ASX Announcement

ASX LISTING RULES APPENDIX 4D
FOR THE PERIOD ENDED 31 DECEMBER 2021

MPower Group Limited
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Australia

Sydney – 24 February 2022 – MPower Group Limited (ASX: MPR)

MPower Group Limited announces the following results for the Company and its controlled entities for the half year ended 31 December 2021. The results have been subject to review by the Company's external auditor.

Results for Announcement to the Market

	Six months to 31 Dec 2021 $'000	**Six months to 31 Dec 2020** $'000	**Change** %
Revenue from continuing operations	1,750	7,637	(77)
Revenue from discontinued operations	-	-	-
Total revenue	1,750	7,637	(77)
EBITDA from continuing operations	(1,198)	63	(2,002)
EBITDA from discontinued operations	-	271	(100)
Total EBITDA	(1,198)	334	(459)
Net loss attributable to members – continuing operations	(1,613)	(328)	(392)
Net gain / (loss) attributable to members – discontinued operations	-	271	(100)
Net loss for the period	(1,613)	(57)	(2,730)

Dividends
No dividends were declared or paid during the current or previous financial periods.

Net Tangible Assets per share
The net tangible liabilities per share as at 31 December 2021 was (1.2) cents (30 June 2021: (2.3) cents per share).

For further information, please see the attached Half Year Financial Report.

MPower Group Limited

ABN 73 009 485 625

Half Year Financial Report
31 December 2021

DIRECTORS' REPORT

The directors submit the financial report of MPower Group Limited and its controlled entities (the Group) for the half year ended 31 December 2021. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of directors who held office during the half year and until the date of this report are as follows. Directors were in office during and since the end of the half year unless otherwise stated:

Peter Wise AM
Nathan Wise
Robert Constable
Robert Moran
Amy Kean (appointed 1 September 2021)

Review of Operations

During the Half, the company recorded revenue from continuing operations of $1.75 million. This is the result of MPower's transition to a Build Own Operate **(BOO)** business model in which renewable energy projects are developed and constructed in-house, highlighting that revenue from external sources is at present only of limited relevance. The company's EBITDA loss was $1.20 million and reflects the expensing (rather than capitalisation) of costs incurred in the planning and development of the proposed project portfolio.

MPower has significantly progressed its BOO strategy in recent months, despite the challenges and delays caused by COVID-19. This includes the expansion of the company's project pipeline, execution of the first three purchase agreements and continued refinement of project design, costs and delivery approach that have laid a strong foundation for the future.

Over the coming months, the construction and ongoing operation of well-selected, well-designed, and well-managed MPower renewable energy projects is expected to substantially change the nature of MPower's financial position and performance.

As MPower's BOO portfolio is progressively established and power generation commences, it will be the cost of the developments and the cash flow that they generate that will be the measure of the Company's true value.

MPower is actively progressing discussions and is considering a number of green energy financing options in order to support the planned development of the Company's portfolio of up to 20 x 5MW renewable energy projects that will have an estimated end value of more than $150 million.

Funding relates to the construction phase and the long-term operating phase of the renewable energy projects, which have an expected power generating life of over thirty years.

MPower is working to develop a funding structure to provide a direct correlation between investor returns and the value of the power generated and sold by the renewable energy infrastructure assets that MPower sources, builds, controls, maintains and manages.

MPower's service and maintenance division performed well in the Half, experiencing limited disruption due to COVID-19 related site closures and with activities now back to expected levels.

Three Build Own Operate sites secured

MPower made pleasing progress on the establishment of its BOO portfolio during the half, primarily along the East Coast of Australia. MPower has entered into binding purchase agreements on the first three development projects in NSW and Victoria, for a total combined consideration of approximately $1.9 million. The three sites are expected to be shovel ready at various stages in the first half of CY2022. Once shovel ready status has been achieved and each project fully permitted, completion of the asset purchases will take place.

The projects are located in Narromine (NSW), Mangalore (VIC) and Faraday (VIC) and the three projects will generate 36,000 MWh+ of clean energy from 34,000 Bifacial PV Modules, equivalent capacity to power 4,500 homes once they are fully operational.

The NSW site in Narromine, near Dubbo, is in the final stage of development and has already achieved an 'Offer to Connect' from Essential Energy. The offer will enable the project to be connected into the distribution network and become a participant in the National Electricity Market.

