

**TASMEA
LIMITED**



Tasmea Limited

(formerly E&A Limited)

Interim Financial Report

For the half year ended 31 December 2022

ABN 22 088 588 425

REVIEW OF OPERATIONS

Tasmea Limited Consolidated Group Results Summary	HY23 \$'000	HY22 \$'000	Percentage Change
Revenue from contracts with customers	149,961	116,450	28.8%
Earnings before interest, tax and depreciation (EBITDA)	20,220	15,076	34.1%
Earnings before interest and tax (EBIT)	16,051	11,950	34.3%
Interest expense	1,274	1,836	(30.6%)
Profit before tax	14,777	10,114	46.1%
Income tax expense	(3,797)	(2,876)	32.0%
Net profit after tax	10,980	7,238	51.7%
Net cash from operating activities	14,746	18,593	(20.7%)

RESULTS

Revenue for the half year was \$150.0 million, up 28.8% from the prior corresponding period due to increased activity from mining and industrial customers, and revenue contribution from new acquisitions.

Earnings before interest and tax were \$16.1 million, up 34.3% on the prior corresponding period results.

The Group reported net profit after tax of \$11.0 million, 51.7% higher than at 31 December 2021.

Net cash generated from operations was \$14.7 million, 100% of profit before tax.

The Group's improved trading results reflect the ongoing strategic focus on recurring revenue generated from providing maintenance, shutdown and skilled labour services to "Essential Industry" asset owners.

FINANCIAL POSITION

The Group's financial position has significantly improved during the period, on the back of the strong financial performance, cash collection and debt repayments.

At 31 December 2022, net debt excluding property leases was \$26.0 million and gearing was 27.8% (as measured by the ratio of net debt to net debt plus shareholder equity).

At 31 December 2022, Tasmea's net debt to statutory EBITDA ratio is 0.78x. This is expected to reduce further in FY23 and beyond. The Group is investing heavily in plant and equipment to support the growing operations, enabled by strong operating cash flows, combined with the benefit of a deferred tax asset to offset income tax payable.

ACQUISITIONS

The Group acquired KP Electric Pty Ltd, A Noble & Sons Limited, and Moxstar Pty Ltd t/as Corfield's Electrical during the period. These acquisitions increased the Group's service offerings in the Electrical and Mechanical service streams.

CHANGE OF NAME AND REBRANDING

On 1 March 2023, E&A Limited changed its name to Tasmea Limited following shareholder and ASIC approval, and launched a new branding strategy and capability statement.

REVIEW OF OPERATIONS

PEOPLE

The Group's subsidiaries have managed their direct and indirect employment levels in line with project demands. Recruitment efforts, together with the new acquisitions, have enabled headcount to increase across the group.

The Group has invested in developing our leadership team, and service delivery teams, to ensure they have the skills required to deliver on our growth strategy.

SAFETY & CARE

Safety remains a key focus for the Group.

Tasmea management and employees share a mutual responsibility to deliver work in a manner which does not harm either the employee or those who work alongside them. The Group's subsidiary employees maintained their attention to this essential obligation last financial year and once again we are proud to announce another year's lost time injury free performance with the Group extending its overall LTI free record to now more than ten years.

Tasmea subsidiaries maintained their workers' compensation self-insurance status for its South Australian operations.

EXCEPTIONAL SKILL & SERVICE

Tasmea subsidiaries continue to foster essential skills and harness innovation and experience within their niche service lines.

Acquisition opportunities are strategic with a bias towards maintenance and recurring services to essential asset owners.

Tasmea continues to achieve high levels of customer satisfaction and maintains a strong pipeline of recurring work.

SYSTEMS AND PROCESSES

A continuous improvement focus has been applied to the back office and the Group has invested in system upgrades, system rollouts and integration of business acquisitions.

Significant improvement has been made in the current year, which is expected to continue into the second half.

DIVIDENDS

The Tasmea Board has declared an interim fully franked dividend of 1.5 cents per share (HY 22: 1.2 cents).

The dividend will be paid on 23 June 2023, with the date for determining entitlements being 1 May 2023.

