# Second Report to Creditors
## Under Insolvency Practice Rules (Corporations) 75-225

# Greatcell Solar Limited
Formerly known as "Dyesol Limited"
ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
Formerly known as "Dyesol Industries Pty Ltd"
ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
Formerly known as "Dyesol Australia Pty Ltd"
ACN 131 374 064

14 March 2019

Peter Krejci and Andrew Cummins
Joint & Several Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30 Australia Square 264 George Street Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

greatcellsolar
Global leaders in hi-tech solar

BRI Ferrier

## TABLE OF CONTENTS


1 EXECUTIVE SUMMARY ..... 4

1.1 First Meeting of Creditors ..... 7
1.2 Purpose of Report ..... 7
1.3 Disclaimer ..... 7
1.4 Declaration of Independence, Relevant Relationships and Indeminities ..... 8

2 STATUTORY INFORMATION ..... 8

2.1 Greatcell Solar Limited ..... 8
2.2 Greatcell Solar Industries Pty Ltd ..... 11
2.3 Greatcell Solar Australia Pty Ltd ..... 13

3 COMPANY HISTORY AND EVENTS LEADING UP TO ADMINISTRATION ..... 14

4 REASONS FOR FAILURE ..... 18

5 CONDUCT OF THE ADMINISTRATION ..... 18

5.1 Trading During the Voluntary Administration ..... 19
5.2 Sale of Business Campaign ..... 20

6 HISTORICAL FINANCIAL INFORMATION ..... 21

6.1 Greatcell Solar Limited ..... 21
6.2 Greatcell Solar Industries Pty Ltd ..... 23
6.3 Greatcell Solar Australia Pty Ltd ..... 24

7 CURRENT FINANCIAL POSITION ..... 25

7.1 Greatcell Solar Limited ..... 25
7.2 Greatcell Solar Industries Pty Ltd ..... 32
7.3 Greatcell Solar Australia Pty Ltd ..... 33

8 EXPLANATION OF DEFICIENCY ..... 38

9 PRELIMINARY INVESTIGATIONS ..... 39

9.1 Overview ..... 39
9.2 Investigation Constraints ..... 39
9.3 Books and Records ..... 39
9.4 Risk of Litigation Action Generally ..... 40
9.5 Insolvency & Insolvent Trading (Section 588G) ..... 40
9.6 Assessment Of Insolvency ..... 44
9.7 Voidable Transactions ..... 51

9.8 Breach of Duty Claims ..... 55
9.9 Report to ASIC ..... 55

10 DEED OF COMPANY ARRANGEMENT PROPOSALS ..... 55

10.1 Onergy Pty Ltd ..... 55
10.2 Otsana Syndicate ..... 58
10.3 Preferred DOCA Proposal – Otsana Syndicate ..... 61

11 ESTIMATED RETURN TO CREDITORS ..... 62

12 RECOMMENDATION OF ADMINISTRATORS ..... 63

12.1 Deed of Company Arrangement ..... 63
12.2 Administration to End ..... 64
12.3 Liquidation ..... 64

13 ADMINISTRATORS' RECEIPTS AND PAYMENTS ..... 65

14 ADMINISTRATORS' / TRUSTEES' REMUNERATION ..... 65

14.1 Voluntary Administration Period ..... 65
14.2 Deed of Company Arrangement ..... 66
14.3 Creditors' Trust Period ..... 66
14.4 Liquidation Period ..... 66

15 SECOND MEETING OF CREDITORS ..... 66

16 QUERIES ..... 67

| Annexures | |
|---|---|
| 1 | Greatcell Solar Organisational Chart |
| 2 | Notice of Concurrent Second Meeting of Creditors |
| 3 | Formal Proof of Debt |
| 4 | Appointment of Proxy Form |
| 5 | Comparative Financial Statements |
| 6 | Deficiency Statements |
| 7 | Estimated Statement of Position |
| 8 | ARITA Information Sheet - Offences, Recoverable Transactions and Insolvent Trading |
| 9 | DOCA Proposal received from Onergy Pty Ltd dated 13 March 2019 |
| 10 | DOCA Proposal received from Otsana Syndicate dated 13 March 2019 |
| 11 | ASIC RG82 - Assessment of Proposed Creditors' Trust |
| 12 | Administrators' Receipts and Payments |
| 13 | Remuneration Approval Reports |
| 14 | Advice to Creditors About Remuneration |
| 15 | ASIC Information Sheet |

# 1 EXECUTIVE SUMMARY

On 10 December 2018, we, Peter Paul Krejci and Andrew Cummins, of BRI Ferrier (NSW) Pty Ltd, Level 30, Australia Square, 264 George Street, Sydney NSW 2000, were appointed Joint and Several Administrators of Greatcell Solar Ltd ("GSL"), Greatcell Solar Australia Pty Ltd ("GSA") and Greatcell Solar Industries Pty Ltd ("GSI") (collectively referred to as "the Companies") pursuant to Section 436A of the Corporations Act ("the Act").

Pursuant to Section 439A of the Act, we have convened the Second Meeting of Creditors to be held on Friday, 22 March 2019 at **11:00AM AEDT at Waldorf Canberra Apartment Hotel, The Chatham House Room, Waldorf on London, 2 Akuna Street, Civic ACT 2601**. Please find attached as **Annexure "2"** the Notice of Concurrent Second Meeting of Creditors for your information.

We summarise below our observations of the Company's affairs, our preliminary investigations and the potential outcomes for creditors from this Administration process.

The Companies are part of a larger group, known as Greatcell Solar, which has subsidiaries and offices at various overseas locations. We have been appointed to the main Australian entities which operated from Queanbeyan NSW. Given the linked operations and pooled restructure options, we have determined it is appropriate to provide a single report to creditors regarding the affairs of the Companies.

GSL is the ultimate parent entity and a publicly company listed on the Australian Stock Exchange ("ASX") (trading as GSL) and German Open Market, with Australian operations and international subsidiaries located in Italy, United Kingdom, Switzerland, United States of America and Korea. From an operational perspective, GSL employed certain financial and management staff, leased premises in Queanbeyan NSW and held various physical assets related to the development of the solar technology. GSL also was the primary entity used to raise capital, including government grant arrangements.

GSA appears to have been responsible for the research and development activities for the solar technologies in Australia, as well as the primary employment arm of the business. GSA was the primary trading and employing entity of the Australian operations, with various physical assets held in leased premises in Queanbeyan NSW. GSA also holds a 50% interest in Greatcell Solar Materials Pty Ltd, an entity which was subject to a management buy-out months prior to the Administration commencing. GSI holds various intellectual property rights and is the intermediary holding company of GSA. GSI did not appear to be actively trading.

The Companies together focused on inventing, developing and commercialising solar photovoltaic technologies and we understand, was recognised as a world leader in this field. The development of the technology had been ongoing for a number of years at significant capital outlay and losses. By late 2016, the development had moved to the commercialisation phase in an attempt to see the technology become commercially viable and produce revenues. The commercialisation involved the fit-out of a prototype facility estimated to cost approximately $10M to $14M. Various capital raising initiatives were considered during 2017 and 2018, however they were ultimately unsuccessful, leading to our appointment as Administrators on 10 December 2018

Upon our appointment, we conducted an urgent assessment of the financial position of the Companies and determined that there was insufficient funding available to meet the immediate wage commitments, let alone continuing to trade. As such, all staff were immediately terminated, other than certain key staff who were retained for a short period of time to assist with the orderly wind down, collection of records and preservation of assets.

Considering the significant investment in the technology over the years, we determined that a sale of business and restructure should be explored. We conducted a public sale campaign which received a number of expressions of interest, and various parties engaged in a due diligence process. Due to the intervening Christmas period, a number of the interested parties requested additional time to complete due diligence. As such, in order to allow time for a restructure plan to be negotiated and to maximise results for creditors, on 11 January 2019, we made an application to the Supreme Court of New South Wales and obtained orders extending the Administration convening period to 15 March 2019.

During this extended sale of business process, we sought to preserve the value of the business and assets to the extent possible, such that we maintained certain key supplies and engaged staff on a casual basis, moving the Queanbeyan facility to a "care and maintenance mode". We note that the landlords have assisted by providing relief from rent obligations.

We engaged in negotiations with various parties, interested in the business, which resulted in numerous offers being submitted, incorporating a Deed of Company Arrangement ("DOCA"). All offers focussed on the value of the listed entity GSL. Ultimately, we have received two (2) competing DOCA proposals which are presented herein for creditors consideration. The DOCA proposals summarised as follows:

| Proposal | Summary | Projected Returns to Creditors | | | Conditions & Timing |
|---|---|---|---|---|---|
| | | Class | High | Low | |
| **Onergy Proposal**<br><br>Onergy Pty Ltd, an entity controlled by Mr Allan Campbell and one of the Directors, Mr Richard Caldwell ("Onergy Proposal" or "First Deed Proponent") | Contribution - $2.05m upfront plus available GSL & GSA assets of approximately $247K<br><br>A Pooled DOCA for GSL, GSI and GSA, resulting in one Creditors Trust.<br><br>The Group largely remains intact to be recapitalised and continue into the future. | Secured Creditors<br><br>Priority Creditors<br><br>Unsecured Creditors<br><br>There is no minimum or guaranteed return to creditors | 100c/$<br><br>100c/$<br><br>6c/$ | 100c/$<br><br>100c/$<br><br>5c/$ | The contribution is subject to various conditions, including, the finance being obtained by Onergy, shareholder approval and ASX agreement.<br><br>We do not have evidence of the financial capacity of Onergy, and it is unclear of their track record with such restructures.<br><br>The timing for the DOCA is anticipated to be around 3-4 months. The return to creditors through the Creditors Trust will occur within 4-6 months thereafter. |

| | | | | | |
|---|---|---|---|---|---|
| **Otsana Proposal**<br><br>Syndicate comprising of Mr Gavin Tulloch, Mrs Sylvia Tulloch, Mr Tom Fontaine, Mr Peter Richards, Pitcher Partners Perth and Otsana Capital ("Otsana Proposal" or "Second Deed Proponent") | Contribution - $1m upfront plus available GSL assets of approximately $200K, and potential future ATO R&D Rebate of $350K<br><br>Two DOCAs for each GSL and GSI, resulting in one Creditors Trust. GSA is to be placed into Liquidation.<br><br>The Group largely remains intact to be recapitalised and continue into the future, other than certain insolvent subsidiaries. | Secured Creditors<br><br>Priority Creditors<br><br>Unsecured Creditors<br><br>There is no minimum or guaranteed return to creditors | 100c/$<br><br>100c/$<br><br>10c/$ | 100c/$<br><br>100c/$<br><br>1c/$ | The contribution is subject to various conditions, including, a capital raising, shareholder approval and ASX agreement.<br><br>We are advised that the Otsana Syndicate have indicative commitments sufficient to meet the Creditor Payment obligations, however it is unclear of the balance of the capital raising requirements. Otsana appear to have a successful track record with similar restructures.<br><br>The timing for the DOCA is anticipated to be around 3-4 months. The return to creditors through the Creditors Trust will occur within 4-6 months thereafter. |

We have also conducted preliminary investigations into the affairs of the Companies, and the conduct of its officers. Our preliminary view is that the Companies may have been insolvent from at least January 2018 on a cash flow basis, shortly prior to GSL being suspended from trading on the ASX. The subsequent losses suffered by creditors, indicated that there is a prima facie insolvent trading claim which may be valued up to approximately $2.45M. We also understand that the Companies maintained a Directors and Officers insurance policy ("D&O policy"), which may respond to an insolvent trading claim brought against the Directors. We have lodged a potential claim with the insurers, however at this stage, no liability has been admitted by the insurers.

However, the Act provides various defences for Directors where their conduct is reasonable. In this regard, the Directors have asserted that from March 2018 they had enacted a restructure plan that falls within the Safe Harbour provisions of the Act, which provide the Directors a defence against an insolvent trading claim. Our preliminary enquiries indicate that, whilst the documentary evidence for a Safe Harbour defence may be somewhat lacking, on balance, there is a reasonable prospect that the Directors may be able to successfully argue that Safe Harbour provisions apply, which could ultimately defeat or mitigate any insolvent trading claim. Further investigations would be required to be conducted by a Liquidator if appointed. We have not identified any other significant voidable transactions that may be available in a Liquidation.

We have not had any meaningful offers for the assets of the Companies in a Liquidation scenario, that would produce a return beyond the secured creditors. Further, even if the asserted defences to an insolvent trading claim were not effective, our estimates indicate that unsecured creditors will not receive a return in a Liquidation scenario.

Accordingly, the better outcome for creditors is likely to be one of the two DOCA proposals. Both DOCA proposals are viable, in that they allow the business to continue in existence and also produce an improved return to creditors generally as compared to Liquidation. The creditors therefore could approve either DOCA proposal. However, we note that Onergy have not provided satisfactory evidence of their financial capacity to satisfy the contribution requirements of their DOCA proposal, which is unfortunate given that it their proposal is projected to provide an improved minimum return to creditors as compared

to the Otsana proposal. The lack of supporting evidence causes us to have concerns as to the Onergy's ability to complete the transaction and therefore put in jeopardy creditors' interests.

**Therefore, absent evidence that satisfies us of Onergy's capacity to complete the transaction, we recommend creditors approve the Otsana DOCA proposal which is projected to provide an improved return to creditors of GSL and GSI, as compared to Liquidation of all entities. Assuming creditors approve the Otsana DOCA proposal, we recommend that creditors resolve to place GSA into Liquidation.**

At the forthcoming second creditors meeting, in addition to determining the future of the Companies, we will be seeking approval of our professional costs in this matter. The detail of our professional costs are set out in **Annexure "13"**.

## 1.1 FIRST MEETING OF CREDITORS

The First Meeting of Creditors of the Companies was held concurrently on 20 December 2018. At that meeting, our appointment as Administrators of the Companies was confirmed. No Committee of Inspection was formed as insufficient nominations were received.

## 1.2 PURPOSE OF REPORT

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company's creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrators must investigate the business, property, affairs and financial circumstances of the Companies and form an opinion about each of the following matters:

- Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- Whether it would be in the Creditors' interests for the Administrations to end; and
- Whether it would be in the Creditors' interests for the Companies to be wound up.

## 1.3 DISCLAIMER

This is a Report to Creditors by the Administrators made under Section 75-225 of the Insolvency Practice Schedule of the Corporations Act 2001. It should be treated as confidential to those creditors and their advisors.

Our investigation into the affairs of the Companies and this Report, including the recommendations made in it, reflect information which we have:

- obtained from the records of the Companies, including accounting records;

- been provided by the Companies' directors, advisors and employees; and
- gathered from our own enquiries.

Our investigations are required to be conducted quickly and our conclusions are necessarily summary. Except where stated, we assume the information on which we have relied is accurate and complete. We reserve the right to alter our opinions and recommendations if further information is provided to us after the publication of this Report or if assumptions we have made are mistaken.

In making our recommendations, we are required to estimate both the amounts that will be recovered from the assets and the value of creditors' claims of the Companies. Our estimates are necessarily uncertain, and, while they are our best assessment in the circumstances, both the final deficiency and the outcome for creditors are likely to differ from our estimates.

Any creditor with information material to the affairs of the Companies that they consider may affect our investigation or Report should forward details to our office as soon as possible.

## 1.4 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMINITIES

A Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") pursuant to Section 436DA of the Act was enclosed in the First Report to Creditors dated 12 December 2018 ("the First Report"). The DIRRI records that the Administrators undertook a proper assessment of the risks to their independence prior to accepting the appointment.

# 2 STATUTORY INFORMATION

The following is a summary of the statutory and business details obtained from the ASIC database, the Personal Property Securities Register ("PPSR") database, and the records of the Companies:

## 2.1 GREATCELL SOLAR LIMITED

### 2.1.1 Company Details

| | |
|---|---|
| **Company Name** | Greatcell Solar Limited |
| **A.B.N** | 92 111 723 883 |
| **A.C.N** | 111 723 883 |
| **Incorporation Date** | 9 November 2004 |
| **Registered Address** | 3 Dominion Place QUEANBEYAN NSW 2620 |
| **Principal Place of Business** | 11 Aurora Avenue QUEANBEYAN NSW 2620 |

### 2.1.2 Officeholders

| Name | Position | Appointed | Ceased |
|---|---|---|---|
| Gordon Alfred Thompson | Director | 09-Nov-04 | Current |
| Ian Richard Neal | Director | 08-Sep-06 | Current |
| Richard Alexander Caldwell | Director | 18-Mar-05 | Current |
| Robert McIntyre | Director | 13-Mar-15 | Current |
| Lynette Michele McDonald | Former Director | 11-Nov-16 | 11-Nov-16 |
| Nicola Jane Swift | Former Director | 06-Sep-13 | 03-Aug-16 |
| Antoine Shirfan | Former Director | 02-May-14 | 07-Apr-15 |
| Gerald Frank Grove-White | Former Director | 10-Aug-11 | 27-Nov-14 |
| Sylvia Medlyn Tulloch | Former Director | 20-Oct-09 | 30-Nov-12 |
| Gavin Edmund Tulloch | Former Director | 26-Oct-10 | 07-Sep-12 |
| Nicola Jane Hohlenberg Young | Former Director | 07-Mar-11 | 18-Nov-11 |
| Gavin Edmund Tulloch | Former Director | 27-Mar-08 | 21-May-10 |
| Sylvia Medlyn Tulloch | Former Director | 11-Mar-05 | 27-Mar-08 |
| Cathryn Curtin | Former Director | 26-Nov-04 | 13-Feb-06 |
| Vincent De Villers | Former Director | 09-Nov-04 | 11-Mar-05 |
| Kim Arnold Hogg | Former Director | 09-Nov-04 | 26-Nov-04 |
| Kim Arnold Hogg | Secretary | 09-Nov-04 | Current |
| Antoine Shirfan | Alternate Director | 07-Apr-15 | 11-Nov-16 |
| Lynette Michele McDonald | Alternate Director | 26-Mar-15 | 07-Apr-15 |
| Ian Donald Bergman | Alternate Director | 22-Nov-12 | 30-Nov-12 |
| Sylvia Medlyn Tulloch | Alternate Director | 27-Mar-08 | 11-Dec-09 |

### 2.1.3 Share Structure and Shareholders

| Share Class | No. of Shares | Amount Paid | Fully Paid Up |
|---|---|---|---|
| ORD | 388,068,379 | $111,498,345.72 | Yes |

### 2.1.4 Current Registered Security Interests

A search of the PPSR indicates the following registered security interests:

| Registration Number | Secured Party | Start Date | Collateral |
|---|---|---|---|
| 201409290054946 | Flexirent Capital Pty Ltd | 29/09/2014 | Other goods |
| 201611030023972 | Westpac Banking Corporation | 3/11/2016 | Other goods |
| 201612190032759 | Westpac Banking Corporation | 19/12/2016 | Other goods |
| 201703100059944 | Westpac Banking Corporation | 10/03/2017 | Other goods |
| 201701240017986 | Commonwealth Bank Of Australia | 24/01/2017 | All-paap |
| 201701250082572 | Commonwealth Bank Of Australia | 25/01/2017 | Intangible Property |
| 201701250082662 | Commonwealth Bank Of Australia | 25/01/2017 | Intangible Property |
| 201701250082749 | Commonwealth Bank Of Australia | 25/01/2017 | Intangible Property |
| 201807140005844 | CentreRED Pty Ltd | 14/07/2018 | Other goods |

We note the following:

- Correspondence was issued to all secured parties requesting documentation to validate their claims.

- On 11 December 2018, Flexirent Capital Pty Ltd provided confirmation of the discharge of their security interest.
- The Westpac/St George security interest relates to various equipment finance leases, which were near expiry, where the payout figures totalled $30K.
- CBA have a first ranking security interest over the assets of GSL, GSI and GSA. This security relates to a Financing Facility relating to the ATO R&D rebates. Our enquiries indicate that this security is valid and enforceable. CBA have lodged a claim in the Administrations for $226K.
- The CentreRED Pty Ltd security interest relates to a charge over IT equipment leased/rented to the Companies. This arrangement has continued during the Administration period to preserve the IT/IP assets.

### 2.1.5 Legal Proceedings

There are no outstanding winding up applications against GSL.

### 2.1.6 Related Entities

Directorship searches have been undertaken for the Directors of GSL. Our searches indicate that the Directors held the following current and former Officer roles.

#### *2.1.6.1 Gordon Alfred Thompson*

| Company | ACN | Position | Appointed | Ceased |
|---|---|---|---|---|
| Greatcell Solar Ltd | 111 723 883 | Director | 09-Nov-14 | Current |
| Greatcell Solar Australia Pty Ltd | 131 374 064 | Director | 30-May-08 | Current |
| Greatcell Solar Industries Pty Ltd | 083 102 498 | Director | 21-Aug-06 | Current |

#### 2.1.6.2 *Ian Richard Neal*

| Company | ACN | Position | Appointed | Ceased |
|---|---|---|---|---|
| Abergeldie Consolidated Pty Ltd | 143 512 350 | Director | 01-Jul-10 | Current |
| Abergeldie Holdings Pty Ltd | 126 110 594 | Director | 24-Aug-09 | Current |
| Angusknight Pty Ltd | 076 749 605 | Director | 29-Jun-11 | 23-May-14 |
| Canberra Dental Laboratories Investments Pty Ltd | 102 790 189 | Director | 03-Feb-10 | 29-Feb-12 |
| Coverforce Holdings Pty Ltd | 156 378 993 | Director | 12-Apr-12 | Current |
| Coverforce Investments Pty Ltd | 156 241 208 | Director | 13-Mar-12 | 20-Jul-16 |
| Coverforce Pty Ltd | 067 079 261 | Director | 01-May-07 | Current |
| GML Heritage Holdings Pty Ltd | 607 166 156 | Director | 04-Sep-15 | Current |
| GML Heritage Pty Ltd | 001 179 362 | Director | 23-Jun-08 | Current |
| Greatcell Solar Ltd | 111 723 883 | Director | 08-Sep-06 | Current |
| Intotality Pty Ltd | 092 447 133 | Director | 04-Aug-03 | 03-Aug-12 |
| Kambala | 000 016 811 | Director | 01-Feb-10 | 21-Jan-16 |
| Management Abroad Pty Ltd | 003 901 540 | Director | 15-Jan-90 | Current |
| Management Abroad Pty Ltd | 003 901 540 | Secretary | 15-Jan-90 | Current |
| Pearl Dental Pty Ltd | 099 624 558 | Director | 03-Feb-10 | 29-Feb-12 |
| Pearl Healthcare Pty Ltd | 009 259 189 | Director | 02-Oct-08 | 29-Feb-12 |
| Prime Media Group Ltd | 000 764 867 | Director | 06-Jun-08 | Current |
| Sicgre Pty Ltd | 627 329 908 | Director | 05-Jul-18 | Current |
| Sicgre Pty Ltd | 627 329 908 | Secretary | 05-Jul-18 | Current |
| U-Cover Pty Ltd | 134 723 587 | Director | 17-Apr-09 | Current |

#### 2.1.6.3 *Richard Alexander Caldwell*

| Company | ACN | Position | Appointed | Ceased |
|---|---|---|---|---|
| Aimedics Pty Ltd | 098 304 940 | Director | 28-Jun-02 | 18-Sep-14 |
| Ascham Foundation Ltd | 001 477 970 | Director | 13-Mar-12 | Current |
| Austeo Pty Ltd | 071 392 124 | Director | 11-Oct-95 | Current |
| Greatcell Solar Australia Pty Ltd | 131 374 064 | Director | 27-Feb-13 | Current |
| Greatcell Solar Industries Pty Ltd | 083 102 498 | Director | 4-Feb-10 | Current |
| Greatcell Solar Ltd | 111 723 883 | Director | 18-Mar-05 | Current |
| Greatcell Solar Materials Pty Ltd | 628 474 957 | Director | 29-Aug-18 | Current |
| Greatcell Solar Materials Pty Ltd | 628 474 957 | Secretary | 29-Aug-18 | Current |
| Gundog Investments Pty Ltd | 137 159 196 | Director | 18-May-09 | Current |
| Race Capital Pty Ltd | 112 598 311 | Director | 28-Jan-05 | Current |
| Real Socks Pty Ltd | 107 330 834 | Director | 25-Sep-14 | Current |
| Tongzi Pty Ltd | 070 810 963 | Director | 10-Feb-14 | 1-Feb-18 |

#### 2.1.6.4 *Robert McIntyre*

| Company | ACN | Position | Appointed | Ceased |
|---|---|---|---|---|
| Greatcell Solar Ltd | 111 723 883 | Director | 13-Mar-15 | Current |

## 2.2 GREATCELL SOLAR INDUSTRIES PTY LTD

### 2.2.1 Company Details

| | |
|---|---|
| **Company Name** | Greatcell Solar Industries Pty Ltd |
| **A.B.N** | 83 083 102 498 |
| **A.C.N** | 083 102 498 |
| **Incorporation Date** | 24 June 1998 |
| **Registered Address** | 3 Dominion Place QUEANBEYAN NSW 2620 |
| **Principal Place of Business** | 11 Aurora Avenue QUEANBEYAN NSW 2620 |

### 2.2.2 Officeholders

| Name | Position | Appointed | Ceased |
|---|---|---|---|
| Gordon Thompson | Director | 21-Aug-06 | Current |
| Richard Alexander Caldwell | Director | 04-Feb-10 | Current |
| Kian Lin Niu | Director | 25-Jul-12 | Current |
| Sylvia Medlyn Tulloch | Former Director | 25-Jun-98 | 26-Feb-13 |
| Gavin Edmund Tulloch | Former Director | 25-Jun-98 | 14-Nov-12 |
| Colin Parbery | Former Director | 25-Jun-98 | 24-Jan-03 |
| David Small | Former Director | 24-Jun-98 | 25-Jun-98 |
| Kim Arnold Hogg | Secretary | 18-Feb-08 | Current |
| Gavin Edmund Tulloch | Former Director | 25-Jun-98 | 18-Feb-08 |
| Colin Parbery | Former Director | 25-Jun-98 | 24-Jan-03 |
| David Small | Former Director | 24-Jun-98 | 25-Jun-98 |

### 2.2.3 Share Structure and Shareholders

| Name | Share Class | Number of Shares | Fully Paid Up | Status |
|---|---|---|---|---|
| Greatcell Solar Limited | ORD | 41,706,212 | Y | Current |
| Tulloch Management Pty Ltd | ORD | 8,135,000 | Y | Former |
| Ultrapay Limited | ORD | 100 | Y | Former |

### 2.2.4 Current Registered Security Interests

A search of the PPSR indicates the following registered security interests:

| Registration Number | Secured Party | Start Date | Collateral |
|---|---|---|---|
| 201701240017787 | Commonwealth Bank Of Australia | 24/01/2017 | All-paap |
| 201812140032483 | New Moonie Petroleum Pty Ltd | 14/12/2018 | All-paap |
| 201812140032496 | New Moonie Petroleum Pty Ltd | 14/12/2018 | All-paap |

We note the following:

- Correspondence was issued to all secured parties requesting documentation to validate their claims.
- As discussed above, CBA have a first ranking security interest over the assets of GSL, GSI and GSA. This security relates to a cross-guarantee from debts owed by GSL in respect of the previously mentioned Financing Facility relating to the ATO R&D rebates. Our enquiries indicate that this security is valid and enforceable.

- The New Moonie security was registered subsequent to our appointment in respect of funds advanced to GSA for the GSL convertible note. The registration after our appointment presents an issue for the validity of the security. We have sought to review all documentation relating to this security and obtained advice in respect of same. The security and loan documentation are complex and do not appear to be complete. In all, with the benefit of legal advice, we have formed the view that the security was not perfected and as such, is not enforceable and ought to be removed. We have advised New Moonie of our determination, however as at the date of this Report, New Moonie has not sought to perfect the security by way of Court application. We note that the Onergy Proposal allows for New Moonie's security position to be perfected.

### 2.2.5 Legal Proceedings

There are no outstanding winding up applications against GSI.

### 2.2.6 Related Entities

Directorship searches have been undertaken for the Directors of GSI.

#### *2.2.6.1 Kian Niu*

| Company | ACN | Position | Appointed | Ceased |
|---|---|---|---|---|
| Greatcell Solar Industries Pty Ltd | 083 102 498 | Director | 25-Jul-12 | Current |

Please refer to the above for a summary of the directorship searches on Mr Richard Caldwell and Mr Gordon Thompson.

## 2.3 GREATCELL SOLAR AUSTRALIA PTY LTD

### 2.3.1 Company Details

| | |
|---|---|
| **Company Name** | Greatcell Solar Australia Pty Ltd |
| **A.B.N** | 96 131 374 064 |
| **A.C.N** | 131 374 064 |
| **Incorporation Date** | 30 May 2008 |
| **Registered Address** | 3 Dominion Place QUEANBEYAN NSW 2620 |
| **Principal Place of Business** | 11 Aurora Avenue QUEANBEYAN NSW 2620 |

### 2.3.2 Officeholders

| Name | Position | Appointed | Ceased |
|---|---|---|---|
| Gordon Alfred Thompson | Director | 30-May-08 | Current |
| Richard Alexander Caldwell | Director | 27-Feb-13 | Current |
| Sylvia Medlyn Tulloch | Director | 30-May-08 | 27-Feb-13 |
| Kim Arnold Hogg | Secretary | 30-May-08 | Current |

### 2.3.3 Share Structure and Shareholders

| Name | Share Class | Number of Shares | Fully Paid Up | Status |
|---|---|---|---|---|
| Greatcell Solar Industries Pty Ltd | ORD | 100 | Y | Current |

### 2.3.4 Current Registered Security Interests

A search of the PPSR indicates the following registered security interests:

| Registration Number | Secured Party | Start Date | Collateral |
|---|---|---|---|
| 201701240017889 | Commonwealth Bank Of Australia | 24/01/2017 | All-paap |
| 201812140032483 | New Moonie Petroleum Pty Ltd | 14/12/2018 | All-paap |
| 201812140032496 | New Moonie Petroleum Pty Ltd | 14/12/2018 | All-paap |

We note that the securities registered over GSA are the same instruments as registered against GSI. Please refer to the previous comments.

### 2.3.5 Legal Proceedings

There are no outstanding winding up applications against GSA.

### 2.3.6 Related Entities

Directorship searches have been undertaken for the Directors of GSA. Please refer to the above for a summary of the directorship searches on Mr Richard Caldwell and Mr Gordon Thompson.

## 3 COMPANY HISTORY AND EVENTS LEADING UP TO ADMINISTRATION

Our enquiries to date are preliminary and limited to the information made available to us from the Companies' Directors, management, advisors, the Companies' records and our own enquiries. We understand the history to be as follows:

- The Companies operated as part of a larger group, known as Greatcell Solar. Attached as **Annexure "1"** is a copy of the organisational chart.
    - GSL is the ultimate parent entity and a publicly listed company on the Australian Stock Exchange ("ASX") (trading as GSL) and German Open Market, with Australian operations and international subsidiaries located in Italy, United Kingdom, Switzerland, United States of America and Korea. From an operational perspective, GSL employed certain financial and management staff, leased premises in Queanbeyan NSW and held various physical assets related to the development of the solar technology. GSL also was the primary entity used to raise capital, including government grant arrangements.
    - GSA appears to be responsible for the research and development of the solar technologies, as well as the primary employment arm of the business. GSA was the primary trading and employing entity of the Australian operations, with various physical assets held in leased premises Queanbeyan NSW. GSA also holds a 50% interest in Greatcell Solar Materials Pty Ltd, an entity which was subject to a management buy-out months prior to the Administration commencing.
    - GSI holds various intellectual property rights and is the intermediary holding company of GSA. GSI does not appear to be actively trading.

