

## ASX LISTING RULES APPENDIX 4D FOR THE PERIOD ENDED 31 DECEMBER 2023

Sydney – 22 February 2024 – MPower Group Limited (ASX: MPR)

MPower Group Limited  
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Australia

MPower Group Limited announces the following results for the Company and its controlled entities for the half year ended 31 December 2023. The results have been subject to review by the Company's external auditor.

### Results for Announcement to the Market

	Six months to 31 Dec 2023	Six months to 31 Dec 2022	Change
	\$'000	\$'000	%
Revenue from ordinary activities	2,475	2,228	11
Revenue from ordinary activities excluding interest income	2,461	2,220	11
Net profit / (loss) before tax attributable to members from ordinary activities	881	(2,038)	143
Net profit / (loss) for the period	881	(2,038)	143

### 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 2023 was (0.1) cents (30 June 2023: (0.8) cents per share).

This information should be read in conjunction with the 2023 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2023.

This report is based on the consolidated financial statements for the half-year ended 31 December 2023 which have been reviewed by Stantons.

**MPower Group Limited**

ABN 73 009 485 625

**Half Year Financial Report  
31 December 2023**

## **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 2023. 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

### **Review of Operations**

#### *Narromine clean energy project – construction phase underway*

Operations during the Half Year were highlighted by key developments at MPower's fully-owned Narromine clean energy project, where the Company successfully procured all project development rights – including the Connection Agreement for connection to the grid, land rights and key planning approvals – that were required before construction can commence.

With regulatory approvals in place, MPower has commenced the construction phase at Narromine – the next near-term priority as part of the Company's stated strategy to establish a significant Build Own Operate portfolio of renewable energy projects across Australia.

Construction remains fully funded from existing project facilities, and during the period under review MPower undertook detailed design works using its in-house capabilities, which are now substantially completed. Key materials and equipment for the project were also procured during the period, with the project on track to commence site works in Q1 CY2024 both on-time and on-budget.

The Narromine project will comprise 6.7 MWdc of Bifacial PV Modules with the capacity to produce more than 14,000MWh of energy in its first year of operations. The project is due to be completed in 2024 and will earn revenue from the sale of renewable energy and certificates.

#### *Strategic investment from Oceania Capital Partners*

Alongside its operational momentum, MPower materially strengthened its balance sheet during the Half Year with a new loan facility and equity position from diversified Australian investment group Oceania Capital Partners Limited (**OCP**).

The transaction allowed the Company to fully extinguish its \$4.5 million debt facility with St George Bank and replace it with a new \$1.8 million loan from OCP, which has also taken a 14.5% equity stake in MPower through the issue of 50 million ordinary shares in consideration for providing the loan facility.

Combined with the Company's strategic \$10 million project funding facility with AMPYR – which will fund the development of the Narromine project through to completion – the funding agreement with OCP provides MPower with improved balance sheet strength to execute on the rollout of its clean energy asset portfolio.

The refinancing significantly reduced ongoing debt service obligations and was completed in August 2023.

#### *Master Supply Agreement with Trina Solar*

During the Half Year, MPower announced that it had entered into a Master Supply Agreement (**MSA**) with Trina Solar, a major global supplier of photovoltaic (PV) solar panels.

The strategic agreement allows MPower to build pricing certainty into its supply chain, with the benefits of economies of scale and flexible implementation on a project-by-project basis to best assist its planned rollout of utility-scale solar farms across Australia's eastern states.

Under the terms of the agreement, Trina Solar has agreed to supply an initial 39.5MWp of solar modules and 31.2MWp of TrinaTracker Vanguard 1P trackers, phased for delivery to suit MPower's project development timeline.

The agreement leverages Trina Solar's market position as the only in-market supplier that manufactures both modules and trackers, which allows for streamlined distribution and rapid installation.

The first deployment of Trina Solar components commenced during 2023, as part of the procurement process for MPower's Narromine Renewable Energy Project.

#### *Financial overview*

The 11% increase in revenue to \$2.475 million in the Half Year reflects a full six months of revenue from the sale of energy and renewable energy certificates generated by the Lakeland asset.

To understand the true extent of the increase in activity during the Half Year, it is important to take into account revenues from the construction of the Narromine asset, which would have accounted for a further \$3.2 million in reported revenue if the asset was not owned by MPower. The elimination of this revenue on consolidation is a result of MPower being both the owner of the project and responsible for construction of the asset.