OUTLOOK FOR THE SECOND HALF

Tasmea subsidiaries continue to experience strong demand for their services and as a consequence of increased revenue generated from maintenance and sustaining projects work sourced primarily from its essential asset customers in the resources, energy, oil & gas and infrastructure sectors.

Tasmea forecasts to deliver a second half earnings result similar to the first half result.

Tasmea continues to assess a number of acquisition opportunities.

CONSOLIDATED INTERIM FINANCIAL REPORT

For the half year ended 31 December 2022



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DIRECTORS' REPORT

For the half year ended 31 December 2022

The Directors of Tasmea Limited (formerly E&A Limited) present their report together with the consolidated interim financial report for the half year ended 31 December 2022 for Tasmea Limited (referred to hereafter as Tasmea Limited or the Company or the Group) and the independent auditor's review report thereon.

DIRECTORS

The names of the Company Directors in office during the half year and up until the date of this report are.

Name	Particulars
Stephen Young	Managing Director
Mark Vartuli	Executive Director
Michael Terlet	Non-executive Director & Chairman
Jason Pryde	Executive Director

COMPANY SECRETARY

Name	Particulars
Simone Thompson B.Comm, B.Law, CA	Group Chief Financial Officer

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Group has recorded a profit after tax for the half year of \$10.98 million (H1 FY22: \$7.24 million). The review of operations is outlined in the front section of the interim financial report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the consolidated entity during the half year under review.

DIVIDENDS

The Tasmea Board has declared a fully franked interim dividend of 1.5 cents per share. The interim dividend will be paid on 23 June 2023, with the date for determining entitlements being 1 May 2023.

SUBSEQUENT EVENTS AFTER THE BALANCE DATE

Change of Company Name

Following Shareholder approval at the Company's Extraordinary General Meeting held on 28 February 2023, E&A limited has now changed its name to Tasmea Limited.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS' REPORT

For the half year ended 31 December 2022



ROUNDING OF AMOUNTS

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2022.

This report is made in accordance with a resolution of the directors:

Dated at Adelaide this 4th day of April 2023

A handwritten signature in black ink, appearing to read 'Stephen Young', written over a circular stamp.

Stephen Young

Managing Director

Grant Thornton Audit Pty Ltd
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Auditor's Independence Declaration

To the Directors of Tasma Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Tasma Limited for the half-year ended 31 December 2022, 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



J L Humphrey
Partner – Audit & Assurance

Adelaide, 4 April 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

For the half year ended 31 December 2022



In thousands of \$AUD

	Note	31 December 2022	31 December 2021
Revenue from contracts with customers	4	149,961	116,450
Cost of sales		(111,503)	(91,182)
Gross profit		38,458	25,268
Other income	5	726	2,087
Administrative expenses		(18,550)	(11,956)
Depreciation and amortisation expense		(4,169)	(2,432)
Other operating expenses		(414)	(1,017)
Operating profit		16,051	11,950
Finance expenses		(1,274)	(1,836)
Profit before tax		14,777	10,114
Income tax expense	6	(3,797)	(2,876)
Profit after tax		10,980	7,238
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		10,980	7,238
Attributable to:			
Owners of Tasma Limited		10,920	7,238
Non-controlling interests		60	-
		10,980	7,238

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022



<i>In thousands of \$AUD</i>	Note	31 December 2022	30 June 2022
Current assets			
Cash and cash equivalents	7	23,360	22,668
Trade and other receivables	8	37,919	41,795
Contract assets	4	12,124	8,526
Inventories		8,701	7,200
Prepayments		4,234	3,050
Non-current assets classified as available for sale		1,050	-
Other current assets		351	2,012
Total current assets		87,739	85,251
Non-current assets			
Property, plant and equipment		36,337	26,533
Intangible assets	9	59,750	56,471
Deferred tax assets		2,981	6,712
Investments accounted for using the equity method		453	168
Other non-current assets		389	115
Total non-current assets		99,910	89,999
Total assets		187,649	175,250
Current liabilities			
Trade and other payables	10	41,183	46,130
Contract liabilities		8,357	6,446
Current tax liability		-	149
Provisions		8,673	5,683
Loans and borrowings	11	18,125	13,713
Other current liabilities		4,493	3,050
Total current liabilities		80,831	75,171
Non-current liabilities			
Trade and other payables	10	353	23
Provisions		1,112	1,101
Loans and borrowings	11	38,023	40,084
Total non-current liabilities		39,488	41,208
Total liabilities		120,319	116,379
Net assets		67,330	58,871
Equity			
Issued share capital	13	83,466	83,466
Accumulated losses		(16,196)	(24,595)
Equity attributable to owners of Tasmea Limited		67,270	58,871
Non-controlling interests		60	-
Total equity		67,330	58,871

