



# Crowd-sourced funding offer document

Dated 26 October 2024

Offer of fully paid ordinary shares in Manilla Solar Pty Ltd at \$0.90 per share to raise a maximum of \$4,500,000

This crowd-sourced funding (CSF) offer document relates to the Offer of fully-paid ordinary shares in Manilla Solar Pty Ltd. This Offer is made under the CSF regime in Part 6D.3A of the *Corporations Act 2001* (Cth).

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## **Issuer**

Manilla Solar Pty Ltd ACN 670 201 493

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## **Intermediary**

Swarmer Pty Ltd AFSL 507867

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## **Section 1: Risk warning**

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Crowd-sourced funding is risky. Issuers using this facility include new or rapidly growing ventures. Investment in these types of ventures is speculative and carries high risks.

You may lose your entire investment, and you should be in a position to bear this risk without undue hardship.

Even if the company is successful, the value of your investment and any return on the investment could be reduced if the company issues more shares.

Your investment is unlikely to be liquid. This means you are unlikely to be able to sell your shares quickly or at all if you need the money or decide that this investment is not right for you.

Even though you have remedies for misleading statements in the offer document or misconduct by the company, you may have difficulty recovering your money.

There are rules for handling your money. However, if your money is handled inappropriately or the person operating the platform on which this offer is published becomes insolvent, you may have difficulty recovering your money.

Ask questions, read all information given carefully, and seek independent financial advice before committing yourself to any investment.

## **Letter from the Directors**

Dear Investors,

The Manilla Solar Project is a 4.6 MW solar and battery project that is 'ready to build'. We are now seeking the capital to commence the delivery of the solar component of this exciting project.

It is with great pride that we invite local investment into the Manilla Solar Project!

In 2023, we welcomed 82 shareholders who collectively invested approximately \$435,000. With that investment, we successfully transitioned the project to full community ownership.

Local community members understand the opportunity and importance of this project, as well as the science and the technology behind it. They recognise how critical the timing is for projects like this and how they contribute to the future of renewable energy.

At its core, the business model of Manilla Solar is simple: raise the necessary funds, build and operate a community-owned solar project that sells renewable energy into the electricity market and delivers returns to shareholders while also providing community and environmental benefits. We encourage you to read this CSF offer document to learn more about this project and its potential!

For nearly 10 years, Manilla Community Renewable Energy Inc (MCRE) has led the community effort to bring the vision of a ~4.6 MW solar and battery project to life. In 2016, MCRE received \$46,000 from the NSW Growing Community Energy Fund to conduct a feasibility study, confirming that a community-owned solar project in Manilla is economically viable!

The feasibility of the Manilla Solar Project has been further validated by the support it has received from industry partners, initially Providence Asset Group, which undertook the development of the project, and now Komo Energy, which is now supporting its delivery.

By creating a community-centred model for energy production, we aim to build sustainable regional communities. We share MCRE's vision of creating a blueprint that other communities can replicate. We seek to retain economic value in the region, provide ongoing support for MCRE's work in the community, create local jobs and business opportunities and offer an opportunity for local households and businesses the chance to purchase renewable energy and lower their electricity bills.

As a solar and battery project, the Manilla Solar Project will generate renewable energy and supply it through the battery during times when the sun is not shining, providing immediate environmental benefits. Beyond that, we are committed to best practices in environmental stewardship, including exploring agricultural co-

use of the land, improving biodiversity and setting the project up for decommissioning.

We bring together community leadership, local knowledge and professional experience in large-scale renewable energy and experience in community-scale development.

We invite you to join us on this journey by investing in the Manilla Solar Project, helping to create a future of clean energy and resilient communities. This project stands as a celebration of what communities can do together.

We thank you for considering the Manilla Solar Project!

Emma Stilts & Gerald Arends



Photo Courtesy of Komo Energy – construction progress at the Grong Grong Solar Farm.

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# Section 2: Information about the Company

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## 2.1 Company details

This offer of shares is made by Manilla Solar Pty Ltd ACN 670 201 493 (the "**Company**"). The Company was incorporated on 2 August 2023. Details of the Company are as follows:

Company Name	Manilla Solar Pty Ltd
ACN	670 201 493
Date of incorporation	2 August 2023
Registered office and Principal place of business	17 Thurlow St, Newmarket QLD 4051
Directors	Emma Kate Stilts Gerald Arends
Company Secretary	Gerald Arends
Subsidiaries	Manilla Community Power Pty Ltd (100% subsidiary) ACN 669 947 326 NSW Community Renewables (Manilla) Pty Ltd ACN 639 696 058 as trustee for NSW Community Renewables (Manilla) Unit Trust ABN 54 273 415 459 (100% subsidiary of Manilla Community Power Pty Ltd) <i>Please see the group chart at Section 2.2.5.</i>
Other related companies	None
Share registry	Liquidise <a href="https://app.liquidise.com/signin">https://app.liquidise.com/signin</a>
Website	<a href="https://www.manillasolar.com.au/">https://www.manillasolar.com.au/</a>

## 2.1.1 What we have achieved since our last raise

The Company has made significant progress in the past few months. Below is a scorecard that details what the Company has achieved since its December 2023 CSF raise.

Key Area	Objectives from Last Offer Document	Progress	Status
Corporate establishment	Enhance community representation on the board of directors	Emma Kate Stilts appointed by Manilla Community Renewable Energy Inc. under special appointment rights	Complete
Acquisition of development rights	Undertake commercial due diligence on development rights and target entities	Commercial due diligence completed without any red flags identified	Complete
Acquisition of development rights	Undertake tax due diligence in relation to acquisition documentation and target entities for acquisition	Tax due diligence completed without any red flags identified	Complete
Acquisition of development rights	Undertake technical due diligence on grid connection documentation	Technical due diligence completed without any red flags identified	Complete
Acquisition of development rights	Enter into share and unit sale agreement with commercial developer selling the project	Negotiation completed successfully on entering into share and unit sale agreement on 16 April 2024	Complete
Final Development Steps	Enter into 'refreshed' option for lease with landholder	Negotiation completed successfully and option for lease entered into	Complete

*What we have achieved since our last raise - continued*

<b>Key Area</b>	<b>Objectives from Last Offer Document</b>	<b>Progress</b>	<b>Status</b>
Final Development Steps	Enter into easement over rail corridor	Requirements for application established	In progress
Procurement	<p>Appoint surveyor to undertake work in support of application for easement and other survey requirements</p> <p>Appoint civil engineer to undertake work in support of application for easement and other survey requirements</p>	<p>Expression of interest issued and various offers received. Offers in evaluation.</p> <p>14 expressions of interest received: 7 from within 100 Mile radius, 4 other regional, 3 metro.</p>	In progress
Procurement	Development of procurement strategy for civil, mechanical, electrical and grid connection works	Procurement policy in development	In progress
Commercialisation	Explore opportunities for power purchase agreements for the electricity and green certificates of the Manilla Solar Project	In principle agreement reached with a well known corporate achieved. Currently progressing to term sheet level.	In progress
Final Development Steps	Enter into easement over rail corridor	Requirements for application established	In progress
Procurement	Appoint surveyor to undertake work in support of application for easement and other survey requirements	Expression of interest issued and various offers received. Offers in evaluation.	In progress



## 2.2 Description of the business

### 2.2.1 What is the Manilla Solar Project?

The Manilla Solar Project is a proposed 4.6 MW<sub>AC</sub> / 6.4 MW<sub>DC</sub> solar project. The project will use a single-axis tracking system that allows the solar panels to follow the sun from East in the morning to West in the afternoon. The project also includes 1 to 2 hours of battery storage, namely 4.6 MWh to 9.2 MWh.

The Manilla Solar Project will be built on private land located at 4133 Manilla Road, Manilla NSW 2346. The land is owned by John Calokerinos and Helen Calokerinos. The Manilla Solar Project will occupy approx. 15 ha of land between Greenhatch Creek and the disused Tamworth-Barraba Railway Line, set back from Manilla Road.

The Manilla Solar Project is expected to generate as much electricity as is necessary to power about 2,300 average NSW households, based on an assumed household consumption of 5,500 kWh per year<sup>\*)</sup>. Any revenue generated will – if the project is funded locally – keep an equivalent amount of economic value in the region.

\*) This figure is based on generation modelling created in PV-Syst and the average annual Ausgrid-area household consumption, see Ausgrid 2022-2023 Local Council Community Electricity Report.

### 2.2.2 Who are we?

The Company (Manilla Solar Pty Ltd) is one of the entities involved in funding and owning the Manilla Solar Project.

#### *Manilla Solar*

The Company (Manilla Solar Pty Ltd) is led by directors Emma Stilts and Gerald Arends and owned by 82 community shareholders who participated in the seed raise in December 2023. Both Emma and Gerald contributed funds to this raise, underscoring their commitment to the project.

The Company is supported by the committee and members of Manilla Community Renewable Energy Inc. (MCRE), of which Emma is the President, and also by Komo Energy Pty Ltd and Pegasus Legal Pty Ltd, of which Gerald is a director.

*Background*

Until 16 April 2024, the Manilla Solar Project was developed by a third party. This included gaining grid connection approval and planning approval. These approvals are currently held by a 'special purpose vehicle' (SPV), namely NSW Community Renewables (Manilla) Pty Ltd as trustee for the NSW Community Renewables (Manilla) Unit Trust (the "**Unit Trust**").

Manilla Community Power Pty Ltd acquired the development rights for the Manilla Solar Project by buying the Unit Trust from the third party on 16 April 2024. At that time, Manilla Community Power Pty Ltd was owned by Manilla Community Renewable Energy Inc. (MCRE) and funded by the Company to undertake the acquisition.

