



**New Energy**  
**Solar**

New Energy Solar Limited  
ACN 609 396 983

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## HALF-YEAR FINANCIAL REPORT

*30 June 2023*

**Renewable energy.  
Sustainable investments.**

**New Energy Solar Limited**

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**30 June 2023**

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**New Energy Solar Limited**  
**Chair's Letter**  
**30 June 2023**

Dear Investors,

On behalf of New Energy Solar Limited (the **Business** or **NEW**), I present the half-year report for the six months to 30 June 2023. The results for this half year evidence the process of finalising the obligations of both the US and Australian businesses and consolidating the capital in order to prepare for the winding up of the respective entities and the payment of the final capital return to investors.

As investors are aware, the sale of NEW's US assets was completed on 21 November 2022 and the sale proceeds were received shortly thereafter. Operational asset performance has, accordingly, not contributed to the financial results for this half year.

The sale proceeds are being returned to shareholders and a first return of capital comprising 82 cents per NEW share was paid on 1 December 2022. This half year saw the payment of the second capital return of 13.5 cents per NEW share on 8 February 2023. The two payments total an amount of 95.5 cents per NEW share.

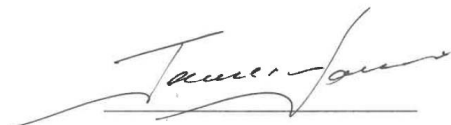
The Board has advised since the sale of NEW's assets that a third and final return of capital would be paid once the business had finalised its obligations and commitments and complied with its regulatory and tax obligations, specifically those arising from the sale of the US assets. Previous communications, including in the 2022 Annual Report and the Notices of Meeting required to obtain approval for the payment of the previous capital returns, have stated the Board's estimated final capital return amount at approximately 7 cents per NEW share.

This half year the NEW management team has completed the majority of the Business' outstanding matters in Australia and has commenced the consolidation of capital from the US entities into the Australian entity. The US entity has continued to work with its tax advisers and to fulfill its commitments for the US tax year. While the assessment of tax on the sale of the US assets remains subject to review by the US tax authorities, it appears likely that the final capital return may exceed the Board's initial estimate of 7 cents per NEW share. The provision taken for the payment of NEW's US tax obligations has been reduced in this period and, as a result, the final capital return is expected to be between 7.0 and 7.9 cents per NEW share. Clearly, this remains subject to review by US tax authorities and NEW expects to be in a position to confirm the final payment amount in early November 2023.

This half year also saw the re-election of NEW Board member, Caroline Purtell, who together with Warwick Keneally and I will guide NEW through to the winding up of the US and Australian corporate entities and the cancellation of the Business' equity. Both the payment of the final tranche three capital return and the winding up of the corporate entities require the approval of NEW shareholders. We expect to dispatch the documentation seeking NEW shareholder approval, including a Notice of Meeting, to NEW shareholders before the end of this year. It will specify the date of the extraordinary general meeting, likely in early 2024, at which shareholders will be able to vote to approve the payment of the final tranche of the asset sale proceeds and the winding up of NEW.

I thank you for your patience during this process and would urge you to read the material available on the NEW website and to ensure you read the communications dispatched to you via email or post, in accordance with the preferences you have recorded with NEW's share registry.

Yours faithfully,



James Davies

Chair of New Energy Solar Limited

8 August 2023

**New Energy Solar Limited**  
**Directors' report**  
**30 June 2023**

The directors present their report, together with the financial statements, on the Company for the half-year ended 30 June 2023.

**Directors**

The following persons were directors of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

James Davies	Independent, Non-Executive Chair
John Holland	Independent, Non-Executive Director
Caroline Purtell	Non-independent, Non-Executive Director

Directors were in office from the start of the year to the date of this report, unless otherwise stated.

**Principal activities**

The principal activities of the Company during the half-year were being invested in, and subsequent disposal of, large-scale solar plants that generate emissions-free power.

**Review of operations**

During the period, the Company filed extensions for finalising its US tax lodgements which included payment of US Federal and State tax estimates totalling US\$11.2 million. The Company requires the underlying solar project company tax returns to be completed and lodged for the 2022 tax year in the US (which need to be completed by mid-September 2023), before it can finalise its company tax return (by mid-October 2023). Prior to the payment of these interim tax estimates, the provision for US tax held by the Company's wholly owned US subsidiary, NES US Corp, was reduced from US\$13.2 million towards the estimates of US taxes payable as advised by the Company's US tax adviser, KPMG.