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2022



In thousands of \$AUD

Cash flows from operating activities

Cash receipts from customers

Cash paid to suppliers and employees

Cash generated from operations

Other income

Net interest paid

Income tax paid

Net cash from operating activities

Cash flows from investing activities

Payments for acquisition of property, plant and equipment

Acquisition of controlled entity, net of cash received

Payment of deferred acquisition consideration

Net cash used in investing activities

Cash flows from financing activities

Repayment of borrowings

Proceeds from borrowings

Repayment of lease liabilities

Dividends paid

Net cash used in financing activities

Net increase in cash and cash equivalents

Cash and cash equivalents at 1 July

Cash acquired in business combinations

Cash and cash equivalents at 31 December

Note	31 December 2022	31 December 2021
	174,141	122,014
	(158,569)	(103,184)
	15,572	18,830
	447	2,012
	(1,273)	(1,837)
	-	(412)
	14,746	18,593
	(2,539)	(1,193)
	(2,768)	-
	(1,000)	-
	(6,307)	(1,193)
	(4,339)	(3,538)
	-	2,500
	(3,420)	(1,923)
	(1,273)	(1,939)
	(9,032)	(4,900)
	(593)	12,500
	22,668	11,400
	1,285	-
7	23,360	23,900

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022



<i>In thousands of \$AUD</i>	Attributable to owners of Tasmea Limited				
	Share capital	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at 1 July 2022	83,466	(24,595)	58,871	-	58,871
Profit for the half year	-	10,920	10,920	60	10,980
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	10,920	10,920	60	10,980
Dividends paid	-	(2,521)	(2,521)	-	(2,521)
Balance at 31 December 2022	83,466	(16,196)	67,270	60	67,330
Balance at 1 July 2021	83,446	(33,961)	49,485	-	49,485
Profit for the half year	-	7,238	7,238	-	7,238
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	7,238	7,238	-	7,238
Dividends paid	-	(1,939)	(1,939)	-	(1,939)
Balance at 31 December 2021	83,446	(28,662)	54,784	-	54,784

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022

1. Reporting entity

Tasmea Limited (the “Company”) is a company domiciled in Australia. The address of the Company’s registered office is 75 Verde Drive, Jandakot, WA 6164.

The consolidated interim financial statements of the Company as at and for the half year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The Group is a for-profit consolidated entity and is primarily involved in providing engineering and maintenance services to the mining and resources, water and defence industries and financial advisory services to the corporate sector.

These interim financial statements were authorised for issue by the Company’s board of directors on 4 April 2023.

2. Basis of accounting

These interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 30 June 2022 (“last annual financial statements”). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The accounting policies applied in these interim financial statements are the same as those applied in the last annual financial statements. The policies have been consistently applied to all the years presented unless otherwise stated.

The AASB has issued new accounting standards, amendments to standards and interpretations which may impact the entity in the period of initial application. Early adoption at 1 July 2022 has not been applied in preparing this financial report. The company is in the process of assessing the impact of any new standards.

These interim financial statements are presented in Australian dollars, which is the Company’s functional currency.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/19 and in accordance with that legislative instrument, amounts in the interim financial statements and directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



4. Revenue from contracts with customers

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

Key information relating to the Group's interim financial performance, and revenue disaggregated by major service lines and timing of revenue recognition, is detailed below.