On 11 September 2024, the Company completed the acquisition of Manilla Community Power Pty Ltd from MCRE. Manilla Community Power is thereby now a direct wholly-owned subsidiary of the Company and the Unit Trust is now an indirect wholly-owned subsidiary of the Company. Please see the current group chart at Section 2.1.



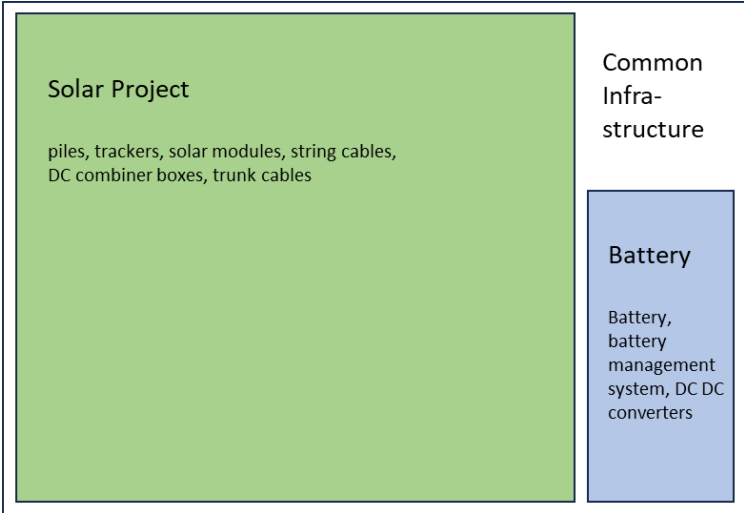
*John Calokerinos, Emma Stilts and Gerald Arends at the Manilla railway viaduct.*

*"There are 2 important reasons for my support of the community solar farm. One is the Improvement to sustainability of our power source and the second is the proposed community benefit. At the same time, it allows me to diversify a small portion of the farm but continue grazing activity.*

**John Calokerinos,  
Farmer, Investor and Solar Farm Host**

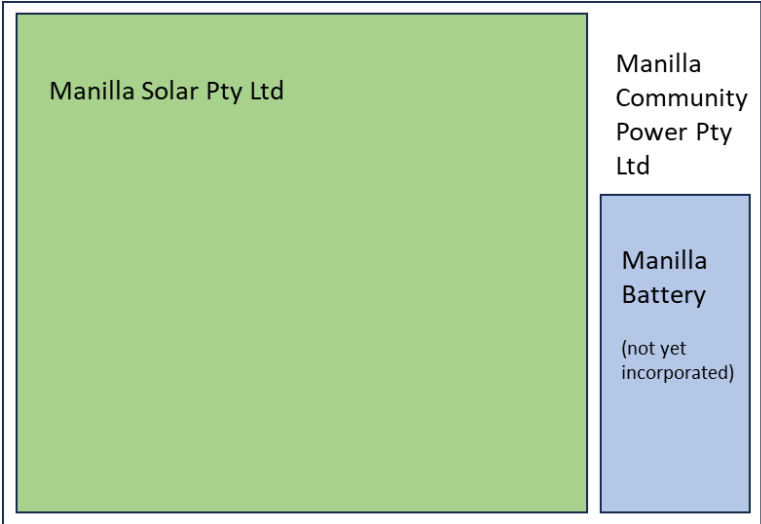
*Common infrastructure*

The Manilla Solar Project will be implemented through a model involving 'common infrastructure' to both the solar and the battery components of the Manilla Solar Project. The common infrastructure will include land access, civil works, fencing and the high-voltage infrastructure.



***The arrangement is similar to a shopping centre providing the 'common roof' and water and electricity infrastructure and car parking and road access to tenants in a shopping centre.***

The ownership of these distinct assets will be reflected in the following corporate structure.



***Under the current structure, the Company will only invest into the solar component of the Manilla Solar Project.***

Manilla Battery may, following incorporation, also raise funds through crowd-sourced funding (CSF) so as to allow the community to participate in this stage of the project. The investment profile for Manilla Battery will be subject to a significantly different risk and return profile, a later initial investment and a different time horizon for the investment.

#### *Arrangements between entities*

The three entities are expected to enter into a number of contractual arrangements to regulate:

- land access for Manilla Solar and Manilla Battery;
- funding and access to the common infrastructure to be held Manilla Community Power; and
- electricity arrangements (such as charging the battery from the solar generation).

While these arrangements will be somewhat complex, they provide for significant flexibility in operating the solar and battery components separately or jointly as may be required to generate the greatest value for the Manilla Solar Project. The structure also allows different investment strategies and opportunities for co-investment should this be required.

***The Company is the first entity being funded to ensure the solar component can be deployed as soon as possible.***

### 2.2.3 What is our business strategy?

The Company follows a very simple business strategy.

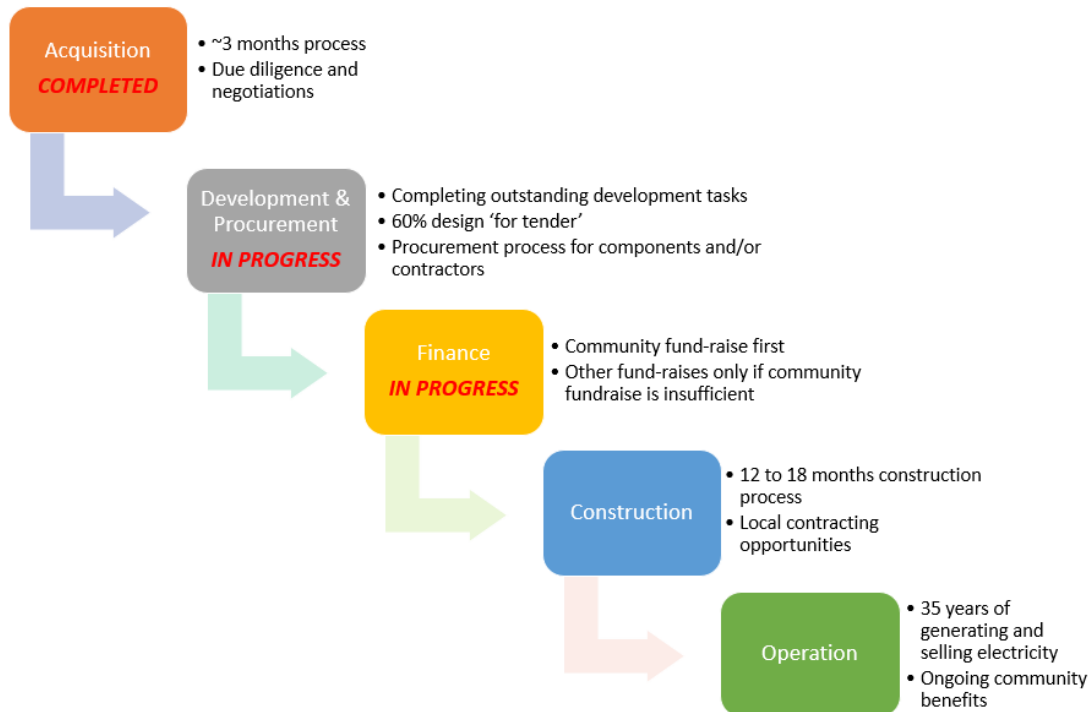
#### *Business strategy*

At its core, the Company intends to build the solar component of the Manilla Solar Project and sell renewable electricity and green certificates.

The Company needs to fund the upfront capital expenditure (Capex). The revenue generated over the following 35 years is expected to create a surplus over the operating cost (Opex), while providing tangible benefits for our communities and the environment!

## A startup business

The Company is a startup business and needs to go through several stages to achieve the operating stage during which revenue can be generated:



While the phases for the delivery of the Manilla Solar Project are logically distinct and sequential, the Company assumes overlap between these phases.

### Acquisition

The Company (through its now wholly-owned subsidiary Manilla Community Power Pty Ltd) completed the acquisition of the development rights for the Manilla Solar Project on 16 April 2024.



*Gerald Arends, Director, on the day of signing the acquisition documentation*

### *Further development and procurement*

The Company needs to 're-fresh' the land option for the site of the Manilla Solar Project and needs to procure an easement over the dis-used Tamworth to Barraba rail line. These development tasks are considered low risk, although they will have implications for the timing of the project.

The Company will therefore progress, in parallel, procurement activities. The Company intends to develop a design to a 'for tender' level and develop a procurement strategy.

The Company is currently finalising its procurement strategy. This may include procuring some key equipment directly and free-issuing this equipment to the contractor(s). It may also include letting some works packages separately.

The procurement activities will firm up the cost for the Manilla Solar Project, the construction time frame and the expected generation from the Manilla Solar Project. The Company is currently proceeding on the basis of very conservative assumptions that it hopes to improve.

### *Finance*

The Company hopes to secure sufficient funding for a partial deployment of the solar component of the Manilla Solar Project through funds raised under this current Offer.

The scale of the Manilla Solar Project does not allow for community funding in one single step. It is therefore expected that the Company and/or a separate 'Manilla Battery' entity will need to seek further funding to fully deploy the Manilla Solar Project as a solar and battery of the scale indicated above.

The Company is also in discussions with potential corporate co-investors. Corporate co-investment would allow a swifter pathway towards full deployment of the Manilla Solar Project.

### *Construction*

Construction typically must proceed in a certain logical order. Onsite construction of the Manilla Solar Project is expected to take only about 6 to 8 months. However, there are various preparatory steps such as the ordering of long-lead items, the construction of an access road and a security fence that can extend these time frames. The commissioning with Essential Energy is expected to take up between 3 and 6 months.