Net profit after tax of \$0.881 million includes the net gain of \$1.827 million from the OCP transaction.

MPower's service and maintenance division continued to perform steadily during the Half Year and is expected to benefit over time from maintaining and servicing the growing portfolio of solar and battery storage projects under MPower's management as the portfolio expands.

MPower's cash balance was \$2.867 million at Half Year.

#### *Project pipeline and outlook*

Following the strategic debt and equity transaction in August 2023 with OCP and the one-off revaluation gain of \$6.1 million against the Lakeland Solar & Storage Asset recognised as profit in the Company's audited 2023 financial statements, MPower has continued to advance its project funding plans for the company's broader project portfolio.

The Company is uniquely positioned within the market given its extensive experience across the full life-cycle of distribution-level hybrid solar and battery projects, including development, design, construction, operation and maintenance.

MPower is well-positioned for further growth in revenue and EBITDA through the development of its Build Own Operate strategy with an expanding pipeline of development assets being pursued by the Company in conjunction with its development partners. In addition to the Company's 100% owned assets at Lakeland, QLD and Narromine, NSW, the Company has a strong pipeline of both shovel

ready and development projects across the eastern states of Australia. This includes projects at Faraday and Mangalore in VIC and two hybrid solar battery projects at Kadina in SA.

The Company's development strategy, which targets a portfolio of over 30 utility-scale solar and battery projects across Australia's eastern states, represents an attractive investment proposition and an immediate opportunity for investors to deploy capital for near-term value-add clean energy projects.

#### **Dividends Paid or Recommended**

No interim dividend has been declared or paid in respect of the half year ended 31 December 2023 (2022: 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 4 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



**Peter Wise AM**  
**Chairman**

Sydney, 22 February 2024



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22 February 2024

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

Dear Directors

**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 period ended 31 December 2023, 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 sincerely

**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 2023**

		<b>Half Year Ended</b>	
	<b>Note</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
		<b>\$'000</b>	<b>\$'000</b>
Revenue	2	2,461	2,220
Other revenue		14	8
Materials and consumables used		(647)	(803)
Depreciation and amortisation expense		(498)	(267)
Employee benefits expense		(855)	(1,658)
Finance costs		(530)	(584)
Occupancy expense		(25)	(27)
Gain on refinance	11	1,827	-
Other expenses		(866)	(927)
<b>Profit / (loss) before income tax</b>		<b>881</b>	<b>(2,038)</b>
Income tax expense		-	-
<b>Profit / (loss) for the period</b>		<b>881</b>	<b>(2,038)</b>
 <b>Profit / (loss) attributable to:</b>			
Owners of the company		881	(2,038)
Non-controlling interest		-	-
		<b>881</b>	<b>(2,038)</b>
 <b>Other comprehensive income / (loss)</b>			
<b>Items that may be reclassified subsequently to income or loss</b>			
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		-	-
<b>Total comprehensive income / (loss) for the period</b>		<b>881</b>	<b>(2,038)</b>
 <b>Total comprehensive income / (loss) attributable to:</b>			
Owners of the company		881	(2,038)
Non-controlling interest		-	-
		<b>881</b>	<b>(2,038)</b>
 <b>Profit / (loss) per share from operations</b>			
Basic (cents per share)		0.3	(0.8)
Diluted (cents per share)		0.3	(0.8)

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

**MPOWER GROUP LIMITED**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2023**

	Note	As At 31 Dec 2023 \$'000	As At 30 Jun 2023 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,867	238
Trade receivables and contract assets	3	607	455
Inventories		34	39
Assets held for sale		151	131
Other current assets		502	223
<b>TOTAL CURRENT ASSETS</b>		<b>4,161</b>	<b>1,086</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	17,448	12,915
Intangible assets		1,317	1,317
Right of use assets	4	1,944	1,802
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,709</b>	<b>16,034</b>
<b>TOTAL ASSETS</b>		<b>24,870</b>	<b>17,120</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,995	2,707
Borrowings	11	2,966	6,161
Provisions		457	414
Lease liabilities		152	119
Other liabilities		70	140
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,640</b>	<b>9,541</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	14,959	6,371
Provisions		220	203
Lease liabilities		2,060	1,897
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>17,239</b>	<b>8,471</b>
<b>TOTAL LIABILITIES</b>		<b>23,879</b>	<b>18,012</b>
<b>NET ASSETS / (DEFICIENCY)</b>		<b>991</b>	<b>(892)</b>
<b>EQUITY</b>			
Issued capital	5	32,167	31,174
Reserves	6	432	423
Accumulated losses		(31,608)	(32,489)
<b>TOTAL EQUITY</b>		<b>991</b>	<b>(892)</b>