- The Companies together focus on inventing, developing and commercialising solar photovoltaic technologies and we understand, was recognised as a world leader in this field.
- From 2005 to 2012, the focus was developing technology known as Dye Solar Cells. Significant projects were commenced for commercialisation of Dye Solar Cells on steel and glass, however it appears that these projects were subsequently shelved between 2011 and 2013. Following a Board review, there was a change to technology known as Perovskite Solar Cells which was understood to be a growth area.
- The Companies were funded via a mix of shareholder equity, government grants and R&D rebates from the Australian Taxation Office ("ATO").
- From 2013, a major strategic investor, The Industrialization Company of Saudi Arabia ("Tasnee") provided staged payments of $20M over four (4) years by way of subscription agreements, which provided for Tasnee to exercise convertible loan notes into ordinary shares with a face value of $20M.
- By the end of 2016, the Companies were moving towards the next phase of commercial exploitation, which involved scaling the technology to larger sized panels. In collaboration with CSIRO at their research facility in Clayton, VIC, the Companies would fit-out and equip a prototype facility, named the Major Area Demonstration ("MAD") prototype project, intended to produce solar panels for accreditation, testing, showcasing and demonstration. At the time, the establishment cost of the facility was estimated to be approximately $10M to $14M.
- A Financing Facility with Commonwealth Bank of Australia ("CBA") was established in early 2017, which allows advanced drawn of up to 90% accrued Research and Development Tax Offset credits to be claimed periodically from the ATO. CBA was granted first ranking security over the Companies assets.
- In July 2017, Gundog Investments Pty Ltd, a related entity of one of the Directors, Mr Richard Caldwell, advanced a short term loan of $500K, which was repaid in full in October 2017.
- In August 2017, a Share Purchase Plan successfully raised $2.7M from an issue price of $0.18 per share.
- In November 2017, GSL executed a subscription agreement with New Moonie Petroleum Pty Ltd ("New Moonie") for $4M, however there were administrative and regulatory delays from New Moonie in achieving the release of funds. Ultimately, in April 2018, the settlement deadline for New Moonie had passed without receipt of funds and the agreement was terminated. Notwithstanding the termination, New Moonie continued to express an interest in continuing with the subscription agreement once their delays had been resolved.
- With difficulties raising the required capital, and in an attempt to reduce expenditure, during 2017 the number of employees were reduced from sixty (60) to fifty (50). Over 2018 the staffing levels reduced further, where upon our appointment there were around thirty-five (35) left. To

assist in this objective, certain legacy research activities were outsourced to collaboration partners.

- In December 2017, after lengthy negotiations beginning in 2015, GSL entered into a funding agreement of up to $6M with the Australian Renewable Energy Agency ("ARENA"), to fund the prototype development of PSC technology. Payments were anticipated to be made following milestone achievements over two (2) years, however after an initial payment of $350K in February 2018, there were significant delays in receiving milestone payments from ARENA, which placed tremendous strain on its cash flows.
- In late February 2018, the Half Yearly Financial Report for the period to 31 December 2017 was finalised, however the auditors, Grant Thornton, were unable to provide an opinion as to the Group's ability to continue as a going concern, due to material uncertainty regarding the success of capital raising initiatives. The December 2017 HY financials were lodged on 18 February 2018.
- From February 2018, all non-executive Directors agreed to defer all director fees indefinitely to preserve cash resources, although this did not rectify cash flow difficulties.
- On 1 March 2018, GSL requested a voluntary suspension of trading from the ASX pending consideration of its financial position and ongoing difficulties raising capital. On 8 March 2018, GSL sought to extend the voluntary suspension until the financing for the MAD prototype facility was resolved, which ultimately did not occur. GSL has remained suspended on the ASX since.
- Following the ASX suspension, the Directors sought advice from Herbert Smith Freehills ("HSF") in relation to accessing the safe harbour provisions recently introduced in the Corporations Act, to afford the Directors a potential defence to an insolvent trading claim exposure whilst the Companies continued to trade. We are advised that the plan involved attempting to raise capital, reduce costs, manage cash flow requirements by obtaining relief from creditors, satisfying employee claims as and when required, and holding weekly board meetings with regular financial reporting. The Directors have advised that it was their view that the plan was reasonably likely to lead to a better outcome than the immediate appointment of an administrator or liquidator.
- The initial proposal for capital raising was for a placement and rights issue by the first week of May 2018, with a target of approximately $10M in net proceeds. However, the anticipated underwriter, Tasnee, was also experiencing its own financial difficulties and, as such, was unable to provide the financial support necessary to complete the rights issue. A search for an alternate underwriter was unsuccessful. In May 2018, Tasnee raised an issue with the going concern of the Companies in accordance with its convertible note. By August 2018, Tasnee had become unresponsive to communications regarding a further share capital raise, and as such, the Directors determined at the time that Tasnee would not be providing further funds to assist with recapitalisation.
- Alternative finance was sought from international investors, including the UK, India, Korea, Saudi Arabia and Turkey. The most promising appeared to be a potential investment by the CER Group of Turkey, which involved a direct investment and a joint venture collaboration in Turkey to build

a small prototype facility. A subscription agreement for USD $10M was signed in March 2018, however the delays continued until August 2018, when it was determined that the funds would not be forthcoming. After failing to attract a strategic partner to provide or underwrite the required capital, it is unclear why GSL did not pursue a public capital raising, from the broader shareholder group.

- After a further lengthy negotiation period, in July 2018, ARENA agreed to a variation of the funding agreement, which ultimately granted a highly conditional release of $850K upon completion of an R&D phase. One such condition was the requirement of a matching investment from an external investor. Urgent finance was sought from New Moonie, which ultimately provided $600K over two instalments in October 2018 and November 2018. The funds were provided by New Moonie in return for convertible notes issued by GSL and security purportedly granted over the assets of GSA and GSI. Having partially satisfied the matching investment condition, $425K was paid by ARENA to GSL in November 2018.

- During 2018, consistent with the financial difficulties at hand, it appears there were a range of creditor related issues encountered, including:

    - On 13 March 2018, the ATO issued a garnishee notice to GSL in respect of a tax debt of $125K. As a result, a direct debit payment arrangement was established whereby $21K was automatically paid to the ATO from March 2018 to May 2018. The liabilities arising from the ongoing lodgements at this time were also maintained, such that by July 2018, the debt had reduced to $28K. However, PAYG debts accrued in subsequent lodgements that GSL was unable discharge and GSL entered into a further three (3) payment arrangements with the ATO in August 2018 and September 2018.

    - Similarly, GSA entered into six (6) payment arrangements with the ATO in February 2018, March 2018, June 2018, August 2018 and September 2018. By May 2018, the debt had reduced to $11K, however significant PAYG debts accrued in subsequent lodgements that GSA was unable to discharge.

    - On 28 June 2018, the ATO commenced an audit on the R&D tax offset claimed by GSL in FY2016. The ATO also amended the R&D rebate terms which removed the acceptance of indirect costs in relation to R&D expenditure, which could also be applied retrospectively. As a result, the FY2018 rebate would be less than the previously anticipated $3M, and the potential for liabilities arising from historical R&D assessments. Consequently, CBA did not allow advances from its facility for the FY2019 R&D rebate.

- In September 2018, the materials manufacturing business was sold in a management buy out to Greatcell Solar Materials Pty Ltd (“GSM”), for total consideration of $1M to $1.2M. An amount of $500K was initially paid, and the balance of $500K is to be paid in September 2019. The sale terms also included profit-dependent payments for two (2) years, ending in FY2022.

- In early December 2018, New Moonie advised that due to uncertainty surrounding its own financial position, the proposed future substantial investment in the Companies could not be assured.
- On 10 December 2018, the Directors resolved to appoint Voluntary Administrators to the Companies.

## 4 REASONS FOR FAILURE

We received completed questionnaires from the Directors, who have attributed the following reasons for failure of the Companies:

- Insufficient working capital; and
- Delays in receiving financial assistance from government grants and rebates.

Whilst we agree with the above, with the benefit of hindsight, we also note the following additional causes of failure:

- Presumed delays in achieving commercialisation of the technology, resulting in no revenue being generated, rather only trading losses;
- Significant historical development costs (and losses), which whilst not uncommon for R&D ventures, ultimately exceeded the available shareholder and government grant resources;
- Various capital raising initiatives during 2017 and 2018 that were not successful in raising the required equity contributions, in particular, with Tasnee, New Moonie and CER Group of Turkey;
- Changes to the R&D rebate terms by the ATO in respect of indirect costs previously claimed, resulted in a prolonged dispute, material adverse assessments on historical R&D rebates and cash flow issues for the business, whereby CBA restricted the facility drawdowns; and
- Loss of key personnel during 2018, in particular the untimely death of the Chief Scientist, Doctor Hans Desilvestro.

## 5 CONDUCT OF THE ADMINISTRATION

We have attended to the following major tasks during this appointment:

- Conducted an urgent assessment of the Companies' financial position upon our appointment, and determined the Companies had insufficient funding available to continue to trade, however a restructure by way of sale of business should be explored;
- All staff were immediately terminated, other than certain key staff to assist with the orderly wind down of the trading affairs, collection of Companies' records and to preserve the physical assets and IP;

- Communicated with shareholders, employees, customers, trade creditors and suppliers in relation to the Administrations and the cessation of trade;
- Secured the Companies' assets, including funds held in the pre-appointment bank accounts;
- Reviewed insurance cover for the business and assets, and considered the adequacy of existing policies;
- Sought advice in respect of the D&O policy and lodged potential claim with insurer;
- Reported to creditors and held the first meeting;
- Obtained a valuation of the physical assets at the Companies' premises at Queanbeyan, NSW, and prepared for an auction if a sale was not achieved;
- Responding to enquiries from interested parties and negotiating sale of business terms with prospective purchasers;
- Commenced a public sale of business campaign, including preparation of an information memorandum and direct engagement with various potential purchasers;
- Established virtual data room for interested parties to access for due diligence purposes, and arranged for the upload of various documents with the assistance of the Director, Mr Caldwell and former staff;
- Liaised with relevant parties regarding the formulation of DOCA proposals for creditors' consideration;
- Made application to the Supreme Court of New South Wales to extend the period of Administrations, in order to allow further time for the sale campaign and receive offers from interested parties;
- Analysed cash flow requirements for the ongoing maintenance of the Companies' premises and sought funding for same and relief from lease obligations as necessary;
- Dealt with the significant volume of the Companies' records located at the premises and obtained backups of electronic records;
- Obtained access to and copies of the Companies' electronic accounts and conducted enquiries with the Directors in respect of the records; and
- Conducted preliminary investigations of the affairs of the Company, in particular potential voidable transactions and insolvent trading claims that may be available to a Liquidator, including consideration of potential defences that may be available, such as Safe Harbour provisions.

## 5.1 TRADING DURING THE VOLUNTARY ADMINISTRATION

As mentioned earlier, on our appointment it was apparent that there was insufficient funding available to continue trading. However, the historical investment in the business and technology provided strong

motivation for us to explore a sale of business or restructure. As such, we took steps to effectively place the business and facility into a care and maintenance mode, which required us to trade on a limited basis.

Given the limited cash resources and lack of any revenue, we incurred costs sparingly, primarily focussed on preserving the assets for a sale or restructure. In this regard, we maintained essential services for the premises and obtained some relief from rental obligations from the landlords. Whilst all staff were terminated, we employed certain staff on a casual basis to assist with the sale, and the technical information requirements involved in the due diligence process.

We also sought limited financial support from the parties involved with the Otsana Proposal. Those parties contributed $47.5K (incl. GST) to the costs of the process, of which $27.5K (incl. GST) was applied to the legal costs obtaining Court Orders extending the convening period and $20K (incl. GST) towards the general trading and asset preservation costs.

The trading costs incurred in preserving the assets are summarised as follows:

| Entity | Amount (Excl. GST) |
|---|---|
| Greatcell Solar Limited | 61,460 |
| Greatcell Solar Australia Pty Ltd | 36,556 |
| **Total** | **98,015** |

## 5.2 SALE OF BUSINESS CAMPAIGN

As discussed earlier, immediately following our appointment we determined that a sale of business and/or restructure should be pursued. We formed this view having regard to the large investment in the technology to date, potential interested parties identified by management and the ASX listing.

We determined that the appropriate path was to offer the business for sale publicly, and run a structured campaign, initially seeking expression of interest and then formal offers. As such, we placed an advertisement in the Australian Financial Review on 13 December 2018. The initial offer window was intentionally compressed given the Administration timetable.

With the assistance of management and key personnel an introductory information pack was prepared and issued directly to around 50 potential purchasers/investors around the world. This resulted in various parties registering expressions of interest. We also prepared a data room for confidential information to be provided to parties wishing to engage in due diligence. We required those parties to complete a Confidentiality Agreement and pay a refundable deposits of $10K. In all, six (6) parties completed a Confidentiality Agreement and paid a deposit.

The Christmas period caused issues for purchasers to complete their due diligence. Whilst we had obtained various expressions of interest and indicative offers, by mid-January it was clear that any purchaser would need an additional 6-8 weeks to complete their enquiries and submit binding offers. As such, we applied to the Supreme Court and obtained orders extending the convening period to 15 March 2019, primarily for the purposes of attempting complete a sale or restructure.

Ultimately, we received four offers to restructure the business. All offers incorporated a DOCA and targeted primarily the listed GSL entity. We engaged in negotiations with all these parties to endeavour to extract the best offers, and value for creditors. Site and asset inspections were arranged, along with detailed due diligence of the operations both domestically and abroad.

Two (2) parties submitted offers that effectively attributed value to the business and its technology. Those offers were subject to further in depth negotiation, including formulating suitable DOCA terms.

The lowest two offers have not been put to creditors, as the quantum does not provide for an estimated a return to all classes of creditors. Those parties declined to improve their offers, to make them viable options.

The remaining competing offers were from the Otsana Syndicate and Onergy, which are presented in this report for creditors' consideration. Both are projected to provide returns to creditors and achieve the objects of part 5.3A of the Act. We have conducted a detailed analysis and formed views about the offers, which are set out in Section 10 of this Report.

# 6 HISTORICAL FINANCIAL INFORMATION

As the Companies operated the business as a parent entity with various subsidiary entities, consolidated financial statements were prepared for the Group. Therefore, we have conducted our analysis using the available management accounts for the period from FY2015 to the part year ended 30 November 2018.

However, it should be noted that the management accounts from FY2018 onwards appear to be incomplete, which is not uncommon. It appears that certain non-cash entries (such as depreciation and impairments), which are generally prepared after the end of the reporting periods, have not been processed. Regardless, we have prepared our financial analysis on the available information, which is discussed below, entity by entity.

## 6.1 GREATCELL SOLAR LIMITED

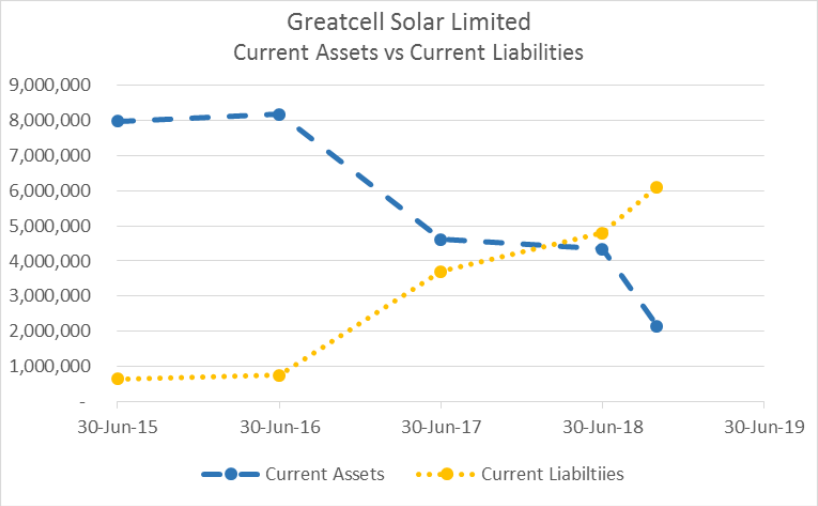
### 6.1.1 Balance Sheets

Attached as **Annexure "5"** is a comparative analysis of the Balance Sheets for the abovementioned periods.

We make the following comments on the balance sheets:

- The cash position deteriorated significantly from $4.27M in FY2016 to $55K by October 2018.
- The Investment in Subsidiaries is largely comprised of the shareholdings in GSI for $8.85M. With the benefit of hindsight, the asset position may have been overstated given the current Administration. Any value assessment now will need to be made, having regard to the potential value if a restructure is supported.

- As discussed previously, it is understood that relief or forbearance was sought from creditors in respect of outstanding debts, which is reflected in the significant increase of the Trade Creditors balance from $371K in FY2017 to $1.2M at October 2018.
- Similarly, the tax liabilities with the ATO began to accrue during FY2018 to $75K (and $113K at October 2018), although these do not appear to be significant amounts compared to the broader liabilities.
- The balance of Other Creditors includes accrued expenses, other payables, unearned revenue and other provisions, which increased significantly from $394K in FY2016 to $4.6M at November 2018. We understand that the majority of this balance relates to the establishment of the Financing Facility with CBA in FY2017 for approximately $3.2M. In October 2018, an amount of $3M was received from the ATO in respect of the FY2018 R&D rebate, which was applied to discharge the majority of the facility, leaving a remaining balance of around $226K owed to the CBA.
- GSL reported a positive net asset position from FY2015 onwards. However, it is relevant to note that the net asset surplus from FY2017 is largely represented by the investment in and loans to subsidiaries, which given the current circumstances may be impaired.
- The trend of deteriorating current assets, whilst current liabilities were escalating, is illustrative of the significant cash flow difficulties experienced, where the efforts to raise capital largely failed.




### 6.1.2 Profit and Loss Statements

Attached as **Annexure "5"** is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

We make the following comments on the profit and loss statements:

- As a R&D-focused entity, income is largely comprised of government grants.

- The major expenditure item was Board Expenses, however this has reduced from $1.13M in FY2016 to $802K in FY2018, reflecting the board's efforts to preserve cash resources by deferring directors' fees.
- Professional and Consultant Fees increased significantly from $224K in FY2017 to $670K in FY2018, which appears to relate to the various capital raising initiatives, including subscription agreements, government funding agreements and R&D rebates that were pursued.
- Excluding the impact of foreign exchange gains/losses and the Impairment of Inter-company Loans, overall the total expenses have remained fairly flat at around $3M per year.
- As mentioned previously, the management accounts from FY2018 onwards does not include non-cash entries, in particular, the Impairment of Inter-company Loans, which may have been in the order of $7.4M in FY2018, if a similar approach had been taken to pervious reporting periods. This impairment, if charged, would change the reported profit of $3.6M in FY2018 to a significant loss of around $3.8M.

## 6.2 GREATCELL SOLAR INDUSTRIES PTY LTD

### 6.2.1 Balance Sheets

Attached as **Annexure "5"** is a comparative analysis of the Balance Sheets for the abovementioned periods.

We make the following comments on the balance sheets:

- The major asset appears to be Investment in Subsidiaries at circa $2.75M, however there has been no movement in this balance from FY2015. These investments relate to the shareholdings in the subsidiary entities, however given the current circumstances, this balance may be impaired.
- GSI also reported intangible assets on its balance sheet, which we understand to be certain Intellectual Property acquired and/or capitalised. This asset appears to have been amortised periodically.
- There have been minimal trade creditors incurred, as would be expected for an entity that has not been actively trading. However, the majority of the Trade & Other Payables balance relates to unearned revenue, which is not explained in the available financial records and it is unclear what, if anything, is now owed.

### 6.2.2 Profit and Loss Statements

Attached as **Annexure "5"** is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

We make the following comments on the profit and loss statements:

- As GSI does not actively trade, there has been minimal revenue and expenses incurred.

- The major expenditure item was Amortisation, in respect of the intangible assets mentioned above.

## 6.3 GREATCELL SOLAR AUSTRALIA PTY LTD

### 6.3.1 Balance Sheets

Attached as **Annexure "5"** is a comparative analysis of the Balance Sheets for the abovementioned periods.

We make the following comments on the balance sheets:

- Current assets are largely represented by inventory which increased from $676K in FY2018 to $1.43M at October 2018. However, our enquiries indicate that minimal or no inventory is currently held by GSA, having regard to the recent sale of the materials division of the business. In this regard, it appears that the relevant post-sale accounting has not been processed, effectively removing that inventory.
- The receivable Inter-company Loans owing to GSA have continued to increase steadily year-on-year from $2.9M in FY2015 to $4.45M at October 2018. This account is largely comprised of loans advanced to Greatcell Solar UK and Greatcell Solar Italia, and which had not be repaid over recent years, and in the current circumstances loans may be unrecoverable. As a result, the net asset position appears to be overstated.
- As discussed previously, we understand that relief or forbearance was sought from creditors in respect of outstanding debts, which is reflected in the significant increase of the Trade Creditors balance from $208K in FY2017 to $1.26M at October 2018.
- Similarly, the tax liabilities with the ATO began to accrue during FY2018 to $84K (and $188K at October 2018), although these do not appear to be significant amounts compared to the broader liabilities.
- GSA was largely dependent on financial support from GSL, as evidenced by the significant Inter-company Loans liability of $60.5M, which is almost entirely comprised of loans from GSL. This account increased steadily year-on-year from $42.9M in FY2015 to $60.1M in FY2018. It is relevant to note that in GSL's accounts, an impairment charge had been processed against the inter-company loans, not uncommon in consolidated accounting.

### 6.3.2 Profit and Loss Statements

Attached as **Annexure "5"** is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

We make the following comments on the Profit and Loss Statements:

- GSA generated some minor revenue from the materials manufacturing division, however this has continued to decline from $943K in FY2015 to $743K in FY2018. The reduced revenue in the part period to October 2018 is a result of the sale of the materials business in September 2018.
- The major expenditure item was Technical Employee Costs at circa $2M on average across FY2015 to FY2018, which is not unexpected given that GSA is the main employing entity.
- Total expenses contracted from $6.5M in FY2017 to $5.4M in FY2018, which is indicative of the efforts to reduce costs, but may also be function of the diminishing cash resources.
- GSA has recorded significant losses from FY2015 to October 2018, resulting in accumulated losses of $20.9M during this period. Again, this is not unexpected for a R&D venture where commercialisation has not yet occurred.

# 7 CURRENT FINANCIAL POSITION

Contained in this section is our analysis of the current financial position of each of the Companies, with regard to the each of the Directors' statement about the Companies' activities and property, affairs and financial position ("ROCAP"), available financial records and our enquiries to date.

## 7.1 GREATCELL SOLAR LIMITED

We have included below the assets and liabilities of GSL as reported in the Management Accounts as at 31 October 2018, the Directors' ROCAP and our projections as to likely current position.

| Greatcell Solar Limited (Administrators Appointed) A.C.N. 111 723 883 | Report Reference | Book Value as at 31/10/2018 ($) | Directors' ERV (per ROCAP) ($) | Administrators' ERV as at 10/12/2018 ($) |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and Cash Equivalents | 8.1.1.1 | 54,682 | 18,953 | 68,273 |
| Other Receivables | 8.1.1.2 | 1,955,752 | 1,828,597 | 55,403 |
| Other Assets (Prepayments) | 8.1.1.3 | 137,757 | - | - |
| Plant and Equipment | 8.1.1.4 | - | - | 84,630 |
| Intangibles | 8.1.1.5 | 95,474 | - | - |
| Investment in subsidiaries | 8.1.1.6 | 9,080,952 | 300,000 | |
| Inter-company loans | 8.1.1.7 | 84,591,110 | - | - |
| Impairment of Inter-company loans | | (76,441,789) | - | - |
| **Total Assets** | | **19,473,938** | **2,147,550** | **208,306** |
| **Liabilities** | | | | |
| Priority Creditors | 8.1.2.1 | 156,301 | 270,310 | 244,685 |
| Secured Creditors | 8.1.2.2 | - | 226,809 | 226,809 |
| Unsecured Creditors | 8.1.2.3 | 6,250,464 | 2,579,781 | 2,523,245 |
| Related Party Creditors | 8.2.1.4 | 157,799 | 157,799 | 258,494 |
| **Total Liabilities** | | **6,564,564** | **3,234,698** | **3,253,233** |
| **Estimated Net Asset / (Deficiency)** | | **12,909,374** | **(1,087,148)** | **(3,044,927)** |

### 7.1.1 Assets

#### *7.1.1.1 Cash and Cash Equivalents*

GSL held approximately $18K in cash at bank with St George Bank which was recovered upon our appointment. We subsequently identified a term deposit for $49K also maintained with St George Bank and immediately took steps to secure the funds.

We have not identified any other bank accounts with recoverable credit balances.

#### *7.1.1.2 Other Receivables*

The Directors' have disclosed in the ROCAP that $1.8M would be realised from Other Receivables. Below is a breakdown:

| Other Receivables | Directors' ERV (per ROCAP) | Administrators' ERV |
|---|---|---|
| Australian Taxation Office | 800,000 | - |
| ARENA | 425,000 | - |
| AusIndustry | 543,597 | - |
| National Institute for Materials Science | 60,000 | 55,403 |
| **Total** | **1,828,597** | **55,403** |

##### 7.1.1.2.1 Australian Taxation Office

The Directors have disclosed in the ROCAP that GSL is owed circa $800K from the ATO in respect of R&D Rebates for the FY2019. Following our review of the available tax records, it appears that the ATO commenced an audit in June 2018 on the historical R&D Rebates claimed by GSL and subsequently amended the R&D rebate terms in relation to R&D approved items of expenditure and an adverse assessment. The changes were applied retrospectively, such that the FY2018 rebate was considerably less than previously anticipated.

We note that pursuing a recovery from the ATO may be challenging if GSL was to be placed into Liquidation and as such, we have not attributed any realisable value in that scenario. It is relevant to note that Otsana's DOCA proposal contemplates that this ATO R&D Rebate is recovered, and a portion of those proceeds contributed for creditors, effectively sourcing the projected return to unsecured creditors of 10 cents in the dollar. We do not know what recovery will be available, if any, as it is possible that the ATO may seek to apply a set-off in respect of other debts owed to it, especially those relating to the adverse assessments.

##### 7.1.1.2.2 ARENA

The Directors disclosed in the ROCAP that GSL is owed $425K in the form of outstanding government grants. Our initial discussions with key personnel indicated that GSL was in a position to achieve certain milestones, whereby the above funding would be made available by ARENA. ARENA advised that there were other aspects that needed to be completed, including raising capital, which could not be completed during the Administration process.

Our discussions with ARENA also included the potential recapitalisation of the business, such that the purchaser or acquirer may continue with the existing ARENA Funding Agreement. We note that ARENA did not object to our strategy at the time. ARENA subsequently asserted that they had a range of rights, such that they could interrupt our efforts to restructure the business. We obviously objected to such ARENA's position, which has not been resolved. ARENA have since provided notice terminating the agreement with GSL.

In all, no funds were recovered from ARENA during the Administration process and it is unlikely that there will be any future recovery, noting the termination of the agreement.

#### 7.1.1.2.3 AusIndustry

The Directors have disclosed in the ROCAP that GSL is owed $543K in the form of outstanding grants from AusIndustry.

We understand that GSL is a grant recipient under the CRC Projects Program in respect of the development of certain technologies, and was awarded funding up to $2.5M over the period 1 April 2017 to 30 September 2018. However, GSL was experiencing delays in its development, impacting certain milestones and reporting obligations. The April to June 2018 quarterly report submitted to AusIndusty also indicated that the project expenditure was less than anticipated and as a result, AusIndustry declined to provide further funding until previous funds had been expensed.

AusIndustry has lodged a claim against GSL for around $1.9M. Whilst it is possible that GSL may have historically over claimed the grant monies (as against expenditure), we understand it may be around $150K to $400K.

Regardless, there does not appear to be any recovery available from AusIndustry at this stage.

#### 7.1.1.2.4 National Institute for Materials Science

We understand that between May 2016 and November 2018, GSL was involved in proceedings brought by the National Institute for Materials Science ("NIMS") in the Tokyo District Court. The matter was subject to a recent appeal, which resulted in favour of GSL, whereby the Tokyo District Court ordered NIMS to pay GSL approximately AUD $60K. The Directors have disclosed in the ROCAP that the NIMS debtor is recoverable in full.

We have engaged with GSL's Japanese lawyers, Hori Law, to pursue this debtor recovery, which continues to be run in the Tokyo District Court. We are attempting to recover the debtor on a commercial basis, where the costs of recovery will be deducted from the proceeds, currently estimated at AUD $55K. We anticipate to settle this matter and recover the NIMS debtor in around April 2019.

### *7.1.1.3 Other Assets*

The Company's management accounts discloses other assets with a book value of $137K which predominantly relates to rental expenses for the leased premises in Kingston ACT and Dominion NSW. We note that the Kingston premises was used as temporary accommodation for management team, who did not live locally. We understand that there is unpaid rent on both premises. As such, there is no recovery available.

#### 7.1.1.4 Plant and Equipment

Whilst the Company's management accounts does not disclose any plant and equipment ("PPE"), advice from key personnel indicated that GSL and GSA collectively maintained a fixed asset register which disclosed a written down book value of $573K. The PPE relates to a variety of specialised laboratory gear and IT equipment. We understand that the ownership of the PPE is distinguished by its location, such that GSL owns the PPE located at the Dominion premises and GSA owns the PPE located at Aurora premises.

Following our appointment, we engaged Grays to prepare an independent valuation, which indicated a forced liquidation value at auction of around $85K for the GSL PPE, less realisation costs. We note that the Otsana DOCA proposal, will require the majority of PPE to be sold via public auction and the proceeds to form a part of the DOCA contribution for the benefit of creditors. The Onergy DOCA proposal leaves the PPE in situ for continued use.

#### 7.1.1.5 Intangibles

The Company's management accounts discloses intangible assets with a written down book value of $95K relating to intellectual property ("IP"). The Directors did not attribute any realisable value to the IP. We have not received any meaningful offers for that IP, outside of the Onergy and Otsana DOCA proposals.

#### 7.1.1.6 Investment in Subsidiaries

The Directors have disclosed in the ROCAP that GSL has a 25% shareholding in a Singaporean entity, Printed Power Pte Ltd ("Printed Power"), with an estimated realisable value of $300K. We have not been provided with any financial records of Printed Power and as such, we are unable to determine if there is any value in the shareholdings. We have not attributed any realisable value to this asset in liquidation scenario. However, both DOCA proposals intend to retain ownership in Printed Power, which provides an improved return in the circumstances.

We note that the balance of the investments recorded in the management accounts, relate to the Australian and foreign subsidiaries. Given the current circumstances, those assets would only have in the future, pending a successful restructure.

#### 7.1.1.7 Inter-company Loans

The Company's management accounts reports substantial inter-company loans totalling $84M between GSL and its Australian and international subsidiaries. As mentioned above, GSL was the primary entity used to raise capital and receive government grants and its subsidiaries operations were dependent on GSL's funding. As such, we consider these inter-company transactions to be reasonable given the structure of the larger group.

Our enquiries with the Directors indicate that certain international subsidiaries are experiencing financial difficultly and the management accounts reflect a similar impairment of these inter-company loans totalling $76M. As such, there appears to be limited prospects of a recovery, unless the Group is able to be recapitalised and continue trading into the future. As such, we have not attributed any value to these inter-company loans in a Liquidation scenario.