The Mangalore project is located approximately 120km north of Melbourne. The project was granted a planning permit by the Victorian Department of Environment, Land, Water & Planning in December 2021. The application to connect the project to the National Electricity Market is currently in progress.

The Faraday project is located approximately 100km from Melbourne and covers an area of 14ha and was selected due to a strong local demand and attractive future load prospects. The project includes over 11,000 Bifacial PV Modules with the capacity to produce more than 11,500MWh of electricity in its first year.

These three projects are the first of 20 sites being planned for the portfolio to provide diversification and capture the benefits of scale. MPower has exclusivity over a further seven 5MW development projects (including two hybrid projects in South Australia detailed below) and is actively assessing additional project opportunities against the company's investment criteria.

Development of hybrid solar battery projects

MPower released details of two hybrid solar battery projects being developed in Kadina, South Australia. The projects aim to capitalise on existing pricing opportunities as a result of negative daytime pricing across South Australia.

By leveraging MPower's in-house technical expertise across solar and battery storage technologies and anticipating the latest Australian Energy Market Commission (AEMC) determination on integrating battery storage, MPower has put forward a market leading solution tailored to the opportunity.

A hybrid 5MW solar farm with a DC-coupled 5MW/10MWh battery project is being planned at each site. SA Power Networks has confirmed that the network has capacity to accommodate the projects and formal connection applications have been lodged.

South Hummocks and Kadina Solar Farms

MPower received final milestone payments totalling $500,000 during the Half for the completion of two South Australian 5MW solar farms located at South Hummocks and Kadina. Now completed and fully operational, the projects are supporting the energy needs of more than 3,000 homes in the region. Maintenance contracts for both sites were also secured, adding another $300,000 in additional revenue over an initial two-year period.

NSW battery storage project milestone

MPower's landmark 1.5MWh grid connected battery storage project reached a major milestone successfully achieving its final acceptance with Endeavor Energy during the Half. Final acceptance follows stringent field-testing and provides significant validation for the solution for other potential operators and for implementation into MPower's BOO portfolio of renewable energy projects.

Proprietary monitoring and control platform

As the company continues to transition to its BOO model, MPower has developed a proprietary solution for the control and monitoring of its renewable energy projects. The technology will be deployed on new and established sites where MPower has existing maintenance service agreements.

The broadening of the company's monitoring and maintenance capabilities provides MPower with another potential revenue stream as it looks to incorporate the technology into its offering to renewable energy asset owners and managers seeking additional reliability and performance analytics.

Corporate matters

MPower's board and management team was strengthened with the appointment of renewable energy expert Amy Kean as a non-executive director.

Amy Kean has over 20 years' experience in the renewable energy sector and has an extensive background in navigating the regulatory, commercial and technical challenges to unlock opportunities in renewable energy projects. She was instrumental figure in developing NSW's renewable energy zones and the State's emerging energy programs.

In December 2021, MPower launched a Share Purchase Plan and raised a total amount of $173,000 before costs, with 3,460,000 new fully paid ordinary shares issued. The shares were issued and commenced trading on the ASX in December 2021. MPower's cash balance was $2.393 million at 31 December 2021.

The company's franking account balance stood at $7.4 million at 31 December 2021.

Outlook

MPower has a well-earned reputation for delivering high-quality power generating projects, utilising its in-house technical capabilities. The company's strategy is to continue its focus and deliver expertise on selected renewable energy projects that meet our investment criteria to Build, Own and Operate.

MPower is taking great care to standardise its approach to project design and construction which will drive future efficiencies and ensure projects progress from shovel ready status to generating revenue from the power output as quickly as possible. The building blocks of a successful power generating portfolio are moving into place and it is expected that the investment in well credentialed in-house expertise will ultimately pay off; and that careful execution of the Company's strategy will deliver financial benefits to MPower in the fullness of time

Dividends Paid or Recommended

No interim dividend has been declared or paid in respect of the half year ended 31 December 2021 (2020: nil).

Rounding off of Amounts

The Company is a company of the kind referred to in Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the Directors' Report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's Independence Declaration

We have received an independence declaration from our auditors, Stantons International, under section 307C of the *Corporations Act 2001* a copy of which is attached on page 5 of the half year financial report.

Signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the directors

Chairman
Sydney, 24 February 2022

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24 February 2022

Board of Directors
MPower Group Limited
Level 4, 15 Bourke Road
Mascot NSW 2020

Dear Sirs

RE: MPOWER GROUP LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of MPower Group Limited.

As Audit Director for the review of the financial statements of MPower Group Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Martin Michalik
Director

MPOWER GROUP LIMITED
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2021

		Half Year Ended	
		31 Dec 2021	31 Dec 2020
Continuing operations	**Note**	**$'000**	**$'000**
Revenue	2	1,750	7,637
Other revenue		-	50
Materials and consumables used		(849)	(5,001)
Depreciation and amortisation expense		(148)	(144)
Employee benefits expense		(1,605)	(2,141)
Finance costs		(266)	(246)
Occupancy expense		(15)	(14)
Other expenses		(480)	(469)
Loss before income tax		**(1,613)**	**(328)**
Income tax expense		**-**	**-**
Loss for the period from continuing operations		**(1,613)**	**(328)**
Discontinued operations			
Gain from discontinued operations		-	271
Loss for the period		**(1,613)**	**(57)**
Loss attributable to:			
Owners of the company		(1,613)	(57)
Non-controlling interest		-	-
		(1,613)	**(57)**
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		-	-
Gain on cash flow hedges taken to equity		-	-
Other comprehensive loss for the period net of tax		-	-
Total comprehensive loss for the period		**(1,613)**	**(57)**
Total comprehensive loss attributable to:			
Owners of the company		(1,613)	(57)
Non-controlling interest		-	-
		(1,613)	**(57)**
Loss per share from continuing and discontinued operations			
Basic (cents per share)		(0.8)	(0.0)
Diluted (cents per share)		(0.8)	(0.0)
Loss per share from continuing operations			
Basic (cents per share)		(0.8)	(0.2)
Diluted (cents per share)		(0.8)	(0.2)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the attached notes.

MPOWER GROUP LIMITED
Condensed Consolidated Statement of Financial Position
As at 31 December 2021

	Note	31 Dec 2021 $'000	As At 30 Jun 2021 $'000
CURRENT ASSETS			
Cash and cash equivalents		2,399	3,533
Trade receivables and contract assets	3	1,006	1,864
Inventories		119	121
Other current assets		426	199
TOTAL CURRENT ASSETS		3,950	5,717
NON-CURRENT ASSETS			
Property, plant and equipment		405	452
Right of Use Assets	4	813	902
TOTAL NON-CURRENT ASSETS		1,218	1,354
TOTAL ASSETS		5,168	7,071
CURRENT LIABILITIES			
Trade and other payables		1,043	1,069
Borrowings	12	5,268	391
Provisions		474	574
Lease liabilities		150	150
Other liabilities		-	-
TOTAL CURRENT LIABILITIES		6,935	2,184
NON-CURRENT LIABILITIES			
Borrowings	12	-	5,140
Provisions		53	23
Lease liabilities		754	827
TOTAL NON-CURRENT LIABILITIES		807	5,990
TOTAL LIABILITIES		7,742	8,174
NET ASSET DEFICIENCY		(2,574)	(1,103)
EQUITY			
Issued capital	5	29,635	29,503
Reserves	6	315	305
Accumulated losses		(32,524)	(30,911)
TOTAL EQUITY		(2,574)	(1,103)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the attached notes.

MPOWER GROUP LIMITED
Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2021

	Issued Capital (Note 5) $'000	Reserves (Note 6) $'000	Accumu-lated Losses $'000	Attributable to owners of the company $'000	Non-Controlling Interest $'000	Total $'000
Balance at 1 July 2020	**25,121**	**4**	**(28,846)**	**(3,721)**	**750**	**(2,971)**
Loss for the period	-	-	(57)	(57)	-	(57)
Other comprehensive income/(loss) net of tax						
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-
Gain on cash flow hedge taken to equity	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(57)	(57)	-	(57)
Recognition of share-based payments	-	2	-	2	-	2
Payment of distributions	-	-	-	-	(750)	(750)
Balance at 31 December 2020	**25,121**	**6**	**(28,903)**	**(3,776)**	**-**	**(3,776)**
Balance at 1 July 2021	**29,503**	**305**	**(30,911)**	**(1,103)**	**-**	**(1,103)**
Loss for the period	-	-	(1,613)	(1,613)	-	(1,613)
Other comprehensive income/(loss) net of tax						
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-
Gain on cash flow hedge taken to equity	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	(1,613)	(1,613)	-	(1,613)
Recognition of share-based payments	-	10	-	10	-	10
Issue of Shares	132	-	-	132	-	132
Payment of distributions	-	-	-	-	-	-
Balance at 31 December 2021	**29,635**	315	**(32,524)**	**(2,574)**	**-**	**(2,574)**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the attached notes.