The 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 2023**

	Issued Capital (Note 5) \$'000	Reserves (Note 6) \$'000	Accumu- lated Losses \$'000	Attributable to owners of the company \$'000
<b>Balance at 1 July 2022</b>	<b>29,661</b>	<b>325</b>	<b>(34,447)</b>	<b>(4,461)</b>
Loss for the period	-	-	(2,038)	(2,038)
<i>Other comprehensive income/(loss) net of tax</i>				
Exchange differences arising on translation of foreign operations	-	-	-	-
Gain on cash flow hedge taken to equity	-	-	-	-
Total comprehensive loss for the period	-	-	(2,038)	(2,038)
Recognition of share-based payments	-	84	-	84
Issue of Shares	1,513	-	-	1,513
Payment of distributions	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>31,174</b>	<b>409</b>	<b>(36,485)</b>	<b>(4,902)</b>
<b>Balance at 1 July 2023</b>	<b>31,174</b>	<b>423</b>	<b>(32,489)</b>	<b>(892)</b>
Profit for the period	-	-	881	881
<i>Other comprehensive income/(loss) net of tax</i>				
Exchange differences arising on translation of foreign operations	-	-	-	-
Gain on cash flow hedge taken to equity	-	-	-	-
Total comprehensive income for the period	-	-	881	881
Recognition of share-based payments	-	9	-	9
Issue of Shares	993	-	-	993
Payment of distributions	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>32,167</b>	<b>432</b>	<b>(31,608)</b>	<b>991</b>

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

**MPOWER GROUP LIMITED**  
**Consolidated Statement of Cash Flows**  
**For the half year ended 31 December 2023**

	<b>Half Year Ended</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	2,525	2,981
Payments to suppliers and employees	(3,854)	(3,420)
Interest and other costs of finance paid	(389)	(464)
Net cash utilised in operating activities	(1,718)	(903)
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(3,061)	(4)
Proceeds from business combinations (net of cash received)	-	528
Proceeds from sale of property, plant and equipment	-	-
Net cash (utilised in) / received from investing activities	(3,061)	524
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	8,096	-
Proceeds from share issue	(6)	1,594
Payments for lease liabilities capitalised under AASB16	(310)	(139)
Repayment of borrowings	(314)	(258)
Net cash received from financing activities	7,466	1,197
<b>Net increase in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	2,687	818
Effects of exchange rate changes on the balance of cash held in foreign currencies	238	538
<b>Cash and cash equivalents at the end of the period</b>	(58)	-
	2,867	1,356

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

**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**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 2023 annual financial report for the financial year ended 30 June 2023, 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) Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination will be accounted for from the date that control is attained whereby fair value of the identifiable assets acquired and liabilities assumed is recognised (with limited exceptions).

The consideration transferred the acquisition including any contingent consideration is generally measured at fair value. Where the fair value of the consideration is greater than the fair value of the identifiable assets and liabilities, goodwill is recognised. Goodwill is tested annually for impairment. Where fair value of the consideration is less than fair value of the identifiable assets and liabilities, a gain on a bargain purchase is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Transaction costs are expensed as incurred unless except if they relate to the issue of debt or equity securities.

Contingent consideration is classified as a financial liability. Subsequent changes in the fair value of the contingent consideration are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**(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 consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2023 reflects a net profit after tax of \$0.881 million and the consolidated statement of cash flows reflects net cash utilised in operating activities of \$1.718 million. Further, the condensed consolidated statement of financial position reflects a working capital deficiency of \$2.479 million and net assets of \$0.991 million.

The Directors have reviewed the cash flow forecast prepared by management for the period through to 28 February 2025. 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.

Key assumptions of cashflow forecast

The cashflow forecast includes certain key assumptions including the following:

- 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, including obtaining project funding for future projects;
- the extension or refinance of existing debt facilities falling due over the forecast period;
- the Group achieving its anticipated level of cash flows.

