

ASX ANNOUNCEMENT

27 November 2020

INVESTOR UPDATE - NOVEMBER 2020

Attached is the Investor Update to shareholders to be presented today at the Annual General Meeting of the Company.

By Order of the Board



Jeffrey Ma
Company Secretary
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About TPC

Established in 1996, TPC (formerly Tel.Pacific) was a significant participant in the Australian communications market. The Company's core business centred around its mobile customer acquisition and the development of the MRTM platform (Mobile Real Time Monitoring) which is an intelligent network connected to a leading mobile network. The Company sold its pre-paid phone card business in April 2014, retaining the MRTM platform and a relatively small pre-paid mobile sim business. The Company still has wholesale customers on its MRTM platform.

Having been granted licences by the Australian Energy Regulator and Essential Services of Victoria, the Company through a specially created wholly owned subsidiary, CovaU Pty Limited, entered the electricity and gas business. The services have been rolled out from April 2014, and its focus has been on growth opportunities in the electricity and gas business along with its mobile business. TPC intends to further expand its business activities as part of its long-term growth strategy.

The CovaU energy service focuses on the SME sector and residential consumers.



TPC Consolidated Limited

ASX:TPC

Investor Update

November 2020



Financial Highlights

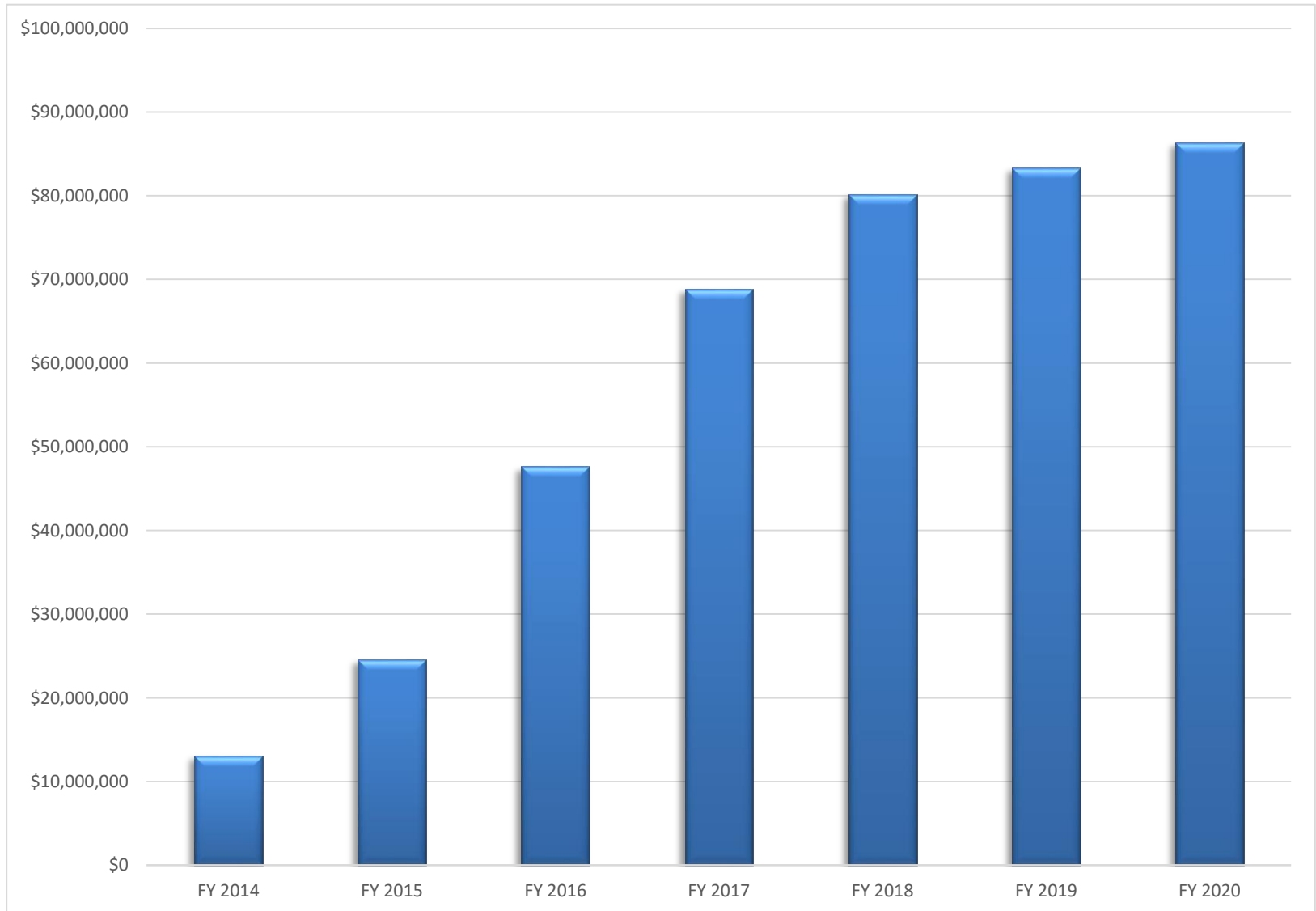
(\$ in million)	FY 2014*	FY 2015	Increase	FY 2016	Increase	FY 2017	Increase	FY 2018	Increase	FY 2019	Increase	FY 2020	Increase
	\$	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Continuing Operations													
Sales of Energy	0.1	15.2	15100%	41.7	174%	64.5	55%	76.8	19%	81.0	5%	84.6	4%
Telecommunication Services	13.0	9.3	-28%	5.9	-37%	4.4	-25%	3.4	-23%	2.3	-32%	1.7	-26%
Revenue	13.1	24.5	87%	47.6	94%	68.9	45%	80.2	16%	83.3	4%	86.3	4%
Gross Profit	3.8	5.1	34%	7.7	51%	12.5	62%	14.3	14%	16.7	17%	18.7	12%
EBITDA	(1.6)	(4.6)	-188%	(3.0)	35%	1.1	137%	1.8	64%	2.7	49%	5.0	87%
Profit before Tax	(8.4)	(4.9)	42%	(3.3)	33%	0.8	124%	1.3	63%	2.2	69%	4.0	82%
Profit for the Year	(8.7)	(4.7)	46%	(2.5)	47%	0.8	132%	3.2	300%	2.2	-31%	3.4	55%
Margin													
Gross Margin %	29.0%	20.8%		16.2%		18.1%		17.8%		20.0%		21.7%	
EBITDA %	-12.2%	-18.8%		-6.3%		1.6%		2.2%		3.2%		5.8%	
Profit for the Year %	-66.4%	-19.2%		-5.3%		1.2%		4.0%		2.6%		3.9%	