For the half year ended 31 December 2022

In thousands of \$AUD

Segments	Maintenance and Sustainability	Contracts / Projects	Professional services	Total
Timing of Revenue Recognition				
Revenue recognised at a point of time	44,511	7,661	-	52,172
Revenue recognised over time	74,909	22,804	76	97,789
Total revenue from contracts with customers	119,420	30,465	76	149,961

For the half year ended 31 December 2021

In thousands of \$AUD

Type of service	Maintenance and Sustainability	Contracts / Projects	Professional services	Total
Timing of Revenue Recognition				
Revenue recognised at a point of time	11,756	-	-	11,756
Revenue recognised over time	78,971	25,222	501	104,694
Total revenue from contracts with customers	90,727	25,222	501	116,450

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

In thousands of \$AUD

	31 Dec 2022	30 June 2022
Trade Receivables	34,579	38,039
Contract Assets	12,124	8,526
Contract Liabilities	(6,660)	(6,446)
	40,043	40,119

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



5. Other Income

In thousands of \$AUD

	31 Dec 2022	31 Dec 2021
Share of profit from equity accounted investments	145	1,275
Government grant income	314	354
Net gain on sale of PP&E	19	11
Other income	248	447
Total other income	726	2,087

6. Tax

Income Tax Expense

In thousands of \$AUD

Current Tax Expense

	31 Dec 2022	31 Dec 2021
Current period	-	-
	-	-

Deferred Tax Expense

Origination and Reversal of Temporary Differences	511	235
Utilisation of Deferred Tax Asset on tax losses	(4,443)	(3,323)
Adjustment for prior periods	-	81
Other	135	(131)
	(3,797)	(2,876)
Total income tax (expense) / benefit	(3,797)	(2,876)

7. Cash and Cash Equivalents

In thousands of \$AUD

	31 Dec 2022	30 June 2022
Cash at bank and in hand	23,360	22,668
Balance per Statement of Cash flows	23,360	22,668

8. Trade and Other Receivables

In thousands of \$AUD

	31 Dec 2022	30 June 2022
Trade receivables	34,579	38,039
Provision for impairment of receivables	(268)	(371)
Other receivables	3,608	4,127
Total Current Trade and Other Receivables	37,919	41,795

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. Other receivables include accrued income and other short term receivables.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



9. Intangible Assets

At 31 December 2022, goodwill and other indefinite life intangibles are allocated to cash generating units ('CGUs'). The directors revisited the CGU's of the group in light of recent business acquisitions and internal restructures. Following the review, the directors have determined that the Engineering services CGU should be further broken down to three CGU's being electrical, mechanical and civil. The revised CGUs are:

<i>In thousands of \$AUD</i>	31 Dec 2022	30 June 2022
Engineering Services	-	40,446
Electrical Services	26,383	-
Mechanical Services	8,634	-
Civil Services	8,708	-
Water and Fluid	14,965	14,965
Corporate Services	1,060	1,060
Total Goodwill and other Intangibles	59,750	56,471

The Group is required to consider whether there are any impairment indicators at each reporting date. Accordingly, Management has analysed EBITDA actual results to budget for each CGU for the six months ended 31 December 2022 and has concluded that there are no impairment indicators. The Group will undertake a full impairment analysis at 30 June 2023.

10. Trade and Other Payables

<i>In thousands of \$AUD</i>	31 Dec 2022	30 June 2022
Current		
Trade payables	17,507	23,128
Related parties	27	21
Other payables and accrued expenses	23,649	22,981
Total current trade and other payables	41,183	46,130
Non-Current		
Other payables and accrued expenses	353	23
Total non-current trade and other payables	353	23

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



11. Loans and Borrowings

The following loans and borrowings at their carrying amounts are disclosed below:

<i>In thousands of \$AUD</i>	AS AT 31 DECEMBER 2022			AS AT 30 JUNE 2022		
	Total facility	Drawn facilities	Undrawn amount	Total facility	Drawn facilities	Undrawn amount
Current						
Term loan	6,511	6,511	-	6,600	6,600	-
Lease liabilities – Bank	5,649	5,649	-	4,229	4,229	-
Lease liabilities - Other	2,339	2,339	-	1,889	1,889	-
Credit cards / other finances	375	-	375	375	-	375
Debtor finance facility	3,393	3,393	-	-	-	-
Other loans	233	233	-	995	995	-
Total current borrowings	18,500	18,125	375	14,088	13,713	375
Non-current						
Term loan	25,636	25,636	-	29,123	29,123	-
Lease liabilities – Bank	7,927	7,927	-	6,249	6,249	-
Lease liabilities - Other	4,460	4,460	-	4,712	4,712	-
Total non-current borrowings	38,023	38,023	-	40,084	40,084	-
Total borrowings	56,523	56,148	375	54,172	53,797	375

