked dividend of 20.0 cents per share. The record date for the interim dividend is 4 March 2024. The intended date of payment is 13 March 2024. The interim dividend has not been provided for in the 31 December 2023 financial statements.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the half year ended 31 December 2023.

Auditor's Independence Declaration

The Auditor's independence declaration as required by s307c of the Corporations Act 2001, is set out on page 6 and forms part of this report.

Signed in accordance with a resolution of the Board of Directors.



Greg McCann
Chairman



Chiao-Heng (Charles) Huang
Managing Director

Dated 26 February 2024

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Auditor's Independence Declaration

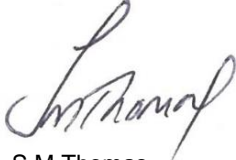
To the Directors of TPC Consolidated Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of TPC Consolidated Limited for the half-year ended 31 December 2023. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



S M Thomas
Partner – Audit & Assurance

Sydney, 26 February 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Half-year Ended 31 December 2023 \$	Half-year Ended 31 December 2022 \$
Revenue from contracts with customers		66,056,595	75,448,516
Delivery of services		(48,265,644)	(47,823,668)
Gross profit		<u>17,790,951</u>	<u>27,624,848</u>
Gain on sale of derivatives		-	3,286,288
Gross profit and gain on sale of derivatives		<u>17,790,951</u>	<u>30,911,136</u>
Other income		15,142	9,923
		<u>17,806,093</u>	<u>30,921,059</u>
Operating expenses		(6,082,384)	(7,687,850)
Employee benefits expense		(5,615,960)	(4,294,207)
(Loss)/Gain on fair value of derivatives		(11,597)	10,756
Earnings before interest, taxation, depreciation, amortisation and impairment (EBITDA)		<u>6,096,152</u>	<u>18,949,758</u>
Depreciation and amortisation		(620,849)	(407,845)
Earnings before interest and taxation (EBIT)		<u>5,475,303</u>	<u>18,541,913</u>
Finance revenue		497,214	49,820
Finance costs		(62,849)	(43,758)
Profit before income tax		<u>5,909,668</u>	<u>18,547,975</u>
Income tax expenses		(1,821,545)	(6,464,006)
Profit for the period		<u>4,088,123</u>	<u>12,083,969</u>
Other comprehensive income for the period, net of tax			
<i>Amounts that may subsequently be transferred to profit or loss</i>			
Exchange differences on translation of foreign operations		(21,514)	627
Fair value movement on derivatives designated for Hedge Accounting		(3,980,704)	(51,747,269)
Tax relating to loss in fair value of cash flow hedges		1,194,211	15,524,181
Other comprehensive income for the period, net of tax		<u>(2,808,007)</u>	<u>(36,222,461)</u>
Total comprehensive income for the period		<u>1,280,116</u>	<u>(24,138,492)</u>
Profit attributable to Members of TPC Consolidated Limited		<u>4,088,123</u>	<u>12,083,969</u>
Total comprehensive income attributable to Members of TPC Consolidated Limited		<u>1,280,116</u>	<u>(24,138,492)</u>
		Cents	Cents
Earnings per share for the period attributable to the members of TPC Consolidated Limited			
Earnings per share			
- Basic earnings per share	4	36.04	106.23
- Diluted earnings per share	4	36.04	106.23

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	As at 31 December 2023 \$	As at 30 June 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents		12,142,122	22,071,358
Trade and other receivables	6	22,882,869	18,372,142
Inventories	7	1,053,621	-
Derivatives held at fair value	15	-	938,546
Bank deposits	8	11,011,297	11,011,297
Other current assets	9	3,574,920	765,196
Total Current Assets		<u>50,664,829</u>	<u>53,158,539</u>
Non-Current Assets			
Property, plant and equipment		1,261,597	1,290,084
Right of use assets	11	3,480,491	3,437,721
Deferred tax assets		2,420,468	1,742,173
Total Non-Current Assets		<u>7,162,556</u>	<u>6,469,978</u>
TOTAL ASSETS		<u>57,827,385</u>	<u>59,628,517</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	15,860,649	14,451,746
Current tax liabilities		33,307	4,433,544
Derivatives held at fair value	15	3,053,755	-
Lease liabilities	11	764,022	617,845
Short term provisions		2,360,432	2,170,373
Contract liabilities	12	2,700,257	2,909,136
Total Current Liabilities		<u>24,772,422</u>	<u>24,582,644</u>
Non-Current Liabilities			
Long term provisions		133,907	113,947
Lease liabilities	11	2,766,110	2,808,799
Total Non-Current Liabilities		<u>2,900,017</u>	<u>2,922,746</u>
TOTAL LIABILITIES		<u>27,672,439</u>	<u>27,505,390</u>
NET ASSETS		<u>30,154,946</u>	<u>32,123,127</u>
EQUITY			
Issued capital	13	10,527,420	10,372,860
Reserves		(2,163,384)	661,857
Retained Earnings		21,790,910	21,088,410
TOTAL EQUITY		<u>30,154,946</u>	<u>32,123,127</u>