* FY 2014 revenue of \$13.1 million represented continuing prepaid mobile and related services, excluding discontinuing prepaid calling business sold in March 2014, and profit for the year of a loss of (\$8.7 million) have been adjusted for non-recurring items relating to provision for impairment of goodwill of \$6.3 million and derecognition of net deferred tax assets \$1.5 million. Including the profit from discontinued operations, net of tax of \$14.1 million, profit for the year was \$5.4 million.

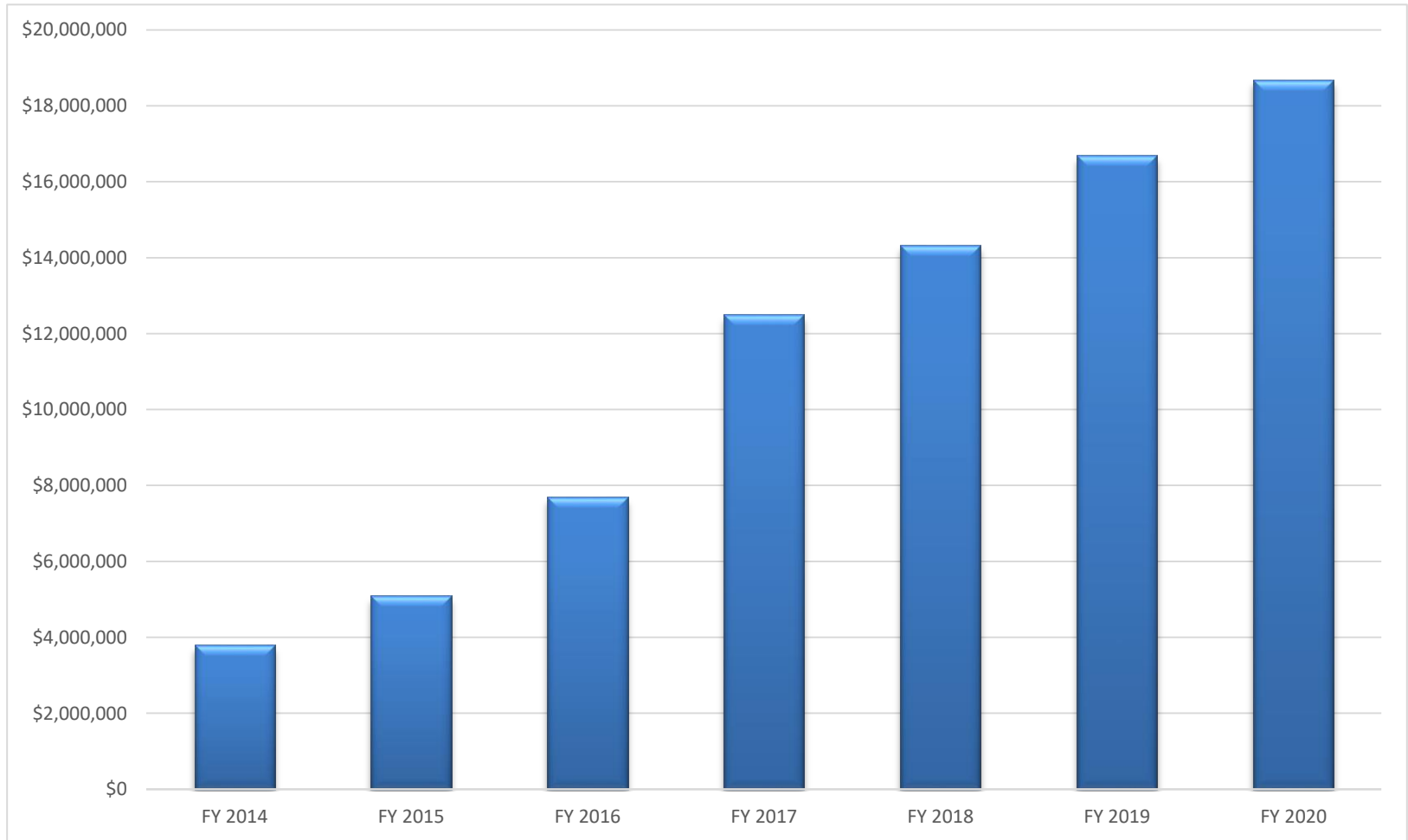
Key Highlights

1. The energy business under CovaU experienced year on year revenue growth to \$84.6 million in FY 2020, 6 years after inception in 2014.
2. FY 2015 represented the first full year of the retail electricity and gas business, which was launched in NSW in April 2014.
3. Victorian retail electricity and gas business was launched in the following year in March 2015.
4. In FY 2017 the Company returned profitability after 3 years of the energy business operations.
5. Although there were challenging circumstances for the energy industry, as presented in the second half of FY 2017, the Company generated a profit before tax of \$1.3 million in FY 2018, up by 63% from that of FY 2017.
6. Profit before tax has continued to grow, reaching \$2.2 million for FY 2019 , up by 69% compared with \$1.3 million for FY 2018.
7. CovaU has expanded the energy business to the Queensland market in March 2020.
8. Despite the Covid-19 impact in the second half, profit before tax for FY 2020 increased by \$1.8 million to \$4.0 million, up by 82% compared with \$2.2 million for FY 2019.