### 7.1.2 Liabilities

#### *7.1.2.1 Priority Creditors*

The ROCAP indicates that Priority Creditors are owed $270K in respect of outstanding gross wages, superannuation, annual leave and long service leave, payment in lieu of notice ("PILN") and redundancy entitlements. Below is a breakdown:

| Entitlements | Directors' ERV (per ROCAP) | Administrators' ERV |
|---|---|---|
| Wages | 38,591 | 9,561 |
| Superannuation | 3,666 | 6,965 |
| Annual Leave | 41,074 | 22,644 |
| Long Serve Leave | 41,237 | 41,308 |
| PILN | 114,727 | 113,923 |
| Redundancy | 32,514 | 50,283 |
| **Total** | **271,809** | **244,684** |

We provide our commentary as follows:

- The ROCAP does not include any outstanding employee entitlements owed to one (1) of the Directors, Mr Richard Caldwell.
- We note that Mr Caldwell is an Excluded Employee pursuant to Section 556 of the Act and accordingly, Mr Caldwell may only rank as Priority Creditor with respect to wages and superannuation to the extent of $2K and annual leave and long service leave to the extent of $1.5K. The balance of Mr Caldwell's claim would rank as an Unsecured Creditor.
- It appears that the ROCAP incorrectly calculated outstanding wages up to January 2019 rather than our appointment. Our review of the employment records that the outstanding wages are estimated to be $9K and relate to the first week of December 2018.
- It appears that superannuation has been paid up to 30 November 2018 and there may be a small balance owing in respect of the above outstanding wages and PILN. In accordance with Section 52 of the Superannuation Guarantee (Administration) Act 1992, any claim received from the ATO in relation to a Superannuation Guarantee Charge ("SGC") has a priority equal to the debts referred to in Section 556(1)(e) of the Act in the event that a distribution is made, i.e. it is treated as a priority equal to wages.
- In the event that GSL is wound up, it is anticipated that there will be insufficient funds immediately available to pay the outstanding entitlements. As such, GSL employees may be eligible to lodge a claim under the FEG scheme. In this regard, we note that FEG applies a maximum weekly wage. Our preliminary calculations indicate that approximately $74K of the claims will be in excess of the limits, and therefore not paid by FEG.

Please see below for further comment.

#### *7.1.2.2 Fair Entitlements Guarantee*

In a Liquidation scenario, employees may be eligible to apply to the Federal Government, which has established a safety net scheme known as FEG, for payment of their outstanding entitlements (there than superannuation). FEG is administered by the Department of Employment for eligible employees who have been terminated as a result of their employer's insolvency and are owed entitlements. The FEG scheme is not available in a DOCA scenario.

In order for an employee to be eligible to claim outstanding entitlements under FEG:

- The employee must be an Australian citizen or permanent resident (contact FEG for further details); and
- The end of their employment must be due to the insolvency of the employer; or have occurred less than six (6) months before the appointment of an insolvency practitioner; or occurred on or after the appointment of an insolvency practitioner.

Employees may submit claims in respect of the following entitlements, provided they are entitled to claim under their respective industrial instrument, contract of employment or by any other means:

- Up to thirteen (13) weeks unpaid wages for the period ending at the earlier of the date on which employment ended or the appointment of an insolvency practitioner;
- Unpaid annual leave and long service leave;
- Up to a maximum of five (5) weeks unpaid payment in lieu of notice;
- Up to a maximum of four (4) weeks redundancy entitlement for each completed year of service.

In calculating employee entitlements payable under the scheme, the maximum annual wage applies.

FEG will not cover:

- Outstanding superannuation entitlements;
- Entitlements such as rostered days off unless the relevant legislation, award, statutory agreement or written contract of employment provides they are payable upon termination of employment; and
- Employee entitlements of the Directors and related party Creditors.

Please note that FEG will only assess claims if the Company is placed into Liquidation.

Should you wish to obtain further information, FEG may be contacted reached on 1300 135 040. Alternatively, you may visit their website at: https://www.jobs.gov.au/fair-entitlements-guarantee-feg

#### 7.1.2.3 Secured Creditor

As previously discussed, the recorded debt is owed to the CBA, which have a first ranking security against GSL, GSI and GSA. The liability to GSA stems from the guarantee and our review of the security indicates it is valid. We note that the Otsana and Onergy DOCA proposals contemplate the discharge of this debt, which would extinguish this guarantee obligation.

#### 7.1.2.4 Unsecured Creditors

Unsecured Creditors may be owed up to $2.5M, subject to further enquiries and adjudication of claims. Below is a breakdown:

| Unsecured Creditors | Directors' ERV (per ROCAP) | Administrators' ERV |
|---|---|---|
| Trade Creditors | 1,373,237 | 1,405,022 |
| Australian Taxation Office | 593,914 | 593,914 |
| AusIndustry | - | 396,669 |
| Landlord | 12,630 | 127,639 |
| New Moonie | 600,000 | - |
| **Total** | **2,579,781** | **2,523,245** |

We provide our commentary as follows:

- Trade creditors consist of costs incurred in the normal course of business, being primarily accounting and auditing costs, patent renewal costs, insurance obligations and payroll tax liabilities. A review of the trade creditors ledger indicates that the debts are aged, incurred from January 2018.
- The ATO have not lodged a claim in GSL. However, as noted in Section 7.1.1.2.1 of this Report, the ATO amended the R&D rebate terms and applied those changes retrospectively. The majority of the $593K relates to the R&D rebate for the financial years ended FY2014 and FY2015, with a minor balance relating to unpaid GST and PAYG liabilities.
- AusIndustry have lodged a claim in GSL for $1.9M in respect of unspent government grants relating to the CRC Project. We understand that GSL received $1.9M, of which the available records indicate that around $1.5M had been expensed, leaving a potential unspent balance and liability of $396K.
- The debt owed to landlord is largely comprised of outstanding rental arrears, with a small component relating to the rent accrued during the administration period.
- New Moonie claim that they are owed $600K in respect of convertible notes issued by GSL. The documentation suggests that New Moonie has contractual rights against both GSA and GSI. As previously discussed, the security was lodged after our appointment, and having obtained advice, have formed the view that the security was not perfected, and accordingly it should be regarded as an unsecured debt.

#### 7.1.2.5 *Related Party Creditors*

The management accounts disclosed that related party creditors are owed approximately $157K, comprised of $142K for GSA and $15K Greatcell UK. The Directors have disclosed similar liabilities in their ROCAP. A review of the available records indicate that GSL has a substantial inter-company debtor claim against GSA and Greatcell UK, such that it would set-off any creditor claim. We note that the related party creditor claim of $258K relates to Mr Caldwell's residual employee entitlements, which do not retain a priority ranking given he was a Director.

## 7.2 GREATCELL SOLAR INDUSTRIES PTY LTD

We have included below the assets and liabilities of GSI as reported in the Management Accounts as at 31 October 2018, the Directors' ROCAP and our projections as to likely position now.

| Greatcell Solar Industries Pty Ltd (Administrators Appointed)<br>A.C.N. 083 102 496 | Report Reference | Book Value as at 31/10/2018 ($) | Directors' ERV (per ROCAP) ($) | Administrators ' ERV as at 10/12/2018 ($) |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and Cash Equivalents | 8.2.1.1 | (78) | - | - |
| Intangibles | 8.2.1.2 | 431,692 | 362,462 | - |
| Investment in subsidiaries | 8.2.1.3 | 2,754,696 | - | - |
| Inter-company loans | 8.2.1.4 | 2,320 | 2,320 | - |
| Impairment of Inter-company loans | | (111,238) | - | - |
| **Total Assets** | | **3,077,392** | **364,782** | **-** |
| | | | | |
| **Liabilities** | | | | |
| Secured Creditors | 8.2.2.1 | - | 226,809 | 226,809 |
| Unsecured Creditors | 8.2.2.2 | 140,272 | 2,381 | 725,836 |
| Related Party Creditors | 8.2.2.3 | 245,275 | 245,275 | 245,275 |
| **Total Liabilities** | | **385,547** | **474,465** | **1,197,920** |
| | | | | |
| **Estimated Net Asset / (Deficiency)** | | **2,691,845** | **(109,683)** | **(1,197,920)** |

### 7.2.1 Assets

#### 7.2.1.1 *Cash and Cash Equivalents*

No cash has been recovered during this Administration.

#### 7.2.1.2 *Intangibles*

We are advised that the majority of the Group's registerable IP, is held by GSI.

The management accounts discloses intangible assets with a written down book value of $431K, and the Directors attributed a realisable value of $362K. We understand this predominantly relates to an EPFL

license held for the foreign subsidiaries. We have not received any meaningful offers for that IP separately, outside of the Onergy and Otsana DOCA proposals, which seek to preserve such IP for the business moving forward.

#### *7.2.1.3 Investment in Subsidiaries*

The management accounts record that GSI held investments in subsidiaries to the extent of $2.7M. The Directors did not attribute any realisable value, and we agree with that assessment in the current financial circumstances. The assets would arguably only have in the future, pending a successful restructure.

#### *7.2.1.4 Inter-company Loans*

There is a minor amount owed in respect of the inter-company loan of $2K. This has not been recovered and is not material at this time.

### 7.2.2 Liabilities

#### *7.2.2.1 Secured Creditors*

As previously discussed, the recorded debt is owed to the CBA, which have a first ranking security against GSL, GSI and GSA. The liability to GSI stems from the guarantee and our review of the security indicates it is valid. We note that the Otsana and Onergy DOCA proposals contemplate the discharge of this debt, which would extinguish this guarantee obligation.

#### *7.2.2.2 Unsecured Creditors*

GSI did not actively trade, and therefore the unsecured creditors are predominantly finance and tax related. The Revenue NSW has lodged a claim for $125K, where they have assessed that each of the Companies are liable pursuant to the grouping provisions available to them.

The balance of the unsecured creditors relates to the New Moonie claim for $600K, which has contractual rights against both GSA and GSI. As previously discussed, the security was lodged after our appointment, and having obtained advice, have formed the view that the security was not perfected, and accordingly it should be regarded as an unsecured debt.

#### *7.2.2.3 Related Party Creditors*

The related party creditors relates to inter-company loans from GSL to GSI for $245K. These loans appear reasonable and are owed. A set-off or exclusion may apply depending if the Otsana and Onergy DOCA proposals are adopted.

## 7.3 GREATCELL SOLAR AUSTRALIA PTY LTD

We have included below the assets and liabilities of GSA as reported in the Management Accounts as at 31 October 2018, the Directors' ROCAP and our projections as to likely position now.

| Greatcell Solar Australia Pty Ltd (Administrators Appointed) A.C.N. 131 374 064 | | | | |
|---|---|---|---|---|
| | Report Reference | Book Value as at 31/10/2018 ($) | Directors' ERV (per ROCAP) ($) | Administrators' ERV as at 10/12/2018 ($) |
| **Assets** | | | | |
| Cash and Cash Equivalents | 8.3.1.1 | 4,661 | 123,641 | 123,641 |
| Trade Debtors | 8.3.1.2 | 93,649 | 99,041 | - |
| Other Receivables | 8.3.1.3 | 525,687 | 675,000 | 454,754 |
| Other Assets (Prepayments) | 8.3.1.4 | 52,404 | - | - |
| Inventory | 8.3.1.5 | 1,433,390 | 573,332 | 195,140 |
| Plant and Equipment | 8.3.1.6 | 575,310 | | |
| Investment in subsidiaries | 8.3.1.7 | - | 600,000 | - |
| Inter-company loans | 8.3.1.8 | 4,453,865 | - | - |
| **Total Assets** | | **7,138,966** | **2,071,013** | **773,535** |
| | | | | |
| **Liabilities** | | | | |
| Priority Creditors | 8.3.2.1 | 383,662 | 644,453 | 661,514 |
| Secured Creditors | 8.3.2.2 | - | 258,137 | 256,845 |
| Unsecured Creditors | 8.3.2.3 | 2,665,631 | 1,961,034 | 2,473,954 |
| Related Party Creditors | 8.3.2.4 | 60,531,479 | 60,486,233 | 60,343,777 |
| **Total Liabilities** | | **63,580,772** | **63,349,856** | **63,736,090** |
| | | | | |
| **Estimated Net Asset / (Deficiency)** | | **(56,441,806)** | **(61,278,842)** | **(62,962,555)** |

## 7.3.1 Assets

### *7.3.1.1 Cash and Cash Equivalents*

GSA held approximately $123K in cash at bank with St George Bank which was recovered upon our appointment.

We have not identified any other bank accounts with recoverable credit balances.

### *7.3.1.2 Trade Debtors*

The management accounts disclosed various trade debtors of circa $94K, which the Directors have indicated may be recoverable in full in the ROCAP. However, the trade debtors relate to services provided for ongoing projects and collaboration agreements at the time of our appointment. As GSA has ceased to trade and is no longer servicing these arrangements, these debtors are no longer recoverable. It should be noted that of the debtors balance, an amount of $53K has been outstanding for over ninety (90) days and is likely impaired.

Further, some of the debtors have lodged claims in this Administration and may instead be creditors of GSA.

#### 7.3.1.3 Other Receivables

The balance of $525K in the management accounts largely relates to the sale of the materials manufacturing business to GSM, where $500K remains to be paid in September 2019. The Directors have indicated in the ROCAP that the balance owed to GSA from the sale, including the profit-dependent payments, may be in the order of $675K. Please refer to Section 5 of this Report for further commentary on this sale.

The management accounts also disclose GSM as a minor creditor of GSA for $45K, and as such, the net position is a potential recovery of $455K, excluding the profit-dependent payments. We note that it is unclear if GSM is trading profitably or if the parties will have the capacity to pay this "debtor" in due course.

The remaining balance of $25K in the management accounts relates to unexpired lease interest, which is not a recoverable asset available for the benefit of creditors.

#### 7.3.1.4 Other Assets

The management accounts disclose prepayments with a book value of $52K, which predominantly relates to the leased premises at Aurora NSW. We understand there are outstanding rental arrears in respect of these premises and as such, there is no asset available for the benefit of creditors.

#### 7.3.1.5 Inventory

We understand that the management accounts disclosed inventory with a written down book value of $1.4M. The inventory appears to relate to materials, work in progress and finished goods on hand. The Directors have indicated in the ROCAP that the collective realisable value of inventory and PPE may be $573K. Following our appointment, we engaged Grays to prepare an independent valuation of GSA's inventory and PPE collectively, which indicated a forced liquidation value at auction of around $195K, less realisations costs.

As mentioned above, the offer from Onergy seeks to purchase the inventory and PPE for continued use in situ, whilst Otsana is only acquiring certain assets and the remaining assets would be sold via public auction, with the proceeds to form part of the DOCA for the benefit of creditors.

#### 7.3.1.6 Plant and Equipment

The management accounts disclosed PPE with a written down book value of $575K, which appears to relate to specialised laboratory gear and IT equipment. We refer to our above commentary regarding inventory and PPE collectively.

#### 7.3.1.7 Investment in Subsidiaries

The Directors have estimated a realisable value of $600K relating to the 50% shareholding in GSM in their ROCAP. This appears to be a duplication of the "other receivables" mentioned above, dealing with the GSM shares. As such, we have not attributed any addition realisable value in a Liquidation scenario.

#### 7.3.1.8 *Inter-company Loans*

The management accounts show substantial inter-company loans totalling $4.5M between GSA and the various subsidiaries. As mentioned, GSL was the primary fund raising entity and the subsidiaries, including GSA, were dependent on GSL's funding. As such, we consider these inter-company transactions to be reasonable given the structure of the larger group.

However, as mentioned above, our enquiries with the Directors indicate that certain international subsidiaries are experiencing financial difficulties. As such, there appears to be limited prospects of a recovery, at least in the short term. Any recovery appears to be contingent on the Group being recapitalised and restructured such that it can continue trading. As such, we have not attributed any realisable value to these loans in a liquidation scenario.

### 7.3.2 Liabilities

#### 7.3.2.1 *Priority Creditors*

The ROCAP indicates that Priority Creditors are owed $644K in respect of outstanding gross wages, superannuation, annual leave and long service leave, PILN and redundancy entitlements. Below is a breakdown including our preliminary analysis of those claims:

| Entitlements | Directors' ERV (per ROCAP) | Administrators' ERV |
|---|---|---|
| Wages | 44,509 | 30,203 |
| Superannuation | 4,228 | 13,723 |
| Annual Leave | 109,635 | 117,162 |
| Long Serve Leave | 100,877 | 118,011 |
| PILN | 98,782 | 114,252 |
| Redundancy | 286,421 | 268,163 |
| **Total** | **644,453** | **66,514** |

We provide our commentary as follows:

- It appears that the ROCAP included incorrectly calculated outstanding wages up to January 2019 rather than our appointment. Our review of the employment records indicate that the outstanding wages are estimated to be $30K and relate to the first week of December 2018.
- It appears that superannuation has been paid up to 30 November 2018. Our calculations indicate that there is a balance owing in respect of the above outstanding wages and PILN. In accordance with Section 52 of the Superannuation Guarantee (Administration) Act 1992, any claim received from the ATO in relation to a Superannuation Guarantee Charge ("SGC") has a priority equal to the debts referred to in Section 556(1)(e) of the Act in the event that a distribution is made, i.e. it is treated as a priority equal to wages.
- Our calculation of the Annual Leave balance is based on the last pay run on 30 November 2018. There is only a minor variation with the disclosures in the ROCAP, which we understand was calculated up to the date of our appointment. However, given the smaller ROCAP balance, we

have estimated the higher balance from the payroll records in a liquidation scenario, on a conservative basis.

- Our estimates of the Long Service Leave balance is based on the available payroll records at 30 November 2018. Again, we understand the variation with the disclosures in the ROCAP relate to a calculation up to the date of our appointment. On a conservative basis, we have estimated the higher balance from the payroll records

- Our calculation of PILN and Redundancy has been based on a review of the employment contracts and National Employment Standards ("NES"), where for some employees, the NES were more generous than the employment contracts, which had been signed prior to the introduction of NES in 2010. The variation with the disclosures in the ROCAP for Redundancy relates to an employee who had recently resigned prior to our appointment.

- In the event that GSA is wound up, it is anticipated there will be insufficient funds immediately available to pay the outstanding entitlements. As such, GSA employees may be eligible to lodge a claim under the FEG scheme. In this regard, we note that FEG applies a maximum weekly wage. Our preliminary calculations indicate that approximately $11K of the claims will be in excess of the limit, and therefore not paid by FEG.

Please refer to Section 7.1.2.2 of this Report for further comment in relation to the FEG scheme.

#### *7.3.2.2 Secured Creditors*

The Directors have disclosed Secured Creditors of $258K in their ROCAP in respect of CBA ($226K) and St George ($31K). Please refer to Section 7.1.2.3 of this Report for commentary on the CBA debt.

The debt owed to St George relates to equipment finance leases and in this regard, St George have confirmed the payout figures for the leases total $30K.

#### *7.3.2.3 Unsecured Creditors*

Unsecured Creditors may be owed up to $2.5M, subject to further enquiries and adjudication of claims. Below is a breakdown:

| Unsecured Creditors | Directors' ERV (per ROCAP) | Administrators' ERV |
|---|---|---|
| Trade Creditors | 1,547,042 | 1,494,528 |
| Australian Taxation Office | 223,252 | 156,238 |
| Landlord | 190,740 | 223,188 |
| New Moonie | - | 600,000 |
| Provisions | - | - |
| **Total** | **1,961,034** | **2,473,954** |

We provide our commentary as follows:

- Trade creditors consist of costs incurred in the normal course of business, being primarily outstanding rental arrears, trade suppliers and collaboration partners. A review of the trade creditors ledger indicates that the debts are aged, incurred from January 2018.
- The ATO have lodged a claim in the administration in respect of outstanding GST and PAYG liabilities for $156K. There are minimal lodgements outstanding, which if prepared and lodged, will likely increase the debt owed to the ATO.
- The debt owed to the landlord is largely comprised of outstanding rental arrears for the Aurora premises, with a small component relating to the rent accrued during the administration period.
- As discussed above, New Moonie are owed $600K, with contractual rights against both GSA and GSI. As the security was lodged after our appointment, we have formed the view that the security was not perfected and should be regarded as unsecured.
- Whilst the management accounts disclosed a balance for Provisions of $522K, this is an accounting entry only and as such, we do not believe this is an additional liability. This is supported by the ROCAP which did not report such amounts as being owed.

#### *7.3.2.4 Related Party Creditors*

The management accounts disclosed that related party creditors are owed approximately $60.3M, which is largely comprised of $60.3M for GSL, $45K for GSM and $2K for GSI. The Directors have disclosed similar liabilities in their ROCAP, excluding GSM. As discussed above, the net position with GSM is a potential recovery of $455K.

As mentioned previously, there was a substantial inter-company loan from GSL, as the primary entity for capital raising and government grants, as GSA was dependent on GSL's funding.

# 8 EXPLANATION OF DEFICIENCY

We summarise below the key aspects of the deficiency for each of the Companies and note that the deficiencies predominantly relate to retained losses. This is not uncommon within the R&D space and in circumstances where the development was still progressing towards the commercialisation phase.

## 8.1.1 Greatcell Solar Limited

We estimate that the net deficiency that may be suffered by creditors and shareholders of GSL may be in the order of $113M, before the costs of this administration. This deficiency is made up of a shortfall in assets to meet liabilities of around $3M and potential loss on share capital value which is booked at around $110M (where accumulated losses were reported at $106M). Attached as **Annexure "6"** is the Deficiency Statement for GSL.

## 8.1.2 Greatcell Solar Industries Pty Ltd

We estimate that the net deficiency that may be suffered by creditors and shareholders of GSI may be in the order of $5.4M, before the costs of this administration. This deficiency is made up of a shortfall in assets to meet liabilities of around $1.2M and potential loss on share capital value which is booked at around $4.2M. Attached as **Annexure "6"** is the Deficiency Statement for GSI.

### 8.1.3 Greatcell Solar Australia Pty Ltd

We estimate that the net deficiency that may be suffered by creditors and shareholders of GSA may be in the order of $63M, before the costs of this administration. This deficiency is made up of a shortfall in assets to meet liabilities of around $63M (largely related to impairment of inter-company loans) and a nominal loss on share capital. Attached as **Annexure "6"** is the Deficiency Statement for GSA.

# 9 PRELIMINARY INVESTIGATIONS

## 9.1 OVERVIEW

During the course of the Administrations, we have conducted investigations into the affairs of the Companies to ascertain whether there are any transactions that appear to be voidable, or other causes of action available whereby money, property or other benefits may be recoverable by a Liquidator pursuant to Part 5.7B of the Act, in the event that creditors resolve to wind up the Companies. Creditors should be aware that an Administrator does not have the power to recover voidable transactions or take action for insolvent trading.

## 9.2 INVESTIGATION CONSTRAINTS

The Act sets out a strict timeline for the reporting of Administrators' investigations of an insolvent company's affairs prior to the Second Meeting of Creditors.

As such, our investigations into the affairs of the Companies are preliminary at this stage. The interim findings discussed below are based on the available records reviewed and prepared under time constraints. A Liquidator would conduct more detailed investigations, provided that necessary funding is available.

## 9.3 BOOKS AND RECORDS

Section 286 of the Act provides that:

"A company, registered scheme or disclosing entity must keep written financial records that:

(a) correctly record and explain its transactions and financial position and performance; and

(b) would enable true and fair financial statements to be prepared and audited."

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume the company was insolvent throughout the period the books were not maintained (Section 588E of the Act).

Our preliminary view is that the Companies have kept sufficient books and records to meet the requirements of Section 286 of the Act.

## 9.4 RISK OF LITIGATION ACTION GENERALLY

Part 5.7B of the Act gives liquidators (but not administrators) the right to commence certain legal proceedings to recover money, property or other benefits for the benefit of the Unsecured Creditors of a company.

Creditors should note that recovery actions:

- have the potential to increase the pool of funds available to Creditors;
- are usually expensive, lengthy and have unpredictable outcomes;
- should not be commenced unless defendants have the financial resources to satisfy any judgement obtained; and
- must be funded out of the Companies' existing assets or, where such assets do not exist, by Creditors or by external litigation funders (who are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

## 9.5 INSOLVENCY & INSOLVENT TRADING (SECTION 588G)

The Act prohibits Insolvent Trading and provides that Directors can be required to compensate Creditors for losses they suffer because of Insolvent Trading by making a payment to a Liquidator of a company. We have considered the prospects of such a claim, as it is one that is only available if creditors decide that the Companies should be placed into Liquidation, and so may be relevant to the decisions Creditors take at their forthcoming Meetings.

### 9.5.1 What is Insolvent Trading?

Insolvent Trading is the incurring of a debt or liability at a time when a company is insolvent and when the Director(s) have reasonable grounds to suspect, or a person in their position would have suspected, that a company was insolvent.

If such a debt or liability was incurred in these circumstances, a Court may require the Directors to pay an amount of compensation to a Liquidator of a company equal to the loss suffered by creditors of the company. In determining that loss, it is necessary to have regard to any amount that may be recovered from a company's assets or from the recovery of other claims such as Unfair Preferences.

Recovery for Insolvent Trading is only available in a Liquidation scenario. A claim may be brought by a Liquidator of the company unless the Liquidator declines to pursue such a claim, in which case it may be pursued by one or more Creditors of the company.

A Liquidator pursuing an insolvent trading claim must:

- demonstrate Insolvency;

- show that the Director(s) suspected, or should have reasonably suspected, insolvency;
- show that a debt or liability was incurred; and
- show the debt or liability has not been paid, so that the creditor has suffered loss.

An insolvent trading claim may be defended by a Director of a company in circumstances where:

- the Director had reasonable grounds to believe the debt would be paid; and/or
- the Director relied on information from another reliable person to believe the debt would be paid; and/or
- the Director did everything he or she could to avoid the incurring of the debt; and/or
- the Director was not participating in the management of the company for some good reason, such as illness; and/or
- the Director was acting honestly and reasonably and, notwithstanding that a debt or liability was incurred that will be unpaid, he or she should be excused from liability; and/or
- the director starts developing one or more courses of action that are "reasonably likely" to lead to a "better outcome" for the company and at the time the debt is incurred it directly (or indirectly) relates to such a course of action.

Litigation in respect of Insolvent Trading is carried out in the civil jurisdiction of the Australian courts. This means that the costs of pursuit of an insolvent trading claim are borne by the Liquidator, who uses a company's assets and may enter into a form of borrowing called "litigation funding" to do so, or may ask creditors to make a voluntary contribution in order to pursue such a claim.

If a claim is successful, some of the costs, but not all of them, may also be ordered to be paid by the Directors. If the Liquidator fails in some or all of the claim, he or she may be ordered to pay some or all of the costs incurred by the Directors in defending the claim. Because of this, in practice Liquidators can only pursue claims where they have funds available to meet both their own and the Defendants' costs, or they have the benefit of "insurance" against costs provided either by creditors or a commercial litigation funder.

If a company has no assets and neither a litigation funder nor creditors are willing to fund the litigation, no claim can be pursued. Litigation in respect of Insolvent Trading can be expensive, slow and risky. The Liquidator, funder and creditors are also exposed to the risk that if the Directors are found liable of insolvent trading that they may be unable to meet the adverse judgment entered against them.

Where a company is a subsidiary of another company, a claim can also be brought against the holding company.

### 9.5.2 Insolvency

One important element of demonstrating liability for an Insolvent Trading claim is if, and when, a company became insolvent.

Section 95A of the *Act* defines solvency as follows:

> *"95A(1) [when person is solvent] A person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable.*
>
> *95A(2) [insolvent person not solvent] A person who is not solvent is insolvent".*

Under Australian law, the test of insolvency is a "cashflow" test: it is focussed on whether, in commercial reality, a company is able to meet its liabilities as and when they fall due for payment. The forensic assessment of insolvency, and preparation of a case on insolvency, involves a thorough, and costly, examination of a company's business, its market, its relationships with its customers, lenders, suppliers, owners and with regulators. Where a company has had expectations of support from related parties, that support is a factor that has to be considered in the context of insolvency.

In elaborating on the cashflow test of insolvency, the Courts have provided extensive commentary on the subject to determining insolvency. One of the leading authorities is the judgment of the Victorian Supreme Court in *ASIC -v- Plymin (2003) 46 ACSR 126*, in which Justice Mandie, relying on Expert Evidence, identified the following 14 indicators of insolvency:

- Continuing Losses;
- Liquidity ratios below 1;
- Overdue Commonwealth and State taxes;
- Poor relationship with present Bank, including inability to borrow further funds;
- No access to alternative finance;
- Inability to raise further equity capital;
- Suppliers placing company on COD, or otherwise demanding special payments before resuming supply;
- Creditors unpaid outside trading terms;
- Issuing of post-dated cheques;
- Dishonoured cheques;
- Special arrangements with selected creditors;
- Solicitors' letters, summons(es), judgements or warrants issued against the company;
- Payments to creditors of rounded sums which are not reconcilable to specific invoices;

- Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts.

Comprehensive forensic insolvency assessment requires the review of each of these indicators, as well as a company's business, to answer the question "was it able to pay its debts as and when they fell due".

As part of reporting to you about Insolvent Trading, we are required to form a preliminary view about when the Companies became insolvent. Our opinion is necessarily formed summarily: a forensic analysis of insolvency would be more thorough, more expensive and slower than the Voluntary Administration process ordinarily permits. We have set out our views below.

### 9.5.3 Directors' Knowledge

As well as insolvency, a Liquidator must also show when the Directors suspected, or ought to have suspected, that a company was insolvent. If an insolvent trading claim is brought, this will normally involve the comprehensive review of company records to show when the Directors first learnt of circumstances that could indicate insolvency. That review is typically through and expensive. Again, for the purpose of reporting to you, we are required to make a summary assessment of when suspicions were or should have been formed. We have set out our views in this respect below as well.

### 9.5.4 Loss

Only losses *incurred* at or after the time of insolvency can form the basis of a claim, although all unpaid unsecured creditors are entitled to share in any recovery after costs. A debt or liability is "incurred" when the last event that could have avoided the liability arising occurs. For example, taking delivery will normally be the time at which a debt for the supply of goods is incurred.

Liabilities that have fallen due, but which were not freshly incurred during the period of insolvency cannot form the basis for a claim. Such liabilities commonly include ongoing contracts of employment, long term leases and hire-purchase arrangements, guarantees, loans and long term supply and construction contracts.

### 9.5.5 Litigation and Funding

As noted above, if a company does not have significant assets, a Liquidator contemplating bringing a claim for Insolvent Trading will only be able to pursue a claim if either Creditors or a commercial Litigation Funder is willing to fund the Liquidator's Legal and Accounting Costs and meet any costs the Liquidator may be liable to pay if the claim is unsuccessful.

Funding of this sort can be arranged as follows:

- A creditor or creditors may contribute funds for additional investigations and litigation. Such creditors need to indemnify the Liquidator against any adverse costs orders should the litigation prove unsuccessful. However, should the litigation be ultimately successful, creditors who have funded the litigation may apply to the court to have their claim met in priority to other creditors not participating in the funding arrangement; and/or

- The Liquidator may request funding from an independent, specialist litigation funding firm. Generally, the litigation funder is compensated for its risk by receiving a share of up to 30% to 40% from any recoveries arising out of the litigation, where there is usually a minimal return (being a multiple of the risk) also required by the funder. Litigation funding is expensive in this regard, and usually only feasible where the possible recoveries are significant.

### 9.5.6 Legal controversy

There are two (2) controversial areas of insolvency law that bear on the Companies. These are:

- Set-off. Traditionally courts have not allowed set-off of claims such as those for Insolvent Trading. However, in modern cases the Courts have been more generous to parties owing money to an insolvent company. They have said they would allow the setting off of claims by parties liable to make payments to Liquidators of amounts owed to them by an insolvent company. This matter remains an unresolved issue at law.

- Financial Support. Until 1993, the test of insolvency in Australia required that a company be able to meet its liabilities *from its own monies*. This requirement was removed in 1993. Subsequently, the Courts have held that the provision of "financial support" by a related party can be a basis on which a company is solvent when, without that support, it would clearly be insolvent. Where solvency is disputed, the Court's inquiry needs to extend to the nature and extent of that support. This remains a controversial issue in insolvency law.

## 9.6 ASSESSMENT OF INSOLVENCY

Our assessment has been based on the information available to us from the Companies' records, from information provided by the Directors, the Companies' management and Creditors and on the basis of separate investigations of the Companies' affairs. As noted above, this assessment has been undertaken on a preliminary basis. If the Companies are placed into Liquidation and litigation were contemplated, we would need to undertake a more thorough and rigorous assessment. We would also need to obtain legal advice and gather substantial further evidence, including potentially holding public examinations of the relevant parties.

Based on our investigations conducted to date, it is our preliminary view that the Companies have been insolvent from around January 2018. The reasons for our assessment are as follows:

### 9.6.1 Working Capital Analysis

A working capital analysis was conducted based on the Companies' management accounts and is summarised below.