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Issued Capital \$	Reserves \$	(Accumulated Losses)/ Retained Earnings \$	Total \$
Balance at 1 July 2022	10,499,308	35,298,739	6,516,050	52,314,097
Profit for the period	-	-	12,083,969	12,083,969
Other comprehensive income	-	(36,222,461)	-	(36,222,461)
Total comprehensive income for the period	-	(36,222,461)	12,083,969	(24,138,492)
<i>Transactions with Shareholders</i>				
Payment related to partially paid shares	8,400	-	-	8,400
Dividend paid	-	-	(1,137,561)	(1,137,561)
Balance at 31 December 2022	<u>10,507,708</u>	<u>(923,722)</u>	<u>17,462,458</u>	<u>27,046,444</u>
Balance at 1 July 2023	10,372,860	661,857	21,088,410	32,123,127
Profit for the period	-	-	4,088,123	4,088,123
Other comprehensive income	-	(2,808,007)	-	(2,808,007)
Total comprehensive income for the period	-	(2,808,007)	4,088,123	1,280,116
<i>Transactions with Shareholders</i>				
Payment related to partially paid shares	154,560	-	-	154,560
Dividend paid	-	-	(3,402,857)	(3,402,857)
Transfer relating to Employee equity benefits reserve	-	(17,234)	17,234	-
Balance at 31 December 2023	<u>10,527,420</u>	<u>(2,163,384)</u>	<u>21,790,910</u>	<u>30,154,946</u>

The accompanying notes form part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Half-year Ended 31 December 2023	Half-year Ended 31 December 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	67,869,789	87,702,617
Payments to suppliers and employees (inclusive of GST)	(68,732,250)	(61,937,757)
Proceeds from the sale of derivatives	-	3,286,288
Interest received	497,975	49,404
Interest and other financial costs paid	(62,849)	(62,851)
Income tax paid	(5,705,866)	(4,067,200)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	<u>(6,133,201)</u>	<u>24,970,501</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(177,550)	(53,337)
Payment to bank deposits	-	(6,011,048)
NET CASH USED IN INVESTING ACTIVITIES	<u>(177,550)</u>	<u>(6,064,385)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from partially paid share capital	154,560	8,400
Dividends paid	(3,402,857)	(1,137,561)
Repayment of lease liabilities	(370,188)	(1,762,738)
NET CASH USED IN FINANCING ACTIVITIES	<u>(3,618,485)</u>	<u>(2,891,899)</u>
Net (decrease)/increase in cash held	(9,929,236)	16,014,217
Cash and cash equivalents at beginning of period	22,071,358	5,264,938
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>12,142,122</u>	<u>21,279,155</u>

The accompanying notes form part of these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The financial report of TPC Consolidated Limited and its controlled entities for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the TPC Board of Directors on 26 February 2024.

TPC Consolidated Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

2 GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2023 and are presented in Australian Dollar (\$AUD), which is the functional currency of the Parent Company.

These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2023 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

Accounting policies are consistent with those used at 30 June 2023.

3 ESTIMATES AND JUDGEMENTS

The estimates and judgements used in these financial statements are consistent with those used for the year end accounts.

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumption about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 EARNINGS PER SHARE

	Half-year Ended 31 December 2023 Cents	Half-year Ended 31 December 2022 Cents
Basic earnings per share	36.04	106.23
Diluted earnings per share	36.04	106.23
Net earnings used in the calculation of basic and diluted EPS	\$ 4,088,123	\$ 12,083,969
Weighted average number of ordinary shares outstanding during the period used: in the calculation of basic EPS	Number 11,342,857	Number 11,375,613
in the calculation of diluted EPS	11,342,857	11,375,613

5 DIVIDENDS PAID AND PROPOSED

	Half-year Ended 31 December 2023 \$	Half-year Ended 31 December 2022 \$
a) Dividends paid during the period: Final franked dividends for financial year 30 June 2023: 30 cents (2022: 10 cents)	<u>3,402,857</u>	<u>1,137,561</u>
b) Dividends declared and not recognised as a liability: Interim franked dividends for financial year 30 June 2024: 20 cents (2023: 10 cents)	<u>2,268,571</u>	<u>1,137,561</u>

On 26 February 2024, the Directors declared a fully franked interim dividend for the year ended 30 June 2024 of 20 cents per ordinary share, to be paid on 13 March 2024 to eligible shareholders on the register at 4 March 2024. The equates to an estimated distribution of \$2,268,571 based on the number of ordinary shares in issue at 31 December 2023.