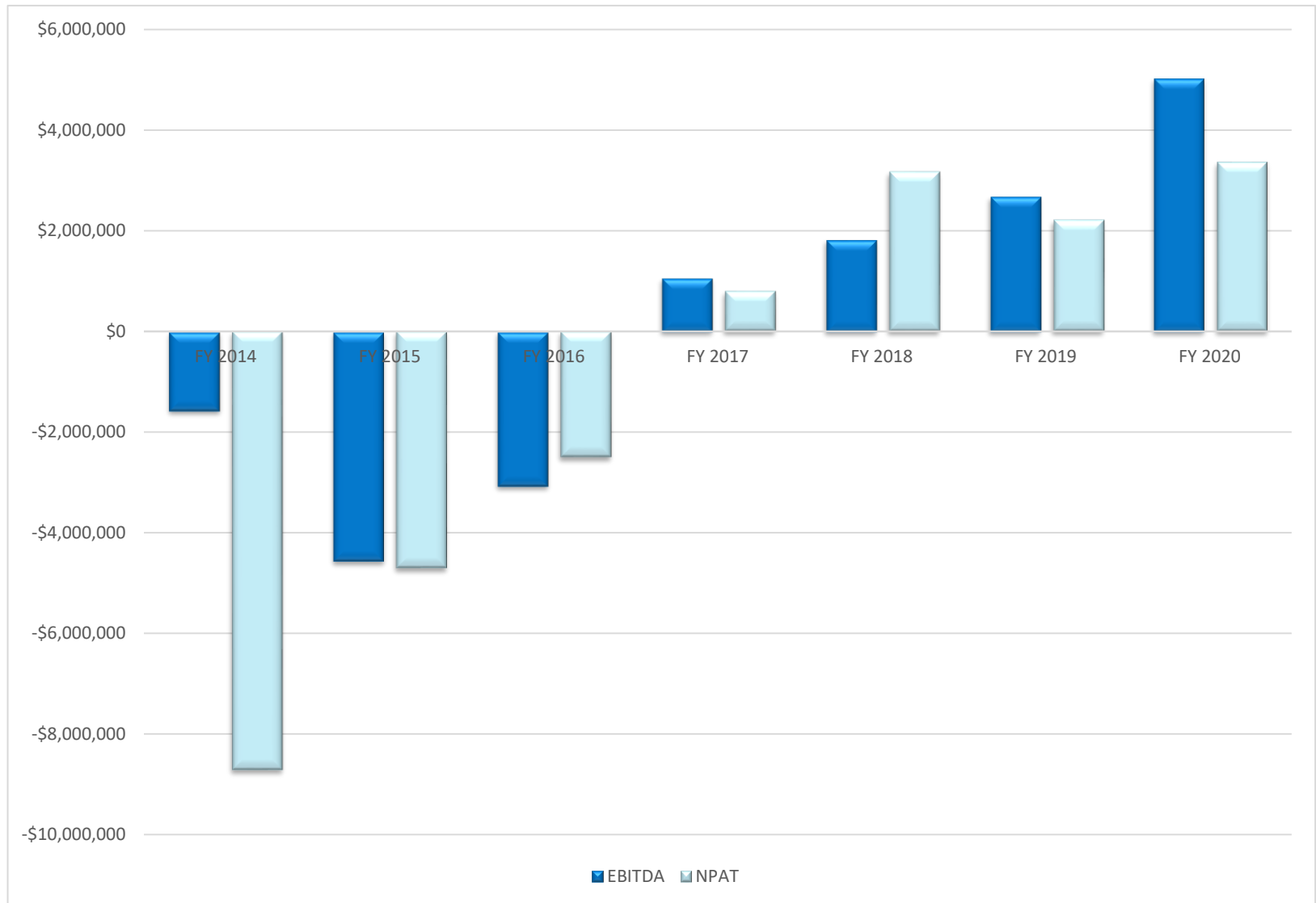
Revenue



Gross Profit



EBITDA & NPAT



CovaU Business highlights

The CovaU business is profitable and rapidly expanding



ASX listed



Headquartered in Sydney, Australia



Hold both electricity and gas licenses

100% owned by TPC Consolidated Limited

License to operate in
NSW, VIC, QLD, ACT, SA & TAS



Launched in April 2014



The business is an energy
retailer with a focus on the
SME markets



Direct sales channels facilitates
acquisition of high quality customers,
healthy margins and low levels of churn

12,000  24

Grown the customer numbers to
12,000 in first 24 months.
Reinforced by a strong customer
service ethos and 24/7 support