### 9.6.1.1 Greatcell Solar Limited

- Prima facie, there appears to be a deterioration of the working capital from January 2018, as seen below.

| Working Capital Analy | As At 30-Jun-15 ($) | As At 30-Jun-16 ($) | As At 30-Jun-17 ($) | As At 30-Sep-17 ($) | As At 31-Dec-17 ($) | As At 31-Jan-18 ($) | As At 31-Mar-18 ($) | As At 30-Jun-18 ($) | As At 30-Sep-18 ($) | As At 31-Oct-18 ($) |
|---|---|---|---|---|---|---|---|---|---|---|
| Current Assets | 7,978,226 | 8,172,025 | 4,621,363 | 6,377,053 | 2,502,413 | 3,005,173 | 3,279,608 | 4,343,054 | 5,033,444 | 2,148,192 |
| Current Liabiltiies | 638,343 | 743,579 | 3,698,712 | 4,763,512 | 2,398,207 | 3,266,698 | 4,163,510 | 4,794,248 | 5,323,248 | 6,110,395 |
| **Net Working Capital** | **7,339,883** | **7,428,446** | **922,651** | **1,613,541** | **104,207** | **(261,525)** | **(883,902)** | **(451,194)** | **(289,804)** | **(3,962,203)** |
| **Current Asset Ratio** | **12.50** | **10.99** | **1.25** | **1.34** | **1.04** | **0.92** | **0.79** | **0.91** | **0.95** | **0.35** |

- The Current Assets balance includes prepayments, which are not a liquid and recoverable asset for working capital purposes, however given the minor quantum (circa $150K historically), the prepayments balance does not significantly affect the outcome of our analysis.
- The Current Liabilities balance includes an "Other Payables" account of circa $3.5M. As noted previously, we understand that this account largely relates to the Financing Facility with CBA for $3.1M. In November 2018, an amount of $2.9M was repaid to the CBA, discharging a significant portion of the liability. While this significantly reduces the working capital deficiency, this did not return a working capital surplus for GSL.
- The Current Liabilities balance also includes some minor accrued expenses, which may not necessarily be due and payable at the time, however this does not significantly affect the outcome of our analysis.

### 9.6.1.2 Greatcell Solar Industries Pty Ltd

- It should be noted that GSI did not actively trade, however for completeness, a working capital analysis was conducted, which shows that prima facie, there has been very little working capital for some time, as seen below.

| Working Capital Analysis | Year Ended 30-Jun-14 ($) | Year Ended 30-Jun-15 ($) | Year Ended 30-Jun-16 ($) | Year Ended 30-Jun-17 ($) | Period Ended 31-Oct-18 ($) |
|---|---|---|---|---|---|
| Current Assets | 41,206 | 2,062 | 64 | (6) | (78) |
| Current Liabiltiies | 163,977 | 138,357 | 124,522 | 136,527 | 140,273 |
| **Net Working Capital** | **(122,771)** | **(136,295)** | **(124,458)** | **(136,533)** | **(140,351)** |
| **Current Asset Ratio** | **0.25** | **0.01** | **0.00** | **(0.00)** | **(0.00)** |

- However, as GSI was dependent on funding from GSL, the solvency of GSI is also dependent on the solvency of GSL.

### 9.6.1.3 *Greatcell Solar Australia Pty Ltd*

- Prima facie, there appears to be a deterioration of the working capital from December 2017, as seen below.

| Working Capital Analy | As At 30-Jun-15 ($) | As At 30-Jun-16 ($) | As At 30-Jun-17 ($) | As At 30-Sep-17 ($) | As At 31-Dec-17 ($) | As At 31-Jan-18 ($) | As At 31-Mar-18 ($) | As At 30-Jun-18 ($) | As At 30-Sep-18 ($) | As At 31-Oct-18 ($) |
|---|---|---|---|---|---|---|---|---|---|---|
| Current Assets | 934,210 | 1,097,619 | 843,992 | 986,640 | 909,098 | 985,577 | 1,355,402 | 937,565 | 972,798 | 2,109,792 |
| Current Liabiltiies | 808,482 | 610,582 | 1,261,281 | 804,838 | 1,537,211 | 1,461,096 | 1,396,121 | 2,011,221 | 2,299,039 | 3,049,293 |
| **Net Working Capital** | **125,728** | **487,038** | **(417,289)** | **181,801** | **(628,113)** | **(475,519)** | **(40,718)** | **(1,073,656)** | **(1,326,241)** | **(939,502)** |
| **Current Asset Ratio** | **1.16** | **1.80** | **0.67** | **1.23** | **0.59** | **0.67** | **0.97** | **0.47** | **0.42** | **0.69** |

- Similarly, the Current Assets balance includes prepayments, however given the minor quantum (circa $100K historically), the prepayments balance does not significantly affect the outcome of our analysis.
- The Current Liabilities balance also includes some minor accrued expenses, which may not necessarily have been due and payable at the time, however this does not significantly affect the outcome of our analysis.
- GSA did not produce meaningful income on its own rather it was dependent on funding from GSL. Therefore, similar to GSI above, the solvency of GSA is also dependent on the solvency of GSL.

## 9.6.2 Indicators of Insolvency

In addition, we have observed the following indicators of insolvency:

- At the end of 2016, the next phase of commercial exploitation required the establishment of a prototype facility, named the MAD project, to produce solar panels for accreditation, testing and demonstration. The cost of the facility was estimated to be approximately $10M to $14M.
- Several strategies were proposed to raise the necessary funds for the MAD project facility, which was anticipated to be largely funded by various government grants and capital raising, including:
    - A funding agreement in December 2017 of up to $6M with ARENA, to be paid after achieving certain milestones over a two (2) year period and matching capital was injected. However, it appears that there were extensive negotiations and significant delays in receiving these milestone payments from ARENA, which were only partially resolved at the time of our appointment.
    - A subscription agreement was executed with New Moonie in November 2017 for $4M, however there were administrative and regulatory delays in receiving these funds. Ultimately, in April 2018, the settlement deadline passed and the agreement was terminated without funding being provided by New Moonie. We note that New Moonie subsequently advanced $600K to the Companies, with purported security. We also note that the principal party behind New Moonie, Mr Allan Campbell, is also a party involved with the Onergy DOCA proposal.

- In March 2018, a subscription agreement was executed with CER Grup in Turkey for USD $10M, however there were continual delays until August 2018, when CER Grup became unresponsive and the Directors determined that the funds would not be forthcoming.

- In late February 2018, the auditors finalised the Half Yearly Financial Report for the period to 31 December 2017, in which the auditors issued a disclaimer of opinion, meaning they were unable to provide an opinion on the ability of the Group to continue as a going concern, due to material uncertainty regarding the capital raising initiatives.
- From February 2018 to September 2018, GSA entered into six (6) payment arrangements with the ATO.
- On 13 March 2018, the ATO issued a garnishee notice to GSL in respect of a tax debt of $125K. Informal arrangements were made with the ATO to discharge the debt over time. GSL entered into three (3) formal payment arrangements between August 2018 and September 2018.
- From at least March 2018 onwards, limited relief was sought from various trade creditors in respect of their outstanding invoices. A review of the aged payables as at the date of our appointment (December 2018), shows the majority of outstanding creditors have debts accruing from early 2018 which is significantly outside of ordinary credit terms.

In light of the above, it is our preliminary view that GSL has been insolvent since approximately January 2018. As GSI and GSA had no meaningful revenue sources, they were dependent on GSL for the required financial support, and as a result, the insolvency of GSL effectively triggers GSI and GSA also to become insolvent from approximately January 2018.

### 9.6.3 Potential Amount of Claim

Determining the value of an insolvent trading claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that the Companies were insolvent. Our investigations indicate that an insolvent trading claim may be in the vicinity of at least $2.45M for both GSL and GSA, as detailed below.

We note the following in respect of our preliminary assessment:

- The trade creditor debts relate to the period January 2018 to appointment.
- The ATO debt is the increase in the debt from January 2018 to appointment.
- The loan documents with New Moonie indicate that their debt was to be deferred for fifteen (15) months from November 2018, and accordingly, have not been included in the insolvent trading claim.

We have estimated the potential claims for each entity as follows:

#### 9.6.3.1 Greatcell Solar Limited

| Insolvent Trading Calculation | Amount ($) |
|---|---|
| Trade Creditors debts incurred from January 2018 onwards | 1,066,900 |
| ATO debts incurred from January 2018 onwards | 88,658 |
| | **1,155,557** |

#### 9.6.3.2 Greatcell Solar Australia Pty Ltd

| Insolvent Trading Calculation | Amount ($) |
|---|---|
| Trade Creditors debts incurred from January 2018 onwards | 1,233,763 |
| ATO debts incurred from January 2018 onwards | 58,696 |
| | **1,292,459** |

GSI does not have any outstanding trade creditors, and rather only inter-company loans owed to GSL. Therefore, there is no insolvent trading claim that is available in respect of GSI.

### 9.6.4 Defences Available

In accordance with sections 588H and 588HA of the Act, there may be defences available to the Director/s in relation to an insolvent trading claim. Whilst it is incumbent upon the directors to raise such a defence, we are aware of the following relevant circumstances:

- From February 2018, all non-executive directors of the Companies agreed to defer all Directors fees indefinitely to preserve cash resources.
- From March 2018 onwards, the Directors of the Companies increased the frequency of board meetings from a monthly to weekly basis in order to discuss the operational progress and financial position of the Companies.
- In March 2018, GSL sought advice from Herbert Smith Freehills ("HSF") in respect of the safe harbour provisions contained in section 588GA of the Act, which detailed several proposed strategies to raise sufficient capital for the MAD prototype facility that were ultimately unsuccessful.

We have made requests to the Directors of GSL (and GSA) and their advisors, HSF, for documentation to evidence the Better Outcome Opinion formed by the Directors of GSL (and GSA), the Better Outcome Plan prepared by the Directors of GSL (and GSA) together with evidence of continual monitoring of the Better Outcome Opinion throughout the implementation of the Better Outcome Plan which are necessary elements for Directors to rely upon the immunity afforded by Section 588GA of the Act to an insolvent trading claim.

We have received some limited documents from the Directors of GSL (and GSA) in respect of the Better Outcome Opinion and the Better Outcome Plan together with only some evidence of the monitoring of the Better Outcome Opinion and Better Outcome Plan. We note that there was a significant increase in creditors during the period March 2018 to December 2018, which appear to be, unconnected with the Better Outcome Plan.

We have formed the opinion that there are insufficient documents and information available to determine whether or not the directors of GSL (and GSA) would be capable of successfully relying upon the immunity afforded by Section 588GA of the Act to an insolvent trading claim. There are several challenges to assessing the strength of a potential defence pursuant to Section 588GA of the Act, these are broadly described as follows:

- The "safe harbour" provisions contained in Section 588GA of the Act have not yet been considered by Australian Courts at the time of writing this Report;
- Section 588GA of the Act does not contain prescriptive requirements of what will constitute a Better Outcome Opinion, a Better Outcome Plan and continual monitoring and instead provides some guidance as to certain matters that may be considered when determining whether (or not) a course of action is reasonably likely to lead to a better outcome for the Companies;
- The limited documents produced by the Directors of GSL (and GSA); and
- The evidential onus in reliance upon Section 588GA of the Act lies with the Directors, however, once asserted the onus shifts to the Liquidator to demonstrate how the "safe harbor" defence could not apply.

In our opinion it is likely that an arguable "safe harbour" defence would be raised to any insolvent trading claim considered by any Liquidator appointed to GSL and GSA. There are several inherent risks and costs associated with a Liquidator pursuing an insolvent trading claim in the knowledge that a "safe harbour" defence will likely be raised which is compounded in the unchartered legal landscape concerning the application of Section 588GA of the Act. Further investigations would need to considered and conducted by any Liquidator appointed to GSL and GSA, including, conducting public examinations to assess the totality of the evidence to support a "safe harbour" defence. We estimate those professional costs to be in the vicinity of approximately $100K to $150k for the legal costs, disbursements and the liquidator's remuneration associated with undertaking such tasks.

### 9.6.5 Recovery of Claims

In respect of considering whether an insolvent trading claim could be pursued, a Liquidator would need to have regard to the financial positions of the potential defendants.

Property searches across Australia have been conducted on the Directors of GSL and GSA, which are summarised as follows:

- Mr Gordon Alfred Thompson is the current registered proprietor of two (2) properties in VIC (as joint tenants) and one (1) property in WA (joint tenants). The VIC properties have registered mortgages with CBA and the WA property is unencumbered. The equity position is unknown.
- Mr Ian Richard Neal does not appear to be the current registered proprietor of any properties in Australia.

- Mr Richard Alexander Caldwell is the current registered proprietor of two (2) properties in NSW (joint tenants). Both properties have registered mortgages with CBA. The equity position is unknown.
- Mr Robert McIntyre appears to be the current registered proprietor of properties in NSW, VIC and WA, however based on the ASIC database, it appears that he resides in the UK and as such, these proprietors may be individuals with a common name. A search of the UK Land Registry has been requested, however as at the date of this Report, we have not yet received the results.

Having regard to the above and our enquiries, it appears that the Directors of GSL and GSA may have financial capacity to discharge an insolvent trading claim that may be brought against them, if successful. Further investigations would need to be undertaken by a Liquidator, including public examinations, and funding will be required to pursue the insolvent trading claim via litigation.

As mentioned earlier, we have identified that the Companies maintained a D&O insurance policy, which may respond to an insolvent trading claim brought against the Directors. In this regard, a notification of the potential claim has been lodged with the insurers, however at this stage, no liability has been admitted by the insurers. We are not in a position to disclose any further information on the D&O policy at this stage, so as not to prejudice the creditor's interests.

In the event an insolvent trading claim is pursued, we anticipate that significant costs would be incurred, for which a Liquidator would require funding. Given the unpredictable nature of litigation, and in particular the defences that may be brought, it is difficult to accurately estimate the costs that may be incurred. However, having consulted with our lawyers on this matter, and assuming any claim would be defended by the Directors of GSL and GSA and/or the D&O insurer, we estimate that the costs associated with the pursuit of an insolvent trading claim may be in the order of $850K to $1.2M, which includes legal costs and disbursements, litigation funder fees and the Liquidators professional costs.

Having regard to the above, assuming an insolvent trading was successfully pursued in respect of GSL and GSA (total recovery of $2.3M), this may produce a nett recovery of up to $1.1M. However, it is possible given the Otsana DOCA proposal, that a claim may only be available for GSA (claim value of $1.2M), in which case the nett recovery may reduce to around $350K. In either scenario, based on current estimates, only the priority creditors will benefit from pursuing such litigation, rather than unsecured creditors.

Please note that the insolvent trading claims are to some extent speculative and are subject to the risks of litigation, defences discussed above, and the pursuit of enforcement of any successful judgement.

As an alternative, a Liquidator can consider selling the causes of action on a commercial basis, to obtain a return in a quicker timeframe, usually at a substantial discount given the removal of risk. It would be open to any creditor or any other party to submit an offer to the Liquidators, should they have such an interest. Given the discounts generally applied, we do not perceive any material return to creditors from the disposal of such actions.

Please refer to **Annexure "7**" for an analysis of the estimated returns that may be available to creditors in the Liquidation.

## 9.7 VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six (6) months before the relation-back day, which is the date of the appointment of the Administrators.

These transactions usually relate to the period six (6) months prior to the date of my appointment; however in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years in relation if the transactions were entered into with related parties with the intention of fraud.

ARITA has issued a creditor information sheet "Offences, Recoverable Transactions and Insolvent Trading" providing further information about voidable transactions. This information sheet is attached as **Annexure "8"**.

The transactions identified, if determined to be voidable, may be recoverable under the following provisions:

### 9.7.1 Voidable Transaction Provisions

The transactions identified, if determined to be voidable, may be recoverable under the following provisions:

#### *9.7.1.1 Unreasonable Director Related Transactions (S588FDA)*

A transaction is an unreasonable Director-related transaction of the Company if:

- The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition or issue by the Company.
- The transaction is to a Director or close associate of the Director or for their benefit.
- A reasonable person in the Company's circumstances would not have entered into the transaction having regard to the benefit or detriment to the Company or other parties involved in the transaction.
- The transaction was entered into during the four (4) years leading to my appointment.

##### 9.7.1.1.1 Greatcell Solar Limited

We have not identified any director-related transactions of interest.

##### 9.7.1.1.2 Greatcell Solar Industries Pty Ltd

Given GSI was not actively trading, we have not identified any director-related transactions of interest.

##### 9.7.1.1.3 Greatcell Solar Australia Pty Ltd

We have not identified any director-related transactions of interest.

#### 9.7.1.2 *Unfair Preferences*

An unfair preference results when the Companies and a creditor are parties to a transaction and the creditor receives more than it would receive if the transaction is set aside and the creditor proved for the debt in the winding up. If it is ultimately determined that certain payments are potentially recoverable as unfair preferences, it would be necessary to establish:

- That the Company was insolvent at the time the payments were made; and
- That the recipient had reasonable grounds to suspect that the Company was insolvent at that time or would become insolvent as a result of the payment.

The clawback provisions available to a Liquidator relate only to payments to unrelated parties made within six (6) months from the date of the appointment known as the Relation Back Period ("RBP"). The RBP can be extended to four (4) years for transactions with related parties, however considering the insolvency date may be January 2018, the RBP for related parties is restricted to the period from 1 January 2018 to 10 December 2018.

##### 9.7.1.2.1 Greatcell Solar Limited

Our preliminary investigations have identified a number of payments to creditors that may be recoverable, however considering the minor quantum of each claim, these would likely be uncommercial to pursue further.

##### 9.7.1.2.2 Greatcell Solar Industries Pty Ltd

Given GSI was not actively trading, we have not identified any unfair preferences that would be pursued in a winding up.

##### 9.7.1.2.3 Greatcell Solar Australia Pty Ltd

We have not identified any unfair preferences that would be pursued in a winding up.

#### 9.7.1.3 *Unfair Loans (S588FD)*

A loan is unfair if it is made to a Company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interest and charges are extortionate, regard must be had to the following:

- Risk the lender is exposed to;
- Value of the security;
- Term;
- Repayment schedule; and
- Amount of loan.

#### 9.7.1.3.1 Greatcell Solar Limited

We have not identified any claim for unfair loans.

#### 9.7.1.3.2 Greatcell Solar Industries Pty Ltd

Given GSI was not actively trading, we have not identified any claim for unfair loans.

#### 9.7.1.3.3 Greatcell Solar Australia Pty Ltd

We have not identified any claim for unfair loans.

### *9.7.1.4 Uncommercial Transactions (S588FB)*

A transaction is considered uncommercial if it is made at a time when the Company is insolvent and it may be expected that a reasonable person in the Companies circumstances would not have entered into the transaction having regard to:

- The benefits or detriment to the Companies of entering into the transaction; and
- The prospective benefits to other parties to the transaction.

The clawback provisions available to a Liquidator relate only to payments to unrelated parties made within two (2) years from the date of the appointment. The RBP can be extended to four (4) years for transactions with related parties.

As it is our preliminary view that the Companies may have been insolvent from January 2018, the RBP would be restricted to transactions after January 2018.

#### 9.7.1.4.1 Greatcell Solar Limited

We have not identified any uncommercial transactions that could be pursued in a Liquidation scenario.

#### 9.7.1.4.2 Greatcell Solar Industries Pty Ltd

Given GSI was not actively trading, we have not identified any uncommercial transactions that could be pursued in a Liquidation scenario.

#### 9.7.1.4.3 Greatcell Solar Australia Pty Ltd

As previously discussed, in September 2018, GSA executed various agreements in respect of the management buy-out of the materials manufacturing business to GSM, for consideration of $1M plus a portion of future profits. Initially, an amount of $500K was paid and the balance of $500K is to be paid in September 2018. The remaining payments are dependent on the profitability of GSM for the financial years ending 30 June 2020 and 30 June 2021.

Our review of the historical profitability of the materials manufacturing business appear to be marginal, at best. Whilst it appears that the business was not taken to the open market, considering the historical performance, the management buy-out generated value where there may not otherwise have been. Accordingly, it appears that the sale was entered into for reasonable consideration, a proper purpose, and importantly, raised capital at a critical time for GSA.

It should be noted that the final instalment of $500K has yet to be paid and, without having sighted any information regarding the financial capacity of GSM, it is possible this balance may not be paid.

Further investigations may be conducted by a Liquidator, however, by seeking to unwind this transaction, there may be less value for creditors. Given the above, we have not identified any uncommercial transaction claims that could be pursued in a liquidation scenario.

#### *9.7.1.5 Discharge of Related Party Debts (S588FH)*

A transaction is considered to have discharged a related party's debt if funds from the Companies are used to pay that Creditor which has had the effect of discharging, to the extent of a particular amount, a liability (whether under a guarantee or otherwise) of a related entity the Companies.

##### 9.7.1.5.1 Greatcell Solar Limited

The Companies operated the business in a group structure and GSL was the primary entity raising capital, including government grants and rebates. Therefore, GSL would, from time to time, discharge the debts of its subsidiaries directly, however this is not unusual for businesses with this group structure.

As such, our preliminary investigations have not identified any claims that could be pursued in a winding up.

##### 9.7.1.5.2 Greatcell Solar Industries Pty Ltd

Given GSI was not actively trading, we have not identified any claims that could be pursued in a winding up.

##### 9.7.1.5.3 Greatcell Solar Australia Pty Ltd

As discussed above, as part of the group structure, GSA would also, from time to time, discharge the debts of other subsidiary entities. We have not identified any claims that could be pursued in a winding up.

#### *9.7.1.6 Circulating Security Interests Created Within Six Months before the Relation-Back Day (S588FJ)*

A circulating security interest in property of the Companies created within six (6) months before the relation-back day may be void against a Liquidator. However, circulating security interests that are created within this period for consideration paid at or after the date of creation remains valid.

##### 9.7.1.6.1 Greatcell Solar Limited

Our preliminary investigations have not identified any voidable security interests.

##### 9.7.1.6.2 Greatcell Solar Industries Pty Ltd

Our preliminary investigations have not identified any voidable security interests.

##### 9.7.1.6.3 Greatcell Solar Australia Pty Ltd

Our preliminary investigations have not identified any voidable security interests.

## 9.8 BREACH OF DUTY CLAIMS

### 9.8.1 New Moonie Security

As mentioned previously, in the months prior to our appointment, the Directors sought urgent finance from New Moonie to meet the matching investment terms from the funding agreement with ARENA. Ultimately, funds of $600K were advanced from New Moonie and in return, security was granted to New Moonie over the assets of GSA and GSI. That security was not, however, perfected by registration on the Personal Property Securities Register ('PPSR') before our appointment.

Whilst New Moonie registered its security on the PPSR after our appointment, we have sought advice and formed the view that because the security was not registered at appointment, it is not enforceable.

We have considered whether the Directors have breached their duties, in granting security at such a late stage, when the Companies were insolvent and the security, if valid, may prejudice the rights of other creditors, in particular, Priority Creditors. However, we do not believe there is a claim that could be pursued where, if the security is not enforceable, there has been no loss suffered by creditors. In the alternative, if the security is enforceable, our investigations indicate that a significant portion of the funds from New Moonie were used to discharge payroll obligations, such that it would be difficult to argue that the Priority Creditors (as a whole) suffered a loss.

As such, we do not believe there is a claim that can be pursued. However, if a Liquidator is appointed, this may be considered further.

## 9.9 REPORT TO ASIC

As discussed above, there is a prima facie insolvent trading claim in respect of GSL and GSA. However, the Directors have also asserted that they have a Safe Harbour defence, which appears to be at least arguable. To disprove the defence, we have suggested that a Liquidator would need to conduct further investigations and likely hold public examination. Therefore, at this stage we are not aware of any offences that are required to be reported to ASIC pursuant to Section 438D of the Act.

Should the Companies be wound up, a Liquidator is required to complete an investigation into the affairs of the Companies and, if offences are identified, or if the Companies are unable to pay its Creditors more than fifty (50) cents in the dollar, lodge a report with ASIC pursuant to Section 533 of the Act.

# 10 DEED OF COMPANY ARRANGEMENT PROPOSALS

## 10.1 ONERGY PTY LTD

We have received a DOCA proposal from Onergy dated 13 March 2019, a copy of which is attached as **Annexure "9"** for creditors' information and consideration.

The main aspects of the DOCA proposals below:

- The proposal involves a pooled DOCA for GSL, GSI and GSA, which will progress to a Creditors Trust, through which the costs of the external administration and participating creditors will be paid.
- Mr Peter Krejci and Mr Andrew Cummins will act as the Deed Administrators and subsequently the Trustees of the Creditors Trust.
- The aim of the proposal is to allow for a recapitalisation of the ASX listed GSL and its subsidiaries.
- Control of the Companies will return to the Directors on execution of the DOCAs with the Deed Administrators retaining a supervisory role which includes monitoring the compliance of the DOCA and an ability to resume control if necessary.
- The DOCA Fund will comprise :
    - Cash at bank held by the Administrators, plus any BAS refunds owed;
    - The proceeds recovered from the NIMS (Japan) trade debtor claim (if any) net of costs;
    - A contribution by Onergy of $1.8M.
- Onergy will also discharge the CBA debt estimated at $227K before the effectuation of the DOCA.
- Onergy will fund the ongoing costs of the business after execution of the DOCA (largely to preserve the assets) until the effectuation of the DOCAs.
- Effectuation of the DOCAs is conditional on:
    - GSL, GSI and GSA Creditor Approval;
    - GSL Shareholder Approval;
    - The CBA voting in favour of the proposal and discharging its security interest; and
    - Reaching an in-principle agreement with ASX regarding the reinstatement of GSL.
- The effectuation of the DOCA will occur the business day after obtaining GSL shareholder approval is given and payment of the Contribution to the DOCA, which is anticipated to occur around July 2019.
- New Moonie will be granted security against GSL, GSI and GSA following the effectuation of the DOCA.
- The following claims will be released by the DOCA and excluded from participating in any distribution from the CT:
    - Richard Caldwell's outstanding employee entitlements; and
    - Any net creditors claims between GSL, GSA and GSI.

- The following claims will not be subject to the DOCAs and the Companies will continue to be liable for those debts after the effectuation of the DOCAs:
    - The debt owed to New Moonie estimated to be $600K, for which limited forbearance will be granted; and
    - The small secured debt owed to St George in respect of equipment leases.
- The secured debt owed to CBA is to be discharged in full and its security released, immediately prior to effectuation of the DOCA;
- The creditor claims will be released upon effectuation of the DOCA, effectively returning the Companies to solvency. Those creditors will become beneficiaries of the Creditors Trust to receive a return.
- The Creditors Trust Fund will be distributed as follows:
    1) The unpaid remuneration, costs and liabilities of the Voluntary Administrators, Deed Administrators and Trustees.
    2) Priority Creditors' claims, to the extent they are not excluded from participating in the distribution.
    3) Admitted Unsecured Creditors on a pari passu (pro rata) basis.
    4) The surplus funds (if any) will be returned to GSL.
- The relevant provisions of the Act will be incorporated into the DOCA and CT to facilitate the objectives of the proposal, including the distributions to participating creditors.

Our observations of the Onergy DOCA proposal are:

- The DOCA contribution of $2,026,809 from Onergy, depends on creditor and shareholder approval, and being able to reinstate GSL to trading status on the ASX.
- Shareholders will be required to resolve to accept the issue of new shares such that Onergy (or its Nominee) hold 80% of the available equity. Onergy will meet the costs of convening the shareholders meeting.
- If shareholder approval cannot be obtained and an in-principle agreement cannot be reached with ASX, the DOCA will fail and, subject to any further variation of the Deed by Creditors, the Companies will likely be placed into Liquidation.
- If the required approvals are obtained, there is no default risk as the DOCA contribution is required prior to the entry into the Creditors Trust.
- The DOCA is projected to discharge the participating priority creditors in full and unsecured creditors may receive a return in the order of between 5 to 6 cents in the dollar. The non-

participation of Excluded Creditors (in particular New Moonie and Richard Caldwell), modestly improves the return to participating unsecured creditors.

- In respect of the capacity of Onergy to perform its obligations under this Proposal, we understand that Onergy is a 'Single Purpose Vehicle' created for this transaction. We are advised by its principal, Mr Allan Campbell, that Onergy does not have capacity on its own to complete the transaction, rather Onergy has obtained commitments from overseas parties to provide it the necessary funding. We have made several requests for documentary evidence to confirm that capacity and, or alternatively, that actual funds are in hand. At the date of writing this Report, we have not been provided with satisfactory evidence of capacity. As such, we have concerns as to Onergy's capacity to complete the transaction. We have asked Onergy to provide evidence to us before or at the creditors meeting, such that creditors can be properly informed, given the critical importance of the Proposal being able to be carried out.

- In our view, the use of a Creditors Trust is justified, given the intention to return GSL to trading on the ASX. However, a Creditors Trust adds some complexity and risks for creditors, as the creditors' claims against the Companies are extinguished on effectuation of the DOCA, which is prior to a dividend being paid. We consider the risks to be reasonable in the circumstances, and have completed an analysis pursuant to ASIC RG82 which is attached as **Annexure "11"**.

**In conclusion, the Onergy DOCA proposal achieves the object of part 5.3A of the Act, in that the Companies can continue in existence and it provides for an improved return to the participating creditors, as compared to Liquidation of GSL, GSI and GSA.**

## 10.2 OTSANA SYNDICATE

We have received a DOCA proposal from the Otsana Syndicate also dated 13 March 2019. A copy of the Otsana Syndicate DOCA proposal is attached as **Annexure "10"** for creditors' consideration.

The Otsana Syndicate comprises Gavin and Sylvia Tulloch (founders of the GSL group), Tom Fontaine, Peter Richards, Pitcher Partners Perth and Otsana Capital.

The main elements of the Otsana DOCA proposal are:

- Two DOCAs, one for each GSL and GSI, which are both to progress to one Creditors Trust, through which the costs of the external administration and participating creditors will be paid. The Otsana DOCA Proposal also requires GSA to be placed into liquidation.

- Mr Peter Krejci and Mr Andrew Cummins will act as the Deed Administrators and subsequently the Trustees of the Creditors Trust.

- The aim of the proposal is to allow for a recapitalisation of the ASX listed shell and its subsidiaries.

- Control of the Companies will remain with the Deed Administrators during the DOCA period. However, if successful, on effectuation of the DOCAs, the Directors of GSL, GSI and the subsidiaries will be replaced by new Directors nominated by the Otsana Syndicate.

- The DOCA Fund will consist of:

- Cash at bank held by the Administrators, plus any BAS refunds owed;
- The proceeds recovered from the NIMS (Japan) trade debtor claim (if any) net of costs;
- The proceeds of the realisation of the physical assets (being predominantly plant and equipment) of the Company and GSI, other than the Required Assets.
- 50% of the amount realised from the ATO R&D Rebate (if any) net of costs; and
- A contribution of $1M cash prior to the effectuation of the DOCA.

- The Otsana Syndicate will fund the ongoing costs to retain the Required Assets and records during the period of the DOCAs.
- The Otsana Proposal requires share consolidation on a 10 for 1 basis and a large volume of new shares to be issued. The shares will be issued via capital raising, where they intend to raise between $1.6M to $7M. This capital raising will fund the $1M contribution to the DOCA Fund. The Otsana Syndicate says it has secured indicative commitments for the amount of the Creditor Payment.
- Effectuation of the DOCAs depends on numerous conditions. We have summarised the main conditions below, however encourage creditors to review the full requirements set out in the Otsana DOCA proposal.
  - GSL and GSI Creditor Approval;
  - GSL Shareholder Approval;
  - CBA voting in favour of the proposal and discharging its security interest;
  - Removal of the New Moonie security, which may require a Court application;
  - Reaching an in-principle agreement with ASX regarding the reinstatement of GSL;
  - The Otsana Syndicate must be satisfied that Greatcell Solar UK Ltd and Greatcell Solar Italia S.r.L, have “clean” balance sheets with no significant debts incurred or outstanding;
  - The GSI subsidiaries Greatcell Solar S.A. (Switzerland) and Greatcell Inc (United States) be sold to GSA for $5,000 each, and GSA be placed into liquidation.
- The $1M contribution is to be paid within 5 business days of the conditions being satisfied, which will occur before effectuation of the DOCAs and entry into the Creditors Trust, which is anticipated to occur around July 2019.
- The creditor claims will be released upon effectuation of the DOCA, effectively returning the Companies to solvency. Those creditors will become beneficiaries of the Creditors Trust to receive a return.