MPOWER GROUP LIMITED
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2021

	Half Year Ended	
	31 Dec 2021 $'000	**31 Dec 2020 $'000**
Cash flows from operating activities		
Receipts from customers	3,184	6,469
Payments to suppliers and employees	(3,901)	(7,702)
Interest and other costs of finance paid	(263)	(203)
Net cash utilised in operating activities	(980)	(1,436)
Cash flows from investing activities		
Payment for property, plant and equipment	(10)	(93)
Settlement paid from sale of investments	-	(1,250)
Proceeds from sale of property, plant and equipment	-	-
Net cash (utilised in) by investing activities	(10)	(1,343)
Cash flows from financing activities		
Distributions paid to non-controlling interests	-	(750)
Proceeds from Share Issue	167	-
Payments for lease liabilities capitalised under AASB16	(135)	(64)
Repayment of borrowings	(176)	-
Net cash (utilised in) by financing activities	(144)	(814)
Net decrease in cash and cash equivalents	(1,134)	(3,593)
Cash and cash equivalents at the beginning of the period	3,533	6,521
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
Cash and cash equivalents at the end of the period	2,399	2,928

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the attached notes.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The half year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of selected non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument amounts in the Directors' Report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2021 annual financial report for the financial year ended 30 June 2021, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

MPower has reviewed new and revised accounting standards applicable in the period and no changes are expected to future financial reports from these new standards.

(c) Government grants

During the half-year, the Group became eligible for certain government support in response to the coronavirus pandemic, as explained in Note 11. The Group's accounting policy for government grants is explained below.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, wage subsidies received under the Jobkeeper scheme are offset against wages in the profit and loss. Cash flow boost subsidies are presented as other income in the profit and loss.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

(d) Going concern

The financial statements have been prepared on a going concern basis, which assumes the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

The condensed consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2021 reflects a net loss after tax of $1.613 million and the condensed consolidated statement of cash flows reflects net cash outflows of $1.134 million. Further, the condensed consolidated statement of financial position reflects a working capital deficiency of $2.985 million and a net asset deficiency of $2.574 million.

The Directors have reviewed the cash flow forecast prepared by management for the period through to 28 February 2023. The cash flow forecast, which is predicated on the key assumptions noted below, indicates that the Group will have sufficient funding to operate as a going concern during the forecast period, and on this basis the Directors have prepared the financial statements on the going concern basis. One of these assumptions is that the Group will enjoy the continued support of the Group's bankers and that the existing debt will be rolled over at maturity. In this regard, it is noted that the Group has been amortising its term debt facility during the period and the Group's banker has been very supportive of the Group through its restructure and the Directors believe it is reasonable to assume that the debt will be rolled over or that replacement funding will be available at that time.

Key assumptions of cashflow forecast
The cashflow forecast includes certain key assumptions including the following:
- continuing support from the Group's bankers (as described above);
- the conversion of pipeline opportunities over the forecast period;
- the delivery of projects in accordance with project estimates;
- execution of the Group's Build Own Operate strategy by securing a number of initial projects;
- the Group raising capital to support its forward strategy;
- the Group achieving its anticipated level of cash flows.

The Directors believe that the actions taken to re-align the focus of the core business operations will support achieving the forecast cash flows and the pipeline of projects supports the assumed cashflow forecasts from projects.