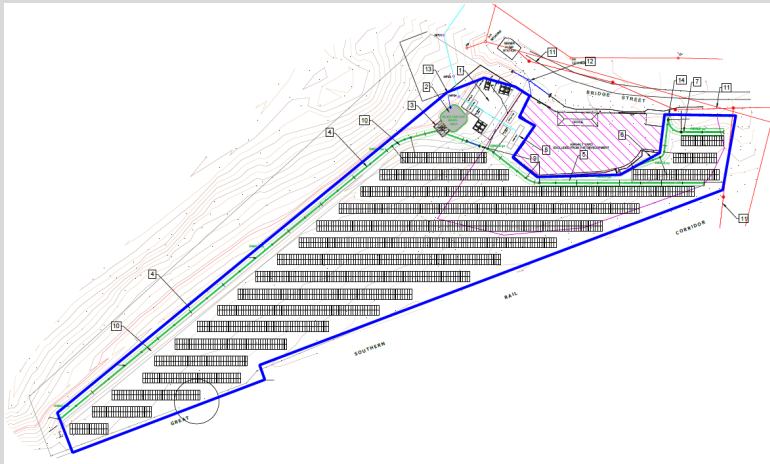


Picture credit IAG

Komo Energy has taken the 1.7 MW<sub>DC</sub> **Grong Grong Solar Farm** through, development, procurement, community finance, construction and into operation (commissioned in May 2024).

### Operation

Once the Manilla Solar Project is constructed and commissioned, it will generate and export electricity into the local distribution network. During this phase, the Company will arrange for the technical maintenance, insurance and participation in energy markets.



Picture credit – Goulburn Community Solar

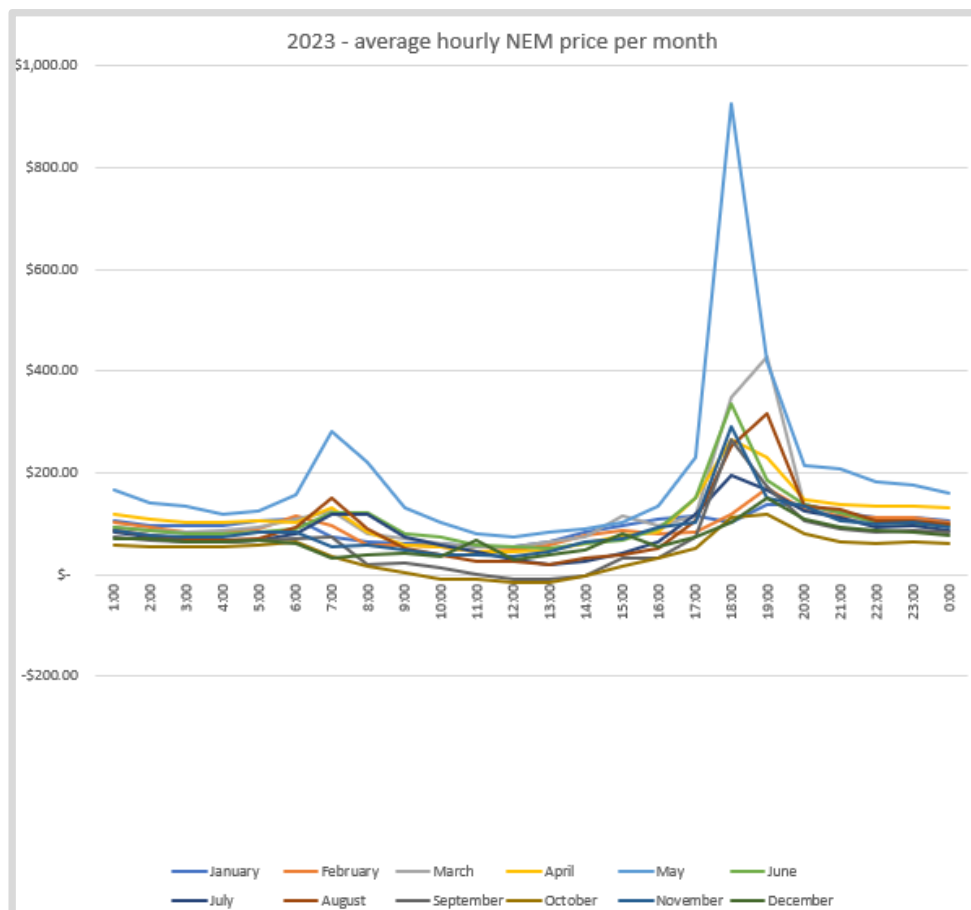
Komo Energy has taken the **Goulburn Dispatchable Solar Farm** (1.4 MW<sub>DC</sub> solar and 1 MW / 2 MWh battery) through development, procurement and finance. The project has completed the site preparation works and is currently awaiting the construction certificate.

## Commercialisation

The Company expects to initially have two commodities to sell: the electricity exported into the local distribution network and the green certificates (large-scale generation certificates (LGCs) under the Renewable Energy Target).

Without more, the electricity exported will attract the market price for electricity established by the Australian Energy Market Operator (AEMO) for the NSW market segment of the National Electricity Market. This market price is set in 5 minute intervals and it can range from a floor of -\$1,000 per MWh (a negative price!) to \$17,500 per MWh. The price follows with some regulatory daily and seasonal patterns and is also subject to a variety of multi-year trends.

The below graph for 2023 aggregates 5 minute pricing of electricity in the NSW segment of the National Electricity Market into hourly averages and shows how – in the course of the day and in the course of a year – the hourly averages vary.



Data source: AEMO, [www.aemo.com.au](http://www.aemo.com.au)



The Manilla Solar Project can operate on the basis of receiving the market price for the NSW market segment of the National Electricity Market. This is similar to the annual harvest of a farm being exposed to commodity prices.

Depending on the time of the day during which a power station exports power into the network, it will harness a different price. Below data provides the average value captured by solar and battery per MWh in each year for the NSW market segment of the National Electricity Market.

<b>Year</b>	<b>Solar Rooftop</b>	<b>Solar Utility</b>	<b>Battery Discharge</b>
2018	\$ 77.67	\$ 80.76	-
2019	\$ 78.51	\$ 79.20	-
2020	\$ 63.28	\$ 64.42	-
2021	\$ 40.82	\$ 46.24	\$ 72.29
2022	\$ 102.80	\$ 112.17	\$ 331.50
2023	\$ 45.85	\$ 54.97	\$ 180.68
2024 YTD	\$ 52.49	\$ 66.05	\$ 341.00

Data source: Open Electricity, [www.openelectricity.org.au](http://www.openelectricity.org.au) (accessed 13 October 2024)

As can be seen, electricity from utility-scale solar (i.e. non-rooftop) captures a higher value than rooftop. This is primarily due to more optimal panel orientation, less shading issues the effect of solar trackers that capture earlier morning and late afternoon value.

The value of storing electricity in a battery and exporting it during high-price periods is visible in the significantly higher value capture. Yet, in the 4 years for which this data is published, the value was very volatile.

However, it is possible to receive a fixed price for this electricity through a Power Purchase Agreement (PPA). While it is not known whether a PPA will, in the long-term, reduce or increase the overall revenue received, it is a convenient way to reduce uncertainty in a project.

The other revenue component is the green certificates that are expected to be created in respect of electricity exported by the Manilla Solar Project. At present, these are 'large-scale generation certificates' (LGCs) created under the Renewable Energy Target (RET), whereby the Manilla Solar Project should receive 1 LGC for

every 1 MWh of electricity generated. There is no central market for LGCs, but a number of trading platforms offer spot market pricing as well as forward pricing for LGCs.

The trading platform Mercari offers the following pricing for forward contracts for LGCs (10 October 2024):

Tenor	Price for LGC
<b>Delivery in 2024</b>	\$39.85
<b>Delivery in 2025</b>	\$39.75
<b>Delivery in 2026</b>	\$30.10
<b>Delivery in 2027</b>	\$24.65
<b>Delivery in 2028</b>	\$23.50

Data source: Mercari, <https://www.mercari.com.au/lgc-closing-rates/> (accessed 13 October 2024).

The RET will close in 2030 and, accordingly, LGCs will then no longer be capable of creation. The Company anticipates (as is common practice in financial modelling for solar projects) that there will be a means of monetising the 'green value' of the electricity generated by Manilla Solar Project beyond the 2030 end of the Renewable Energy Target through some alternative form of 'green certificate'. The means through which this may be achieved are not yet well understood. The Clean Energy Regulator is currently leading the development for a proposed 'Renewable Energy Guarantee of Origin' scheme, which may present one such pathway.

The Company is in discussions with a potential offtaker for the purpose of entering into a power purchase agreement (PPA) to sell electricity and LGCs (a so-called 'green PPA') to hedge against market risk.

One of MCRE's key ambitions for Manilla Solar Project is to find a pathway to sell of part of the electricity output to local residents and businesses so as to reduce their electricity bills. This ambition needs to be balanced against the benefits of creating revenue certainty through a PPA.

*Commitment to safeguarding the community interests*

On 19 September 2023, MCRE, Manilla Community Power and the Company entered into a 'Safeguard Agreement' in which the parties agreed to contribute to MCRE's vision as follows:



**MCRE works to build sustainable regional community projects that deliver social, environmental and economic returns.**

**Our mission is to promote the renewable energy transition in Northwest NSW and share a blueprint for other groups to do the same.**

The Safeguard Agreement secures ongoing funding for the activities of MCRE and commits Manilla Community Power and Manilla Solar to deliver a range of community benefits. It creates reporting and consultations mechanism that enable MCRE to act as 'custodian' of the community interest.

**2.2.4 What is our business model?**

*Energy infrastructure asset*

The Manilla Solar Project seeks to achieve an annuity-style revenue and return profile. As an energy infrastructure asset, it does not (and cannot) seek growth like a tech business. It will not expand into national and overseas markets.

Rather, the Manilla Solar Project seeks to ensure long-term stable cash flows and distributions over the life of the asset, with incremental improvements and expansions to its business model.