The Directors believe that the Company is well positioned to obtain project funding for future projects in light of the Company's track record and positive ongoing discussions with project funding parties. The Group has the ability to raise equity / debt as and when required.

If the Group is unable to meet the 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.

**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**NOTE 2: REVENUE**

	<b>Half Year Ended</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Sales revenue</i>		
Revenue from sale of goods	185	93
Revenue from the rendering of services	1,188	1,450
Revenue from sale of energy and LGC's Projects and installations	966	621
	122	56
Total revenue	2,461	2,220

**NOTE 3: TRADE RECEIVABLES AND CONTRACT ASSETS**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	459	307
Less: Credit loss allowance	(51)	(51)
	408	256
Contract assets – accrued revenue receivable	199	199
Total trade receivables and contract assets	607	455

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, rendering of services and energy sales, 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.

**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**NOTE 4: RIGHT OF USE ASSETS**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>		
Buildings – right of use assets	2,621	2,379
Less: Accumulated depreciation	(677)	(577)
	1,944	1,802

The Group leases the land for the Lakeland Solar & Storage Project which operates under an agreement which has 25 years remaining with options to extend. The Group leases the land for the Narromine Renewable Energy Project which operates under an agreement and has 44 years remaining with no options to extend. The Group also leases land and buildings for its offices and warehouse under agreements of between 2 to 3 years with options to extend.

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts recognised in profit and loss:		
Depreciation expense on right-of-use assets	106	69
Interest expense on lease liabilities	109	152
	215	221

**NOTE 5: ISSUED CAPITAL**

	<b>Half Year Ended</b>		<b>Year Ended</b>	
	<b>31 Dec 2023</b>		<b>30 Jun 2023</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
<b>Fully paid ordinary shares</b>				
Balance at beginning of financial period	293,703	31,174	222,870	29,661
Shares issued (net of costs)	50,000	993	70,833	1,513
Balance at end of financial period	343,703	32,167	293,703	31,174

50,000,000 ordinary shares (2022: 70,833,333) and no options (2022: 59,222,222) were issued during the period. There were no unlisted share options over ordinary shares issued under the Company's Executive Share Option plan during the period (2022: 2,650,000) and none lapsed during the period (2022: 300,000). There were 11,826,000 unlisted options on issue as at 31 December 2023.

**NOTE 6: RESERVES**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Share option reserve	704	695
Foreign exchange translation reserve	(272)	(272)
Total reserves	432	423

**NOTE 7: DIVIDENDS**

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

**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**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 – Energy Services and Energy 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:

- Energy Services - consists of MPower Projects Pty Limited and subsidiaries. This group is a provider of engineering, construction, maintenance, asset management and development services for on-grid and off-grid power systems in Australia.
- Energy Investments – consists of MPower Capital Pty Limited and subsidiaries. This group invests in clean energy assets in Australia.

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

	<b>Revenue</b>		<b>Segment profit / (loss)</b>	
	<b>Half Year Ended</b>		<b>Half Year Ended</b>	
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Energy Services	1,495	1,599	(145)	(375)
Energy Investments	966	621	667	135
Other	-	-	-	-
Total operations	2,461	2,220	522	(240)
Depreciation and amortisation expense			(498)	(267)
Finance costs			(516)	(584)
Unallocated costs			1,373	(947)
Profit / (loss) before income tax			881	(2,038)
Income tax expense			-	-
Consolidated segment profit / (loss) for the period			881	(2,038)

**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**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 and liabilities by reportable operating segment:

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Energy Services	4,461	1,229
Energy Investments	20,371	15,737
Total segment assets	24,832	16,966
Unallocated	38	154
Total consolidated assets	24,870	17,120
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Energy Services	2,156	1,227
Energy Investments	17,375	10,564
Total segment liabilities	19,531	11,791
Unallocated	4,348	6,221
Total consolidated liabilities	23,879	18,012

For the purposes of monitoring performance and allocating resources between segments:

- (i) There are no assets used jointly by reportable segments.
- (ii) There are no liabilities for which reportable segments are jointly liable.
- (iii) Corporate assets and liabilities with no defined segment are classified as unallocated.