The reduction in provision contributed to a \$2.5 million gain on the Company's investment in NES US Corp, which was the main driver behind the Companies half-year profit for the period of \$2.6 million. As noted above, these estimates remain subject to review by US tax authorities, so the final outcome for shareholders remains uncertain and further clarity on the position will not be available until later in 2023.

During June 2023, the Company completed a capital return from its wholly owned Australian subsidiary, to prepare that company for voluntary winding up. \$0.05 million in cash remains to fund winding up costs and any presently unforeseen liabilities.

At 30 June 2023, NEW's net assets are \$27.4 million (31 December 2022: \$68.1 million) representing a net asset value per share of \$0.09 (31 December 2022: \$0.21).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Company during the financial half-year.

**Dividends**

Dividends paid during the financial half-year were as follows:

	30 June 2023	30 June 2022
	\$	\$
Dividend for the six months to 30 June 2023 is nil per ordinary share	-	3,205,880

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**New Energy Solar Limited**  
**Directors' report**  
**30 June 2023**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

  
James Davies

Chair of New Energy Solar Limited

8 August 2023

8 August 2023

The Board of Directors  
New Energy Solar Limited  
Level 32, 1 O'Connell Street  
Sydney NSW 2000

Dear Board Members

**Auditor's Independence Declaration to New Energy Solar 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 New Energy Solar Limited.

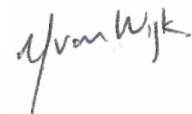
As lead audit partner for the review of the half year financial report of New Energy Solar Limited for the half year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Yvonne van Wijk  
Partner  
Chartered Accountants

**New Energy Solar Limited**  
**Condensed statement of profit or loss and other comprehensive income**  
**For the half-year ended 30 June 2023**

	<b>Note</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Fair value gain/( loss) of financial assets at fair value through profit or loss	5	2,459,397	(14,647,965)
Foreign exchange gain/(loss)		167	864,143
Finance income		541,235	2,217
Other income		263,770	-
Dividend income		-	3,205,880
MSA fee income	5	-	7,474,368
<b>Expenses</b>			
Finance expenses		(197)	(231)
Investment management fees	3	(14,256)	(209,612)
Accounting and audit fees		(210,620)	(220,389)
Legal and advisory expenses		(210,889)	(474,465)
Directors fees		(74,574)	(155,713)
Marketing expenses		(8,381)	(2,691)
Listing and registry expenses		(87,961)	(26,474)
Other operating expenses		(35,759)	(164,851)
<b>Profit/(loss) before income tax expense</b>		<b>2,621,932</b>	<b>(4,355,783)</b>
Income tax expense		-	-
<b>Profit/(loss) after income tax expense for the half-year attributable to the owners of New Energy Solar Limited</b>		<b>2,621,932</b>	<b>(4,355,783)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income/(loss) for the half-year attributable to the owners of New Energy Solar Limited</b>		<b><u>2,621,932</u></b>	<b><u>(4,355,783)</u></b>

*The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**New Energy Solar Limited**  
**Condensed statement of financial position**  
**As at 30 June 2023**

	<b>Note</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		20,953,776	62,722,587
Trade and other receivables	4	2,802	8,708,260
Financial assets at fair value through profit or loss	5	6,639,036	25,052,005
Total current assets		<u>27,595,614</u>	<u>96,482,852</u>
<b>Total assets</b>		<u>27,595,614</u>	<u>96,482,852</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	6	160,708	28,390,492
Total current liabilities		<u>160,708</u>	<u>28,390,492</u>
<b>Total liabilities</b>		<u>160,708</u>	<u>28,390,492</u>
<b>Net assets</b>		<u>27,434,906</u>	<u>68,092,360</u>
<b>Equity</b>			
Issued capital	7	129,902,503	173,181,889
Accumulated losses		<u>(102,467,597)</u>	<u>(105,089,529)</u>
<b>Total equity</b>		<u>27,434,906</u>	<u>68,092,360</u>

*The above condensed statement of financial position should be read in conjunction with the accompanying notes*