*Battery*

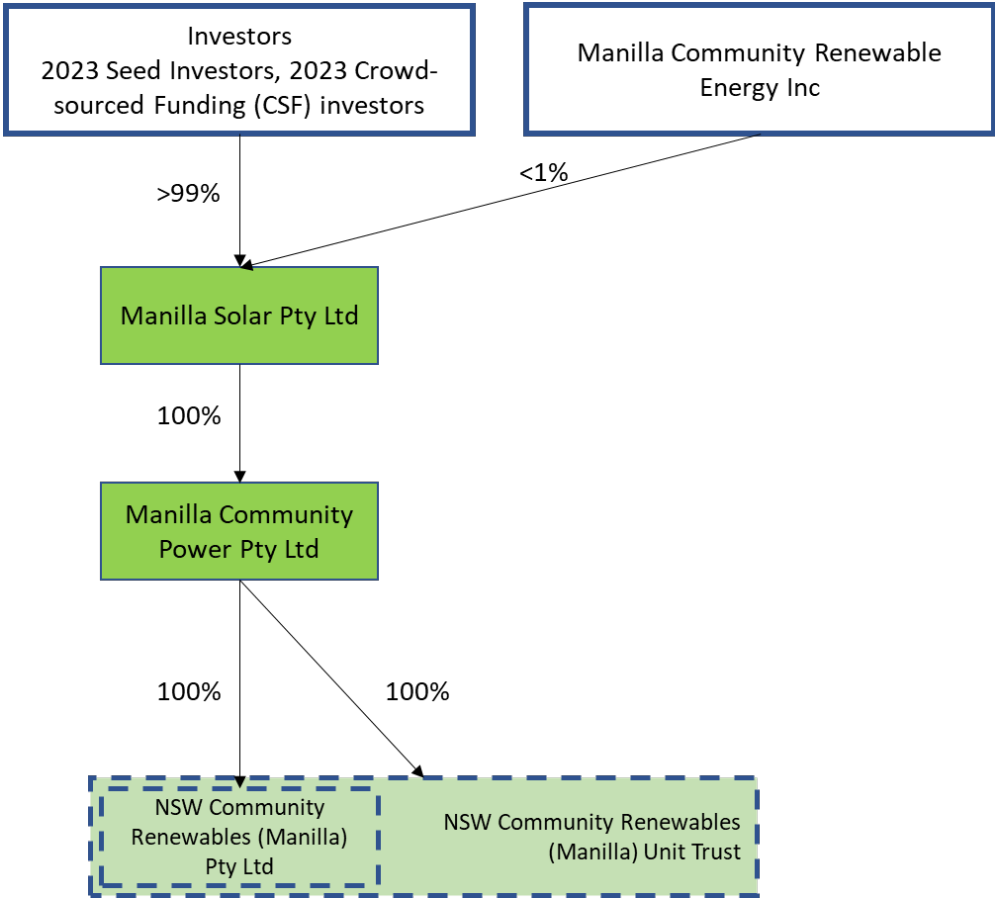
The Manilla Solar Project is intended to include 1 to 2 hours of battery storage. At present it is assumed that this may be invested through a separate entity. While it may be invested separately, it will form part of the wider Manilla Solar Project and will be equally committed to contribute to community benefits as the solar component.

*Other opportunities*

Additional opportunities to expand the Manilla Solar Project may become available in the future. Of particular interest are opportunities to co-locate, within the vicinity of the project (but not necessarily on the same land), new businesses. These could include horticultural businesses that may contribute to job creation and improved food-security for the region.

**2.2.5 What does our corporate group structure look like?**

The following graphic shows the group chart for the Company.



The Company is currently working with Essential Energy on transferring the network connection agreement from NSW Community Renewables (Manilla) Unit Trust to Manilla Community Power Pty Ltd. Once that transfer has occurred, the Company intends for the Unit Trust to be dissolved to simplify the corporate structure.

## 2.2.6 Competitors

The sale of electricity means participation in the National Electricity Market (NEM) operated by the Australian Energy Market Operator (AEMO). The NEM is a commodity market with pricing ultimately determined by a bidding process that balances supply and demand. The Manilla Solar Project (like any other solar project) will provide electricity physically into the local electricity distribution grid and operate financially in the (NSW segment of) the NEM.

The competitive landscape in the supply of electricity is driven by differences in capital cost and differences in operating (in particular fuel) cost. Conventional power generators factor fuel cost into their bidding strategy. This is where solar projects have an advantage: the 'fuel' is free and generation is only constrained by sunlight hours. However, solar projects require a comparatively high upfront capital investment.

While more solar and wind generation continues to be built, the rate of new generation is constrained by available location to connect new solar project to the electricity grid. The resultant shortage of new generation provides an opportunity for projects such as the Manilla Solar Project: as coal power station close in NSW, the Company expects several years of elevated electricity prices which represents higher revenues for the Manilla Solar Project.

Recently, the Australian Federal Government has announced plans to contract 32 GW of new solar and wind projects and 9 GW of firming or storage capacity. Such a large investment in new generation is likely to bring down energy prices during solar generation hours. However, the timing and extent of this reduction in pricing will depend on how quickly these new large-scale projects can be approved, financed, built and commissioned, which could take several years.

## 2.2.7 Competitive Advantage

The Manilla Solar Project has planning and grid connection approval. Subject to financing and procurement, the Manilla Solar Project can be constructed and commissioned within approx. 12 months.

The Manilla Solar Project is developed to deploy single axis tracking. This is a mounting structure that faces the solar panels East in the morning and West in the afternoon. Electricity prices tend to be higher earlier in morning and later in the afternoon due to higher demand and lower generation output by rooftop solar.

The Manilla Solar Project is approved to include battery storage. Though the anticipation is that the battery component will be funded separately by Manilla Battery (working name), the presence of a battery can create additional revenue streams for the solar component and reduce risks to revenue streams.

The community-centric approach for the Manilla Solar Project envisages the delivery of a range of community benefits that provide a high level of community acceptance and social licence. While this competitive advantage is hard to quantify, we anticipate benefits when seeking Power Purchase Agreements (PPAs) from corporates or electricity retailers. The Manilla Solar Project may receive preferential treatment, terms or pricing for PPAs where corporates seek to achieve corporate social responsibility (CSR) goals.

*"Investing in Manilla Solar feels like the most powerful way I can make a contribution to the future of our region, and our planet. Our environment is under pressure with climate change, yet the solution to this sometimes - overwhelming problem is literally on our doorstep.*

*This project aligns with my personal values of supporting community and supporting sustainability and it is a natural extension of farm diversification. If Manilla can do this, then anyone can!*

*Manilla Solar is a 'home grown' renewable energy project that offers the community a localised power source, removing their reliance on polluting coal fired energy. I admire and congratulate Manilla Community Renewable Energy Inc for their hard work and dedication."*

Penny Milson  
**Tamworth, Investor**



## 2.2.8 What does our organisation look like?

The Company is established solely for the purpose of acquiring, further developing, procuring, financing, constructing, owning and operating the solar component of the Manilla Solar Project. It has presently no staff.

Emma Kate Stilts and Gerald Arends are the directors of the Company. Their biographies are included at Section 2.5. It is anticipated that, in the future, further community members will be appointed as directors in addition to Emma and Gerald.

## 2.2.9 Legal or disciplinary actions against the Company

There are no current or past legal or disciplinary actions against the company. Nor are there any against any Directors and Senior Managers of the company.



*Photo courtesy of Komo Energy – Gerald Arends explaining the trackers and construction methodologies to a group of Grong Grong Solar Farm investors.*

## 2.3 Capital structure

### 2.3.1 Issued capital

As at the date of this CSF offer document, the Company has 544,550 ordinary shares on issue. There are no share options in place.

Table 1 sets out the issued capital of the Company before the Offer.

**Table 1: Issued capital of the Company before the Offer**

Shareholder	Share Type	Shares	Options
MCRE (Founder Shareholder) <sup>1</sup>	Ordinary	1,000	Nil
2023 seed investors <sup>2</sup>	Ordinary	387,500	Nil
2023 CSF investors <sup>3</sup>	Ordinary	156,050	Nil
<b>Total</b>	<b>Ordinary</b>	<b>544,550</b>	<b>Nil</b>

Notes to Table 1:

1. The share allocation to MCRE is in respect of MCRE being the originator of the project and voice of the community in the project. As Founder Shareholder, MCRE holds special rights under the Constitution, see below at Section 3.3.
2. All 2023 seed investors subscribed for shares at \$0.80 per ordinary share. The investment of the Seed Investors includes an investment by Arends Family Investment Pty Ltd (a related party of director Gerald Arends) and a joint investment by Emma Kate Stilts (a director of the Company) and Jonathan Stilts.
3. All 2023 CSF investors subscribed for shares at \$0.80 per ordinary share.



Table 2 sets out the issued capital of the Company following the Offer.

**Table 2: Issued capital of the Company following the Offer**

<b>Shares</b>	<b>Minimum Subscription</b>	<b>Maximum Subscription</b>
MCRE (Founder Shareholder)	1,000 0.15%	1,000 0.02%
2023 seed investors	387,500 59,10%	387,500 6.99%
2023 CSF investors	156,050 23,80%	156,050 2.81%
Offer shares <sup>1</sup>	111,111 16,95%	5,000,000 90.18%
<b>Total Shares on issue</b>	<b>655,661</b> <b>100%</b>	<b>5,544,550</b> <b>100%</b>

Notes to Table 2:

1. Note that the existing investors may choose to invest further funds under this Offer. Any such further investment will be counted in the row 'Offer shares' rather than the row relevant for the existing investor.

*Rights associated with Ordinary shares and options*

As at the date of this Offer, the only class of shares on issue are ordinary shares.