6 TRADE AND OTHER RECEIVABLES

	As at 31 December 2023 \$	As at 30 June 2023 \$
Trade receivables	17,450,117	14,548,191
Expected credit losses	(5,190,527)	(5,266,112)
Contract Assets (a)	10,597,496	8,970,004
Goods and Services Tax Receivable	-	89,973
Other receivables	25,783	30,086
	<u>22,882,869</u>	<u>18,372,142</u>
(a) Contract Assets comprises of:		
- Unbilled Revenue	10,597,297	8,969,044
- Other Accrued Income	199	960
	<u>10,597,496</u>	<u>8,970,004</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7 INVENTORIES

	As at 31 December 2023	As at 30 June 2023
	\$	\$
Current		
Renewable energy certificates	1,053,621	-

Inventories are held at the lower cost and net realisable value.

8 BANK DEPOSITS

	As at 31 December 2023	As at 30 June 2023
	\$	\$
Current		
Bank Deposits	11,011,297	11,011,297

Bank deposits are term deposits which are held as security for bank guarantee.

9 OTHER CURRENT ASSETS

	As at 31 December 2023	As at 30 June 2023
	\$	\$
Prepayments	307,836	397,253
Security Deposit	3,267,084	367,943
	<u>3,574,920</u>	<u>765,196</u>

10 TRADE AND OTHER PAYABLES

	As at 31 December 2023	As at 30 June 2023
	\$	\$
Trade payables	4,007,644	4,075,994
Accrued expenses	11,356,912	10,032,312
Sundry payables	284,957	343,440
Goods and services tax payable	211,136	-
	<u>15,860,649</u>	<u>14,451,746</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 LEASES

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 December 2023	As at 30 June 2023
	\$	\$
Right-of-use asset		
At cost	4,026,493	4,006,841
Less: Accumulated depreciation	<u>(546,002)</u>	<u>(569,120)</u>
	<u>3,480,491</u>	<u>3,437,721</u>
Opening balance	3,437,721	3,661,794
Addition	474,311	-
Depreciation	(432,431)	(240,393)
Foreign currency exchange difference	890	16,320
Closing balance	<u>3,480,491</u>	<u>3,437,721</u>

	As at 31 December 2023	As at 30 June 2023
	\$	\$
Lease liabilities		
Current	764,022	617,845
Non-current	<u>2,766,110</u>	<u>2,808,799</u>
	<u>3,530,132</u>	<u>3,426,644</u>

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2023 were as follows:

	Within 1 year \$	1-2 year \$	2-3 year \$	3-5 year \$	Total \$
At 31 December 2023					
Lease payments	889,228	938,671	929,847	1,072,008	3,829,754
Finance charges	<u>(125,206)</u>	<u>(92,080)</u>	<u>(56,146)</u>	<u>(26,190)</u>	<u>(299,622)</u>
Net present value	<u>764,022</u>	<u>846,591</u>	<u>873,701</u>	<u>1,045,818</u>	<u>3,530,132</u>
At 30 June 2023					
Lease payments	733,838	747,176	789,260	1,482,859	3,753,133
Finance charges	<u>(115,993)</u>	<u>(93,051)</u>	<u>(67,718)</u>	<u>(49,727)</u>	<u>(326,489)</u>
Net present value	<u>617,845</u>	<u>654,125</u>	<u>721,542</u>	<u>1,433,132</u>	<u>3,426,644</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 LEASES (Continued)

(b) Amounts recognised in the statement of profit or loss

	Half-year Ended 31 December 2023 \$	Half-year Ended 31 December 2022 \$
The statement of profit or loss shows the following amounts relating to leases:		
Depreciation charge of right-of-use asset		
Right-of-use asset	432,431	239,943
Interest expense (included in finance cost)	62,849	4,183
Expense relating to short-term leases	1,367,575	2,303,387

12 CONTRACT LIABILITIES

	As at 31 December 2023 \$	As at 30 June 2023 \$
Unearned revenue relating to energy services	2,700,257	2,647,160
Unearned revenue relating to telecommunication services	-	261,976
	2,700,257	2,909,136

The amounts recognised as a contract liability will generally be utilised within the next reporting period.