**New Energy Solar Limited**  
**Condensed statement of changes in equity**  
**For the half-year ended 30 June 2023**

	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 January 2022	447,284,628	(78,591,205)	368,693,423
Loss after income tax expense for the half-year	-	(4,355,783)	(4,355,783)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(4,355,783)	(4,355,783)
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid	-	(3,205,880)	(3,205,880)
Balance at 30 June 2022	<u>447,284,628</u>	<u>(86,152,868)</u>	<u>361,131,760</u>
	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 January 2023	173,181,889	(105,089,529)	68,092,360
Profit after income tax expense for the half-year	-	2,621,932	2,621,932
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	2,621,932	2,621,932
<i>Transactions with owners in their capacity as owners:</i>			
Return of capital (note 7)	(43,279,386)	-	(43,279,386)
<b>Balance at 30 June 2023</b>	<u><b>129,902,503</b></u>	<u><b>(102,467,597)</b></u>	<u><b>27,434,906</b></u>

*The above condensed statement of changes in equity should be read in conjunction with the accompanying notes*

**New Energy Solar Limited**  
**Condensed statement of cash flows**  
**For the half-year ended 30 June 2023**

	<b>Note</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers (inclusive of GST)		(661,119)	(1,457,521)
Receipt of GST refund		1,414,164	55,235
Interest received		541,235	2,217
		<u>1,294,280</u>	<u>(1,400,069)</u>
<b>Net cash from/(used in) operating activities</b>			
<b>Cash flows from investing activities</b>			
Net proceeds from capital return	5	216,130	2,100,000
Net disposal proceeds		-	13,081,323
Repayments from related parties		-	(1,866,392)
		<u>216,130</u>	<u>13,314,931</u>
<b>Net cash from investing activities</b>			
<b>Cash flows from financing activities</b>			
Dividends paid	8	-	(3,205,880)
Capital return	7	(43,279,386)	-
		<u>(43,279,386)</u>	<u>(3,205,880)</u>
<b>Net cash used in financing activities</b>			
Net (decrease)/increase in cash and cash equivalents		(41,768,976)	8,708,982
Cash and cash equivalents at the beginning of the financial half-year		62,722,587	5,987,334
Effects of exchange rate changes on cash and cash equivalents		165	(40,248)
		<u>20,953,776</u>	<u>14,656,068</u>
<b>Cash and cash equivalents at the end of the financial half-year</b>			

*The above condensed statement of cash flows should be read in conjunction with the accompanying notes*

**New Energy Solar Limited**  
**Notes to the condensed financial statements**  
**30 June 2023**

**Note 1. General Information**

New Energy Solar Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Level 32, 1 O'Connell Street, Sydney, NSW, 2000.

The financial statements are presented in Australian dollars (\$), which is New Energy Solar Limited's functional and presentation currency.

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 August 2023. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 (*Cth*).

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. Given the intention is to return remaining capital to shareholders the interim financial report has been prepared on the non-going concern basis, as was the case for the annual report for the year ended 31 December 2022.

In preparing the financial statements on the non-going concern basis, the Company has continued to apply the requirements of Australian Accounting Standards taking into account that the Company is not expected to continue as a going concern in the foreseeable future. All assets are recorded at their net realisable values and liabilities are measured at their anticipated contractual settlement amounts. There has been no significant remeasurement of any amounts in the financial statements. No additional provisions or liabilities have been recognised as a result of the intended wind up of the Company, as it has not incurred any legal or contractual obligations.

In addition, all assets and liabilities have been classified as current since it is anticipated that assets will be consumed or converted into cash and liabilities will be settled within 12 months after the signing of the interim financial report.

As the Company continues with its process of winding up, all remaining assets will be realised and all liabilities will be settled and a final return of available capital will be made to shareholders.

All amounts are presented in Australian dollars, unless otherwise noted.

**New or amended Accounting Standards and Interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 3. Management Fees**

The fees below represent the total transactions between the Company and the Investment Manager, New Energy Solar Manager Pty Limited.