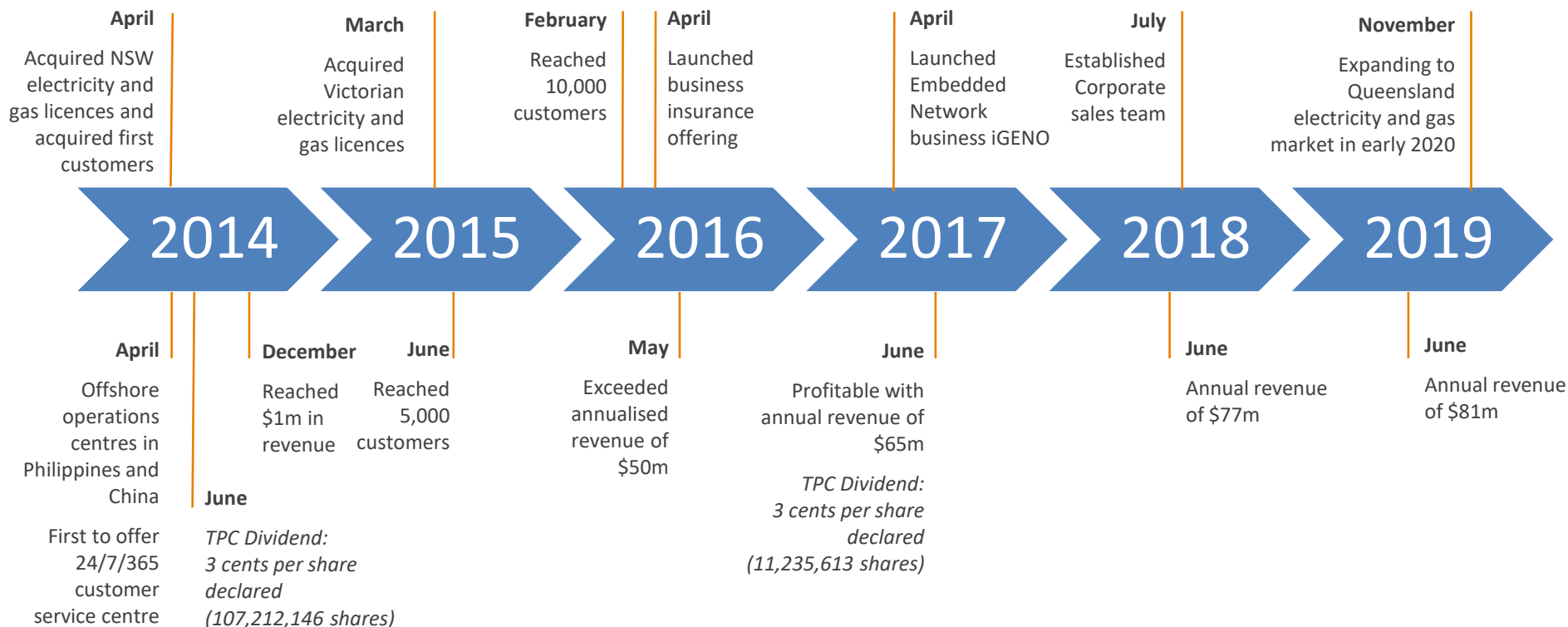
Generated FY 2020 revenue of \$84.6m
(increased from \$81.0m FY 2019)



Growing cash flows under
strong financial management

CovaU Our journey is only just beginning...

The CovaU business has experienced significant levels of growth since inception



CovaU Our journey is only just beginning...

The CovaU business has experienced significant levels of growth since inception (cont'd)



- CovaU energy has customer growth from 14,000 to 17,000 in FY 2020.
- Covid-19 has impacted our average customer consumption. Despite a 10% reduction, we have managed to maintain revenues through increasing new customer sign ups.
- We expect to see a shift back to normal consumption levels after easing lockdown conditions.
- Despite a spike during the first few months of Covid-19, our bad debts remain in manageable operating range.
- We started operating in Queensland in early 2020 and this has been off to a strong start. It is expected to contribute 10% of our customer base in the next year.
- We plan to operate in South Australia in early 2021 with the expectation of good results from this region as well. We continue to explore expansion into other markets in 2021.
- We expect to continue customer growth momentum in the next year.
- The Board believe CovaU is well positioned to continue being profitable and deliver dividends for the coming years.