13 ISSUED CAPITAL

	As at 31 December 2023 \$	As at 30 June 2023 \$
Ordinary Shares		
Issued and fully paid	10,527,420	10,338,420
Issued and partially paid	-	34,440
	10,527,420	10,372,860
	Number	\$
Movements in Ordinary Shares on Issue		
Balance at 1 July 2023	11,342,857	10,372,860
Received related to ESOP shares	-	154,560
Balance at 31 December 2023	11,342,857	10,527,420

14 CONTINGENT LIABILITIES

As at 31 December 2023 the consolidated entity has issued bank guarantees totalling \$11,011,297 (30 June 2023: \$11,011,297) for which term deposits are held to secure this amount. Refer to Note 8.

There are no other contingent liabilities as at the date of signing of this report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

	As at 31 December 2023 \$	As at 30 June 2023 \$
Current Assets		
Derivative financial instruments	-	938,546
	<u>-</u>	<u>938,546</u>
Current Liabilities		
Derivative financial instruments	3,053,755	-
	<u>3,053,755</u>	<u>-</u>

At balance date, the Company has a number of derivative financial instruments which are recorded at fair value in the Statement of Financial Position.

	Fair Value \$	Carrying Amount \$
Current Assets		
Derivative financial instruments		
Opening Balance		
- Designated	926,949	926,949
- Non designated	11,597	11,597
	<u>938,546</u>	<u>938,546</u>
Acquired	-	-
Recognised in the statement of profit or loss and other comprehensive income	<u>(938,546)</u>	<u>(938,546)</u>
Closing Balance		
- Designated	-	-
- Non designated	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Current Liabilities		
Derivative financial instruments		
Opening Balance		
- Designated	-	-
- Non designated	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Acquired	11,597	11,597
Recognised in the statement of profit or loss and other comprehensive income	<u>3,042,158</u>	<u>3,042,158</u>
Closing Balance		
- Designated	3,053,755	3,053,755
- Non designated	<u>-</u>	<u>-</u>
	<u>3,053,755</u>	<u>3,053,755</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

These financial instruments are classified as "Level 2" instruments per the fair value hierarchy in AASB 13. Level 2 refers to instruments where the fair value is determined using inputs other than quoted prices other than those traded on an active market.

	Carrying Amount \$	Level 2 \$	Total \$
Balance at 31 December 2023			
Financial assets			
Derivative financial instruments			
- Foreign currency derivatives - cash flow hedges	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities			
Derivative financial instruments			
- Energy derivatives - cash flow hedges	3,053,755	3,053,755	3,053,755
	<u>3,053,755</u>	<u>3,053,755</u>	<u>3,053,755</u>

The fair value of the instruments has been determined by reference to comparable similar instrument prices as at the reporting date.

The instruments include Cap and Swap agreements mitigating exposure to significant increases in energy prices over the next twelve months.

16 SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Apart from the dividend declared, as disclosed in Note 5, no other matters or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of these operations, or the Group's state of affairs in future financial years.

17 SEGMENT REPORTING

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision makers in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on revenue stream. Discrete financial information about each of those operating business is reported on a monthly basis.

The consolidated entity operates in the provision of retail electricity and gas services to residential and businesses and of the of pre-paid mobile and related services in Australia. However, the revenue contributed by pre-paid mobile and related services is minimal. Therefore, management has concluded that the consolidated entity has one reportable segment, being the provision of retail electricity and gas services.

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DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*; and
 - (i) comply with Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position of the consolidated entity as at 31 December 2023 and of the performance for the half-year ended on that date.
- (b) as at the date of the declaration, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Board



Greg McCann
Chairman



Chiao-Heng (Charles) Huang
Managing Director

Dated 26 February 2024

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Independent Auditor's Review Report

To the Members of TPC Consolidated Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of TPC Consolidated Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 description of accounting policies, other selected explanatory notes, 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 accompanying half-year financial report of TPC Consolidated Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

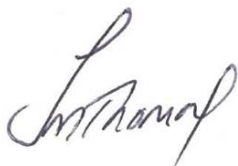
Auditor's responsibility

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 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



S M Thomas
Partner – Audit & Assurance

Sydney, 26 February 2024

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