Lease liabilities – Bank represents leases where title transfers to the Group on expiry of the lease, formerly Finance Leases. Lease liabilities – Other represents amounts recognised in respect of property leases and equipment leases for which title does not transfer.

Tasmea Limited's various finance facilities include both fixed and floating interest rates depending on the nature of the facility. The maturity terms of the various finance facilities are reflected in the Current / Non-current split shown above.

Tasmea Limited's banking facilities require a number of standard representations, warranties and undertakings (including financial and reporting obligations) from Tasmea Limited and Tasmea Limited Group companies in favour of the respective lenders. The facilities also include a cross-guarantee between the parent and the majority of Group companies with staged security enforcement rights and obligations. Fixed and floating security has been placed over all Group assets.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



12. Business Combinations

Tasman Asset Management Services

On 1 July 2022, the Group acquired Tasman Asset Management Services (TAMS), an electrical service provider, offering routine and corrective maintenance services to customers in the retail, warehousing, commercial and industrial sectors.

The details of the business combination are as follows:

<i>In thousands of \$AUD</i>	1 July 2022
Fair value of consideration transferred	
Amount settled cash	1,327
Total consideration	1,327
Recognised amounts of identifiable net assets	
Cash	399
Trade debtors	2,246
Prepayments	68
Other current assets	588
Property, plant and equipment	993
Deferred tax asset	308
Other non-current assets	80
Trade and other creditors	(2,259)
Employee benefits provisions	(785)
Loans and borrowings – lease liabilities	(771)
Deferred tax liability	(108)
Other current liabilities	(67)
Total identifiable net assets acquired	692
Goodwill on acquisition	635
<i>In thousands of \$AUD</i>	1 July 2022
Consideration transferred, settled in cash	1,327
Cash acquired	(399)
Net cash outflow on acquisition	928

Provisional accounting

The fair values of net assets acquired have been determined on a provisional basis. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, the acquisition accounting will be revised.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



12. Business Combinations (continued)

Tasman Asset Management Services (continued)

TAMS contribution to the Group results

TAMS contributed \$7.13 million of revenue, and profit before tax of \$0.15 million for the six months from 1 July to 31 December 2022.

Goodwill

Goodwill of \$634,858 is primarily related to growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Engineering-Electrical Services cash-generating unit at 31 December 2022.

A Noble & Son Limited

On 1 August 2022, the Group acquired 95% of A Noble & Son Limited (Nobles), a specialist provider of lifting and rigging equipment, technical services and engineering design for complete solutions to heavy and complex lifting.

The Group has a call option to purchase the remaining 5% of share capital in exchange for shares in Tasmea Limited with equivalent value. The option period started on 1 August 2022 and ends on 31 July 2027.

The details of the business combination are as follows:

<i>In thousands of \$AUD</i>	1 August 2022
Fair value of consideration transferred	
Amount settled cash	1,441
Total consideration	1,441
Recognised amounts of identifiable net assets	
Contract assets	306
Inventory	1,180
Property, plant and equipment	2,910
Trade and other creditors	(313)
Employee benefits provisions	(1,771)
Loans and borrowings – lease liabilities	(757)
Other current liabilities	(1,137)
Total identifiable net assets acquired	416
Goodwill on acquisition	1,025
Consideration transferred, settled in cash	1,441
Cash acquired	-
Net cash outflow on acquisition	1,441

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



12. Business Combinations (continued)

A Noble & Son Limited (continued)

Provisional accounting

The fair values of net assets acquired have been determined on a provisional basis. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, the acquisition accounting will be revised.