Set out below is a summary of the rights and liabilities associated with the securities in the Company. A copy of the Company's Constitution is available on the Intermediary's platform.

*Ordinary Shares*

The rights and liabilities associated with the ordinary shares are set out in the Company's constitution, including:

All ordinary shares have the same voting rights and the same rights to receive dividends.

The sale and transfer of shares is subject to restrictions, including drag and tag rights and exit provisions.

The Board has the power to refuse a transfer of shares to a third party in certain circumstances, including where the Board reasonably determines in good faith that the transfer would be materially detrimental to the interests of the Company.

The Constitution includes a definition of a 'Substantial Shareholder', being a member who holds (together with any of its affiliates) at least 100,000 shares or at least 10% (or such alternative proportion determined by the board) of the total number of shares on issue.

A disposal to a shareholder who would become a Substantial Shareholder is subject to pre-emption process, whereby the shares must first be offered to existing members. Please refer to Section 3.3 of this Offer document.

The Constitution includes a definition of a 'Major Shareholder', being a member who holds (together with any of its affiliates) at least 20% (or such alternative proportion determined by the board) of the total number of shares on issue.

A Major Shareholder is entitled to appoint a director to the Board and such director is referred to as a 'Representative Director'. The appointing Major Shareholder may also remove its Representative Director. Please refer to Section 3.3 of this Offer document.

The Constitution includes a definition of a 'Founder Shareholder', being Manilla Community Renewable Energy Inc (MCRE).

The Founder Shareholder may, for as long as it holds at least 1 share, appoint a director to the Board and such director is referred to as a 'Founder Director'. The Founder Shareholder may also remove the Founder Director. Please refer to Section 3.3 of this Offer document.

The shares offered under this Offer are ordinary shares. A more detailed description of the rights and liabilities associated with the ordinary shares is set out in Section 3.3 of this Offer document.

#### *No Shareholder Agreement*

Other than the Constitution, there is no shareholder agreement or other agreement between the existing shareholders of the Company.

## 2.3.2 Sources of financing, including debt financing and other financing

To date, the business has been funded through deferred payment terms of suppliers and through equity raised in the 2023 seed raise and the 2023 CSF offer.

### *Background*

Like many renewable energy assets, the solar projects are capital-intensive to deploy but tend to have a lower operating cost than power generators that need to buy a fuel source such as coal, gas or biomass.

As is typical for solar projects, the Company intends to apply multiple levels of financing to deliver the Manilla Solar Project. These consist of equity (including the equity raised under this Offer), further equity raises scheduled for 2025, grant funding and possibly loans.

None of these other sources of funding, required to realise the Manilla Solar Project, have been secured as at the date of this Offer document.

### *Deferred payment terms*

The Company has initially been funded through deferred payment terms of Komo Service and Pegasus Legal.

MCRE engaged Komo Service and Pegasus Legal on a pre-agreed budget for taking the Manilla Solar Project through the acquisition phase, development phase, procurement phase and fund-raising phase. These engagements have been transferred to the Company.

The engagement of Komo Service is based on Komo Service's collaboration model whereby Komo Service defers its fees until such time as certain milestones are achieved and the project is funded to carry such costs. Pegasus Legal similarly defers its fees until certain milestones are achieved.

### *Equity raised 2023*

In 2023, the Company raised \$310,000 from seed investors under the '20 investor' rule. The vast majority of these funds were applied to the acquisition of the development rights for the Manilla Solar Project.

In 2023, the Company also undertook a CSF raise and raised \$124,840. At the time, the acquisition of the development rights for the Manilla Solar Project had not yet taken place and the CSF raise was, purposefully, not widely advertised but geared primarily to the local community that had long been engaged with the project.

*RCEF Grant*

The Manilla Solar Project benefits from a grant under the 'Regional Community Energy Fund' (the "**RCEF Grant**"), administered by the Office of Energy and Climate Change ("**OECC**"). The RCEF Grant is currently held by Manilla Community Renewable Energy Inc. (MCRE) as 'funding recipient'.

MCRE has submitted a project change request to address a number of significant changes to the Manilla Solar Project, including the fact that Manilla Solar as a community-funded organisation has taken sole control of the project and the de-scoping of the hydrogen energy storage system that a previous industry partner had proposed.

The project change request has not yet been approved by OECC. The Company expects that the funding amount will be reduced to an amount of about \$1,000,000. It is not yet known whether funding agreement will be novated to the Company or Manilla Community Power Pty Ltd or whether the funding agreement will stay with MCRE.

*"Being part of Manilla Solar is about more than just pursuing a return on my investment; it's about contributing to a genuine community initiative. This project unites individuals who are passionate about the environment and committed to improving how we live. It's a socially conscious effort that will benefit future generations for years to come.*

*I'm fortunate to have known Emma, a director of Manilla Solar, all my life, and I have full confidence in her and Gerald to make this venture a success for all stakeholders."*

Wade O'Shea  
**Tamworth, Investor**



## 2.4 Directors and senior managers

### 2.4.1 Our directors and management

The Company is established solely for the purpose of developing, financing, constructing, owning and operating the Manilla Solar Project and has a very lean organisational structure. The Company has two directors and is supported through a range of consulting arrangements. At present, no directors' fees are paid to the directors of the Company.

Emma Kate Stilts and Gerald Arends are the directors of the Company. Further details are set out below. Both directors have a proven track record of working with community energy groups and on community energy assets.

#### Emma Stilts

Emma Stilts is a director of the Company. She lives in Moore Creek with her family and has dedicated her career to blending creative practice with community engagement. After completing her Bachelor of Design (Graphic) at the University of Newcastle, Emma spent two years in the UK, gaining experience in the creative industry. Upon her return to Australia, she worked across multiple roles and co-founded Unconundrum, a design company, with her partner, Jonathan Stilts.

Emma's passion for community engagement and grassroots activism blossomed in 2012, ignited by her concerns over new mining leases threatening the Liverpool Plains and the Artesian Basin. This pivotal moment led her to advocate for renewable energy and community-owned projects.

As president of Manilla Community Renewable Energy Inc., a not-for-profit organisation, Emma has played a crucial role in building a community of purpose and promoting regional sustainability and resilience.



The first report MCRE developed in 2016 was a feasibility study into a community-owned solar project. Since then, MCRE has successfully fostered a vibrant community that supports local producers and promotes regenerative agriculture and celebrates our creative community at events like the 100 Mile Dinner.

Emma's work is deeply aligned with her values: personal responsibility, economic safety, community focus, environmental sustainability – and having a good time.

## **Gerald Arends**

Gerald is a director of the Company. He is a leading renewable energy lawyer and commercial advisor and, for the past 16 years, has worked almost exclusively in the solar industry in a variety of legal and commercial roles. Within the Company, Gerald is responsible for project development and project delivery.

Gerald is passionate about pioneering projects in countries and sectors where renewable energy is not yet firmly established. He has worked in renewables in over 30 countries, including in Australia, Europe, East Asia, South Asia, South East Asia and Africa.

In Australia, he advised on pioneering renewable energy projects integrated into a remote mine site, such as the Degrossa solar/battery integration project and the Agnew hybrid project, as well as large-scale projects such as the 20 MW Hughenden project in Queensland, the 112 MW Karadoc and the 106 MW Yatpool projects in Victoria.



Gerald is a founder and director of Komo Energy, a group that partners with communities, landholders and businesses who want to invest in, develop and benefit from renewable energy. Komo Energy most recently delivered the Grong Grong Solar Farm which is owned by ~670 shareholders and hosts the Haystacks Solar Garden who brings together 175 solar gardeners. Komo Energy is currently delivering the Goulburn Dispatchable Solar Farm for the Goulburn Community Energy Co-operative.

**Gerald seeks to transfer skills  
from large-scale solar projects  
to smaller but replicable  
renewable energy projects.**

In addition, Gerald is a director of Pegasus Legal, a boutique law firm advising on renewable energy projects. Gerald is also a conference speaker, panellist and a post-graduate teacher on topics relating to renewable energy.

Gerald grew up in Germany and has lived and worked in England, Greece and Germany before moving to Australia in 2011. While not native to the region, Gerald feels deeply connected with, and spends much time in, the New England region due to his wife having grown up and having family ties there.

When not working on renewables, he spends time with his family and young children. He enjoys reading widely across current affairs, history, philosophy, politics and linguistics. Gerald has played the violin for most of his life and is both President and an active member of the Brisbane Symphony Orchestra.

## 2.4.2 Legal or disciplinary actions

No disclosable matter.



*Photo Credit Henry Stilts – Committee members of Manilla Community Renewable Energy and directors of Komo Energy in the paddock where the Manilla Solar Project will be built.*

## 2.5 Risks facing the business

An investment in the Company should be seen as high-risk and speculative. A description of the main risks that may impact our business is set out in Table 3 below. Investors should read this section carefully before deciding to apply for shares under the Offer. There are also other, more general risks associated with the Company (e.g. risks relating to general economic conditions or the inability to sell our shares).