- During the Creditors Trust period, the Otsana Syndicate and the Trustees will work together to recover GSL's ATO R&D Rebate. 50% of the amount realised net of costs will be paid by GSL into the Creditors Trust;
- The Creditors Trust Fund will be distributed as follows:
    1) The unpaid remuneration, costs and liabilities of the Voluntary Administrators, Deed Administrators and Trustees.
    2) The secured debt owed to CBA is to be discharged in full and security released, likely immediately prior to effectuation of the DOCA. We note that New Moonie is not regarded as a secured creditor in this Proposal, instead is required to have the security released (if any security remains).
    3) Priority Creditors' claims, to the extent they are not excluded from participating in the distribution.
    4) Admitted Unsecured Creditors on a pari passu (pro rata) basis.
    5) The surplus funds (if any) will be returned to GSL.
- The relevant provisions of the Act and Regulations will be incorporated into the DOCA and CT to facilitate the objectives of the proposal, including the distributions to participating creditors.

Our observations of the DOCA proposal are summarised as follows:

- The DOCA contribution of $1M depends on several conditions, in particular creditor and shareholder approval, capital raising being successful and being able to reinstate GSL to trading status on the ASX.
- At the meeting, shareholders will be required to resolve to accept the consolidation of existing shares on a 10 for 1 basis and issue of a large amount of new shares subject to the capital raised. The Otsana Syndicate has agreed to meet the costs of convening the shareholders meeting.
- If shareholder approval cannot be obtained and an in-principle agreement cannot be reached with ASX, the DOCAs will fail and, subject to a suitable variation being available, the Deed will have to be terminated and the Companies will likely be placed into Liquidation.
- If the required approvals are obtained, there is minimal default risk as the bulk of the Otsana DOCA contributions are required prior to the execution of the Creditors Trust, with only the ATO R&D Rebate to be collected in due course – which may not be until at least August 2019.
- The Otsana DOCA is projected to discharge the participating priority creditors in full and unsecured creditors may receive a return in the order of between 1 to 10 cents in the dollar. The high end estimate is contingent on $350K being recovered by the Creditors Trust from the ATO R&D Rebate.

- The ATO R&D Rebate share is projected to be worth up to $350K. However, there is no guarantee that any amount will be received, as the ATO has previously disputed the Companies' R&D claims, such that it is possible that the ATO may apply a set-off in full or in part. We are not in a position to provide any guidance on the prospects of, or likely amount of the recovery of the R&D Rebate at this time. This aspect represents a material risk for creditors in circumstances where that recovery (if any) is effectively the source of the dividend to unsecured creditors.

- In respect of the capacity of Otsana Syndicate to complete this transaction, the proposal states that they have indicative commitments sufficient to meet the Contribution requirements. However, the proposal is fundamentally based on a capital raising, the outcome of which is not known. Otsana Capital, the principal advisor behind the recapitalisation, has a history of carrying out similar restructures, the details of which are contained in the proposal.

- In our view, the use of a Creditors Trust is justified, given the intention to return GSL to trading on the ASX. However, a Creditors Trust adds some complexity and risks for creditors, as the creditors' claims against GSL and GSI are extinguished on effectuation of the Otsana DOCA, which is prior to a dividend being paid. We consider the risks to be reasonable in the circumstances, and have completed an analysis pursuant to ASIC RG82 which is attached as **Annexure "11"**.

**In conclusion, the Otsana DOCA proposal achieves the object of part 5.3A of the Act, in that GSL and GSI can continue in existence and it provides for a potential improved return to the participating creditors of those entities, as compared to the Liquidation. We note that the Otsana DOCA proposal requires GSA to be placed into Liquidation.**

## 10.3 PREFERRED DOCA PROPOSAL – OTSANA SYNDICATE

As you can see above, both DOCA proposals achieve the object of part 5.3A of the Act. Both proposals carry risks of completion and the returns to creditors, which we have assessed and which creditors should consider in exercising their vote.

We have sought to make a recommendation as to which proposal may present a better outcome for creditors. In summarising the competing proposals, there are various differing attributes, including:

- Whilst both proposals deal with GSL and GSI, only the Onergy DOCA proposal provides a restructure and return for creditors of GSA. The Otsana DOCA proposal requires GSA to be placed into Liquidation, where it is likely that FEG will be required to meet the employee claims, at least initially, and the only prospect of a return to creditors is from antecedent recoveries.

- The cash contribution under the Onergy DOCA proposal of $2.03M is substantially more than the Otsana DOCA proposal which requires a contribution of $1M and a share of the potential ATO R&D Rebate estimated at up to $350K.

- The Otsana DOCA proposal requires that a capital raising occur, in order to provide the required contributions, and the Otsana Syndicate have advised that they have indicative commitments sufficient to meet the contribution requirements. The Onergy DOCA proposal requires that Onergy itself provide the contribution. Onergy have advised that they need to raise the capital and have commitments for overseas parties for this purpose, however, to date, Onergy has not

provided evidence that satisfies us of those commitments or that it has the funds in hand. As such, we have concerns as to Onergy's capacity to complete the transaction.

- In respect of requisite experience, both parties appear to have relevant resources such that may have the know-how and capacity to recapitalise the operation. The Otsana Syndicate contains Gavin and Sylvia Tulloch, former founders of Greatcell with presumed technical knowledge, and Otsana Capital which we understand have a successful track record with similar recapitalisations. Onergy have intimate knowledge of the business given that Richard Caldwell was the managing director for a number of years, and remains a director of the Companies and the overseas subsidiaries.
- In terms of the estimated returns to creditors:
    - Both proposals are projected to provide for CBA and participating Priority Creditors to be discharged in full.
    - The Onergy DOCA proposal projects to provide a return to unsecured creditors of the Companies (including GSA) of 5 to 6 cents in the dollar. However, the Otsana DOCA proposal provides for a potentially higher return to participating unsecured creditors of GSL and GSI (not GSA) of 1 to 10 cents in the dollar, where the higher return of 10 cents in the dollar to unsecured creditors in the Otsana proposal is contingent on the ATO R&D Rebate being recovered in the order of $350K. We note that neither DOCA proposal provides for a guaranteed minimum return to creditors, and in respect of the Otsana DOCA proposal, there are commercial risks as to what amount, if any, will be recovered from the ATO R&D Rebate.
- The Onergy DOCA proposal is pooled, such that it must deal with GSL, GSI and GSA. As the Administrators of GSA, the Onergy DOCA proposal represents an improved outcome for all creditors, as compared to the Otsana offer which requires GSA to be liquidated, where there may not be any return to unsecured creditors of GSA.
- Overall, the Onergy DOCA proposal is projected to provide a better minimum return to creditors as compared to the Otsana DOCA proposal. However, we have real concerns as to Onergy's financial capacity to complete this transaction, such that it could be delayed and ultimately fail, and no restructure proposal may then be available which provides a return to creditors.

**Therefore, absent evidence that satisfies us of Onergy's capacity to complete the transaction, we recommend creditors approve the Otsana DOCA proposal which is projected to provide an improved return to creditors of GSL and GSI, as compared to Liquidation of all entities**.

## 11 ESTIMATED RETURN TO CREDITORS

Set out in **Annexure "7"** is an analysis of the estimated returns that may be available to creditors under the proposed DOCAs as compared to a Liquidation scenario. Please note these figures are estimates only, and the actuals may vary materially.

In summary, the estimated return are as follows:

| Potential Rate of Return to Creditors | Cents in Dollar | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | DOCA Onergy Pty Ltd | | DOCA Otsana Capital | | Liquidation GSL | | Liquidation GSI | Liquidation GSA | |
| **Secured Creditors** | 100.00 | 100.00 | 100.00 | 100.00 | 37.31 | 37.31 | Nil | Nil | Nil |
| **Priority Creditors** | | | | | | | | | |
| Wages and Superannuation | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | Nil | Nil | 100.00 | Nil |
| Annual Leave and Long Service Leave | 100.00 | 100.00 | 100.00 | 100.00 | 16.65 | Nil | Nil | 100.00 | Nil |
| PILN and Redundancy | 100.00 | 100.00 | 100.00 | 100.00 | Nil | Nil | Nil | 78.85 | Nil |
| **Unsecured Creditors** | 6.05 | 4.88 | 9.54 | 0.74 | Nil | Nil | Nil | Nil | Nil |

The proposed DOCAs provide for an improved return to creditors as compared to the Liquidation of all Companies. The DOCAs are projected to provide a return within seven (7) to ten (10) months of execution of either DOCA.

In respect of the Liquidation scenarios, a partial return to secured and priority creditors in GSL and GSA is possible, however, such returns are contingent upon successfully pursuing litigation of the insolvent trading claims identified or achieving a commercial settlement from same. Accordingly, the timing of any return in is currently unknown. There is no return expected from the Liquidation of GSI.

In the interim, we encourage any creditors who have not already done so, to lodge a Formal Proof of Debt ("POD") together with relevant supporting documentation. A copy of the POD is attached as **Annexure "3"** in this regard.

## 12 RECOMMENDATION OF ADMINISTRATORS

Pursuant to Rule 75-225(3) of the IPR, the Administrators are required to make a statement setting out the Administrators' opinion about each of the following matters and provide their reasons for those opinions:

- Whether it would be in the Creditors' interests for the Companies to execute a DOCA;
- Whether it would be in the Creditors' interests for the administration to end;
- Whether it would be in the Creditors' interests for the Companies to be wound up.

We set out below our opinions as to each of these options:

### 12.1 DEED OF COMPANY ARRANGEMENT

Creditors may resolve that the Companies should execute a DOCA.

As previously discussed, there are two (2) competing DOCAs proposed. The Otsana Syndicate DOCA proposal applies to GSL and GSI, whereas the Onergy DOCA proposal applies to GSL, GSI and GSA.

As discussed in our analysis at Section 10 of this Report, both DOCAs are viable in that they achieve the object of part 5.3A of the Act. Both proposals carry risks of completion and the returns to creditors may vary from the estimates. These risks have been mitigated to the extent possible, and the funding

projections on which the DOCAs contributions are based appear reasonable and sufficient to allow for the estimated returns to creditors. If however the required contributions are not forthcoming, then the DOCA's will likely fail.

Overall, the Onergy DOCA proposal is projected to provide a better minimum return to creditors as compared to the Otsana DOCA proposal. However, we have concerns as to Onergy's financial capacity to complete this transaction, such that it could be delayed and ultimately fail, and no restructure proposal may then be available which provides a return to creditors. We note that the higher return under the Otsana DOCA proposal is subject to an ATO R&D Rebate, the recoverable value of which and prospects are unknown.

**Therefore, absent evidence that satisfies us of Onergy's capacity to complete the transaction, we recommend creditors of GSL and GSI approve the Otsana DOCA proposal which is projected to provide an improved return to creditors of GSL and GSI, as compared to Liquidation of all entities. We note that the Otsana DOCA proposal requires GSA to be wound up**.

However, if creditors do not approve the Otsana DOCA proposal, then the Onergy DOCA proposal provides for the prospect of an improved return to creditors than Liquidation. Therefore, our second recommendation would be for creditors of GSL, GSI and GSA to approve the Onergy DOCA proposal.

## 12.2 ADMINISTRATION TO END

Creditors may resolve that the Administration of the Companies should end and that control of the Companies should be handed back to its Directors.

The Companies are clearly insolvent and if the administrations were to end, the Companies would be placed in a similar position to that existing prior to our appointment as Administrators.

**We do not recommend that the Administrations end on the basis that the Companies are clearly insolvent**.

## 12.3 LIQUIDATION

Creditors may resolve that the Companies should be wound up.

Should Creditors decide to wind up the Companies, the Administrations would revert to a Creditors Voluntary Liquidations and the Administrators would become the Liquidators, unless creditors resolved to appoint an alternative Liquidator.

One of the roles of the Liquidators would be to complete investigations into the reasons for the Companies failure and to identify any causes of action or voidable transaction recoveries against any entity or individual. The Liquidators are also required to report their findings to ASIC in the event that offences are uncovered.

Our analysis set out herein, suggest that there are potential insolvent trading claims that could be considered by a Liquidator if appointed. Those claims however, have potential challenges in respect of the asserted Safe Harbour defences.

Overall projections indicate that in a Liquidation scenario of GSL and GSA, unsecured creditors will not receive a return, however there may be a partial return for the secured creditor (CBA) and the priority creditors. There is no return anticipated for creditors of GSI.

Given our recommendation in support of the Otsana DOCA proposal, that proposal requires that GSA be wound up. Therefore **we recommend that the creditors resolve to wind up GSA**.

However, **we do not recommend that creditors resolve to wind up GSL or GSI**, as the return projected are inferior to the outcomes in the Otsana and Onergy DOCA proposals.

# 13 ADMINISTRATORS' RECEIPTS AND PAYMENTS

Attached as **Annexure "12"** is the Administrators' Receipts and Payment for each of the Companies for the period 10 December 2018 to 14 March 2019.

# 14 ADMINISTRATORS' / TRUSTEES' REMUNERATION

In compliance with the Australian Restructuring, Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice and the requirements of the Act, we are required to provide detailed information in respect of our remuneration. We attach our Remuneration Approval Reports at **Annexure "13"** which details the major tasks that have been and will be conducted in this administration. Our remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in our Remuneration Matrix. This document is contained within the Remuneration Reports. In addition, a schedule of hourly rates are attached as **Annexure "14"**.

To date, our remuneration has been calculated on this "Time-Cost" basis, and we propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to our firm of the work undertaken, rather than a measure of the assets realised. In our view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors' information, ASIC information sheets **(Annexure "15")** that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- http://www.asic.gov.au/insolvencyinfosheets
- http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheet

## 14.1 VOLUNTARY ADMINISTRATION PERIOD

Creditors will be asked to approve the Administrators' remuneration at the Second Meeting of Creditors for the costs incurred.

Please refer to the Remuneration Approval Report, attached as **Annexure "13"** for further details.

## 14.2 DEED OF COMPANY ARRANGEMENT

If creditors approve one of the DOCA Proposals, the Proponent has 15 business days to execute the DOCA(s). If executed, we, Peter Krejci and Andrew Cummins, will be appointed Deed Administrators. In that circumstance, at the forthcoming meeting we will also seek approval for our estimated remuneration to conduct the DOCA. The attached remuneration report details an estimate of the costs likely to be incurred in either of the DOCA scenarios. It is an estimate only and may change depending on matters which occur during the course of the DOCA.

Please refer to the Remuneration Approval Report, attached as **Annexure "13"** for further details.

## 14.3 CREDITORS' TRUST PERIOD

If creditors approve one of the DOCA Proposals, and the DOCA is subsequently executed and effectuated, a Creditors Trust will be formed and we, Peter Krejci and Andrew Cummins, will be appointed Trustees of the Creditors Trust. Therefore, if one of the DOCA Proposals are approved by creditors, we will also seek approval for our estimated remuneration for conducting the Creditors' Trust. The attached remuneration report details an estimate of the costs likely to be incurred either Creditors Trust scenario. It is an estimate only and may change depending on matters which occur during the course of the Creditors Trust.

Please refer to the Remuneration Approval Report, attached as **Annexure "13"** for further details.

## 14.4 LIQUIDATION PERIOD

If one or all of the Companies are placed into liquidation at the forthcoming Second Meeting of Creditors, we will be appointed Liquidators, unless creditors resolve to appoint an alternate Liquidator. We note that we have not received an alternate consent to act as Liquidator.

If creditors resolve to wind up an entity and we are to be appointed, we will also seek approval for our estimated remuneration in conducting the Liquidation. The attached remuneration report details an estimate of the initial costs likely to be incurred in a liquidation scenario. It is an interim estimate only and actual costs may be quite different, depending on the work required and/or if litigation actually is pursued. Therefore, the estimate may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Request Report, attached as **Annexure "13"** for further details.

# 15 SECOND MEETING OF CREDITORS

The Second Meetings of Creditors of the Companies will be held currently on Friday, 22 March 2019 at 11:00 AM AEDT. The formal Notice of Concurrent Second Meeting of Creditors is attached as **Annexure "2"** for your reference.

The purpose of the Second Meetings of Creditors is to enable Creditors to consider the Administrators' Report pursuant to Rule 75-225 of the IPR and to determine the Companies futures.

Creditors will note that there are two (2) competing DOCA proposals which are mutually exclusive of each offer – Otsana Syndicate DOCA proposal and the Onergy DOCA proposal. Based on the information currently available to us, we have recommended that creditors should approve the Otsana DOCA proposal. As such, at the forthcoming meeting, we intend to put the Otsana DOCA proposal to the meeting first, such that if it is approved, it will not be necessary to consider the Onergy DOCA proposal. If however, the Otsana DOCA proposal is not approved, we will move on to the Onergy DOCA proposal, and thereafter consideration of liquidation options. We will provide further explanation and instruction at the meeting.

To participate as a Creditor, you should:

- Provide us with a Proof of Debt detailing your claim to be a Creditor. Proofs of Debt are enclosed as **Annexure "3"**. If you have previously provided a proof of debt and wish to supplement it, you may do so. Otherwise, Creditors whose proofs were accepted for voting at the First Meeting are not required to be re-lodged for the Second Meeting of Creditors.
- Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, copies of which is attached as **Annexure "4"**, must be in accordance with Form 532. It is necessary for all Creditors to submit new proxies for these meeting. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- A specific proxy can be lodged showing approval or rejection of each proposal. Creditors, in lodging specific proxies, need to be mindful that their intended voting patterns can become academic or "contradictory" where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms or facsimiles thereof must be lodged at my office by 4:00 PM one (1) business day prior to the meeting.
- Where a facsimile copy of a proxy is sent, the original must be lodged with my office within seventy-two hours after receipt of the facsimile. An attorney of a Creditor must show the instrument by which he or she is appointed to the Chairperson prior to commencement of the meeting.

## 16 QUERIES

The BRI Ferrier staff member responsible for this matter is as follows:

- BRI Contact: Katherine La / Kira Yu
- Phone: (02) 8263 2300
- Email (preferred): kla@brifnsw.com.au / kyu@brifnsw.com.au
- Mailing: GPO Box 7079, Sydney NSW 2001
- Facsimile: (02) 8263 2399

Yours faithfully
**GREATCELL SOLAR LIMITED (ADMINISTRATORS APPOINTED)**
**GREATCELL SOLAR INDUSTRIES PTY LTD (ADMINISTRATORS APPOINTED)**
**GREATCELL SOLAR AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED)**

**PETER KREJCI**
Joint & Several Administrator

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

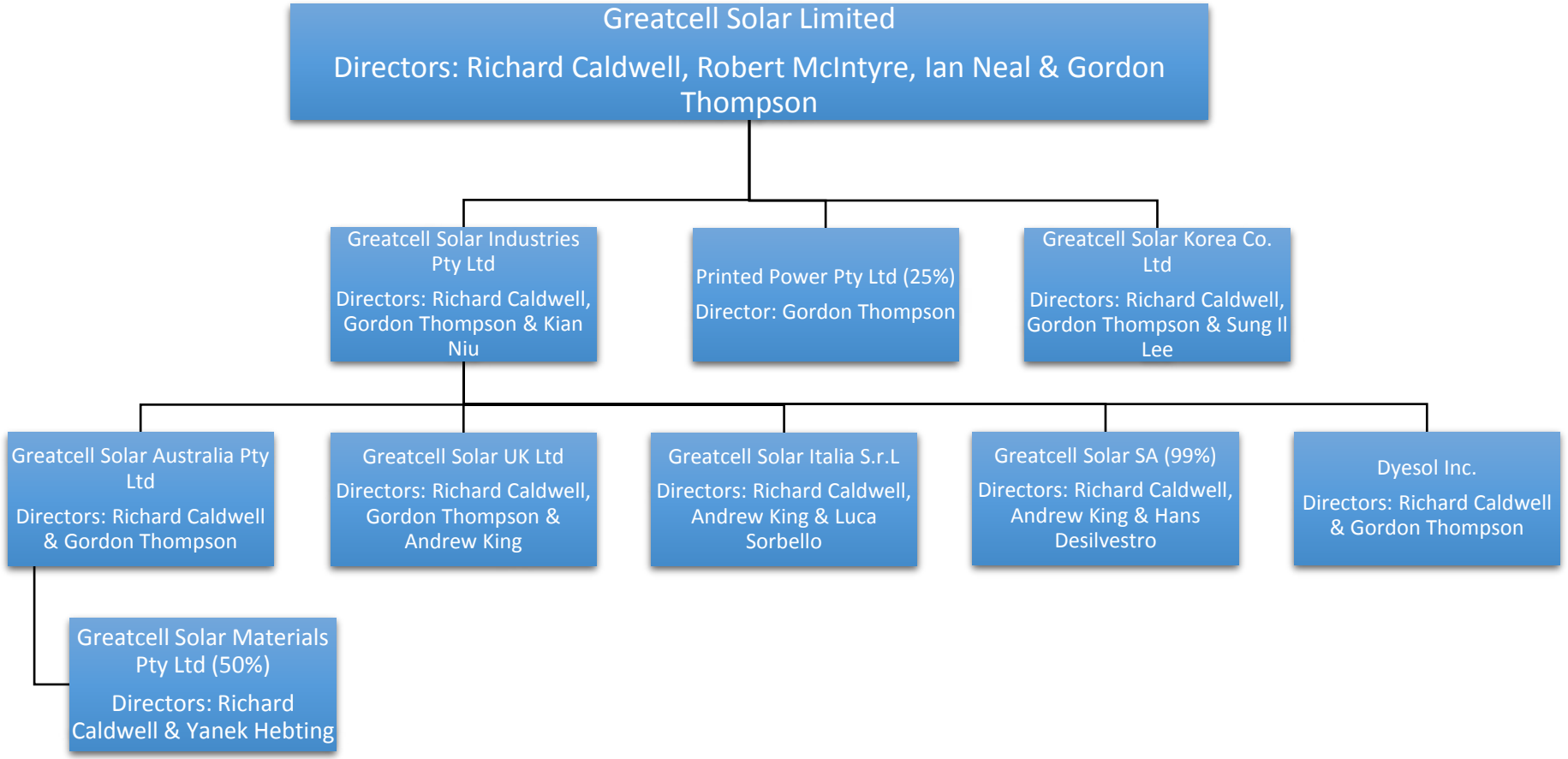
# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

## (All Administrators Appointed)

## Annexure "1"
## Greatcell Solar Organisational Chart

# Greatcell Solar Group of Companies

## Organisational Chart



# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "2"
## Notice of Concurrent Second Meeting of Creditors

FORM 529

CORPORATIONS ACT 2001
*Section 439A*

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-20

**NOTICE OF CONCURRENT SECOND MEETING OF CREDITORS**

**GREATCELL SOLAR LIMITED**
**ACN 111 723 883**

**GREATCELL SOLAR INDUSTRIES PTY LTD**
**ACN 083 102 498**

**GREATCELL SOLAR AUSTRALIA PTY LTD**
**ACN 131 374 064**

**(ALL ADMINISTRATORS APPOINTED)**
**("THE COMPANIES")**

NOTICE is given that a Concurrent Second Meeting of the Creditors of the Companies will be held at The Chatham House Room at Waldorf Canberra Apartment Hotel, 2 Akuna Street CIVIC ACT 2601 on 22 March 2019 at 11:00 AM AEDT.

A G E N D A

1. That the Second Meeting of Creditors for the above Companies be held concurrently.
2. To receive the Report of the Administrators and receive questions from creditors.
3. To fix the remuneration of the Administrators.
4. To consider the internal disbursements of the Administrators.
5. For Creditors to resolve:
    a. That the Company(ies) execute a Deed of Company Arrangement; or
    b. That the administrations should end; or
    c. That the Company(ies) be wound up.
6. If creditors resolve to enter into a Deed of Company Arrangement:
    a. To consider approving the remuneration of the Administrators;
    b. To consider approving the remuneration of the Deed Administrators;
    c. To consider approving the remuneration of the Trustees of the Creditors' Trust
    d. To consider approving the internal disbursements of the Trustees of the Creditors' Trust.
7. If Creditors resolve to wind up the Company(ies):
    a. To consider the appointment of an alternate Liquidator(s);

b. To consider approving the remuneration of the Liquidators;

c. To consider approving the internal disbursements of the Liquidators; and

d. To consider the early destruction of the Company(ies) books and records.

8. To consider the appointment of a Committee of Inspection.

9. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Administrators by 4:00 PM AEDT on the business day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

**Teleconference facilities**

Creditors wishing to attend by telephone are advised to contact Ms Katherine La of this office by 4:00pm AEDT two (2) business days prior to the meeting.

Creditor wishing to participate in the meeting by telephone must return to the convenor of the meeting not later than two (2) business days before the day of the meeting, a written statement setting out the name of the person and of the proxy or attorney, (if any), an address to which notices to the person, proxy or attorney may be sent, a telephone number at which the person, proxy or attorney may be contacted and any facsimile number to which notices to the person, proxy or attorney may be sent. A person, or the proxy or attorney of a person who participates in the meeting by telephone, must pay any costs incurred in participating and is not entitled to be reimbursed for those costs from the assets of the Company.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company(ies) with the Administrators and their claim has been admitted for voting purposes wholly or in part by the Administrators.

DATED this 14th day of March 2019

PETER KREJCI
JOINT AND SEVERAL ADMINISTRATOR

BRI FERRIER (NSW) PTY LTD
Level 30
Australia Square
264 George Street
Sydney NSW 2000

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "3"
## Formal Proof of Debt Form

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Administrators of: (please tick one)

☐ Greatcell Solar Limited
☐ Greatcell Solar Australia Pty Ltd
☐ Greatcell Solar Industries Pty Ltd

1. This is to state that the company was, on 10 December 2018 (1) and still is, justly and truly indebted to(2) (full name):

.....
('Creditor')

.....
of (full address)

for $ ..... dollars and..... cents.

Particulars of the debt are:

| Date | Consideration(3) state how the debt arose | Amount $ | GST included $ | Remarks(4) include details of voucher substantiating payment |
|---|---|---|---|---|
| | | | | |

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following: .....

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

| Date | Drawer | Acceptor | Amount $ c | Due Date |
|---|---|---|---|---|
| | | | | |

☐ I am **not** a related creditor of the Company (5)
☐ I am a related creditor of the Company (5)
relationship:_____

3A.(6)* I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

3B.(6)* I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this…….day of…….2019

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address .....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

| | | | | | |
|---|---|---|---|---|---|
| POD No: | | | ADMIT (**Voting** / **Dividend**) - Ordinary | $ | |
| Date Received: | / / | | ADMIT (**Voting** / **Dividend**) – Preferential | $ | |
| Entered into CORE IPS: | | | Reject (**Voting** / **Dividend**) | $ | |
| Amount per CRA/RATA | $ | | Object or H/Over for Consideration | $ | |
| **Reason for Admitting** / **Rejection** | | | | | |
| PREP BY/AUTHORISED | | | **TOTAL PROOF** | $ | |
| DATE AUTHORISED / / | | | | | |

**Proof of Debt Form Directions**

* Strike out whichever is inapplicable.

(1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.

(2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.

(3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".

(4) Under "Remarks" include details of vouchers substantiating payment.

(5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.

(6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

**Annexures**

A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.

B. An annexure to a form must:

(a) have an identifying mark;

(b) and be endorsed with the words:

i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and

(c) be signed by each person signing the form to which the document is annexed.

C. The pages in an annexure must be numbered consecutively.

D. If a form has a document annexed the following particulars of the annexure must be written on the form:

(a) the identifying mark; and

(b) the number of pages.

E. A reference to an annexure includes a document that is with a form.

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "4"
## Appointment of Proxy Forms

CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-25 & 75-150

**APPOINTMENT OF PROXY**

**GREATCELL SOLAR LIMITED**
**(ADMINISTRATORS' APPOINTED)**
**("THE COMPANY")**
**ACN 111 723 883**

*I/*We[(1)].....of.....
.....a creditor of **Greatcell Solar Limited (Administrators Appointed)**, appoint[(2)]..... or in his or her absence ..... as *my/our general/special proxy to vote at the Second Meeting of Creditors of the Company to be held on Friday, 22 March 2019 at 11:00 AM AEDT, or at any adjournment of that meeting.

Please mark any boxes with an **X**

Proxy Type: ☐ General ☐ Special

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 1:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 10 December 2018 to 13 March 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, be fixed and approved at $217,018.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."* | ☐ | ☐ | ☐ |
| **Resolution 2:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 14 March 2019 to 22 March 2019 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $22,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 3:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 23 March 2019 to the conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $30,982.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 4:**<br>*"That the Joint and Several Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $6,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 5**[3]**:**<br>*"That the Company execute a Deed of Company Arrangement as proposed by:*<br>**NB If you have voted in favour of the Deed of Company Arrangement, please indicate your preferred proposal**<br>☐ *Otsana* ☐ *Onergy* | ☐ | ☐ | ☐ |
| **Resolution 6**[3]**:**<br>*"That the Voluntary Administration should end."* | ☐ | ☐ | ☐ |
| **Resolution 7**[3]**:**<br>*"That the Company be wound up."* | ☐ | ☐ | ☐ |
| **Resolution 8 – If Creditors resolve to enter into a Deed of Company Arrangement:**<br>*"That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 9 – If Creditors resolve to enter into a Deed of Company Arrangement (Incorporating a Creditors Trust):**<br>*"That the remuneration of the Trustees of the Creditors' Trust, their partners and staff for the period from the date of the execution of the Creditors' Trust to the conclusion of the Creditors' Trust, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Trustees be authorised to draw that amount from the Creditors' Trust as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 10 – If Creditors resolve to enter into a Deed of Company Arrangement:**<br>*"That the Joint and Several Deed Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Deed Admistrators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 11 – If Creditors resolve to enter into a Deed of Company Arrangement (Incorporating a Creditors Trust):** *"That the Trustees of the Creditors' Trust be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Trustees be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 12 – If creditors resolve to wind up the Company:** *"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 22 March 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $200,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 13 – If creditors resolve to wind up the Company:** *"That the Joint and Several Liquidators be allowed internal disbursements at the rates of charge in the Voluntary Administrator's Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 14 – If creditors resolve to wind up the Company:** *"That subject to the consent of the Australian Securities & Investments Commission, the Joint and Several Liquidators be approved to destroy the books and records of the Company at any time after the dissolution of the Company."* | ☐ | ☐ | ☐ |

INSTRUCTIONS FOR COMPLETING:

* Strike out if inapplicable.
(1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.
(3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.

DATED this .....day of March 2019

Signature

**Proxies should be returned to the offices of BRI Ferrier (NSW) Pty Ltd by 4.00 PM AEDT one (1) business day prior to the meeting by:**

**Email: kla@brifnsw.com.au, or Fax: (02) 8263 2399, or Post: GPO Box 7079 SYDNEY NSW 2001**

**CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)**

I, .....……of.....…….certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this .....day of …….. 2019

Signature of Witness: .....

Description: .....

Place of Residence: .....

CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-25 & 75-150

**APPOINTMENT OF PROXY**

**GREATCELL SOLAR INDUSTRIES PTY LIMITED**
**(ADMINISTRATORS APPOINTED)**
**("THE COMPANY")**
**ACN 083 102 498**

*I/*We[1].....of.....
.....a creditor of **Greatcell Solar Industries Pty Limited (Administrators Appointed)**, appoint[2]..... or in his or her absence ..... as *my/our general/special proxy to vote at the Second Meeting of Creditors of the Company to be held on Friday, 22 March 2019 at 11:00 AM AEDT, or at any adjournment of that meeting.