**Note 3. Management Fees (continued)**

	30 June 2023	30 June 2022
	\$	\$
<b>Paid or payable for the half-year ended:</b>		
Investment Manager Fee (a)	14,256	209,612
Asset Management Fee (b)	-	649,140
	<u>14,256</u>	<u>858,752</u>

**a) Investment Management fee**

New Energy Solar Manager Pty Limited, as Investment Manager of the New Energy Solar Limited receives an Investment Manager Fee based on the sliding scale fee structure as set out below. Fees are calculated on the Enterprise Value of the Company, payable quarterly in arrears.

The Base Management Fee structure is set out in the following table:

	Unlisted - Base Management Fee (% of Gross Asset Value)	Listed - Base Management Fee (% of Enterprise Value (EV))	Acquisition and Disposal Fee (% of Cumulative Purchase Price or Net Sale Proceeds)
<b>Threshold Value</b>			
< A\$1.0bn	0.700%	0.625%	1.50%
A\$1.0bn to A\$1.5bn	0.700%	0.550%	0.90%
A\$1.5bn to A\$2.0bn	0.700%	0.400%	0.90%
> A\$2.0bn	0.700%	0.400%	0.40%

**Threshold Value** means:

**Base Management Fee – Percentage of Enterprise Value:** Enterprise Value is calculated as the total of the Company's market capitalisation, external borrowing, debt or hybrid instruments issued by the Company as defined in the Investment Management Agreement. All fees are applied on a marginal basis to each Threshold Value band and calculated at the end of each quarter. For example, the Base Management Fee for a Threshold Value of A\$1,500 million would be A\$9.0 million (excluding GST) which is the sum of (A\$1,000 million multiplied by 0.625%) and (A\$500 million multiplied by 0.55%).

From the date the Company was delisted to the half-year end, under the Investment Management Agreement, the Investment Manager Fee was equivalent to an annualised rate of 0.7% (exclusive of GST) per annum of the Gross Asset Value calculated on the last Business Day of each month.

**Acquisition and Disposal Fee – Percentage of Cumulative Purchase Price or Net Sale Proceeds:** Purchase Price and Sale price as defined in the Investment Management Agreement and assessed in Australian dollars at the time the purchase or sale takes effect where purchases add to the cumulative total and sales reduce the cumulative total. All fees are applied on a marginal basis to each Cumulative Purchase Price or Net Sale Proceeds band. Gross purchase price and gross sale price as they are referred to in the definitions of Purchase Price and Net Sale Proceeds respectively mean the value of the equity and debt of an Asset acquired or disposed.

Total Investment Management fees paid or payable for the period ended 30 June 2023 was \$14,256 (30 June 2022: \$209,612), and included in Investment management fees in profit or loss. \$110,172 (30 June 2022: \$1,804,244) was paid or payable by New Energy Solar US Corp, a controlled entity of the Company.

**Note 3. Management Fees (continued)**

**b) Asset Management Services Fee**

New Energy Solar US Corp, a subsidiary of the Company, entered into a non-exclusive arrangement dated 17 September 2018 with NES Project Services, LLC for the provision of asset management services in relation to construction and operation of solar farms. The Services will be provided upon request by NES US Corp. at an agreed hourly rate.

Key tasks include facility development and operations services, insurance, government approvals, reporting and inspections.

Following the sale of economic rights to the solar portfolio in September 2022, for the half-year ended 30 June 2023, asset management fees of \$nil (30 June 2022: \$649,140) calculated at average exchange rate were paid or payable by New Energy Solar US Corp, a Controlled Entity of the Company.

**New Energy Solar Limited**  
**Notes to the condensed financial statements**  
**30 June 2023**

**Note 4. Trade and other receivables**

	30 June 2023	31 December 2022
	\$	\$
GST receivable	2,802	1,153,195
Other receivables - subsidiary entity, NES Australia HoldCo#1 Pty Limited	-	7,555,065
	<u>2,802</u>	<u>8,708,260</u>

**Note 5. Financial assets held at fair value through profit or loss**

The Company owned its existing underlying solar asset portfolio through its immediate subsidiary companies. As an 'Investment Entity' the Company records its equity investment at fair value, which comprises the assessed fair value of the underlying solar asset portfolio and associated debt and the residual net assets of the Company and its controlled entities.