**Table 3: Main risks**

<b>Main Risk</b>	<b>Details</b>
<b>The Company is a single-purpose project business</b>	<p>The Company is a single-purpose project business consisting of the Manilla Solar Project and seeks to sell electricity and green certificates generated by it.</p> <p>The Company is not set up to diversify its assets and generate a multitude of different revenue streams. This means that the Company is exposed to the upside and the downside of this singular focus.</p>
<b>The Company needs to raise the necessary finance for the project</b>	<p>The Company will rely on multiple layers of finance and this present Offer, even if subscribed for at its Maximum Subscription, will not suffice to deliver the Manilla Solar Project in its entirety.</p> <p>The Company will need to raise further funds and such further fund-raise may not be successful or may take longer than anticipated.</p> <p>The Company and MCRE need to secure a project change request for the RCEF Grant and the outcome of that application remains uncertain.</p>
<b>The Company needs to complete certain development activities.</b>	<p>The Company needs to secure an easement over the rail corridor once the certain design work is sufficiently progressed.</p> <p>The Company needs to secure an extension of time under the network connection agreement with Essential Energy.</p> <p>There is a residual risk that these development activities will not be achieved or not be achieved within an adequate time frame.</p>
<b>The Company carries procurement and construction cost and timing risk.</b>	<p>Until such time as supply and construction contracts are signed, the Company's budget and programme for the delivery of the Manilla Solar Project will carry some uncertainty.</p>



Main Risk	Details
<p><b>The Company carries procurement and construction cost and timing risk.</b></p>	<p>In recent years, global supply chains have experienced significant disruptions with impacts on the availability of components and delivery cost for solar project.</p> <p>The construction of the Manilla Solar Project will carry typical construction risks for solar projects. These include geotechnical risk (impacting the installation method for foundations), network connection risk (impacting the interface with Essential Energy, force majeure risk (including pandemic, war, etc.) and construction price risk.</p> <p>The Company will need to undertake a significant amount of work to achieve cost and price certainty, combined with an adequate risk profile, from suppliers and contractors.</p>
<p><b>The Company's success relies on sustainable NSW electricity wholesale market.</b></p>	<p>The Company intends to sell electricity into the NSW segment of the National Electricity Market (NEM) once the Manilla Solar Project achieves commercial operation.</p> <p>The revenue in the NEM is subject to changes in 5-minute intervals and shows diurnal, seasonal and long-term fluctuations.</p> <p>While the baseload futures prices on ASX Energy indicate that the energy market anticipates a high price period for the next few years, a positive development that was triggered by the announcement of the early closure of the Eraring coal fired power station, the Company anticipates that over time energy prices will soften again.</p> <p>A means of managing this volatility is to enter into a power purchase agreement (PPA). While discussions for a PPA are currently under way, a PPA has not yet been entered into.</p>

Main Risk	Details
<p><b>The Company's success relies on sustainable prices for green certificates.</b></p>	<p>The pricing for renewable energy certificates is not set by a regulator, but there is a liquid spot market as well as the opportunity to sell renewable energy certificates under longer- term contracts. The pricing for renewable energy certificates is forecast to fall towards the 2030 end of the Renewable Energy Target mechanism. While renewable energy certificates prices have recently risen (including due to demand for corporates that pursue sustainability goals), the Company anticipates that over time renewable energy certificates prices will soften again.</p> <p>A means of managing this volatility is to enter into a power purchase agreement (PPA). While discussions for a PPA are currently under way, a PPA has not yet been entered into.</p> <p>The Company anticipates (as is common practice in financial modelling for solar projects) that there will be a means of monetising the 'green value' of the electricity generated by Manilla Solar Project beyond the 2030 end of the Renewable Energy Target through some alternative form of 'green certificate'. The means through which this may be achieved are not yet well understood. The Clean Energy Regulator is currently leading the development for a proposed 'Renewable Energy Guarantee of Origin' scheme, which may present one such pathway.</p>

## **2.6 Financial information**

Below are the unaudited financial statements of the Company for the period from 2 August 2023 (the date of incorporation) to 30 June 2024 and from 1 July 2024 to 30 September 2024. The information has been prepared in accordance with the Accounting Standards.

Please note that the financial statements for the part year from 1 July 2024 to 30 September 2024 are consolidated financial statements for the Company and its controlled entities (i.e. Manilla Community Power Pty Ltd and NSW Community Renewables (Manilla) Pty Ltd as trustee for the NSW Community Renewables (Manilla) Unit Trust.

## 2.6.1 Statement of financial position

Consolidated statement of financial position of Manilla Solar as at 30 June 2024 and as at 30 September 2024.

### Manilla Solar Pty Ltd

#### Consolidated statement of financial position

As at 30 September 2024

	Note	30 Sept 2024 \$	2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	69,436	75,076
Other current assets	8	3,984	-
<b>Total current assets</b>		<b>73,420</b>	<b>75,076</b>
<b>Non-current assets</b>			
Capital work in progress		48,992	48,992
Loans and advances receivable		-	300,000
Goodwill on acquisition	9	298,948	-
Deferred tax assets	10	14,026	12,444
<b>Total non-current assets</b>		<b>361,966</b>	<b>361,435</b>
<b>Total assets</b>		<b>435,386</b>	<b>436,511</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Current tax liabilities		279	-
Loans from related parties		10	-
<b>Total non-current liabilities</b>		<b>289</b>	<b>-</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	10	13,083	12,248
<b>Total non-current liabilities</b>		<b>13,083</b>	<b>12,248</b>
<b>Total liabilities</b>		<b>13,372</b>	<b>12,248</b>
<b>Net assets</b>		<b>422,014</b>	<b>424,263</b>
<b>Equity</b>			
Issued Capital	13	424,850	424,850
Retained earnings		(2,836)	(587)
<b>Total equity</b>		<b>422,014</b>	<b>424,263</b>

## 2.6.2 Profit and loss statement

Consolidated statement of profit or loss of Manilla Solar for the period from 2 August 2023 to 30 June 2024 and for the period from 1 July 2024 to 30 September 2024.

### Manilla Solar Pty Ltd

#### Consolidated statement of profit or loss and other comprehensive income For the period ended 30 September 2024

	Note	30 Sept 2024 \$	2024 \$
<b>Continuing operations</b>			
Other income	5	609	4,548
<b>Total income</b>		609	4,548
<b>Expenses</b>			
Administrative expenses		(3,606)	(5,329)
Finance costs		-	(1)
<b>Total expenses</b>		(3,606)	(5,330)
<b>Profit (loss) before income taxes</b>		(2,997)	(782)
Income tax (expense)/ benefit	6	748	196
<b>Profit (loss) for the period</b>		(2,249)	(587)
<b>Total comprehensive income for the period</b>		(2,249)	(587)

## 2.6.3 Cashflow statement

Consolidated statement of cashflows of Manilla Solar for the period from 2 August 2023 to 30 June 2024 and for the period from 1 July 2024 to 30 September 2024.

### Manilla Solar Pty Ltd

#### Consolidated statement of cash flows

For the period ended 30 September 2024

	30 Sept 2024	2024
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers for goods and services	(7,311)	(5,329)
Interest received	609	4,548
Income tax (paid) / refunded	-	(1)
<b>Net cash provided by (used in) operating activities</b>	<b>(6,702)</b>	<b>(782)</b>
<b>Cash flows from investing activities</b>		
Proceeds/(payments) for intangible assets	(298,948)	(48,992)
<b>Cash flows from (used in) investing activities</b>	<b>(298,948)</b>	<b>(48,993)</b>
<b>Cash flows from financing activities</b>		
Advance of loans receivable	-	(300,000)
Proceeds of loans with related parties	10	-
Repayment of loans	300,000	-
Proceeds from issue of share capital	-	424,850
Transaction costs arising from issue of shares	-	(10,000)
<b>Cash flows from financing activities</b>	<b>300,010</b>	<b>124,850</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5,640)</b>	<b>75,076</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>75,076</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>69,436</b>	<b>75,076</b>

## 2.6.4 Statement of changes in equity

Consolidated statement of changes in equity of Manilla Solar for the period from 2 August 2023 to 30 June 2024 and for the period from 1 July 2024 to 30 September 2024.

<b>Manilla Solar Pty Ltd</b>				
<b>Consolidated statement of changes in equity</b>				
For the period ended 30 September 2024				
<b>2024</b>	<b>Ordinary shares</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Total Equity</b>
	\$	\$	\$	\$
Opening balance	-	-	-	-
Issue of shares	424,850	-	424,850	424,850
Profit for the year	-	(587)	(587)	(587)
<b>Closing balance</b>	<b>424,850</b>	<b>(587)</b>	<b>424,263</b>	<b>424,263</b>
<hr/>				
<b>2024 – period to 30 September 2024</b>	<b>Ordinary shares</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Total Equity</b>
	\$	\$	\$	\$
Opening balance	424,850	(587)	424,263	424,263
Profit for the period	-	(2,249)	(2,249)	(2,249)
<b>Closing balance</b>	<b>424,850</b>	<b>(2,836)</b>	<b>424,014</b>	<b>424,014</b>

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# Section 3: Information about the Offer

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## 3.1 Terms of the Offer

The Company is offering up to 5,000,000 shares at an issue price of \$0.90 per share to raise up to \$4,500,000. The key terms and conditions of the Offer are set out in Table 4.

**Table 4: Terms of the Offer**

<b>Term</b>	<b>Details</b>
Shares	Fully-paid ordinary shares
Price	\$0.90 per share
Minimum Subscription	\$99,999.90
Maximum Subscription	\$4,500,000
Opening date	26 October 2024
Closing date	15 November 2024 Unless closed earlier by the Intermediary

A description of the rights associated with the shares is set out in Section 3.3 of this CSF offer document. To participate in the Offer, you must submit a completed application form together with the application money via the Intermediary's platform. The Intermediary's website provides instructions on how to apply for shares under the Offer.

The Intermediary must close the Offer early in certain circumstances. For example, if the Maximum Subscription is reached, the Offer must be closed. If the Minimum Subscription is not reached or the Offer is closed but not completed, you will be refunded your application money.

Retail investors may withdraw their application during the Cooling-off Period. Further information on investor cooling-off rights can be found in Section 4.1 of this CSF offer document.

The Offer is not underwritten and there is no guarantee that these funds will be raised.



## 3.2 Use of funds

Table 5 sets out the intended use of funds raised under this Offer based on the minimum and maximum subscription amounts.