Please mark any boxes with an **X**

Proxy Type: ☐ General ☐ Special

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 1:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 10 December 2018 to 13 March 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, be fixed and approved at $60,877.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."* | ☐ | ☐ | ☐ |
| **Resolution 2:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 14 March 2019 to 22 March 2019 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $7,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 3:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 23 March 2019 to the conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $7,122.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 4:**<br>*"That the Joint and Several Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 5**[3]**:**<br>*"That the Company execute a Deed of Company Arrangement as proposed by:*<br>**NB If you have voted in favour of the Deed of Company Arrangement, please indicate your preferred proposal**<br>☐ *Otsana* ☐ *Onergy* | ☐ | ☐ | ☐ |
| **Resolution 6**[3]**:**<br>*"That the Voluntary Administration should end."* | ☐ | ☐ | ☐ |
| **Resolution 7**[3]**:**<br>*"That the Company be wound up."* | ☐ | ☐ | ☐ |
| **Resolution 8 – If Creditors resolve to enter into a Deed of Company Arrangement:**<br>*"That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 9 – If Creditors resolve to enter into a Deed of Company Arrangement (incorporating a Creditors Trust):**<br>*"That the remuneration of the Trustees of the Creditors' Trust, their partners and staff for the period from the date of the execution of the Creditors' Trust to the conclusion of the Creditors' Trust, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Trustees be authorised to draw that amount from the Creditors' Trust as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 10 – If Creditors resolve to enter into a Deed of Company Arrangement:**<br>*"That the Joint and Several Deed Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Deed Administrators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 11 – If Creditors resolve to enter into a Deed of Company Arrangement (incorporating a Creditors Trust):** *"That the Trustees of the Creditors' Trust be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Trustees be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 12 – If creditors resolve to wind up the Company:** *"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 22 March 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $80,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 13 – If creditors resolve to wind up the Company:** *"That the Joint and Several Liquidators be allowed internal disbursements at the rates of charge in the Voluntary Administrator's Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 14 – If creditors resolve to wind up the Company:** *"That subject to the consent of the Australian Securities & Investments Commission, the Liquidator be approved to destroy the books and records of the Company at any time after the dissolution of the Company."* | ☐ | ☐ | ☐ |

INSTRUCTIONS FOR COMPLETING:

* Strike out if inapplicable.
(1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.
(3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.

DATED this .....day of March 2019

Signature

**Proxies should be returned to the offices of BRI Ferrier (NSW) Pty Ltd by 4.00 PM AEDT one (1) business day prior to the meeting by:**

**Email: kla@brifnsw.com.au, or Fax: (02) 8263 2399, or Post: GPO Box 7079 SYDNEY NSW 2001**

**CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)**

I, .....……of.....…….certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this .....day of …….. 2019

Signature of Witness: .....

Description: .....

Place of Residence: .....

CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-25 & 75-150

**APPOINTMENT OF PROXY**

**GREATCELL SOLAR AUSTRALIA PTY LIMITED**
**(ADMINISTRATORS APPOINTED)**
**("THE COMPANY")**
**ACN 131 374 064**

*I/*We[1].....of.....
.....a creditor of **Greatcell Solar Australia Pty Limited (Administrators Appointed)**, appoint[2]..... or in his or her absence ..... as *my/our general/special proxy to vote at the Second Meeting of Creditors of the Company to be held on Friday, 22 March 2019 at 11:00 AM AEDT, or at any adjournment of that meeting.

Please mark any boxes with an **X**

Proxy Type: ☐ General ☐ Special

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 1:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 10 December 2018 to 13 March 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, be fixed and approved at $141,524.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."* | ☐ | ☐ | ☐ |
| **Resolution 2:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 14 March 2019 to 22 March 2019 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $21,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 3:** *"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 23 March 2019 to the conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, and approved to an interim cap of $17,475.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 4:**<br>*"That the Joint and Several Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 5**[3]**:**<br>*"That the Company execute a Deed of Company Arrangement"* | ☐ | ☐ | ☐ |
| **Resolution 6**[3]**:**<br>*"That the Voluntary Administration should end."* | ☐ | ☐ | ☐ |
| **Resolution 7**[3]**:**<br>*"That the Company be wound up."* | ☐ | ☐ | ☐ |
| **Resolution 8 – If Creditors resolve to enter into a Deed of Company Arrangement:**<br>*"That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00(plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 9 – If Creditors resolve to enter into a Deed of Company Arrangement (incorporating a Creditors Trust):**<br>*"That the remuneration of the Trustees of the Creditors' Trust, their partners and staff for the period from the date of the execution of the Creditors' Trust to the conclusion of the Creditors' Trust, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Trustees be authorised to draw that amount from the Creditors' Trust as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 10 – If Creditors resolve to enter into a Deed of Company Arrangement:**<br>*"That the Joint and Several Deed Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Deed Administrators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |

| | For | Against | Abstain |
|---|---|---|---|
| **Resolution 11 – If Creditors resolve to enter into a Deed of Company Arrangement (incorporating a Creditors Trust):** *"That the Trustees of the Creditors' Trust be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Trustees be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 12 – If creditors resolve to wind up the Company:** *"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 22 March 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $200,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."* | ☐ | ☐ | ☐ |
| **Resolution 13 – If creditors resolve to wind up the Company:** *"That the Joint and Several Liquidators be allowed internal disbursements at the rates of charge in the Voluntary Administrator's Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."* | ☐ | ☐ | ☐ |
| **Resolution 14 – If creditors resolve to wind up the Company:** *"That subject to the consent of the Australian Securities & Investments Commission, the Liquidator be approved to destroy the books and records of the Company at any time after the dissolution of the Company."* | ☐ | ☐ | ☐ |

INSTRUCTIONS FOR COMPLETING:

* Strike out if inapplicable.
(1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.
(3) You may only vote in "favour" for one of these 3 resolutions relating to the future of the Company. You must vote "against" the other 2 resolutions.

DATED this .....day of March 2019

Signature

**Proxies should be returned to the offices of BRI Ferrier (NSW) Pty Ltd by 4.00 PM AEDT one (1) business day prior to the meeting by:**

**Email: kla@brifnsw.com.au, or Fax: (02) 8263 2399, or Post: GPO Box 7079 SYDNEY NSW 2001**

**CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)**

I, .....of.....certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this .....day of ..... 2019

Signature of Witness: .....

Description: .....

Place of Residence: .....

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

## (All Administrators Appointed)

## Annexure "5"
## Comparative Financial Statements

**Greatcell Solar Limited (Administrators Appointed)**
**A.C.N. 111 723 883**
**Comparative Balance Sheets**

| | As At 30-Jun-15 ($) | As At 30-Jun-16 ($) | As At 30-Jun-17 ($) | As At 30-Jun-18 ($) | As At 31-Oct-18 ($) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash on hand | 4,583,865 | 4,272,155 | 594,022 | 141,896 | 54,682 |
| Trade debtors | - | - | - | 5,500 | - |
| Other receivables | 3,262,844 | 3,826,762 | 3,982,322 | 4,048,969 | 1,955,752 |
| Prepayment | 131,518 | 73,108 | 45,018 | 146,690 | 137,757 |
| **Total Current Assets** | **7,978,226** | **8,172,025** | **4,621,363** | **4,343,054** | **2,148,192** |
| **Non-Current Assets** | | | | | |
| Intangible assets | 66,731 | 66,731 | 66,731 | 95,474 | 95,474 |
| Investment in subsidiaries | 9,080,952 | 9,080,952 | 9,080,952 | 9,080,952 | 9,080,952 |
| Inter-company loans | 61,183,081 | 68,961,542 | 76,441,789 | 83,841,821 | 84,591,110 |
| Impairment of Inter-company Loans | (61,249,812) | (68,961,542) | (76,441,789) | (76,441,789) | (76,441,789) |
| **Total Non-Current Assets** | **9,080,952** | **9,147,683** | **9,147,683** | **16,576,458** | **17,325,746** |
| **TOTAL ASSETS** | **17,059,178** | **17,319,707** | **13,769,045** | **20,919,513** | **19,473,938** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Priority Creditors | 100,713 | 116,268 | 143,382 | 168,942 | 186,945 |
| Trade Creditors | 138,295 | 262,091 | 371,312 | 839,284 | 1,210,780 |
| Australian Taxation Office | (37,611) | (29,046) | 7,874 | 75,837 | 113,346 |
| Other Creditors | 436,946 | 394,266 | 3,176,144 | 3,710,185 | 4,599,325 |
| **Total Current Liabilities** | **638,343** | **743,579** | **3,698,712** | **4,794,248** | **6,110,395** |
| **Non-Current Liabilities** | | | | | |
| Inter-company Loans | 210,678 | 206,762 | 177,566 | 161,283 | 157,799 |
| Landlord | 250,000 | 272,200 | 296,370 | 296,370 | 296,370 |
| **Total Non-Current Liabilities** | **460,678** | **478,962** | **473,936** | **457,653** | **454,169** |
| **TOTAL LIABILITIES** | **1,099,020** | **1,222,541** | **4,172,648** | **5,251,901** | **6,564,564** |
| | | | | | |
| **NET ASSETS** | **15,960,157** | **16,097,166** | **9,596,398** | **15,667,612** | **12,909,374** |
| | | | | | |
| **EQUITY** | | | | | |
| Contributed equity | 100,713,910 | 108,329,351 | 108,160,700 | 110,297,924 | 110,297,924 |
| Reserves | 7,055,774 | 7,580,178 | 8,217,734 | 8,547,949 | 8,709,261 |
| Retained Earnings | (83,563,199) | (91,809,527) | (99,812,363) | (106,782,037) | (103,768,543) |
| Current Year Earnings | (8,246,328) | (8,002,836) | (6,969,672) | 3,603,776 | (2,329,268) |
| **TOTAL EQUITY** | **15,960,157** | **16,097,166** | **9,596,398** | **15,667,612** | **12,909,374** |

**Greatcell Solar Limited**
**A.C.N. 111 723 883**
**Comparative Profit and Loss Statements**
**For the Financial Years Ended 30 June 2015 to 30 June 2018 and Part Year Ended 31 October 2018**

| | Year Ended 30-Jun-15 ($) | Year Ended 30-Jun-16 ($) | Year Ended 30-Jun-17 ($) | Year Ended 30-Jun-18 ($) | Part Period 31-Oct-18 ($) |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Rendering of services | - | - | - | - | - |
| Sale of goods | - | - | - | - | - |
| *Less:* Cost of Sales | - | - | - | (1,320) | - |
| **Gross Profit** | **-** | **-** | **-** | **(1,320)** | **-** |
| | | | | | |
| **Other Income** | | | | | |
| Interest revenue | 173,084 | 92,122 | 31,159 | 4,145 | (973) |
| Government grants | | - | 122,426 | 2,216,554 | - |
| Other income | 1,086 | 192,156 | 323 | 22,980 | - |
| **Total Other Income** | **174,170** | **284,278** | **153,908** | **2,243,679** | **(973)** |
| | | | | | |
| **Expenses** | | | | | |
| IP Protection | 54,777 | 159,925 | 56,669 | 144,674 | 29,486 |
| Marketing Employee Cost | 51,459 | 63,144 | 3,421 | 20,856 | - |
| Marketing Office Expenses | 211,663 | 182,900 | 187,183 | - | - |
| Marketing Consult | - | - | - | 145,186 | 14,891 |
| Selling Expenses | - | - | - | 2,302 | - |
| Marketing Travel Expense | 76,575 | 32,230 | 33,929 | 87,250 | 2,123 |
| Admin Employee Cost | 499,051 | 517,766 | 557,100 | 490,694 | 157,381 |
| Company Expenses | 72,028 | 102,921 | 86,215 | 93,059 | 21,796 |
| Board Expenses | 1,052,601 | 1,127,390 | 954,479 | 802,302 | 160,855 |
| Staff Other Expenses | 24,104 | 31,692 | 78,664 | 20,591 | 7,906 |
| Communications | 4,500 | 7,051 | 5,842 | 9,458 | 3,198 |
| Admin Travel | 116,078 | 44,980 | 33,002 | - | - |
| Insurance | 37,640 | 35,560 | 25,345 | 82,627 | 28,920 |
| Stationary & Consumables | 24,392 | 23,472 | 45,097 | 29,349 | 5,278 |
| Entertainment | 8,800 | 11,354 | 8,864 | 4,849 | 436 |
| Professional & Consultant Fees | 244,480 | 332,183 | 223,659 | 670,068 | (61,128) |
| Legal Fee | 591,459 | 91,262 | 72,904 | - | - |
| Office Facilities Expenses | 15,913 | 129,179 | 156,797 | 125,876 | 16,946 |
| Other Expenses | 209,144 | - | - | - | - |
| Amortisation | 29,294 | - | - | - | - |
| Depreciation | 627 | - | - | - | - |
| Interest Expenses | - | - | 22,671 | 53,878 | 12,212 |
| Finance Charges | 10,294 | 16,206 | 92,419 | 160,527 | 58,946 |
| Realised Currency Loss | 376 | (7,915) | (10,910) | 998 | 16 |
| Unrealised Foreign Exchange Gain/Loss | (1,978,036) | 1,795,246 | 1,224,065 | (1,338,848) | (148,618) |
| Impairment of Inter-company loan/goodwill | 10,339,473 | 7,711,730 | 7,480,247 | - | - |
| **Total Expenses** | **11,696,692** | **12,408,276** | **11,337,662** | **1,605,696** | **310,643** |
| | | | | | |
| **Profit / (Loss) Before Income Tax** | **(11,522,522)** | **(12,123,998)** | **(11,183,754)** | **636,663** | **(311,616)** |
| | | | | | |
| R&D rebate | - | - | - | - | - |
| Income tax benefit | 3,276,193 | 4,121,160 | 4,214,082 | 2,967,111 | (2,017,652) |
| **Profit / (Loss) After Income Tax** | **(8,246,329)** | **(8,002,838)** | **(6,969,672)** | **3,603,774** | **(2,329,268)** |

**Greatcell Solar Industries Pty Ltd**
**A.C.N. 083 102 498**
**Comparative Balance Sheets**

| | Year Ended 30-Jun-15 ($) | Year Ended 30-Jun-16 ($) | Year Ended 30-Jun-17 ($) | Year Ended 30-Jun-18 ($) | Period Ended 31-Oct-18 ($) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash on hand | 40,036 | 2,062 | 64 | (6) | (78) |
| Other receivables | 1,170 | - | - | - | - |
| **Total Current Assets** | **41,206** | **2,062** | **64** | **(6)** | **(78)** |
| **Non-Current Assets** | | | | | |
| Intangible Assets | 1,231,154 | 984,923 | 756,000 | 527,077 | 431,692 |
| Investment in subsidiaries | 2,754,696 | 2,754,696 | 2,754,696 | 2,754,696 | 2,754,696 |
| Inter-company Loans | 2,320 | 2,320 | 2,320 | 2,320 | 2,320 |
| Impairment of Inter-company Loans | (111,238) | (111,238) | (111,238) | (111,238) | (111,238) |
| **Total Non-Current Assets** | **3,876,932** | **3,630,701** | **3,401,778** | **3,172,855** | **3,077,470** |
| **TOTAL ASSETS** | **3,918,138** | **3,632,763** | **3,401,842** | **3,172,849** | **3,077,392** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Trade & Other Payables | 164,606 | 138,374 | 124,522 | 136,527 | 140,273 |
| GST Liabilities | (629) | (17) | - | - | - |
| **Total Current Liabilities** | **163,977** | **138,357** | **124,522** | **136,527** | **140,273** |
| **Non-Current Liabilities** | | | | | |
| Inter-company Loans | 260,147 | 256,579 | 244,722 | 245,021 | 245,275 |
| **Total Non-Current Liabilities** | **260,147** | **256,579** | **244,722** | **245,021** | **245,275** |
| **TOTAL LIABILITIES** | **424,124** | **394,936** | **369,244** | **381,548** | **385,548** |
| | | | | | |
| **NET ASSETS** | **3,494,014** | **3,237,827** | **3,032,598** | **2,791,301** | **2,691,845** |
| | | | | | |
| **EQUITY** | | | | | |
| Contributed equity | 4,170,621 | 4,170,621 | 4,170,621 | 4,170,621 | 4,170,621 |
| Reserves | 3,460,621 | 3,460,621 | 3,460,621 | 3,460,621 | 3,460,621 |
| Retained Earnings | (3,929,867) | (4,137,228) | (4,393,415) | (4,598,644) | (4,839,941) |
| Current Year Earnings | (207,362) | (256,187) | (205,229) | (241,297) | (99,456) |
| **TOTAL EQUITY** | **3,494,014** | **3,237,827** | **3,032,598** | **2,791,301** | **2,691,845** |

**Greatcell Solar Industries Pty Ltd**
**A.C.N. 083 102 498**
**Comparative Profit and Loss Statements**
**For the Financial Years Ended 30 June 2015 to 30 June 2018 and Part Year Ended 31 October 2018**

| | Year Ended 30-Jun-15 ($) | Year Ended 30-Jun-16 ($) | Year Ended 30-Jun-17 ($) | Year Ended 30-Jun-18 ($) | Part Period 31-Oct-18 ($) |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Sale of goods | 25,341 | 30,909 | 26,383 | - | - |
| **Gross Profit** | **25,341** | **30,909** | **26,383** | **-** | **-** |
| | | | | | |
| **Other Income** | | | | | |
| Interest revenue | | 5 | | | |
| Other income | 39,790 | - | 15,713 | | - |
| **Total Other Income** | **39,790** | **5** | **15,713** | **-** | **-** |
| | | | | | |
| **Expenses** | | | | | |
| IP Protection | 31,956 | 6,258 | (120) | - | - |
| Company Expenses | 186 | 467 | 249 | 254 | - |
| Amortisation | 246,231 | 246,231 | 228,923 | 228,923 | 95,385 |
| Finance Charges | 215 | 112 | 128 | 120 | 72 |
| Realised Currency Loss | - | - | 22 | - | - |
| Unrealised Foreign Exchange Gain/Loss | - | 4,545 | 24,414 | - | - |
| Royalties | (6,094) | 29,488 | (6,291) | 12,000 | 4,000 |
| **Total Expenses** | **272,494** | **287,101** | **247,325** | **241,297** | **99,456** |
| | | | | | |
| **Profit / (Loss) Before Income Tax** | **(207,363)** | **(256,187)** | **(205,229)** | **(241,297)** | **(99,456)** |
| | | | | | |
| R&D rebate | - | - | - | - | - |
| Income tax benefit | - | - | - | - | - |
| **Profit / (Loss) After Income Tax** | **(207,363)** | **(256,187)** | **(205,229)** | **(241,297)** | **(99,456)** |

**Greatcell Solar Australia Pty Limited (Administrators Appointed)**
**A.C.N. 131 374 064**
**Comparative Balance Sheets**

| | As At 30-Jun-15 ($) | As At 30-Jun-16 ($) | As At 30-Jun-17 ($) | As At 30-Jun-18 ($) | As At 31-Oct-18 ($) |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash on hand | 50,385 | 46,599 | 68,841 | 18,085 | 4,661 |
| Trade debtors | 17,287 | 39,380 | 45,826 | 59,465 | 93,649 |
| Other receivables | 30,064 | 228,040 | 65,473 | 33,112 | 525,687 |
| Prepayment | 126,376 | 162,280 | 70,116 | 151,244 | 52,404 |
| Inventory | 710,098 | 621,320 | 593,734 | 675,660 | 1,433,390 |
| **Total Current Assets** | **934,210** | **1,097,619** | **843,992** | **937,565** | **2,109,792** |
| **Non-Current Assets** | | | | | |
| Plant and Equipment | 673,884 | 553,091 | 659,310 | 654,384 | 575,310 |
| Inter-company loans | 2,910,904 | 3,053,045 | 3,553,617 | 4,289,949 | 4,453,865 |
| **Total Non-Current Assets** | **3,584,787** | **3,606,136** | **4,212,927** | **4,944,334** | **5,029,174** |
| **TOTAL ASSETS** | **4,518,997** | **4,703,755** | **5,056,918** | **5,881,899** | **7,138,966** |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Priority Creditors | 408,953 | 482,335 | 525,700 | 477,287 | 431,594 |
| Trade Creditors | 167,236 | 18,824 | 208,401 | 1,116,206 | 1,259,097 |
| Australian Taxation Office | 26,229 | 42,357 | 43,806 | 84,385 | 188,486 |
| Other Creditors | 206,065 | 67,066 | 483,374 | 333,343 | 1,170,116 |
| **Total Current Liabilities** | **808,482** | **610,582** | **1,261,281** | **2,011,221** | **3,049,293** |
| **Non-Current Liabilities** | | | | | |
| Inter-company Loans | 42,881,429 | 49,475,888 | 55,316,054 | 60,149,159 | 60,531,479 |
| Convertible Note | 853,617 | (0) | (0) | (0) | (0) |
| **Total Non-Current Liabilities** | **43,735,046** | **49,475,888** | **55,316,054** | **60,149,158** | **60,531,478** |
| **TOTAL LIABILITIES** | **44,543,528** | **50,086,469** | **56,577,334** | **62,160,379** | **63,580,772** |
| | | | | | |
| **NET ASSETS** | **(40,024,531)** | **(45,382,714)** | **(51,520,416)** | **(56,278,480)** | **(56,441,806)** |
| | | | | | |
| **EQUITY** | | | | | |
| Contributed equity | 100 | 100 | 100 | 100 | 100 |
| Reserves | 303,091 | (113,301) | (165,273) | 38,751 | 26,718 |
| Retained Earnings | (35,544,754) | (40,327,722) | (45,269,512) | (51,355,243) | (56,317,331) |
| Current Year Earnings | (4,782,968) | (4,941,790) | (6,085,730) | (4,962,089) | (151,292) |
| **TOTAL EQUITY** | **(40,024,531)** | **(45,382,713)** | **(51,520,416)** | **(56,278,480)** | **(56,441,806)** |

**Greatcell Solar Australia Pty Ltd**
**A.C.N. 131 374 064**
**Comparative Profit and Loss Statements**
**For the Financial Years Ended 30 June 2015 to 30 June 2018 and Part Year Ended 31 October 2018**

| | Year Ended 30-Jun-15 ($) | Year Ended 30-Jun-16 ($) | Year Ended 30-Jun-17 ($) | Year Ended 30-Jun-18 ($) | Part Period 31-Oct-18 ($) |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Rendering of services | 77,904 | 68,424 | 82,296 | 69,419 | 15,586 |
| Sale of goods | 943,296 | 755,873 | 769,967 | 743,175 | 214,263 |
| *Less:* Cost of Sales | (648,240) | (461,771) | (409,803) | (354,247) | (73,408) |
| **Gross Profit** | **372,960** | **362,526** | **442,460** | **458,347** | **156,441** |
| | | | | | |
| **Other Income** | | | | | |
| Interest revenue | - | - | 90 | 124 | - |
| Government grants | - | 450,000 | - | - | - |
| Other income | 11,670 | 5,409 | - | 14,664 | - |
| **Total Other Income** | **11,670** | **455,409** | **90** | **14,788** | **-** |
| | | | | | |
| **Expenses** | | | | | |
| IP Protection | - | - | 4,092 | - | - |
| Tech Employee Cost | 1,804,686 | 2,130,263 | 2,355,146 | 1,993,562 | 498,021 |
| Tech Other Personal Cost | 12,718 | 81,295 | 52,961 | 20,222 | 18,249 |
| Tech Material | 212,698 | 266,984 | 311,186 | 159,321 | 3,535 |
| Technical & R&D Consultant | 414,263 | 541,420 | 832,390 | 910,822 | 53,954 |
| Technical Consultant - Group | 366,826 | 403,681 | 427,413 | 385,056 | - |
| Technical & R&D Travel | 59,593 | 162,301 | 117,091 | 55,173 | 2,878 |
| Technical & R&D OH | 930,341 | 977,833 | 1,354,226 | 602,807 | (571,714) |
| Marketing Employee Cost | 176,481 | 96,096 | 158,468 | 150,812 | 19,616 |
| Marketing Office Expenses | 77,409 | 66,373 | 59,239 | 88,855 | 6,398 |
| Selling Expenses | 86,870 | 46,402 | - | 31,608 | 77 |
| Marketing Travel Expense | 5,366 | 3,916 | 8,041 | - | - |
| Admin Employee Cost | 214,062 | 236,263 | 220,746 | 258,724 | 94,724 |
| Company Expenses | 243 | - | - | (44,663) | (47,667) |
| Staff Other Expenses | 64,183 | 173,895 | 199,488 | 182,542 | 19,444 |
| Communications | - | - | 277 | 194 | 78 |
| Admin Travel | 2,940 | 21,115 | 3,450 | 9,731 | - |
| Insurance | 15,553 | 16,178 | 2,876 | 372 | 358 |
| Entertainment | - | - | 476 | 2,029 | - |
| Motor Vehicle Expenses | 2,517 | 2,340 | 1,685 | 1,107 | 945 |
| Professional & Consultant Fees | - | - | - | 2,432 | - |
| Quality Assurance System | 73,872 | 13,819 | 6,305 | 1,203 | 241 |
| Quality Assurance Salaries | 173,016 | 146,619 | 148,369 | 128,374 | 41,539 |
| Office Facilities Expenses | 92,847 | 57,765 | (32,446) | 125,891 | 128,982 |
| Other Expenses | 50,292 | (69,912) | 871 | - | - |
| Depreciation | 293,759 | 314,876 | 218,121 | 202,550 | 67,804 |
| Interest Expenses | 77,385 | 37,518 | 41,572 | 34,101 | 11,060 |
| Finance Charges | 3,568 | 5,662 | 12,039 | 12,487 | 3,448 |
| Realised Currency Loss | (26,256) | 17,316 | 18,289 | 18,842 | 4,101 |
| Unrealised Foreign Exchange Gain/Loss | (17,635) | 9,707 | 5,910 | 101,070 | (48,338) |
| **Total Expenses** | **5,167,597** | **5,759,725** | **6,528,281** | **5,435,224** | **307,733** |
| | | | | | |
| **Profit / (Loss) Before Income Tax** | **(4,782,967)** | **(4,941,790)** | **(6,085,731)** | **(4,962,089)** | **(151,292)** |
| | | | | | |
| R&D rebate | - | - | - | - | - |
| Income tax benefit | - | - | - | - | - |
| **Profit / (Loss) After Income Tax** | **(4,782,967)** | **(4,941,790)** | **(6,085,731)** | **(4,962,089)** | **(151,292)** |

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "6"
## Deficiency Statements

**Greatcell Solar Limited (Administrators Appointed)**
**A.C.N. 111 723 883**

| | Book Value as at 31/10/2018 ($) | Directors' ERV (per ROCAP) ($) | Administrators' ERV as at 10/12/2018 ($) | Deficiency ($) |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and Cash Equivalents | 54,682 | 18,953 | 68,273 | |
| Other Receivables | 1,955,752 | 1,828,597 | 55,403 | |
| Other Assets (Prepayments) | 137,757 | - | - | |
| Plant and Equipment | - | - | 84,630 | |
| Intangibles | 95,474 | - | - | |
| Investment in subsidiaries | 9,080,952 | 300,000 | - | |
| Inter-company loans | 84,591,110 | - | - | |
| Impairment of Inter-company loans | (76,441,789) | - | - | |
| **Total Assets** | **19,473,938** | **2,147,550** | **208,306** | |
| **Liabilities** | | | | |
| Priority Creditors | 156,301 | 270,310 | 244,685 | |
| Secured Creditors | - | 226,809 | 226,809 | |
| Partly Secured Creditors | - | - | - | |
| Unsecured Creditors: | | | | |
| Trade Creditors | 5,840,748 | 1,373,237 | 1,405,022 | |
| Australian Taxation Office | 113,346 | 593,914 | 593,914 | |
| AusIndustry | - | - | 396,669 | |
| Landlord | 296,370 | 12,630 | 127,639 | |
| New Moonie | - | 600,000 | - | |
| Related Party Creditors: | | | | |
| Greatcell Solar Australia Pty Ltd | 142,456 | 142,456 | - | |
| Greatcell Solar UK Limited | 15,343 | 15,343 | - | |
| Richard Caldwell | - | - | 258,494 | |
| **Total Liabilities** | **6,564,564** | **3,234,698** | **3,253,233** | |
| **Estimated Net Asset / (Deficiency)** | **12,909,374** | **(1,087,148)** | **(3,044,927)** | **3,044,927** |

**Greatcell Solar Limited (Administrators Appointed)**
**A.C.N. 119 943 332**
**Deficiency Statement**

| | Amount ($) | Amount ($) |
|---|---|---|
| **Deficiency of Assets to Liabilities** | | 3,044,927 |
| **Add:** Loss of Share Capital | 110,297,924 | |
| **Estimated Total Deficiency of Assets to meet Liabilities** | | **113,342,851** |

These losses are represented by:

| | | |
|---|---|---|
| **a) Accumulated Losses and Reserves** | | |
| Accumulated Losses as at 30 June 2018 | 103,768,543 | |
| Current Year Losses as at 31 October 2018 | 2,329,268 | |
| Reserves | (8,709,261) | **97,388,550** |

**b) Estimated Loss on Realisation of Assets disclosed in RATA**

| Asset | Book Value as at 31/10/2018 ($) | Administrators' ERV as at 10/12/2018 ($) | Loss on Realisation ($) | |
|---|---|---|---|---|
| Cash and Cash Equivalents | 54,682 | 68,273 | (13,591) | |
| Other Receivables | 1,955,752 | 55,403 | 1,900,349 | |
| Other Assets (Prepayments) | 137,757 | - | 137,757 | |
| Plant and Equipment | - | 84,630 | (84,630) | |
| Intangibles | 95,474 | | 95,474 | |
| Investment in subsidiaries | 9,080,952 | | 9,080,952 | |
| Inter-company loans | 84,591,110 | - | 84,591,110 | |
| Impairment of Inter-company loans | (76,441,789) | - | (76,441,789) | |
| **Total** | **19,473,938** | **208,306** | **19,265,632** | **19,265,632** |

**c) Creditor Claims overstated in Balance Sheet**

| Liabilities | Book Value as at 31/10/2018 ($) | Administrators' ERV as at 10/12/2018 ($) | Unreported Liabilities ($) | |
|---|---|---|---|---|
| Priority Creditors | 156,301 | 244,685 | 88,384 | |
| Secured Creditors | - | 226,809 | 226,809 | |
| Partly Secured Creditors | - | - | - | |
| Unsecured Creditors: | | | | |
| Trade Creditors | 5,840,748 | 1,405,022 | (4,435,726) | |
| Australian Taxation Office | 113,346 | 593,914 | 480,568 | |
| AusIndustry | - | 396,669 | 396,669 | |
| Landlord | 296,370 | 127,639 | (168,731) | |
| New Moonie | - | - | - | |
| Related Party Creditors: | | | | |
| Greatcell Solar Australia Pty Ltd | 142,456 | - | (142,456) | |
| Greatcell Solar UK Limited | 15,343 | - | (15,343) | |
| Richard Caldwell | - | 258,494 | 258,494 | |
| **Total** | **6,564,564** | **3,253,233** | **(3,311,331)** | **(3,311,331)** |
| **Deficiency as Above** | | | | **113,342,852** |

**Greatcell Solar Industries Pty Ltd (Administrators Appointed)**
**A.C.N. 083 102 496**

| | Book Value as at 31/10/2018 ($) | Directors' ERV (per ROCAP) ($) | Administrators' ERV as at 10/12/2018 ($) | Deficiency ($) |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and Cash Equivalents | (78) | - | - | |
| Intangibles | 431,692 | 362,462 | - | |
| Investment in subsidiaries | 2,754,696 | - | - | |
| Inter-company loans | 2,320 | 2,320 | - | |
| Impairment of Inter-company loans | (111,238) | - | - | |
| **Total Assets** | **3,077,392** | **364,782** | **-** | |
| | | | | |
| **Liabilities** | | | | |
| Priority Creditors | - | - | - | |
| Secured Creditors | - | 226,809 | 226,809 | |
| Partly Secured Creditors | - | - | - | |
| Unsecured Creditors: | | | | |
| Trade Creditors | 140,272 | 2,381 | 125,836 | |
| Australian Taxation Office | - | - | - | |
| New Moonie | - | - | 600,000 | |
| Related Party Creditors: | | | | |
| Greatcell Solar Limited | 245,275 | 245,275 | 245,275 | |
| **Total Liabilities** | **385,547** | **474,465** | **1,197,920** | |
| | | | | |
| **Estimated Net Asset / (Deficiency)** | **2,691,845** | **(109,683)** | **(1,197,920)** | **1,197,920** |