If the Group:
- ceases to receive continuing support from the Group's bankers; or
- is unable to meet the other key assumptions noted above,

then a material uncertainty would exist that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 2: REVENUE

	Half Year Ended	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Sales revenue		
Revenue from sale of goods	197	164
Revenue from the rendering of services	1,439	2,521
Projects and installations	114	4,952
Total revenue	1,750	7,637

NOTE 3: TRADE RECEIVABLES AND CONTRACT ASSETS

	31 Dec 2021 $'000	30 Jun 2021 $'000
Trade receivables	442	675
Less: Credit loss allowance	(45)	(35)
	397	640
Contract assets – accrued revenue receivable	609	1,224
Total trade receivables and contract assets	1,006	1,864

The average credit period on sales of goods and rendering of services ranges from 30 to 60 days. The Group has provided for receivables based on estimated unrecoverable amounts from sales of goods and rendering of services, determined by reference to the particular circumstances in relation to the debt and past default experience.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts. There is no security held in relation to these balances.

Trade receivables and contract assets are written off when there has been a significant change in the risk characteristics of a debtor and there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 4: RIGHT OF USE ASSETS

	31 Dec 2021 $'000	30 Jun 2021 $'000
Cost		
Buildings – right of use assets	1,182	1,182
Less: Accumulated depreciation	(369)	(280)
	813	902

There were no new additions to the right-of-use assets during the half-year. The Group leases land and buildings for its offices and warehouse under agreements of between 2 to 3 years with options to extend.

	31 Dec 2021 $'000	31 Dec 2020 $'000
Amounts recognised in profit and loss:		
Depreciation expense on right-of-use assets	89	88
Interest expense on lease liabilities	36	38
	125	126

NOTE 5: ISSUED CAPITAL

	Half Year Ended 31 Dec 2021		Year Ended 30 Jun 2021	
	No.'000	$'000	No.'000	$'000
Fully paid ordinary shares				
Balance at beginning of financial period	218,660	29,503	158,846	25,121
Shares issued (Net of Costs)	3,460	132	59,814	4,382
Balance at end of financial period	222,120	29,635	218,660	29,503

3,460,000 ordinary shares were issued during the period (2020: 59,813,530). There were 2,240,000 unlisted share options over ordinary shares issued under the Company's Executive Share Option plan during the period (2020: 760,000) and 420,000 lapsed during the period (2020: 264,000). There were 12,050,000 unlisted options on issue as at 31 December 2021.

NOTE 6: RESERVES

	31 Dec 2021 $'000	30 Jun 2021 $'000
Share option reserve	587	577
Foreign exchange translation reserve	(272)	(272)
Total reserves	315	305

NOTE 7: DIVIDENDS

No dividends were declared or paid during the current or previous financial period.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 8: SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The MPower Group's reportable segments are organised into two major sectors – Power investments and Property investments. These sectors are the basis on which the MPower Group reports its reportable segment information. The principal products and services of each of those sectors are as follows:

— Power investments consists of MPower Holdings Pty Limited, Limited, MPower Capital Pty Limited, MPower Projects Pty Limited, MPower Samoa Limited. At 31 December 2021 these entities were wholly owned by the Company. This group is a leading provider of innovative and dependable power solutions for use in all manner of emergency, back-up, generated and renewable power situations in Australia.

MPower Products Pty Limited and MPower Pacific Limited (the distribution businesses) which formed part of the Power investments segment has been disclosed as discontinued operations in the prior period.

The following is an analysis of the Group's revenue and results by reportable segment:

	Revenue Half Year Ended		Segment profit / (loss) Half Year Ended	
	31 Dec 2021 $'000	31 Dec 2020 $'000	31 Dec 2021 $'000	31 Dec 2020 $'000
Power investments	1,750	7,637	(567)	599
Other	-	50	-	-
Total continuing operations	1,750	7,687	(567)	599
Discontinued operations	-	-	-	271
Total revenue and segment profit / (loss)	1,750	7,687	(567)	870
Depreciation and amortisation expense			(148)	(144)
Finance costs			(266)	(246)
Unallocated costs			(632)	(537)
Loss before income tax			(1,613)	(57)
Income tax expense			-	-
Consolidated segment loss for the period			(1,613)	(57)

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 8: SEGMENT INFORMATION (CONTINUED)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, depreciation and amortisation costs, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by reportable operating segment:

	31 Dec 2021 $'000	30 Jun 2021 $'000
Power investments	3,405	3,560
Total segment assets	3,405	3,560
Unallocated	1,763	3,511
Total consolidated assets	5,168	7,071

All assets are allocated to reportable segments. There are no assets used jointly by reportable segments.