**Table 5: Use of funds**

<b>Intended use</b>	<b>Year 1: Minimum Subscription</b>	<b>Year 1: Maximum Subscription</b>
Staff cost for a community engagement officer to support MCRE and the community engage in the development and fundraising process for 6 months <sup>1</sup> Funding for MCRE to maintain a shopfront in Manilla and employ community engagement officers for 6 months	\$40,000	\$120,000
Further development activities not subject of the acquisition <sup>2</sup>	\$20,000	\$129,000
Community fundraising process and if required, other fundraising and co-investment processes <sup>2</sup>	\$20,000	\$200,000
Procurement process for components and contractors, including development of a 'for tender design' <sup>2</sup>	-	\$546,000
PPA, including Community PPA	-	\$45,000
Supply and construction of Manilla Solar Project	-	\$3,110,000
Offer costs <sup>2, 3</sup>	\$20,000	\$350,000
<b>Total funds</b>	<b>\$100,000</b>	<b>\$4,500,000</b>

Notes on Table 5:

1. The amount may include payments to Emma Stilts.
2. The amount may include payments to Komo Service Pty Ltd (of which Gerald Arends is the director) and to Pegasus Legal Pty Ltd (of which Gerald Arends is one of the directors).
3. The amount includes payments to Swarmer Pty Ltd, the intermediary for this Offer.

*No director fees*

The directors do not, at present, receive any directors' fee.

*Payments to Komo Service and Pegasus Legal*

Komo Service is MCRE's industry partner in taking the Manilla Solar Project through development, procurement and delivery and Gerald Arends (the director of Komo Service) is also one of the directors of the Company.

Pegasus Legal is a boutique renewable energy law firm and Gerald Arends is one of its directors. These entities are not related parties of the Company yet have a 'proximity' to one of the directors of the Company.

Funds received during the early stages of this project (including under this Offer) may be used to pay fees to Komo Service and Pegasus Legal. The amounts presented at Table 6 are the maximum amounts that may be payable to Komo Service and Pegasus Legal out of the proceeds of this Offer.

*Payments to Emma Stilts (Unconundrum)*

Unconundrum is the business of Emma Stilts, a director of the Company, and Jonathan Stilts.

For services provided in preparation for and during this present fundraising process, Emma Stilts will be paid certain fees. The fees are deferred to 31 October 2024 and part of the fee is conditional on the fundraise achieving a certain minimum threshold. The amounts presented at Table 6 are the maximum amounts that may be payable to Unconundrum out of the proceeds of this Offer.

**Table 6: Payments to certain parties (ex GST)**

<b>Intended use</b>	<b>Komo Service fee</b>	<b>Pegasus Legal fee</b>	<b>Unconundrum fee</b>
<b>Development Finalisation</b> (securing option for lease, easement and subsidiary approvals, development of business plan and financial model)	\$85,000	-	-
<b>Community fund-raises and other fund-raising/co-investment efforts</b> (supporting fund-raising activities, campaign strategy, development of offer document, attend community meetings, support due diligence, contract negotiation, transaction management)	\$70,000	\$35,000	

<b>Intended use</b>	<b>Komo Service fee</b>	<b>Pegasus Legal fee</b>	<b>Unconundrum fee</b>
<b>Procurement of suppliers and contractors</b> (development of procurement strategy, running expression of interest and requests for tender campaign, supplier and contractor selection, negotiation of supply and construction agreements)	\$60,000	\$60,000	-
<b>Offer cost (this raise)</b> (development of offer document, campaign support, attendance at community meetings)	\$20,000	\$12,500	\$21,000

*Intermediary's fees*

The costs of the Offer include the Intermediary's fees under the hosting agreement between the Company and the Intermediary. These fees may range between \$6,000 and \$270,000.

Other than as specified above, no other payments from the funds raised will be paid (directly or indirectly) to related parties, controlling shareholders, or any other persons involved in promoting or marketing the Offer.

The Intermediary does not charge any further fees to investors during the investment process.

*Budget and adjustments to budget*

The figures set out in Table 6 form part of a budget agreed initially between MCRE as representative of the community and Komo Service and Pegasus Legal as industry partners. A project of the nature of the Manilla Solar Project may experience some workstreams progressing faster than others and this may mean that the actual utilisation of funds may need to re-allocate amounts between the various line items.

### *Funding 'runway'*

We expect that the Maximum Subscription amount will be sufficient to allow a partial deployment of the solar component of the Manilla Solar Project over the next 12 months. Further funds will be required if the Manilla Solar Project is to be deployed in its entirety.

If only the Minimum Subscription amount is raised, the Company will have sufficient funds to progress certain preparatory works (such as procurement activities). It would, however, not be funded to undertake construction activities. In such a scenario, until additional funding is obtained, it will rely on further support from Komo Service and Pegasus Legal and may need to slow down some activities.

*"I grew up in Manilla, and my family still has strong connections to the town. We are excited to invest in the Manilla Solar Project because it will deliver both social and economic benefits to the Manilla community. We are also intrigued by the concept of genuine community ownership of power producing infrastructure and are keen to explore the associated opportunities for expansion and replication."*

Kate McGrath  
**Local Politician, Parent, and former Manilla resident**



## 3.3 Rights associated with the shares

Immediately after issue, the shares will be fully-paid shares. There will be no liability on the part of shareholders and the shares will rank equally with the shares currently on issue.

The rights associated with the shares are set out in the Company's constitution. A summary of these rights is set out below. A copy of the constitution is available on the Intermediary's platform.

### 3.3.1 Voting rights and types of shareholders

#### *General principle*

On a show of hands, each shareholder has one vote. On a poll, each shareholder has one vote for each share held. A poll is only conducted if a poll is demanded in accordance with the Company's constitution.

#### *Substantial Shareholders*

A member who holds (together with any of its affiliates) at least 100,000 shares or at least 10% (or such alternative proportion determined by the board) of the total number of shares on issue, is referred to as a 'Substantial Shareholder'. A disposal to a shareholder who would become a Substantial Shareholder is subject to additional obligations and these are set out in this Section 3.3.6.

As at the date of this Offer, the Company has 3 Substantial Shareholders. These shareholders will cease to be Substantial Shareholders (based on their current holding), if the Company issues approx. a further 205,000 ordinary shares under this Offer.

#### *Major Shareholders*

A member who holds (together with any of its affiliates) at least 20% (or such alternative proportion determined by the board) of the total number of shares on issue, is referred to as a 'Major Shareholder'. A Major Shareholder has additional rights and these rights are set out in this Section 3.3.

As at the date of this Offer, the Company has no Major Shareholders.

#### *Founder Shareholder*

Manilla Community Renewable Energy Inc (ABN 88 652 448 481), an incorporated association registered under the laws of New South Wales, is referred to as the 'Founder Shareholder'.

The Founder Shareholder has additional rights and these rights are set out in this Section 3.3.

### 3.3.2 Election, removal and meetings of directors

#### *Election and appointment of directors*

Directors may be elected by the shareholders at a general meeting by way of ordinary resolution with a majority of the votes cast or by the Board (except during a general meeting).

Each Major Shareholder may appoint a director and such director is referred to as a 'Representative Director'.

The Founder Shareholder may, for as long as it holds at least 1 share, appoint a director and such director is referred to as a Founder Director.

#### *Removal of directors*

Directors may be removed by shareholders at a general meeting by way of ordinary resolution with a majority of the votes cast or by shareholders holding a majority of the issued shares by written notice delivered to the Company.

A Representative Director may also be removed by the relevant Major Shareholder by notice to the Company.

The Founder Director may also be removed by the Founder Shareholder by notice to the Company.

#### *Quorum*

For the purposes of a board meeting, a quorum is at least 2 directors. If the meeting is not quorate and adjourned accordingly, the director or directors present at the reconvened meeting are the quorum.

### 3.3.3 General meetings and notices

#### *Calling of general meeting*

The Board or a Director have the power to call meetings of all shareholders or meetings of only those shareholders who hold a particular class of shares. Shareholders who hold at least 5% of the votes which may be cast at a general meeting of the Company have the power to call and hold a meeting themselves or to require the directors to call and hold a meeting.

*Quorum*

For the purposes of a general meeting, a quorum is at least 2 voting shareholders. If the meeting is not quorate and adjourned accordingly, the shareholder or shareholders present at the reconvened meeting are the quorum.

*Notices*

Notice of a meeting of members must be given individually to each member entitled to vote at the meeting, to each Director (other than an Alternate) in writing, at least 21 days prior to the meeting taking place. The notice of meeting must comply with section 249L of the *Corporations Act 2001* (Cth) and may be given in any manner permitted by section 249J(3) of the *Corporations Act 2001* (Cth).

**3.3.4 Dividends**

All shareholders have a right to receive any dividends declared and paid by the Company. The directors have a discretion and may resolve to pay dividends, subject to their obligations under the *Corporations Act 2001* (Cth) (e.g. they cannot pay dividends unless the Company's assets are sufficiently in excess of its liabilities immediately before the dividend is declared and where it may materially prejudice the Company's ability to pay its creditors).

*"I have worked in the energy industry for almost a decade and get to see the many renewable projects coming through the pipeline. For a long time now, I have wished that I could own a piece of the transition to feel even more involved, and so I'm excited that this wish is now going to come true!*

*I believe that the Manilla Solar Project will be a solid long-term investment and am really interested to see how the community will get behind it. Having a utility-scale renewable site like this being owned by locals is truly a first for the New England region, and I hope it won't be the last."*

Sam Davidson  
**Birmingham Gardens**



### 3.3.5 Winding-up

If the Company is wound up and there are any assets left over after all the Company's debts have been paid, the surplus is distributed to members in proportion to the number of fully paid shares held by them and, for this purpose, a partly paid share is counted as a fraction of a fully paid share equal to the proportion which the amount paid on it bears to the total issue price of the share.