At balance date, the fair value of the Company total investment in immediate subsidiaries and its controlled entities comprises the following:

	2023	2022
	\$	\$
Investment in New Energy Solar Australia HoldCo #1 Pty Limited (NESA1)	51,387	20,919,411
Investment in New Energy Solar US Corp (NES US)	6,587,649	4,132,594
	<u>6,639,036</u>	<u>25,052,005</u>

The investment in subsidiaries comprises on a 'look-through' basis as follows:

	30 June 2023	31 December 2022
	\$	\$
Cash or cash equivalents	7,080,258	20,341,701
Tax provision (i)	(330,132)	(19,448,114)
Other net (liabilities)/assets	(111,090)	24,158,418
	<u>6,639,036</u>	<u>25,052,005</u>

(i) The assessment on the tax on the sale of the US assets remains subject to review by the US tax authorities.

Movement in the equity and debt investments associated with the Company in immediate subsidiaries during the year were as follows:

	2023	2022
	\$	\$
<b>Investment in financial assets held at fair value through profit or loss opening balance</b>	25,052,005	362,126,159
Total funds (returned)/invested during the year in NESA1 ^	(20,872,366)	(2,100,000)
Total funds invested during the year in NES US	-	(301,814,458)
Movement in fair value through profit or loss (i) *	2,459,397	(7,958,551)
MSA fee income - recognised as other income for the Company (ii) *	-	(7,474,368)
Dividend income (iii) *	-	(3,205,880)
Income from disposal fee and costs recovery (iv) *	-	(14,520,897)
<b>Investment in financial assets held at fair value through profit or loss closing balance</b>	<u>6,639,036</u>	<u>25,052,005</u>

**New Energy Solar Limited**  
**Notes to the condensed financial statements**  
**30 June 2023**

**Note 5. Financial assets held at fair value through profit or loss (continued)**

**Notes:**

<sup>^</sup> During the period NESAH1 returned capital to the Company of \$20,872,366, which was offset by the repayment of a net intercompany payable balance from the Company to NESAH1 of \$20,656,236. The resulting in a net cash payment to the Company of \$216,130 is shown in the Statement of Cash Flows.

\* Net movement in fair value through profit or loss is a gain of \$2,459,397 (31 December 2022: loss of \$33,159,697).

- (i) The Company's total net 'movement in fair value' increment amount of \$2.5 million is comprised of a \$2.4 million increase in the value of its investment in its immediate subsidiary NES US, which is a net of a foreign exchange translation gain of \$0.095 million, and a \$0.0043 million increase in the value of its investment in its immediate subsidiary NESAH1.

The increase in the value of its investment in NES US includes a fair value gain impact of \$2.4 million relating to NES US's reduced provision for US taxes.

As at 30 June 2023, the fair value of the Company's US dollar investment in NES US has been converted to Australian dollars at the prevailing A\$:US\$ spot rate of 0.6664 (31 December 2022 spot rate 0.6813) resulting in the unrealised foreign exchange gain noted of \$0.1 million.

- (ii) On 25 May 2021, the Company entered into a Management Services Agreement (**MSA**) with its subsidiary NESAH1. The Board of the Company, with further assistance by delegation of its duties to the Investment Manager, provided strategic management services to NESAH1 relating to its portfolio of Australian Solar assets, and recovery of costs incurred on its behalf. The net movement in fair value through profit or loss for the period to 30 June 2023 includes an MSA fee of \$nil (period to 31 December 2022: \$7.5 million). At a group level, this movement is offset at New Energy Solar Limited which recognises MSA fee income in the statement of profit or loss and other comprehensive income.
- (iii) As at 31 December 2022, NES US reported net realised profits and distributed of \$3.2 million (30 June 2023: \$nil) to the Company, for it to pass on its shareholders as current year profits. The Company recognises the dividend income in the statement of profits or loss and other comprehensive income.
- (iv) As at 31 December 2022, the Company recognised the income of cost recovery of \$14.5 million (30 June 2023: \$nil) it incurred on behalf of NES US, as a result of the sale of its underlying US Solar projects. This income is reflected in the movement in fair value of the Company's investments and recognised in the Company's statement of profit or loss and other comprehensive income.