Accounting policy choice for non-controlling interests

The group recognises non-controlling interests an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Nobles contribution to the Group results

Nobles contributed \$12.7 million of revenue, and profit before tax of \$1.7 million for the five months from 1 August to 31 December 2022. If Nobles had been acquired on 1 July 2022, revenue contribution to the Group for the half year is estimated to have been \$15.5 million.

Goodwill

Goodwill is primarily related to growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Engineering-Electrical Services cash-generating unit at 31 December 2022. Nobles also has accumulated tax losses which have not been recognised on acquisition.

Corfield's Electrical Services

On 1 October 2022, the Group acquires Corfield's Electrical Services (Corfield's), an electrical contractor which has operated in Gladstone since 1983, providing construction, maintenance and industrial electrical services to the resources, energy and infrastructure sectors.

The details of the business combination are as follows:

<i>In thousands of \$AUD</i>	1 October 2022
Fair value of consideration transferred	
Amount settled cash	-
Deferred consideration	2,497
Total consideration	2,497
Recognised amounts of identifiable net assets	
Cash	886
Trade Debtors	416
Other current assets	140
Property, plant and equipment	27
Trade and other creditors	(500)
Employee benefits provisions	(21)
Loans and borrowings	(70)
Total identifiable net assets acquired	877
Goodwill on acquisition	1,620

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



13. Business Combinations (continued)

Corfield's Electrical Service (continued)

Consideration transferred, settled in cash

-

Cash acquired

886

Net cash inflow on acquisition

888

Deferred consideration

In thousands of \$AUD

Other current liabilities

2,247

2,247

Other non-current liabilities

250

250

Total deferred consideration

2,497

2,497

Provisional accounting

The fair values of net assets acquired have been determined on a provisional basis. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, the acquisition accounting will be revised.

Corfield's contribution to the Group results

Corfield's contributed \$1.15 million of revenue, and profit before tax of \$73,068, for the three months from 1 October to 31 December 2022. If Corfield's had been acquired on 1 July 2022, revenue contribution to the Group for the half year is estimated to have been \$2.3 million.

Consideration transferred

The acquisition of Corfield's was settled in cash of \$1,996,598 on 31 January 2023, and deferred consideration is payable of \$250,000 on 1 October 2023 and \$250,000 on 1 October 2024.

Goodwill

Goodwill of \$1,619,558 is primarily related to growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Engineering-Electrical Service cash-generating unit at 31 December 2022.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



13. Share Capital

	31 Dec 2022	30 June 2022
	\$'000	\$'000
Ordinary shares on issue	83,466	83,466

All shares on issue are fully paid. The Company does not have authorised capital or par value in respect of its issued shares.

Movements in ordinary shares on issue	Shares	\$'000
At 1 July 2022	193,984,638	83,466
At 31 December 2022	193,984,638	83,466

14. Financial Instruments

Borrowings and repayment of debt

Refer to Note 11 for advancements and repayments.

Fair values versus carrying amounts

The fair values of all financial assets and liabilities are equivalent to their carrying amount as at balance sheet date.

15. Contingencies

The Group had contingent liabilities in respect of:

In thousands of \$AUD

Guarantee Facilities

	31 Dec 2022	30 June 2022
Amount used	2,840	2,236
Amount available	6,401	6,220

In the normal course of business certain Tasma Limited Companies are required to enter into contracts that include performance obligations. These commitments only give rise to a liability where the respective entity fails to perform its contractual obligations. Claims of this nature arise in the ordinary course of construction contracting. Where appropriate a provision is made for these issues.

The Directors are not aware of any material claims that are considered probable, which have not been appropriately provided for in the financial statements at 31 December 2022.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022



16. Related Parties

(a) Parent and Ultimate Controlling Party

The ultimate controlling entity of the Group is Tasmea Limited.

(b) Subsidiaries

Interests in subsidiaries are the same as those disclosed in the Group's last annual financial statements, as well as the addition of the following subsidiaries during the half year:

- Tasman Asset Management Services Pty Ltd
- A Noble & Son Limited
- Waterworks Pty Ltd
- Noble's Manufacturing Pty Ltd
- Moxstar Pty Ltd

(c) Key Management Personnel

Key management of the Group include the Executive Directors and Non-Executive Directors

Loans to Directors and Key Management Personnel

As at 31 December 2022, the balance of unsecured loans receivable from directors and key management personnel was NIL.