### 3.3.6 Restrictions on sale and transfer

#### *Pre-emption rights on transfer*

If a shareholder wishes to transfer his/her shares, he/she must first offer those shares to the other shareholders in accordance with the pre-emption procedure.

This obligation does not apply:

- to certain transfers to affiliates and custodians;
- if the transfer is pursuant to an acceptance of a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth);
- if the transfer is pursuant to a scheme of arrangement;
- if the Board has approved the transfer by a 'Board Special Resolution' (75% majority);
- if the transfer is to a shareholder other than a Substantial Shareholder or a shareholder who, by virtue of that transfer, would become a Substantial Shareholder; and
- if the transfer is in accordance with the Company's Financial Hardship and Compassionate Policy and is in respect of the entire holding of that shareholder.

#### *Pre-emptive rights on new issue*

If the Company resolves to issue new equity securities, it must first offer those shares to the shareholders in accordance with the pre-emption procedure. This obligation does not apply to a share issue:

- that proceeds with the approval of the shareholders passed by special resolution (75%);
- subject to an incentive plan;
- on the basis of convertible notes;
- on the basis of other commercial arrangements;



- if shares are issued as consideration in an acquisition;
- if shares are issued under a CSF offer; or
- in a share issue where:
  - the number of shares issued is not greater than in the 2023/2024 financial year, 200,000 shares or, in any subsequent financial year, 20% of the shares on the final day of the immediately preceding financial year; and
  - the shares are issued at a price per share no less than the greater of \$0.80 per share and the issue price per share in the Company's most recent capital raise.

### *What can I do with my shares*

Shares in the Company are considered an illiquid investment as they cannot easily be transferred or sold. However, there are numerous possible circumstances that may create an opportunity for shareholders to exit the business.

These include, but are not limited to:

- a sale of shares to a willing shareholder (who may be an existing shareholder of the Company);
- a trade sale of the Company;
- a listing on a registered stock exchange (e.g. the ASX);
- a private equity acquisition of the Company; or
- a share buy-back by the Company.

There is no guarantee that any of the exit options will eventuate. Therefore, potential shareholders should consider this investment as illiquid and be prepared to hold it until there is an exit event as set out above.

The Company has put in place measures that ensure that the procedural burden of shareholders in selling their shares are reduced. In particular, any Shareholder can sell shares outside the pre-emption process, except where the acquiring Shareholder becomes, by virtue of the acquisition, a Substantial Shareholder (see Section 3.3.6).

### 3.4 Details of previous CSF offers

One of the directors of the Company has been involved in the following previous CSF offers as set out in Table 7:

**Table 7: Manilla Solar Directors' previous CSF offers**

<b>Person involved</b>	<b>Company raising CSF</b>	<b>Intermediary</b>	<b>Raise Opened</b>	<b>Raise Closed</b>	<b>Status</b>	<b>Amount Raised</b>
Gerald Arends	Komo Energy Pty Ltd	Birchal Financial Services	17 November 2020	10 December 2020	Complete	\$239,841.60
Gerald Arends	Grong Grong Solar Farm Pty Ltd	Birchal Financial Services	15 June 2022	23 June 2022 (early)	Complete (maximum raised)	\$750,000.00
Gerald Arends	Grong Grong Solar Farm Pty Ltd	Birchal Financial Services	3 October 2023	19 October 2023	Complete	\$580,346.00
Gerald Arends	Manilla Solar Pty Ltd	Swarmer	6 December 2023	14 December 2024	Complete	\$124,840.00

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# Section 4: Information about investor rights

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## 4.1 Cooling-off rights

If you are a Retail Investor, you have the right to withdraw your application under this Offer and to be repaid your application money. If you wish to withdraw your application for any reason (including if you change your mind about investing in the Company), you must do so during the Cooling-off Period.

You must withdraw your application via the Intermediary's platform as follows:

- proceed to your profile on the top right-hand side of the screen on Swarmer's website by clicking your profile image;
- click on the right-hand side bar and select "My Investments";
- scroll until you find your Manilla Solar investment;
- click the "Withdraw" button below the Manilla Solar logo; and
- confirm the selection by clicking the "Confirm" button on the pop up.

Your Withdraw request will then be processed – this may take a few days to complete. After your withdrawal has been processed, the Intermediary will refund the application money to your nominated account as soon as practicable.

*"Through the Manilla Solar Project, I hope to help educate our community and others to live a cleaner life, this will help our beautiful environment survive for future generations to come. It is time for renewable energy to move forward faster and if we as a community start, then hopefully in the future all communities can learn and move forward in a better way.*

*So basically, I want to help drive change away from our current trajectory, this will also build our community resilience and allow us all to reap the benefits of doing it right."*

Brad Pillon  
**Manilla, Investor & MCRE Committee Member**



## 4.2 Communication facility for the Offer

You can ask questions about the Offer on the communication facility available on the Intermediary's platform. You can also use the communication facility to communicate with other investors, with the Company and with the Intermediary about this Offer.

You will be able to post comments and questions about the Offer and see the posts of other investors on the communication facility. The Company and/or the Intermediary will also be able to respond to questions and comments posted by investors.

Officers, employees or agents of the Company, and related parties or associates of the Company or the Intermediary, may participate in the communication facility and must clearly disclose their relationship to the Company and/or Intermediary when making posts on the facility.

Any comments made in good faith on the communication facility are not subject to the advertising restrictions in the *Corporations Act 2001* (Cth).

*"It's great to finally hear a positive story of community engagement and acceptance of a project that benefits not just the environment broadly, but the community has great long-term outcomes, as well as an opportunity to invest in a small or large way into a local project."*

Peter Wills  
**Quirindi**



## **4.3 Proprietary company corporate governance obligations**

### **4.3.1 Annual report**

The Company is required to prepare an annual financial report and directors' reports at the end of each financial year and lodge these with ASIC (within 4 months of the financial year end). The Company has a 30 June year end and its financial reports must be lodged by 31 October each year.

The directors of the Company are also required to make a declaration that the financial statements give a true and fair view of the Company's financial position and performance and that the financial statements comply with the accounting standards.

### **4.3.2 Distribution of annual report**

The Company is not required to notify shareholders in writing of the options to receive or access the annual report. Shareholders will not be able to elect to receive a copy of the annual report by way of email or post. However, shareholders can access the annual report on the Company's website ([www.manillasolar.com.au](http://www.manillasolar.com.au)) free of charge or can purchase the annual report from ASIC.

### **4.3.3 Related party transactions**

The rules on related party transactions in Chapter 2E of the *Corporations Act 2001* (Cth) will apply to the Company (for so long as the Company continues to have CSF shareholders). This means that the Company is required to obtain shareholder approval before giving financial benefits to related parties of the company (e.g. directors and their spouses, children or parents), subject to certain exceptions (such as reasonable remuneration provided to directors).

### **4.3.4 Takeovers**

The takeover rules in the *Corporations Act 2001* (Cth) apply to the Company in a very limited way. If someone wants to buy more than 20% of the voting shares in the Company, they will be able to do so without complying with the takeover rules. This means a person may be able to get control of the Company without making a formal takeover bid to all shareholders or without seeking shareholder approval.

Shareholders will not have the benefit of the full protections under the takeover rules, which means you may not have the right to vote on or participate in a change of control of the Company. However, the general principles of ensuring shareholders have sufficient information and time to consider a change of control, and all have a reasonable and equal opportunity to participate in any benefits, will apply to the Company. In addition, the Takeovers Panel has jurisdiction to hear disputes relating to control of the Company.

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# Glossary

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**"Company"** means Manilla Solar Pty Ltd ACN 670 201 493.

**"Cooling-off Period"** means the period ending 5 business days after an application is made under this Offer, during which an investor has a right to withdraw their application and be repaid their application money.

**"CSF"** means crowd-sourced funding under Part 6D.3A of the *Corporations Act 2001* (Cth).

**"Intermediary"** means Swarmer Pty Ltd AFSL 507 867.

**"Komo Service"** means Komo Service Pty Ltd ACN 645 429 483.

**"NEM"** means the National Electricity Market.

**"Manilla Community Power"** means Manilla Community Power Pty Ltd ACN 669 947 326.

**"MCRE"** means Manilla Community Renewable Energy Inc.

**"Maximum Subscription"** means the amount specified in this CSF offer document as the maximum amount sought to be raised by the Offer.

**"Minimum Subscription"** means the amount specified in this CSF offer document as the minimum amount sought to be raised by the Offer.

**"MW<sub>AC</sub>"** means 'Megawatt alternating current' being a measure of the capacity of the solar project facing the electricity network.

**"MW<sub>DC</sub>"** means 'Megawatt direct current' being a measure of the capacity of the solar panels installed. The capacity of solar panels installed is typically higher than the MW<sub>AC</sub> capacity.

**"MWh"** means 'Megawatt hour' being a measure of the amount of energy. 1 MWh equates to a 1 MW capacity provided for 1 hour.

**"Offer"** means an offer of fully-paid ordinary shares by the Company under this CSF offer document.

**"Pegasus Legal"** means Pegasus Legal Pty Ltd ACN 165 925 324.

**"Retail Investor"** has the meaning given to the term 'retail client' under the *Corporations Act 2001* (Cth).

This project is supported by a grant from the NSW Government's Regional Community Energy Fund. The views expressed herein are not necessarily the views of the NSW Government. The NSW Government does not accept responsibility for any information or advice contained herein.

## **Consents**

Each of John Calokerinos, Penny Milson, Brad Pilon, Wade O'Shea, Kate McGrath, Sam Davidson and Peter Wills have given consent for the inclusion of their Testimonials.

## **Credits**

Photography: Joanne Stead. Emma Stilts. Jonathan Stilts. Henry Stilts. Komo Energy. IAG.