**NOTE 9: CONTINGENCIES AND COMMITMENTS**

There are no material contingent liabilities or contingent assets at balance date (30 June 2023: 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 other than the matters set out below.



**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**NOTE 11: BORROWINGS**

<b>Current</b>	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Funding facilities (secured)	1,440	5,163
Funding facilities (unsecured)	1,127	842
Other interest bearing liabilities	399	156
<b>Total current borrowings</b>	<b>2,966</b>	<b>6,161</b>
	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current</b>		
Funding facilities (secured)	14,959	6,371
<b>Total non-current borrowings</b>	<b>14,959</b>	<b>6,371</b>

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

**Summary of borrowing and financial facility arrangements**

MPower Capital Pty Limited has a \$1.27 million limited recourse finance facility with related party Tag Private Pty Limited with a maturity date of 27 March 2024 and a fixed interest rate of 12.0%. Interest under the facility is paid monthly. There were no covenant reporting requirements at 31 December 2023 (June 2023: nil). This facility is unsecured and was fully drawn at 31 December 2023.

Narromine Renewable Energy Project Pty Limited has a \$10.0 million limited recourse project finance facility with AMPYR Energy with a maturity date of 18 months from first utilisation of 31 August 2023 at a fixed interest rate of 12.25%. The interest may be capitalised for nine months from first utilisation and then payable quarterly. There were no covenant reporting requirements at 31 December 2023 (June 2023: nil). This facility is secured by project assets and was \$8.0 million drawn at 31 December 2023. Under the terms of the Convertible Note Facility Agreement, the lender has a right to convert some or all of the amount outstanding into equity in Narromine Renewable Energy Project Pty Limited until October 2024 and the borrower has a similar right, provided the project has entered commercial operations, a qualifying offtake agreement has been executed and there are no default or review events subsisting.

Lakeland Solar & Storage Pty Limited has a \$7.1 million limited recourse project finance facility with NORD/LB with a maturity date of 30 April 2031 and a fixed interest rate of 5.6%. Principal and interest payments are paid six monthly in accordance with a specified schedule. There were no covenant reporting requirements as at 31 December 2023 (30 June 2023: nil). The facility is secured by the Lakland Solar & Storage Pty Limited project assets.

MPower Group Limited has a \$1.7 million finance facility with Oceania Capital Partners Limited with a maturity date of 8 August 2025 where a final payment of \$0.72 million is due. The facility has a fixed interest rate of 12.25% and the facility was fully drawn. Principal and interest payments are paid quarterly in accordance with a specified schedule. There were no covenant reporting requirements as at 31 December 2023 (30 June 2023: nil). The facility is secured over MPower Group Limited assets.

On 8 August 2023 MPower extinguished in full its \$4.5 million term debt with St George Bank and replaced it with a new \$1.8 million loan from OCP which also took a 14.5% equity stake in MPower through the issue of 50 million ordinary shares in consideration for providing the loan facility. The transaction resulted in a gain in the Statement of Profit and loss and other Comprehensive Income of \$1.8 million including share issue costs of \$1 million in respect of the shares issued to OCP.

**CONDENSED NOTES TO THE HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

**NOTE 12: PROPERTY, PLANT & EQUIPMENT**

	<b>31 Dec 2023</b>	<b>30 Jun 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost or valuation	13,543	13,492
Asset under construction	5,403	549
Accumulated depreciation	(1,498)	(1,126)
Total property, plant & equipment	17,448	12,915
Plant & equipment	17,411	12,864
Leasehold improvements	37	51
Total property, plant & equipment	17,448	12,915

During the period the plant and equipment increased due to the ongoing construction of the Narromine Renewable Energy Project which is classified as an asset under construction in the table above.

**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 AM**  
**Chairman**

Sydney, 22 February 2024

**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 statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, 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 causes 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 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 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 Company on 22 February 2024.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2(d) in the half year financial report, which indicates that the Group recorded a net profit of \$0.881 million during the period ended 31 December 2023, and the consolidated statement of cash flows reflects net operating cash outflows of \$1.7 million. Furthermore, the consolidated statement of financial position reflects a working capital deficiency of \$2.479 million and net assets of \$0.991 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 2(d) and/or raising further working capital and/or extending its loan financing. 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 financing facilities, 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 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.

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

*Stantons International Audit & Consulting Pty Ltd*

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

West Perth, Western Australia  
22 February 2024