**Note 6. Trade and other payables**

	30 June 2023	31 December 2022
	\$	\$
Trade payables	26,473	1,848
Accrued liabilities	129,771	161,068
Other liabilities	4,464	16,275
Other liabilities – NESAH1	-	28,211,301
	<u>160,708</u>	<u>28,390,492</u>

**Note 7. Issued capital**

	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>320,587,986</u>	<u>320,587,986</u>	<u>129,902,503</u>	<u>173,181,889</u>

**New Energy Solar Limited**  
**Notes to the condensed financial statements**  
**30 June 2023**

**Note 7. Issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	\$
Balance	1 January 2023	320,587,986	173,181,889
Return of capital - 7 February 2023		-	(43,279,386)
Balance	30 June 2023	<u>320,587,986</u>	<u>129,902,503</u>

*Ordinary shares*

All issued shares are fully paid. The holders of issued shares were entitled to one vote per security at meetings of the Company and are entitled to receive dividends declared from time to time by the Company.

**Note 8. Dividends**

Dividends paid during the financial half-year were as follows:

	30 June 2023	30 June 2022
	\$	\$
Dividend for the six months to 30 June 2023 is nil per ordinary share	-	3,205,880

**Note 9. Fair value measurement**

The Company is exposed to market price risk based on investments in underlying solar assets which were measured on a fair value basis.

*Fair Value*

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date. The table below analyses recurring fair value measurements for financial assets. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3
	\$	\$	\$
<b>30 June 2023</b>			
<i>Assets</i>			
Financial assets held at fair value through profit or loss	-	6,639,036	-
<b>Total assets</b>	-	<u>6,639,036</u>	-
<b>31 December 2022</b>			
<i>Assets</i>			
Financial assets held at fair value through profit or loss	-	25,052,005	-
<b>Total assets</b>	-	<u>25,052,005</u>	-

Refer below for a description of the valuation basis adopted for the material asset class constituting the Company's equity investment in its subsidiaries, being the underlying solar assets held at balance date.



**New Energy Solar Limited**  
**Notes to the condensed financial statements**  
**30 June 2023**

**Note 9. Fair value measurement (continued)**

*Transfers During the Year*

The Company recognises transfers between levels of the fair value hierarchy during the reporting period which the transfer has occurred. There were no transfers between levels during the financial period.

*Reconciliation of level 2 fair value measurements*

Movements in level 2 assets and liabilities during the current financial half-year are set out below:

	Investments held at fair value through profit or loss
	\$
Balance at 1 January 2023	25,052,005
Movement in fair value through profit or loss	2,459,397
Return of capital during the half-year from New Energy Solar Australia HoldCo #1 Pty Limited	<u>(20,872,366)</u>
Balance at 30 June 2023	<u><b>6,639,036</b></u>

**Note 10. Contingent liabilities**

Other than as disclosed in the financial report, the Board is not aware of any other potential liabilities or claims against NEW as at the end of the reporting period.

**Note 11. Commitments**

As at 30 June 2023, NEW does not have any direct outstanding capital commitments.

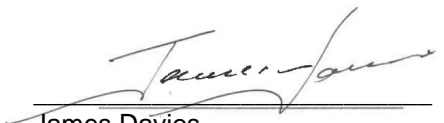
**New Energy Solar Limited**  
**Directors' declaration**  
**30 June 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



James Davies  
Chair of New Energy Solar Limited

8 August 2023

# Independent Auditor's Review Report to the Members of New Energy Solar Limited

## Report on the Half-Year Financial Report

### *Conclusion*

We have reviewed the half-year financial report of New Energy Solar Limited (the "Company"), which comprise the condensed statement of financial position as at 30 June 2023, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, 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 the Company does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2023 and of 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*.

### *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 Half-year 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Emphasis of matter – Going concern no longer appropriate*

We draw attention to Note 2 to the financial statements, which explains that the Company is in the process of winding-up. As such, the directors do not consider it appropriate to adopt the going concern basis of accounting in preparing the half-year financial statements. Accordingly, the half-year financial statements have been prepared on the non-going concern basis as described in Note 2, *Material accounting policy information*. Our opinion is not modified in respect of this matter.

### *Directors' Responsibilities 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 and have determined that the basis of preparation described in Note 2 in the half year financial report, which is on a non-going concern basis, is appropriate to meet the requirements of 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.

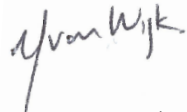
## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

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

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Yvonne van Wijk  
Partner  
Chartered Accountants  
Sydney, 8 August 2023