**Greatcell Solar Industries Pty Ltd (Administrators Appointed)**
**A.C.N. 083 102 496**
**Deficiency Statement**

| | Amount ($) | Amount ($) |
|---|---|---|
| **Deficiency of Assets to Liabilities** | | 1,197,920 |
| **Add:** Loss of Share Capital | 4,170,621 | |
| **Estimated Total Deficiency of Assets to meet Liabilities** | | **5,368,541** |
| | | |
| These losses are represented by: | | |
| | | |
| **a) Accumulated Losses and Reserves** | | |
| Retained Losses as at 30 June 2018 | 4,839,941 | |
| Current Year Losses as at 31 October 2018 | 99,456 | |
| Reserves | (3,460,621) | **1,478,777** |

**b) Estimated Loss on Realisation of Assets disclosed in RATA**

| Asset | Book Value as at 31/10/2018 ($) | Administrators' ERV as at 10/12/2018 ($) | Loss on Realisation ($) | |
|---|---|---|---|---|
| Cash and Cash Equivalents | (78) | - | (78) | |
| Intangibles | 431,692 | - | 431,692 | |
| Investment in subsidiaries | 2,754,696 | - | 2,754,696 | |
| Inter-company loans | 2,320 | - | 2,320 | |
| Impairment of Inter-company loans | (111,238) | - | (111,238) | |
| **Total** | **3,077,392** | **-** | **3,077,392** | **3,077,392** |

**c) Increase in Creditor Claims not disclosed in Balance Sheet**

| Liabilities | Book Value as at 31/10/2018 ($) | Administrators' ERV as at 10/12/2018 ($) | Unreported Liabilities ($) | |
|---|---|---|---|---|
| Priority Creditors | - | - | - | |
| Secured Creditors | - | 226,809 | 226,809 | |
| Partly Secured Creditors | - | - | - | |
| Unsecured Creditors: | | | | |
| Trade Creditors | 140,272 | 125,836 | (14,436) | |
| Australian Taxation Office | - | - | - | |
| New Moonie | - | 600,000 | 600,000 | |
| Related Party Creditors: | | | | |
| Greatcell Solar Limited | 245,275 | 245,275 | - | |
| **Total** | **385,547** | **1,197,920** | **812,373** | **812,373** |

| | |
|---|---|
| **Deficiency as Above** | **5,368,541** |

**Greatcell Solar Australia Pty Ltd (Administrators Appointed)**
**A.C.N. 131 374 064**

| | Book Value as at 31/10/2018 ($) | Directors' ERV (per ROCAP) ($) | Administrators' ERV as at 10/12/2018 ($) | Deficiency ($) |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and Cash Equivalents | 4,661 | 123,641 | 123,641 | |
| Trade Debtors | 93,649 | 99,041 | - | |
| Other Receivables | 525,687 | 675,000 | 454,754 | |
| Other Assets (Prepayments) | 52,404 | - | - | |
| Inventory | 1,433,390 | 573,332 | 195,140 | |
| Plant and Equipment | 575,310 | | | |
| Investment in subsidiaries | - | 600,000 | - | |
| Inter-company loans | 4,453,865 | - | - | |
| **Total Assets** | **7,138,966** | **2,071,013** | **773,535** | |
| **Liabilities** | | | | |
| Priority Creditors | 383,662 | 644,453 | 661,514 | |
| Secured Creditors | - | 258,137 | 256,845 | |
| Partly Secured Creditors | - | - | - | |
| Unsecured Creditors: | | | | |
| Trade Creditors | 1,955,040 | 1,547,042 | 1,494,528 | |
| Australian Taxation Office | 188,486 | 223,252 | 156,238 | |
| Landlord | - | 190,740 | 223,188 | |
| New Moonie | - | - | 600,000 | |
| Provisions | 522,105 | - | - | |
| Related Party Creditors: | | | | |
| Greatcell Solar Limited | 60,483,913 | 60,483,913 | 60,341,457 | |
| Greatcell Solar Industries Pty Ltd | 2,320 | 2,320 | 2,320 | |
| Greatcell Solar Materials Pty Ltd | 45,246 | - | - | |
| **Total Liabilities** | **63,580,772** | **63,349,856** | **63,736,090** | |
| **Estimated Net Asset / (Deficiency)** | **(56,441,806)** | **(61,278,842)** | **(62,962,555)** | **62,962,555** |

**Greatcell Solar Australia Pty Ltd (Administrators Appointed)**
**A.C.N. 131 374 064**
**Deficiency Statement**

| | Amount ($) | Amount ($) |
|---|---|---|
| **Deficiency of Assets to Liabilities** | | 62,962,555 |
| **Add:** Loss of Share Capital | 100 | |
| **Estimated Total Deficiency of Assets to meet Liabilities** | | **62,962,655** |
| These losses are represented by: | | |
| **a) Accumulated Losses and Reserves** | | |
| Accumulated Losses as at 30 June 2018 | 56,317,331 | |
| Current Year Losses as at 31 October 2018 | 151,292 | |
| Reserves | (26,718) | **56,441,906** |

**b) Estimated Loss on Realisation of Assets disclosed in RATA**

| Asset | Book Value as at 31/10/2018 ($) | Administrators' ERV as at 10/12/2018 ($) | Loss on Realisation ($) | |
|---|---|---|---|---|
| Cash and Cash Equivalents | 4,661 | 123,641 | (118,980) | |
| Trade Debtors | 93,649 | - | 93,649 | |
| Other Receivables | 525,687 | 454,754 | 70,933 | |
| Other Assets (Prepayments) | 52,404 | - | 52,404 | |
| Inventory | 1,433,390 | 195,140 | 1,813,560 | |
| Plant and Equipment | 575,310 | | | |
| Investment in subsidiaries | - | - | - | |
| Inter-company loans | 4,453,865 | - | 4,453,865 | |
| **Total** | **7,138,966** | **773,535** | **6,365,431** | **6,365,431** |

**c) Increase in Creditor Claims not disclosed in Balance Sheet**

| Liabilities | Book Value as at 31/10/2018 ($) | Administrators' ERV as at 10/12/2018 ($) | Unreported Liabilities ($) | |
|---|---|---|---|---|
| Priority Creditors | 383,662 | 661,514 | 277,852 | |
| Secured Creditors | - | 256,845 | 256,845 | |
| Partly Secured Creditors | - | - | - | |
| Unsecured Creditors: | | | | |
| Trade Creditors | 1,955,040 | 1,494,528 | (460,512) | |
| Australian Taxation Office | 188,486 | 156,238 | (32,248) | |
| Landlord | - | 223,188 | 223,188 | |
| New Moonie | - | 600,000 | 600,000 | |
| Provisions | 522,105 | - | (522,105) | |
| Related Party Creditors: | | | | |
| Greatcell Solar Limited | 60,483,913 | 60,341,457 | (142,456) | |
| Greatcell Solar Industries Pty Ltd | 2,320 | 2,320 | - | |
| Greatcell Solar Materials Pty Ltd | 45,246 | - | (45,246) | |
| **Total** | **63,580,772** | **63,736,090** | **155,318** | **155,318** |
| **Deficiency as Above** | | | | **62,962,655** |

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

## (All Administrators Appointed)

## Annexure "7"
## Estimated Statement of Position

**Greatcell Solar Limited**
**Greatcell Solar Australia Pty Limited**
**Greatcell Solar Industries Pty Limited**
**(All Administrators' Appointed)**

**Estimated Statement of Position**

| | GSL, GSI & GSA | | GSL & GSI | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | DOCA Scenario Onergy Pty Ltd Optimistic Amount ($) | DOCA Scenario Onergy Pty Ltd Pessimistic Amount ($) | DOCA Scenario Otsana Capital Optimistic Amount ($) | DOCA Scenario Otsana Capital Pessimistic Amount ($) | GSL Liquidation Scenario Optimistic Amount ($) | GSL Liquidation Scenario Pessimistic Amount ($) | GSI Liquidation Scenario Amount ($) | GSA Liquidation Scenario Optimistic Amount ($) | GSA Liquidation Scenario Pessimistic Amount ($) |
| **Assets** | | | | | | | | | |
| Cash and Cash Equivalents | 191,913 | 191,913 | 68,273 | 68,273 | 68,273 | 68,273 | - | 123,641 | 123,641 |
| Trade Debtors (NIMS Proceedings) | 55,403 | 55,403 | 55,403 | 55,403 | 55,403 | 55,403 | - | - | - |
| Plant and Equipment | - | - | 76,330 | 76,330 | 84,630 | 84,630 | - | 195,140 | 195,140 |
| Greatcell Solar Materials Share Sale Instalment | - | - | - | - | - | - | - | 454,754 | - |
| Inter-Entity Debtor Recoveries | - | - | - | - | - | - | - | - | - |
| ATO R&D Rebate | Not Applicable | Not Applicable | 350,000 | - | - | - | - | - | - |
| DOCA Contribution * | 2,026,809 | 2,026,809 | 1,000,000 | 1,000,000 | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Less: Debt owed to CBA (secured) | (226,809) | (226,809) | (226,809) | (226,809) | (84,630) | (84,630) | - | - | - |
| Less: Debt owed to St George (secured) | Excluded Claim | Excluded Claim | - | - | - | - | - | (30,036) | (30,036) |
| Less: Debt owed to New Moonie (if perfected) | Not Participating | Not Participating | Not Participating | Not Participating | - | - | Not Applicable | Not Enforceable | Not Enforceable |
| Less: Debt owed to ASX | Not Applicable | Not Applicable | (4,406) | (4,406) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Less: Costs to excise unwanted subsidiaries | Not Applicable | Not Applicable | (10,000) | (10,000) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Less: Costs to remove New Moonie Security | Not Applicable | Not Applicable | (40,000) | (40,000) | Not Applicable | Not Applicable | Not Applicable | (20,000) | (20,000) |
| Liquidators' Recoveries - Insolvent Trading Claim | Not Applicable | Not Applicable | Not Applicable | Not Applicable | 1,155,557 | - | - | 1,292,459 | - |
| **Estimated Fund Available for Creditors** | **2,047,317** | **2,047,317** | **1,268,791** | **918,791** | **1,279,233** | **123,676** | **-** | **2,015,957** | **268,744** |
| **Subject to Costs of Administration** | | | | | | | | | |
| **Less: Estimated Costs (Excl. GST)** | | | | | | | | | |
| Administrators' Trading Costs: | | | | | | | | | |
| Agents Cost & Commission | (24,375) | (24,375) | (38,947) | (38,947) | (38,947) | (38,947) | - | (38,947) | (38,947) |
| Trading Costs Incurred to March 2019 | (98,015) | (98,015) | (61,460) | (61,460) | (61,460) | (61,460) | - | (36,556) | (36,556) |
| Asset Preservation Costs April to July 2019 | Control Reverted | Control Reverted | (50,000) | (20,000) | - | - | - | - | - |
| Patent Renewal Costs | Control Reverted | Control Reverted | (56,000) | (30,000) | - | - | - | - | - |
| Add: Contribution to costs (received to date) | 43,412 | 43,412 | 38,152 | 38,152 | 38,152 | 38,152 | - | 5,260 | 5,260 |
| Add: Additional DOCA Contribution to costs >$50K | Control Reverted | Control Reverted | 56,000 | - | - | - | - | - | - |
| **Net Administration Trading Position** | **(78,978)** | **(78,978)** | **(112,255)** | **(112,255)** | **(62,255)** | **(62,255)** | **-** | **(70,242)** | **(70,242)** |
| Administrators' Costs: | | | | | | | | | |
| Administrators' Remuneration | (525,000) | (525,000) | (345,000) | (345,000) | (270,000) | (270,000) | (75,000) | (180,000) | (180,000) |
| Administrators' Disbursements | (15,000) | (15,000) | (11,000) | (11,000) | (6,000) | (6,000) | (5,000) | (4,000) | (4,000) |
| Deed Administrators' and Trustees' Remuneration | (120,000) | (100,000) | (120,000) | (80,000) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Deed Administrators' and Trustees' Disbursements | (8,000) | (8,000) | (4,000) | (4,000) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| VA / DOCA / CT Legal Fees | (112,107) | (112,107) | (83,774) | (83,774) | (55,440) | | (28,333) | (28,333) | (28,333) |
| Accounting & Tax Compliance | Funded by Onergy | Funded by Onergy | Funded by Ostana | Funded by Ostana | (25,000) | - | - | (25,000) | - |
| Liquidators' Remuneration | Not Applicable | Not Applicable | Not Applicable | Not Applicable | (300,000) | (200,000) | (80,000) | (400,000) | (200,000) |
| Liquidators' Disbursements | Not Applicable | Not Applicable | Not Applicable | Not Applicable | (20,000) | (20,000) | (5,000) | (40,000) | (20,000) |
| Liquidators' Legal Costs ** | Not Applicable | Not Applicable | Not Applicable | Not Applicable | (150,000) | (250,000) | - | (300,000) | (500,000) |
| Liquidators' Funders Premium (35% of Net Recoveries) | Not Applicable | Not Applicable | Not Applicable | Not Applicable | (346,667) | - | - | (387,738) | - |
| **Total Estimated Costs** | **(859,085)** | **(839,085)** | **(676,028)** | **(636,028)** | **(1,235,362)** | **(808,255)** | **(193,333)** | **(1,435,313)** | **(1,002,575)** |
| **Funds Available for Priority Creditors** | **1,188,232** | **1,208,232** | **592,763** | **282,763** | **43,871** | **(684,579)** | **(193,333)** | **580,644** | **(733,831)** |
| Wages and Superannuation | (60,453) | (60,453) | (16,527) | (16,527) | (16,527) | (16,527) | - | (43,926) | (43,926) |
| Annual Leave and Long Service Leave | (299,124) | (299,124) | (63,952) | (63,952) | (63,952) | (63,952) | - | (235,173) | (235,173) |
| PILN and Redundancy | (546,621) | (546,621) | (164,206) | (164,206) | (164,206) | (164,206) | - | (382,415) | (382,415) |
| **Total Priority Creditor claims** | **(906,198)** | **(906,198)** | **(244,685)** | **(244,685)** | **(244,685)** | **(244,685)** | **-** | **(661,514)** | **(661,514)** |
| **Funds Available for Unsecured Creditors** | **282,033** | **302,033** | **348,078** | **38,078** | **(200,814)** | **(929,263)** | **(193,333)** | **(80,869)** | **(1,395,345)** |
| Trade Creditors | (2,964,429) | (2,964,429) | (1,469,901) | (1,469,901) | (1,344,065) | (1,344,065) | (125,836) | (1,494,528) | (1,494,528) |
| Australian Taxation Office | (750,153) | (750,153) | (593,914) | (593,914) | (593,914) | (593,914) | - | (156,238) | (156,238) |
| AusIndustry | (396,669) | (1,921,895) | (396,669) | (1,921,895) | (396,669) | (1,921,895) | - | - | - |
| ARENA | Unknown | Unknown | Unknown | Unknown | Unknown | Unknown | Unknown | Unknown | Unknown |
| Landlord | (350,827) | (350,827) | (127,639) | (127,639) | (127,639) | (127,639) | - | (223,188) | (223,188) |
| CBA (residual claim) | (142,179) | (142,179) | (142,179) | (142,179) | (142,179) | (142,179) | - | - | - |
| New Moonie *** | Not Participating | Not Participating | (600,000) | (600,000) | - | - | (600,000) | (600,000) | (600,000) |
| Other Creditors | (60,957) | (60,957) | (60,957) | (60,957) | (60,957) | (60,957) | | - | - |
| Related Party Creditors: | | | | | | | | | |
| Richard Caldwell (Residual Claim) | Not Participating | Not Participating | (258,494) | (258,494) | (258,494) | (258,494) | - | - | - |
| Greatcell Solar Limited | Not Participating | Not Participating | Set-Off | Set-Off | | - | (245,275) | (60,341,457) | (60,341,457) |
| Greatcell Solar Industries Pty Ltd | Not Participating | Not Participating | Set-Off | Set-Off | | - | - | (2,320) | (2,320) |
| Greatcell Solar Materials Pty Ltd | Not Participating | Not Participating | - | - | | - | - | Set-Off | Set-Off |
| **Net Participating Unsecured Creditors** | **(4,665,214)** | **(6,190,440)** | **(3,649,754)** | **(5,174,980)** | **(2,923,918)** | **(4,449,144)** | **(971,111)** | **(62,817,731)** | **(62,817,731)** |

| **Potential Rate of Return to Creditors** | **Cents in Dollar** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Onergy Pty Ltd** | | **Otsana Capital** | | **GSL** | | **GSI** | **GSA** | |
| **Secured Creditors** | **100.00** | **100.00** | **100.00** | **100.00** | **37.31** | **37.31** | **Nil** | **Nil** | **Nil** |
| **Priority Creditors** | | | | | | | | | |
| Wages and Superannuation | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **Nil** | **Nil** | **100.00** | **Nil** |
| Annual Leave and Long Service Leave | **100.00** | **100.00** | **100.00** | **100.00** | **16.65** | **Nil** | **Nil** | **100.00** | **Nil** |
| PILN and Redundancy | **100.00** | **100.00** | **100.00** | **100.00** | **Nil** | **Nil** | **Nil** | **78.85** | **Nil** |
| **Unsecured Creditors** | **6.05** | **4.88** | **9.54** | **0.74** | **Nil** | **Nil** | **Nil** | **Nil** | **Nil** |

** Any surplus funds from the DOCA contributions are intended to be returned to the respective Deed Proponent.*
*** There is an overlap in the Liquidators' legal Costs. In the event that both GSL and GSA are placed into liquidation, the costs of pursuing the insolvent trading claims in a combined application totals $300K to $500.*
**** New Moonie is a creditor of GSI and GSA in respect of the same debt.*

BRI Ferrier

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "8"
## ARITA Information Sheet – Offences, Recoverable Transactions and Insolvent Trading

# Creditor Information Sheet

## Offences, Recoverable Transactions and Insolvent Trading

ARITA
AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION

## Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

| | |
|---|---|
| 180 | Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties. |
| 181 | Failure to act in good faith. |
| 182 | Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage. |
| 183 | Making improper use of information acquired by virtue of the officer's position. |
| 184 | Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence. |
| 198G | Performing or exercising a function or power as an officer while a company is under administration. |
| 206A | Contravening a court order against taking part in the management of a corporation. |
| 206A, B | Taking part in the management of corporation while being an insolvent, for example, while bankrupt. |
| 206A, B | Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences. |
| 209(3) | Dishonest failure to observe requirements on making loans to directors or related companies. |
| 254T | Paying dividends except out of profits. |
| 286 | Failure to keep proper accounting records. |
| 312 | Obstruction of an auditor. |
| 314-7 | Failure to comply with requirements for the preparation of financial statements. |
| 437D(5) | Unauthorised dealing with company's property during administration. |
| 438B(4) | Failure by directors to assist administrator, deliver records and provide information. |
| 438C(5) | Failure to deliver up books and records to the administrator. |
| 590 | Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors. |

## Recoverable Transactions

### *Preferences*

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

### *Uncommercial Transaction*

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and,
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

### *Unfair Loan*

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

### *Arrangements to avoid employee entitlements*

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

### *Unreasonable payments to directors*

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

### *Voidable charges*

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

## Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

**Important note:** This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "9"
## DOCA Proposal received from
## Onergy dated 13 March 2019

# DOCA PROPOSAL FOR GREATCELL SOLAR LIMITED (ADMINISTRATORS APPOINTED), GREATCELL SOLAR INDUSTRIES PTY LTD (ADMINISTRATORS APPOINTED) AND GREATCELL SOLAR AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) BY ONERGY PTY LTD

| | | |
|---|---|---|
| 1. | **DOCA proponent** | Onergy Pty Ltd (**Onergy**). |
| 2. | **Outline of proposal** | Onergy proposes a deed of company arrangement (**DOCA**) for Greatcell Solar Limited (administrators appointed) (**GSL**), Greatcell Solar Industries Pty Ltd (administrators appointed (**GSI**) and Greatcell Solar Australia Pty Ltd (administrators appointed) (**GSA**, and together with GSL and GSI, **Deed Companies**).<br><br>Under the terms of the DOCA, Onergy will inject $2.5 million (**Subscription Amount**) of new capital into GSL in return for the issue (to Onergy or one or more nominees) of a sufficient number of shares in GSL (**New Shares**) such that Onergy (and/or its nominees) will hold 80% of the issued shares in GSL on a fully diluted basis.<br><br>Upon completion of the DOCA the Subscription Amount will be applied as follows:<br><br>(a) the secured debt owed jointly and severally by the Deed Companies to the Commonwealth Bank of Australia will be repaid in full;<br><br>(b) $1.8 million (**Fund Amount**) will be paid into a creditors' trust to pay any unpaid costs and expenses of the administration and deed administration and for the benefit of those creditors of the Deed Companies whose claims will be released by the DOCA (see section 7 below); and<br><br>(c) the balance of the Subscription Amount will be retained by GSL for working capital.<br><br>Completion and effectuation of the DOCA will be conditional on shareholder approval, the ASX agreeing to restore GSL's ASX listing and any necessary regulatory approvals, waivers and exemptions. |
| 3. | **Implementation Deed** | As soon as practicable following acceptance of this DOCA proposal, Onergy and the Administrators will enter into an Implementation Deed to give effect to the DOCA proposal under which:<br><br>(a) Onergy will be granted exclusivity;<br><br>(b) the Administrators will agree (subject to their statutory obligations) to recommend that the creditors of each Deed Company approve a deed of company arrangement in a form which is consistent with the terms of this DOCA proposal at the meetings of creditors to be convened pursuant to section 439A of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Second Meetings**) and held on or before 22 March 2019; and |

(c) the parties will agree terms governing the conduct of the business of the Deed Companies until completion of the DOCA.

---

4. **Pre-conditions to completion of DOCA**

Completion of the DOCA will be conditional on:

(a) the creditors of each Deed Company approving the DOCA at a second creditors meeting which is convened and held on or before 22 March 2019;

(b) the Commonwealth Bank of Australia voting in favour of the DOCA or otherwise agreeing to release and discharge its security interests;

(c) all necessary regulatory approvals, waivers and exemptions required in connection with the transactions contemplated by the DOCA and the ASX agreeing to restore GSL's ASX listing;

(d) all necessary shareholder approvals required in connection with the issue of the New Shares (including a share consolidation if, and on the terms, required by Onergy) (**Shareholder Approvals**);

(e) execution of the trust deed constituting the creditors trust referred to in section 8 (**Creditors Trust**); and

(f) New Moonie Petroleum Pty Ltd (**NMP**) entering into an amendment to the terms of the convertible note funding advanced by NMP to the Deed Companies (**NMP Convertible Note)** to extend the date for repayment of the NMP Funding to the earlier of (i) 31 August 2019; or (ii) the date on which GSL completes a recapitalisation transaction following implementation of the DOCA under which an aggregate amount of at least $10 million is raised, in exchange for, and conditional upon, the grant of new security over all assets of the Deed Companies to NMP immediately following effectuation of the DOCA as contemplated in section 9 below.

The conditions to completion of the DOCA are for the benefit of Onergy and may only be waived by Onergy.

NMP has agreed to the amendments referred to above subject to being granted all assets security by each of the Deed Companies following completion of the DOCA.

---

5. **Control of the Deed Companies**

Upon execution of the DOCA, control of each Deed Company will revert to its directors (other than in respect of the Deed Companies' cash at bank and NIMS trade debtor claim, which will remain under the control of the Deed Administrators as set out in section 6 below).

The directors will control the Deed Companies during the deed period subject to the following conditions:

(a) the directors are to preserve the assets, not encumber the assets and not dispose of any assets without first obtaining written approval from the Deed Administrators;

---

(b) the directors are not to incur any liabilities or debts without written approval from the Deed Administrators and a limitation of liability clause concerning the Deed Administrators;

(c) the directors will be responsible for complying with statutory obligations;

(d) the Deed Administrators are to have step-in rights in relation to control of the Company such that the directors control can be suspended if necessary;

(e) reversion of control be fixed for 4 months from the execution of the DOCA subject to any revision by the Deed Administrators; and

(f) any funding obtained to preserve the assets will be provided on a non-recourse basis.

---

6. **Deed Administrators**

Peter Krejci and Andrew Cummins (**Administrators**) will act as deed administrators (**Deed Administrators**) of each Deed Company and as trustees of the Creditors Trust (**Trustees**).

Upon execution of the DOCA:

(a) the Deed Administrators will retain control of the Deed Companies' cash at bank and NIMS trade debtor claim; and

(b) the role of the Deed Administrators will be to:

(1) take such steps as the Deed Administrators consider appropriate (at the Deed Administrators' expense) to collect the NIMS trade debt;

(2) monitor compliance with the DOCA;

(3) in their absolute discretion, report to creditors at such times as the Deed Administrators consider appropriate and on matters which the Deed Administrators consider ought to be brought to the attention of creditors; and

(4) exercise any other power, rights and discretions conferred upon them under the DOCA.

---

7. **Claims released by the DOCA**

The DOCA will release all debts and claims (including secured claims but not including Excluded Claims as defined in section 10) against each Deed Company which would have been admissible to proof in accordance with Division 6 of Part 5.6 of the Corporations Act, if that Deed Company had been wound up and the winding up was taken to commence on the date of appointment of the Administrators, in return for an entitlement to receive a distribution from the Creditors Trust Fund described in section 8 (**Participating Claims**).

Excluded Claims will be unaffected by the DOCA. The Deed Companies will remain liable for any Excluded Claims

---

in the ordinary course of business following the completion and effectuation of the DOCA.

The secured claim of the Commonwealth Bank of Australia will be released by the DOCA in consideration of the payment of the outstanding amount (to be funded out of the Subscription Amount) but will not be a Participating Claim in the Creditors Trust Fund.

The following claims will be released by the DOCA and will not be a Participating Claim in the Creditors' Trust Fund:

(a) Richard Caldwell's employee entitlement claims for redundancy, PILN and annual leave. For the avoidance of doubt, Richard Caldwell will only agree to release these claims under the Onergy DOCA proposal and not in respect of any other DOCA proposal or in a liquidation of the Deed Companies; and

(b) any net claim of GSL or any subsidiary of GSL against any Deed Company.

---

8. **Creditors Trust Fund**

8.1 The only assets available to satisfy the Participating Claims will be:

(a) any cash at bank held by the Deed Administrators as at completion of the DOCA;

(b) the NIMS trade debtor claim to the extent not converted to cash prior to completion of the DOCA; and

(c) the Fund Amount (and any interest which accrues on the Fund Amount from completion).

All other assets will be retained by the Deed Companies following completion of the DOCA.

Despite anything else set out in this proposal, the DOCA will not effectuate until the Subscription Amount, and the assets set out in paragraphs 8.1(a), 8.1(b) and 8.1(c) of this proposal, have been received into the Creditors' Trust Fund.

8.2 The assets of the Creditors' Trust Fund will be distributed in the following order of priority:

(a) first, to the Administrators, Deed Administrators and Trustees in satisfaction of their remuneration and costs and to meet any liabilities incurred by them in relation to which they are entitled to be indemnified under the DOCA, the Creditors Trust Deed or the Corporations Act;

(b) next, in satisfaction of any Participating Claim that would have been entitled to be paid in priority to the payment of other unsecured claims under sections 556(1)(e), (g) or (h) of the Corporations Act the Deed Companies were taken to be in liquidation on the date the administrators were appointed;

---

(c) next, pro rata to each creditor who is owed any amount in respect of a Participating Claim after the payment referred to in paragraph (b); and

(d) next, if any funds remain, to GSL.

---

9. **Completion steps**

It is intended that completion of the DOCA will occur one business day after the date on which the Shareholder Approvals are obtained (subject to satisfaction of the other conditions precedent by that date).

At completion, the Administrators and Onergy will undertake the following:

(a) Onergy will pay or procure the payment of the Subscription Amount (less the Fund Amount) to GSL and the Fund Amount to the Trustees;

(b) the Deed Administrators will issue the New Shares to Onergy and/or its nominees;

(c) GSL will pay to the Commonwealth Bank of Australia the outstanding amount of its secured claim in consideration of the release of its secured debt and associated security interests; and

(d) the Deed Companies and NMP will enter into amendment documents in respect of the NMP financing documents as set out in in section 4, which will become operative upon the grant of security referred to below.

The DOCA will terminate on completion of the DOCA as provided for in this proposal, and in particular as set out in section 8.1 of this proposal, at which time control of the Deed Companies will revert to the directors.

As soon as practicable following completion of the DOCA the Deed Administrators must lodge a notice with ASIC certifying that the DOCA has been effectuated.

Immediately following effectuation of the DOCA, the Deed Companies will grant new all assets security to secure the NMP Convertible Note.

---

10. **Excluded claims**

Claims against the Deed Companies that will not be the subject of the DOCA (and which the Deed Companies will continue to be liable for after completion of the DOCA) will be limited to liabilities in respect of:

(a) moneys owing to NMP including under the NMP convertible note documents;

(b) liabilities in respect of the plant and equipment leases between St George Bank and the Deed Companies, provided that (A) St George Bank has not exercised any right to terminate the relevant lease and (B) if St George Bank has a right to terminate the relevant lease, it has waived or waives any such right or event of default or breach which occurred on or prior to the date of the DOCA or may occur during the DOCA period; and

---

| | | |
|---|---|---|
| | | (c) Insured Claims (as described in section 11). |
| 11. | **Insured claims** | Insured Claims will be excluded from the DOCA.<br>An Insured Claim is a claim which a creditor has against a Deed Company and which would have been entitled to priority in a liquidation of that Deed Company under section 562 of the Corporations Act, being a claim where:<br>(a) the Deed Company is insured against the claim under a contract of insurance entered into before the date of appointment of the Administrators; and<br>(b) an amount in respect of that claim would be payable by the insurer to the Deed Company under the contract of insurance,<br>but only to the extent of such part of the claim as would be discharged by the payment from the insurer, and provided the creditor indemnifies the Deed Company in respect of all costs and expenses incurred by the Deed Company in connection with such claim. |
| 12. | **Interim funding** | Onergy will fund the Deed Companies' ongoing costs during the period from execution of the DOCA until completion of the DOCA. Any amount funded by Onergy will form part of the consideration for the issuance of the Subscription Shares upon completion of the DOCA but will not otherwise be repayable. |
| 13. | **Post-completion capital raising** | Following the completion and effectuation of the DOCA, it is intended that GSL will undertake an underwritten capital raising of $10-12 million, to be underwritten by Onergy.<br>This is intended to provide sufficient funds to fully fund at least one of GSL's two major projects: the Australian based glass project and/or the European based steel project. |

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "10"
## DOCA Proposal received from Otsana Syndicate dated 13 March 2019

OTSANA
CAPITAL
ACN 145 168 216

A: 108 Outram Street,
WEST PERTH
Western Australia, 6005
P: PO Box 1974
WEST PERTH WA 6872
T: +61 (08) 9486 7244
F: +61 (08) 9463 6373

13 March 2019

Peter Krejci and Andrew Cummins,
Joint and Several Administrators
Greatcell Solar Limited (Administrators Appointed)
BRI Ferrier
Level 30, Australia Square
264 George Street
SYDNEY NSW 2000

**By Email: jkeenan@brifnsw.com.au**

Dear Sir/Madam,

**GREATCELL SOLAR LIMITED (ADMINISTRATORS APPOINTED)**

Please find enclosed our indicative offer (**Offer**) to restructure and recapitalise Greatcell Solar Limited (Administrators Appointed) (**the Company**) together with its subsidiaries, including Greatcell Industries Pty Ltd (Administrators Appointed) (**GSI**). We understand Peter Krejci and Andrew Cummins are the joint and several administrators for both the Company and GSI (**Administrators**).