NOTE 9: CONTINGENCIES AND COMMITMENTS

There are no material contingent liabilities or contingent assets at balance date (30 June 2021: Nil).

NOTE 10: SUBSEQUENT EVENTS

There are no other matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operation of the Group, the results of its operations, or the state of affairs of the Group in future financial periods.

NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 11: GOVERNMENT GRANTS AND GOVERNMENT ASSISTANCE

The Group has benefited from the following significant government support packages as a result of COVID-19 during the period:

Support received	Description
JobSaver Scheme	Due to the impact of COVID-19 on the Group's turnover, government subsidies of nil (2020: $485,100) were received under the Australian Federal Government's JobKeeper scheme. The entity became eligible for the Scheme from its inception in March 2020 up to 31 December 2020. The Group did not qualify for the Scheme for the period January to March 2021. The amounts were paid to employees in line with the government's objectives of helping businesses to continue paying employees to keep them in their jobs so that businesses can re-start when business conditions improve. The Company has booked receipts for Jobkeeper by offsetting wages.
NSW Government Assistance Program	Due to the impact of COVID-19 on the Group's turnover subsidies of $278,525 (2020:nil) were received under the NSW Government's Assistance Program. The entity became eligible for the Scheme from its inception in July 2021 up to 30 October 2021. The Group did not qualify for the Scheme for the final month of November 2021. The amounts were paid to employees in line with the government's objectives of helping businesses to continue paying employees to keep them in their jobs so that businesses can re-start when business conditions improve. The Company has booked receipts for NSW Government Assistance Program by offsetting wages.
Cash Flow Boost Scheme	Due to the impact of COVID-19, the Group received government subsidies of nil (2019: $50,000) under the Australian Federal Government's Cash Flow Boost scheme. The company has booked receipts for Cash Flow Boost scheme in other income.

NOTE 12: BORROWINGS

	31 Dec 2021 $'000	30 Jun 2021 $'000
Bank facilities (secured)	5,268	300
Other interest bearing liabilities	-	91
Total current borrowings	5,268	391

	31 Dec 2021 $'000	30 Jun 2021 $'000
Bank facilities (secured)	-	5,140
Total noncurrent borrowings	-	5,140

Bank facilities are fully secured by general security agreements granted by controlled entities over their assets.

Summary of borrowing and financial facility arrangements

MPower Group Limited (and various subsidiaries) has $5.3 million of borrowings from St George Bank Limited charged at a weighted average interest rate of 7.48%. There were no covenant reporting requirements as at 31 December 2021 (30 June 2021: nil). Bank facilities were renegotiated in June 2021 for a further term of 12 months with principal repayments of $25,000 per month from July 2021. The bank facilities are secured by general security agreements and cross guarantees granted by MPower Group Limited and certain group subsidiaries

DIRECTORS' DECLARATION

The directors declare that:

(a) based on the matters set out in Note 1, in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

Peter Wise

Peter Wise AM
Chairman

Sydney, 24 February 2022

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MPOWER GROUP LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mpower Group Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, 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 Mpower Group Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Mpower Group Limited's financial position as at 31 December 2021 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 Group 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.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group on 24 February 2022.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(f) in the financial report, which indicates that the Group incurred a net loss of $1.61 million during the period ended 31 December 2021 and the condensed consolidated statement of cash flows reflects net operating cash outflows of $980,000. Further, the condensed consolidated statement of financial position reflects a working capital deficiency of $2.985 million and a net asset deficiency of $2.574 million.

The ability of the Group to continue as a going concern and meet its planned operating, administration and other commitments is dependent upon the Group meeting the key assumptions in its cashflow budgets as discussed in note 1 (f) and/or raising further working capital and/or extending its bank loan for a further 12 months. In the event that the Group is not successful in meeting the assumptions in the cashflow budgets and/or raising further equity and/or extending its Bank loan, the Group may not be able to meet its liabilities as and when they fall due and the realisable value of the Group's current and non-current assets may be significantly less than book values.

Our conclusion is not modified in respect of this matter

Responsibility of the Directors for the Financial Report

The directors of Mpower Group Limited 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2021 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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
24 February 2022