	Balance at Beginning of Period	Advancement/ (Repayment) of Loans	Balance Outstanding 31 Dec 2022
	1 July 2022		31 Dec 2022
S Young	-	-	-
M Vartuli	-	-	-
Total	-	-	-

(d) Other Related Party Transactions

Port Tack is an entity controlled by Stephen Young, the Managing Director of Tasmea Limited. In addition, Regent Street Pty Ltd (Regent Street) is an associated entity of Stephen Young. The following related party transactions have been entered into as at 31 December 2022.

(i) Regent Street lease of Northfield premises

Regent Street entered into a lease agreement with Heavymech to lease the Heavymech premises 15 February 2020 for \$126,000 per annum a period of 5 years to 14 February 2025. The parties have agreed to Heavymech exiting this lease for no cost on or about 30 June 2023 upon relocating to Edinburgh Park premises.

(ii) Regent Street lease of Mt Isa premises

Regent Street entered into a lease agreement with Heavymech to lease the Mount Isa premises for \$71,456 per annum (exclusive of GST) for a period of 5 years, on 1 January 2018. The lease expired on 31 July 2022 and Heavymech renewed the lease for an additional 5 years on the same terms.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2022

16. Related Parties (continued)

(d) Other Related Party Transactions (continued)

(iii) Regent Street lease of Edinburgh Park premises

Regent Street entered into a lease agreement with A Noble & Son Limited to lease the Edinburgh Park premises on 1 October 2022 for \$17,912 per month. The lease expires on 30 September 2022, with a six monthly extension clause applicable after that. Similar lease agreements will apply to Quarry Mine & Manufacture Pty Ltd, Fabtech Australia Pty Ltd and Heavymech Pty Ltd when they move into the premises prior to 30 June 2023.

Pryde Corporation Pty Ltd is an associated entity of Jason Pryde. The following related party transactions have been entered into as at 31 December 2022.

(i) Pryde Corporation Pty Ltd lease of Jandakot premises

Pryde Corporation Pty Ltd entered into a five year lease agreement dated 6 June 2016 with Tasman Power WA Pty Ltd with initial expiry on 5 June 2021, and two three year extension clauses. The first renewal period commenced on 6 June 2021 for \$195,000 per annum (exclusive of GST).

17. Subsequent Events

Dividends

The Tasmea Board has declared a fully franked interim dividend of 1.5 cents per share. The interim dividend will be paid on 23 June 2023, with the date for determining entitlements being 1 May 2023.

Subsequent Events After the Balance Date

Change of Company Name

Following Shareholder approval at the Company's Extraordinary General Meeting held on 28 February 2023, E&A limited has now changed its name to Tasmea Limited.

Other than the above, there has not arisen in the interval between the end of the financial period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTORS DECLARATION

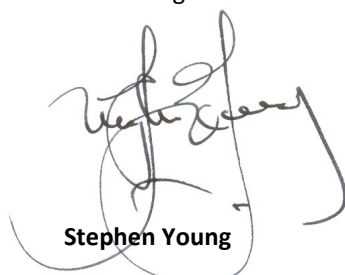
For the half year ended 31 December 2022



In the opinion of the Directors of Tasma Limited:

- (a) The consolidated interim financial statements and notes for the half year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
 - (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Stephen Young
Managing Director

Adelaide, 4 April 2023

Independent Auditor's Review Report

To the Members of Tasma Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Tasma Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 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 Tasma Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Tasma Limited financial position as at 31 December 2022 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 Tasmea Limited's financial position as at 31 December 2022 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*.

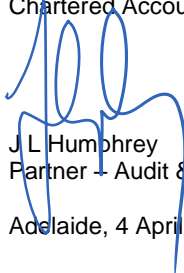
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J. L. Humphrey
Partner - Audit & Assurance

Adelaide, 4 April 2023

**TASMEA
LIMITED**