The material terms of the Offer are as follows:

(a) the Syndicate (described on page 6) (or nominees of the Syndicate) will provide a total of $1,000,000 cash to a creditor pool to be established for the creditors of both the Company and GSI (**GSL/GSI Creditors' Trust**) (**Creditor Payment**);

(b) the Creditor Payment will be used in full and final satisfaction of all creditor claims (including those of a Deed Administrator) against the Company and GSI pursuant to Deeds of Company Arrangements to be entered into by the Administrators and the Company (**DOCA**) and the Administrators and GSI (**GSI DOCA**);

(c) all secured creditors of the Company and GSI will release their security over the Company and GSI before or in conjunction with effectuation of the DOCA and the GSI DOCA respectively;

the Syndicate, together with the assistance of the Administrators, will work to recover contingent claims of the Company and GSI (as detailed in the Annexure) (Contingent Claims). 50% of the amount realised from the Contingent Claims (if any) net of costs will be paid into the GSL/GSI Creditors' Trust and made available to the creditors of the Company and GSI, with the Syndicate to retain the balance of funds realised.

If this Offer is acceptable, the Syndicate will expect the Administrators to enter into the DOCA and the GSI DOCA to facilitate the Syndicate's recapitalisation proposal. Further, we will seek an undertaking that the Administrators, the Company and GSI are exclusively dealing with the Syndicate.

OTSANA
CAPITAL

Please consider the terms of our Offer at **Annexure "A"**. If you have any queries, please do not hesitate to contact Mr. Nicholas Young on 0400 206 986.

Regards

FALDI ISMAIL

**For and on behalf of Otsana Capital and the Investment Syndicate**

**ANNEXURE "A" OFFER IN RELATION TO GREATCELL SOLAR LIMITED**

OTSANA CAPITAL

## 1. TERMS OF THE RECAPITALISATION PROPOSAL

### 1.1 Material Terms

(a) The Company will consolidate its existing shares (388,068,379) on a 10 for 1 basis (**Consolidation**).

(b) The Company will retain ownership or interest in the following subsidiaries:

(i) GSI;

(ii) Printed Power P/L;

(iii) Korea Co Ltd;

(iv) Greatcell Solar UK Ltd;

(v) Greatcell Solar Italia S.r.L; and

(vi) Greatcell Solar Materials P/L,

(together, the **Required Subsidiaries**).

(c) Subsidiaries of the Company not required by the Syndicate will be excised from the group to a Creditors Trust (at no cost to the Company or the Syndicate), as follows;

(i) Greatcell Solar Australia P/L (**GSA**) will be liquidated and shares transferred to the Creditors Trust;

(ii) Greatcell Solar SA will be transferred from GSI to GSA for consideration of $5,000, such payment to be made using funds from the Creditor Payment;

(iii) Greatcell Inc will be transferred from GSI to GSA for consideration of $5,000, such payment to be made using funds from the Creditor Payment.

(d) The Syndicate (or nominees of the Syndicate) will provide the Creditor Payment of a total $1,000,000 cash into the GSL/GSI Creditors' Trust for the benefit of the creditors of the Company and GSI.

(e) The Syndicate will, subject to shareholder approval, manage capital raisings to fund the Creditor Payment and provide working capital for the Company. It is proposed that the capital raisings will be as follows:

(i) Up to 125,000,000 (post Consolidation) shares and 125,000,000 options exercisable at 1.1c for restructuring and advisory services, at not less than $0.00025 to raise $31,250;

(ii) Up to 150,000,000 (post Consolidation) shares at not less than $0.0067 to raise $1,005,000; and

(iii) A minimum of 160,000,000 (post Consolidation) shares and up to a maximum of 700,000,000 (post Consolidation) shares at not less than $0.01

to raise a minimum of $1,600,000 and up to a maximum of $7,000,000. The shares will be issued with a 1:5 listed option. 50% of the options shall have an exercise price of 2.5c with a 12 month expiry and the balance shall have an exercise price of 5c with a 2 year expiry.

(f) It should be noted that the proposed capital structure and reconstruction (including consolidation, share/option issues and share/option prices) may be varied at the Syndicate's sole discretion, but subject to both ASX and shareholder approval (if necessary).

(g) The Creditor Payment will be made available to the Administrators within 5 business days after the satisfaction of the conditions set out in clause 1.4 of this Offer (below).

(h) In the event that the Creditor Payment is not made by the Syndicate in the time proposed, the Administrators or Deed Administrators are at liberty to convene, at their absolute discretion, a creditor's meeting to seek variation or termination of the DOCA and or GSI DOCA.

(i) the Syndicate, together with the assistance of the Administrators, will work to recover the Company's and GSI's Contingent Claims (as detailed in the Annexure). 50% of the amount realised from the Contingent Claims (if any) net of costs will be paid into the GSL/GSI Creditors' Trust and made available to the creditors of the Company and GSI, with the Company to retain the balance of funds realised;

(j) the Syndicate acknowledge that the following property of the Company and GSI will be available for the purposes of the DOCA and GSI DOCA, and subsequently the GSL/GSI Creditors' Trust:

(i) moneys in the Company & GSI bank accounts on the date of executing the DOCA and GSI DOCA;

(ii) (ii) proceeds of the NIMS debtor owed to the Company and any BAS refunds owed to the Company and/or GSI in respect of the Voluntary Administration period;

(iii) (iii) 50% of the amount realised from the Contingent Claims (if any) net of costs; and

(iv) (iv) the proceeds of the realisation of the physical assets (being predominantly plant and equipment) of the Company and GSI, other than the Required Assets.

(k) The Creditor Payment will be applied in the following order of priority:

(i) Firstly, to the Administrators, Deed Administrators and Trustees in satisfaction of their remuneration and costs and to meet any liabilities incurred by them in relation to which they are entitled to be indemnified under the DOCA, the Creditors Trust Deed or the Corporations Act, noting that certain payments may be made during the VA and DOCA period as necessary;

(ii) Secondly, to the secured creditors in discharge of their debts and release of security, noting that certain payments may be made during the DOCA period as necessary to obtain a release of the security;

(iii) Thirdly, to the Participating Priority Creditors with claims under sections 556(1)(e),(g) or (h) of the Corporations Act and any unpaid Superannuation Contributions will also be paid, though such amounts will be payable to the Australian Taxation Office

(iv) Fourthly, the balance of the available funds to be distributed to the Participating Unsecured Creditors on a parri passu (pro-rata) basis;

(v) Any surplus funds to be returned to the Company, although no surplus is anticipated.

(l) All of the directors of the Company and the Required Subsidiaries will be removed and replaced by nominees of the Syndicate.

(m) All secured creditors of the Company and the Required Subsidiaries releasing their respective securities over the Company and the Required Subsidiaries and their assets before or in conjunction with the effectuation of the DOCA and GSI DOCA. Funds available under the DOCA and Creditor Trusts may be used to remove security interests prior to the effectuation in accordance with the flow of funds outlined at 1.1(i).

(n) The Creditor Payment is offered as consideration for the control of the Company and the Required Subsidiaries and is made on the condition that on effectuation of the DOCA and the GSI DOCA, the DOCA and GSI DOCA will terminate and the GSL/GSI Creditors' Trust is established to hold the Creditor Payment and any other assets/subsidiaries for creditors and claimants of the Company and GSI. All Creditor claims are to be transferred to the Creditors Trust or extinguished on effectuation of the DOCA and GSI DOCA.

(o) The Syndicate will advise the Administrator of the assets of the Company and GSI that it requires the Administrator to keep in good standing whilst the Company and GSI remain in administration (**Required Assets**). The Required Assets comprise of the following:

(i) All computers, servers, routers, accounting software, engineering design software and all other software used in the running of the Company and GSI, to the extent available and owned by the Company and/or GSI, and not subject to licence arrangements;

(ii) Paper and electronic records;

(iii) Patents and licences, including the EPFL license; and

(iv) The attached schedule of P+E.

(p) The Administrator and the Syndicate will agree on a budget for funds required to maintain the Required Assets in good standing, and (subject to prior approval by

the Syndicate), the Syndicate will fund such costs. Costs up to $50,000 shall be deducted from the Creditor Payment. Costs in excess of $50,000 shall be reimbursed from the Company to the Syndicate and shall not be deducted from the Creditor Payment.

(q) The Required Assets will not include plant and equipment (other than those specified in the attached schedule). Further, the Syndicate will not maintain the Company and GSI business premises during the DOCA period nor be responsible for the Commercial Leases (defined below) or any makegood claims.

(r) New Moonie is a significant creditor of both GSI and GSA and has registered security interests over GSI on the PPSR. The Syndicate's proposal is conditional on New Moonie releasing its security over GSI on effectuation of the GSI DOCA. It is proposed that New Moonie will be requested to remove its security prior to effectuation of the DOCA in consideration for up to $40,000, such funds to come out of the Creditor Payment. If New Moonie does not agree to remove its security, the Administrator will take Court action to have the security removed, the costs of which will come out of the Creditor Payment

(s) Upon entering into the DOCA, the Company will adopt the provisions and regulations as set out in Schedule 8A of the Corporations Act 2001 and confirm that creditor claims are to be adjudicated as if the Companies were in Liquidation.

(t) The Syndicate anticipates the DOCA and the GSI DOCA being effectuated within 4 months from execution of the DOCA and the GSI DOCA.

(u) The Administrators will become the Deed Administrators of the DOCA and GSI DOCA, and Trustee of the GSL/GSI Creditors' Trust, upon execution of those documents. Control of the Company and GSI will remain with the Deed Administrators during the DOCA and GSI DOCA period, and will pass to newly appointed Directors immediately prior to effectuation of the respective DOCAs (such appointments to be subject to shareholder approval).

(v) The Syndicate acknowledges that creditor claims are to be adjudicated adopting the Corporations Act, as if the Company and GSI are in liquidation, and will be extinguished on effectuation of the DOCA and GSI DOCA.

(w) The Syndicate acknowledges that the Administrator and Deed Administrators indemnities survive effectuation of the DOCA and GSI DOCA.

(x) This proposal excludes insured claims.

(y) The Syndicate acknowledge that the Deed Administrators will take steps to notify the lessors of the commercial premises occupied by GSL, GSA and GSI that the Syndicate does not intend to maintain the commercial leases at 3 Dominion Place Queanbeyan NSW and 11 Aurora Avenue, Queanbeyan NSW (**Commercial Leases**). The Syndicate will facilitate and pay costs for the Administrators to arrange for the removal of the Required Assets and records from the Commercial Leases, and their relocation to suitable premise/s before the end of the Administration period or within 15 business days of the Creditors Meeting. The Syndicate will meet the ongoing holding and preservation costs for the storage of the Required Assets and records for the duration of the DOCA period.

OTSANA CAPITAL

## 1.2 Proposed Capital Structure

| | No. of Shares (min. raise) | No. of shares (max. raise) |
|---|---|---|
| Existing Shareholders (after consolidation) | 38,806,838 | 38,806,838 |
| Interim Placement | 150,000,000 | 150,000,000 |
| Promoter Placement | 125,000,000 | 125,000,000 |
| General Placement | 160,000,000 | 700,000,000 |
| **Total Shares** | **473,806,838** | **1,013,806,838** |

## 1.3 Cash Allocation

| | Minimum raise | Maximum raise |
|---|---|---|
| Interim Placement | $1,005,000 | $1,005,000 |
| Promoter Placement | $31,250 | $31,250 |
| General Placement | $1,600,000 | $7,000,000 |
| ***Less*** Cash to Creditors | ($1,000,000) | ($1,000,000) |
| ***Less*** Reconstruction Cost | ($400,000) | ($400,000) |
| ***Less*** Broker Cost (all raisings) | ($156,300) | ($480,300) |
| **Total Cash at DOCA effectuation (approx.)** | **$1,079,950** | **$6,155,950** |

## 1.4 Conditions

This Offer under the Recapitalisation Proposal is subject to the following general conditions:

(a) all liabilities and long-term commitments of the Company and GSI as at settlement of the Recapitalisation Proposal being released and compromised via the DOCA and GSI DOCA which reflects the terms of this Offer. It shall be a term of the DOCA and the GSI DOCA that they are wholly effectuated and the appointment of the Administrators terminated contemporaneously with the payment by the Company of the Creditor Payment to the Trustee of the GSL/GSI Creditors' Trust;

(b) all creditors will be required to formally prove debts against the Trustee of the GSL/GSI Creditors' Trust as if they were the Company (or GSI) and payments to creditors shall be made in accordance with the DOCA (or GSI DOCA) and the Creditors' Trust Deed, which shall reflect the priority set out in the Annexure;

(c) ASX confirms that on completion of the Recapitalisation Proposal, it will reinstate the Company's securities to trading on ASX without the need for the Company to re-comply with Chapters 1 & 2 of the Listing Rules, and if such confirmation is subject to conditions, those conditions being acceptable to the Syndicate (acting reasonably);

(d) The Syndicate will undertake its own due diligence to ensure that upon effectuation of the DOCA, the Company's UK and Italian subsidiaries, being Greatcell Solar UK Ltd and Greatcell Solar Italia S.r.L, shall have clean balance sheets with no significant debts incurred or outstanding;

(e) all employees of the Company and GSI being terminated at the direction of the Company (and at no cost to the Company), following termination of the DOCA and GSI DOCA;

(f) the Recapitalisation Proposal and the information memorandum to be sent to creditors and shareholders respectively shall specify that if the creditors and the shareholders do not approve the Recapitalisation Proposal respectively, then the Administrator or the Deed Administrator, as the case may be, shall, in the absence of a superior proposal, have no other option but to recommend to the creditors that the Company be placed immediately into liquidation;

(g) all ASX fees incurred prior to and following the appointment of the Administrators are to be paid in full from the Creditor Payment. Fees that are paid in advance shall be pro-rated at effectuation of the DOCA;

(h) the receipt of shareholder approval with respect to the terms of the Recapitalisation Proposal (including, without limitation, the Consolidation and the capital raisings);

(i) the de-registration and removal of all security interests over the Company and GSI (including, without limitation, the security held by New Moonie over GSI), their subsidiaries and their assets before or in conjunction with the payment of the Creditor Payment; and

(j) the Administrators and/or Deed Administrators fees and expenses may be drawn from the Creditor Payment, in accordance with the priorities specified at 1.1(i).

### 1.5 Costs

The Syndicate will:

(a) prepare first drafts of the DOCA, the GSI DOCA and the GSL/GSI Creditors' Trust Deed;

(b) prepare the required shareholder meeting materials and will submit these materials to ASX, the ASIC and the Administrators for approval prior to issuing to the shareholders of the Company;

(c) prepare and audit the outstanding statutory accounts; and

(d) bear its own costs in relation to the preparation of the above documents which amounts shall be reimbursed by the Company in the event that the proposals are approved and the Company is reinstated to trading on the ASX.

If the Administrator and/or Deed Administrator incurs costs in reviewing the above meeting materials, those costs shall be borne by the Administrator and/or Deed Administrator. The Syndicate estimates that the costs of the matters to be undertaken in relation to convening the shareholder meeting including the materials being printed, mailed, potentially audited and the incurring of legal costs could be up to approximately $100,000, which the Syndicate agrees to bear.

### 1.6 Additional Matters

The Syndicate confirms that:

(a) no additional internal approvals are required in order to proceed to a binding offer; and

(b) funding for the acquisition will be sourced from members of the Syndicate as well as third parties (no issues or delays are envisaged in relation to funding the proposal).

(c) the Syndicate has secured indicative commitments for the quantum of the Creditor Payment.

## About the syndicate

The Syndicate comprises Gavin and Sylvia Tulloch (founders of the Company), Tom Fontaine, Peter Richards, Pitcher Partners Perth and Otsana Capital.

### Otsana Capital

Otsana Capital is a private boutique corporate advisory firm with a specific emphasis in the restructure and recapitalisation of ASX-listed companies.

Otsana Capital has specialist skills in mergers and acquisitions, capital raisings and has many years of investment banking experience covering a wide range of sectors.

Otsana Capital has been involved in the recapitalisation, identification, facilitation and implementation of numerous acquisitions into a number of ASX listed companies.

Otsana Capital has more recently successfully recapitalised the following Companies:

- Jadar Lithium Ltd, ASX Code "JDR"
- Raiden Resources Ltd, ASX Code "RDN"
- Calidus Resources Ltd, ASX Code "CAI"
- Dotz Nano Ltd, ASX Code "DTZ"
- Navigator Resources Ltd, ASX Code "NAV"
- Ookami Ltd, ASX Code "OOK"
- Flamingo Ltd, ASX Code "FGO"
- Zenitas Health Ltd, ASX Code "ZNT"
- Prescient Therapeutics Ltd, ASX Code "PTX"
- Actinogen Ltd, ASX Code "ACW"
- Mareterram Limited, ASX Code "MTM"
- Kogi Iron Limited, ASX Code "KFE" (formerly Brainytoys Ltd)
- Kangaroo Resources Limited, ASX Code "KRL" (formerly Kangaroo Metals Ltd)
- Coventry Resources Limited, ASX Code "CVY" (formerly Mobilesoft Ltd)
- Pan Asia Corporation Limited, ASX Code "PZC" (formerly Sam's Seafood Holdings Ltd)
- NSL Consolidated Limited, ASX Code "NSL" (formerly NSL Health Ltd)
- Environmental Clean Technologies Limited, ASX Code "ESI"

More details on our past transactions can be found at www.otsana.com

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "11"
## ASIC RG 82 – Assessment of Proposed Creditors' Trust

**GREATCELL SOLAR LIMITED**
**GREATCELL SOLAR INDUSTRIES PTY LTD**
**GREATCELL SOLAR AUSTRALIA PTY LTD**
**("ALL ADMINISTRATORS APPOINTED")**

**DEEDS OF COMPANY ARRANGEMENT INVOLVING A CREDITORS TRUST**

## Two Proposals

Otsana Capital heads a syndicate (referred to together as the "Otsana Syndicate") that proposes that Greatcell Solar Limited ("GSL") and Greatcell Solar Industries Pty Ltd ("GSI") enter into Deeds of Company Arrangement ("DOCA") involving the use of a Creditors Trust. The Otsana Syndicate proposal is set out in a document dated 13 March 2019, annexed to the Report.

Onergy Pty Ltd, a company associated with Mr Allan Campbell (Director of New Moonie) and Mr Richard Caldwell (Director of GSL), has proposed that GSL, GSI and Greatcell Solar Australia Pty Ltd ("GSA") enter into a pooled DOCA that also involves the use of a Creditors Trust. The Onergy proposal is set out in a document dated 13 March 2019, annexed to the Report.

## Requirements

Professional standards as reflected in ASIC's Regulatory Guide 82 *External administration: Deeds of company arrangement involving a Creditors trust* require that we provide more information to creditors about such a proposal than would be the case with a DOCA, because of the special risks a Creditors Trust poses to creditors.

A Creditors Trust cannot normally be amended once established, whereas Courts with jurisdiction under the *Corporations Act 2001 (Cth)* can review and supervise Deeds of Company Arrangement and the *Corporations Act 2001 (Cth)* provides a method for amendment or termination of a DOCA. We provide that information below in a 'question and answer' format.

We have sought to answer the questions most creditors are likely to ask about the proposals. If you have further questions about the proposals, please contact our office, or bring your question(s) with you to the meeting, when there will be an opportunity for Creditors to ask questions. Copies of the proposals are enclosed.

We begin our discussion of the offers with some general comments about Creditors Trusts, before considering, in some detail, the two proposals.

### *What is a Creditors Trust?*

A Creditors Trust is a trust established for the benefit of creditors under a DOCA. It normally follows from a DOCA, so that the Deed will expire when the trust is established. Under a Creditors Trust, creditors' claims against the Company are swapped for rights as a beneficiary under the trust. The debt due to the creditor is either transferred to a third party or extinguished.

### *How is a Creditors Trust different to a Deed of Company Arrangement*

There are several important differences between a Creditors Trust and a DOCA. These are:

- The Administrator of a DOCA must be a Registered Liquidator. Any person can be the trustee of a Creditors Trust, although the trustee appointed is usually a Registered Liquidator, usually the one who had been the Administrator of the Deed that establishes the Creditors Trust.

- Registered Liquidators are regulated by ASIC and their professional bodies. They are, among other matters, required to be independent. Trustees of Creditors Trusts owe duties to the beneficiaries of a Creditors Trust, but are regulated as ordinary commercial trustees. If creditors have a complaint about the conduct of such a trustee, they may need to pursue their rights through a superior court, such as the Supreme Court of NSW. Those Courts have fewer powers of enforcement than ASIC and the professional bodies.

- A Creditors Trust is not a form of External Administration under Chapter 5 of the *Corporations Act 2001 (Cth)*. As such, the Courts with jurisdiction under that Act cannot vary or terminate a Creditors Trust. Nor can creditors amend the terms of a Creditors Trust. A Trust deed may (but need not) provide for its own termination and/or amendment, however these procedures operate outside the provisions of the *Corporations Act 2001 (Cth)*, and will often be more difficult than is the case with a DOCA. It follows that Creditors rights and protections against the unfair operation of a Creditors Trust, or to seek the full performance of the arrangement (such as, for example, a promise to contribute to a fund for the benefit of creditors) are limited.

- Because a Creditors Trust is not a form of External Administration, the Company to which it relates is relieved from obligations such as the requirement of its directors to assist the Administrator, and the requirement to use the term 'subject to Deed of Company Arrangement' after its name in Public Documents. It can be listed and have its shares traded on Stock Exchanges, something which, under relevant exchange Listing Rules, companies subject to External Administration (including Deeds of Company Arrangement) cannot.

- Deeds of Company Arrangement must deal with all of certain subjects listed in the *Corporations Act 2001 (Cth)*. There is no comparable statutory requirement of Creditors Trusts, although their nature dictates that most of the elements required by Deeds must also be set out in the document establishing the Trust.

***Why are Creditors Trusts used?***

Creditors Trusts can be used for several reasons. The main reason is to end the External Administration of the Company, after which breaches of contractual arrangements ('ipso facto' clauses) may cease to operate; and the Company's shares can be traded on stock exchanges. This list of motivations is not exhaustive. Creditors Trusts are sometimes used simply to remove the 'stigma' of External Administration.

***Can we accept the Deed but refuse to use a Creditors Trust?***

Whether a DOCA includes a Creditors Trust is a matter for the proponent. While Administrators can ask why a Creditors Trust is proposed, they cannot compel the proponent to explain why. The Administrator can only report whether they have been provided with that information or not. Administrators cannot require that a proponent omit use of a Creditors Trust from a Deed Proposal. Rather, the Administrators are required to have regard to the general interest of creditors, weighing the risks associated with a creditors trust against the alternatives of liquidation or return of control of the

Company to its directors. Creditors can of course seek to influence a proposal by refusing to accept it and seeking to negotiate with the proponent during the meeting called to consider the acceptance of the proposal, or by obtaining an adjournment of the meeting.

We are required to comment on the following matters, which we have set out in tabular form for convenient comparison.

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| Have you evaluated the proposals? | Yes. This Report sets out the outcome of our evaluation and our recommendation to Creditors. | The Otsana Syndicate proposal is set out in a document dated 13 March 2019, attached to the Report. | Onergy's proposal is set out in a document dated 13 March 2019, attached to the Report. |
| What are the Key Events in the proposal? | Both proposals contemplate that Deeds of Company Arrangement are executed; steps are taken by the proponents; funds are contributed to the Deed Administrators, and Creditors Trusts are then established.<br><br>Neither proposal involves immediate establishment of the Creditors Trust. | Enter Deed Administration<br><br>Proposed Capital Raising<br><br>Obtain ASX approval to return to trading status<br><br>Obtain Shareholder Approval to consolidate and issue shares<br><br>Prepare financial statements<br><br>Discharge and remove securities, including possible Court Application to remove New Moonie security<br><br>Pay funds to Deed Administrators to establish the Creditors Trust and effectuate DOCA<br><br>Distribute Funds to Creditors | Enter Deed Administration<br><br>Obtain ASX approval to return to trading status<br><br>Obtain Shareholder Approval for new of new shares to Onergy<br><br>Prepare financial statements<br><br>Discharge and remove securities<br><br>Pay funds to Deed Administrators to establish the Creditors Trust and effectuate DOCA<br><br>Distribute Funds to Creditors |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| Who will be the Trustee? | The Administrators, who are Registered Liquidators holding relevant qualifications. | Refer general remarks | Refer general remarks |
| Is the Creditors Trust appropriate for this particular company? | GSL's shares are listed on the ASX. Trading in them has been suspended for some time. Both proposals seek to lift the suspension, which will require compliance with relevant ASX Listing Rules such as the lodgement of outstanding accounts, together with removal from External Administration.<br><br>Both proposals involve changes in control of the company, which in turn require shareholder approval. | The proposal contemplates fundraising by the issue of equity and obtaining shareholder approval while GSL is in DOCA, followed by resumption of trade in the shares subject to ASX consent after effectuation of the DOCA.<br><br>This makes the use of a Creditors Trust appropriate for this Company. | The proposal contemplates issue of shares to Onergy or its nominee, and a change of control, requiring shareholder consent, followed by resumption of trade in the shares subject to ASX consent.<br><br>This makes the use of a Creditors Trust appropriate for this Company. |
| Are there any other implications from the use of a Creditors Trust? | The Creditors Trust will irrevocably sever connections creditors have had, as such, with the companies. This is necessary, in commercial terms, to allow GSL's shares to be traded on the | Refer general remarks. | Refer general remarks. |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | ASX. The risk for creditors is that we may have omitted to identify or have mistaken the value of the assets of the companies, such that a better price may be obtained for them. Our view is that we have not done so. | | |
| Is all relevant information available to Creditors? | The terms of the proposal and the outcome of our consideration of it are set out in and/or attached to this Report and contain all relevant information. | Refer general remarks | Refer general remarks |
| Are Creditors' interests adequately protected in the proposal? | | The main risks of the proposal are:<br><br>1 non-payment of the fund to be contributed to the Creditors Trust. Creditors are protected by the requirement that the Creditors Trust will not operate until the bulk of the funds have been paid to the Deed Administrators, prior to effectuation of the DOCA. | The main risks of the proposal are:<br><br>1 non-payment of the $1.8M to be contributed to the Creditors Trust. This risk is mitigated by the requirement that payment will occur at or prior to the Creditors Trust being established and the DOCA being effectuated, that is, terminated. |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | | 2 We note that the proposal does not discriminate against classes of creditors, although the priority of payments differs in some ways from that which would apply in a Liquidation. Secured Creditors are to be paid from the Fund; are required to release their security; and will be paid in full, whereas some may be exposed to a shortfall on their securities if forced to exercise their rights.<br><br>3 There is a risk that the Contingent Assets may not be realised, or that if realised, funds may not flow to creditors because the costs of recovery absorb the amount recovered. Without a DOCA and Creditors Trust the business would not be able to trade, in which circumstances, we understand that the R&D rebate may not be recoverable from the ATO. Such that the technical risks associated with non-payment, which is not anticipated to come to bear, are commercially reasonable in our view. | Additionally, risks 4 and 5 identified in the adjacent panel apply also to this proposal.<br><br>In our view, creditors' interests are protected by (a) the proposed appointment of independent trustees; and (b) the requirement that the Fund be constituted and paid to the Deed Administrators before the Creditors Trust comes into effect. |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | | 4 That we have overlooked or mistaken the value of the assets.<br><br>5 That we are materially mistaken as to the value of creditors' claims.<br><br>In our view, creditors' interests are protected by (a) the proposed appointment of an independent trustee; and (b) the requirement that the bulk of the Fund be constituted and paid to the Deed Administrators before the Creditors Trust comes into effect. | |
| Are there risks to the proposal? | | Yes. We have referred to the risks in the previous panel in connection with the protection of creditors.<br><br>In our view, the risks are adequately mitigated by the incentives created under the DOCA, and by the requirement that the Creditors Trust not operate until the contribution is paid. | Yes. We have referred to the risks in the previous panel in connection with the protection of creditors.<br><br>In our view, the risks are adequately mitigated by the incentives created under the DOCA, and by the requirement that the Creditors Trust not be established and the Deed not be effectuated until the contribution is |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | | | paid to the Deed Administrators/trustees. |
| How will the Creditors Trust operate? | | The Creditors Trust will operate as a private trust which will operate independently of the Companies, and be administered to distribute the available funds in a way largely consistent with Liquidation.<br><br>It will commence to operate once conditions precedent are satisfies and the Fund to be created for creditors is established. | The Creditors Trust will operate as a private trust which operate independently of the Companies, and be administered to distribute the available funds in a way largely consistent with Liquidation.<br><br>It will commence to operate once conditions precedent are satisfies and the Fund to be created for creditors is established. |
| What is the expected return to Creditors? | The return to Creditors will depend partly on the ultimate value of secured and unsecured claims and the costs of the Voluntary Administration, the Deed and the Creditors Trust. We have undertaken an indicative calculation, which is annexed to the Report, which is summarised in each case in the adjacent panel. | Secured Creditor CBA – payment in full<br><br>Secured Creditor New Moonie – not paid from the Fund<br><br>Priority Creditors – payment in full<br><br>Participating Unsecured Creditors – 1 to 10 cents in the dollar | Secured Creditors CBA – payment in full<br><br>Secured Creditor New Moonie – not paid from the Fund<br><br>Priority Creditors – payment in full<br><br>Participating Unsecured Creditors – 5 to 6 cents in the dollar |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| How will the Administrators, Deed Administrators and Trustees be paid? | The Administrators, Deed Administrators and Trustees are to be paid in accordance with resolutions to be proposed at the forthcoming Meeting of the Creditors. | From the Funds available to the DOCA and Creditors Trust, from the Creditor Payment contribution to be raised through members of the Otsana Syndicate and third parties, and, if necessary, from any Contingent Claims, paid into the fund held by the trustee of the Creditors Trust. | From the Funds available to the DOCA and Creditors Trust and from the Fund Amount to be contributed by Onergy. |
| Have the Administrators, Deed Administrators or Trustees received any indemnity or other benefit? | No. | The Administrators stand to be remunerated in accordance with the lien they hold over some assets of the Companies established by Part 5.3A of the Corporations Act and from the proceeds to be raised and contributed to the Creditors Trust. | The Administrators stand to be remunerated in accordance with the lien they hold over some assets of the Companies established by Part 5.3A of the Corporations Act and from the proceeds to be raised and contributed to the Creditors Trust. |
| What are the differences between the powers of a Deed Administrator and a Creditors Trustee? | The main differences between these offices are:<br>• A Deed Administrator is an External Administrator under the Corporations Act and an officer of the Company. That fact imposes statutory duties to account to creditors, to | Refer general remarks. | Refer general remarks. |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | provide information and makes the Deed Administrator subject to ASIC's supervision.<br><br>• The Trustee of a Creditors Trust is simply another private trustee, subject to the usual duties of trustees. The Trustee is not an officer of the Company; indeed, the purpose of most Creditors Trusts is to separate the administration of the fund raised for creditors from the Company.<br><br>• A Deed Administrator has duties to report offences to ASIC. A Creditors Trustee has only the same duty to report offences as another private subject.<br><br>• A Deed Administrator can seek orders for examination before a Court to require information about the Company's affairs under the Corporations Act. | | |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | There is no comparable power on the part of the Creditors Trustee.<br>• A Deed Administrator can convene meetings under Part 5.3A of the Corporations Act. Those meetings can terminate the Deed. There is no comparable power on the part of the Creditors Trustee. | | |
| How will claims be adjudicated in the Creditors Trust? | Both proposals contemplate a Creditors Trust that allows for distribution in substantially the same order of priority and manner as provided for distribution in a Liquidation.<br>As such, Creditors will be given a right to seek review of the Trustee's decisions in respect of their claims comparable to that held by Creditors in a Liquidation. | Refer general remarks. | Refer general remarks. |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | Any surplus (which is unlikely) is to be paid to GSL | | |
| Are there other relevant differences between being a creditor and being a beneficiary of the Creditors Trust? | In our view we have summarised the material differences between these two statuses in this part of this Report. | Creditors will not have a right to:<br>1 terminate the arrangement<br>2 require External Administration information from the trustee<br>3 exercise any influence over the companies<br>4 seek court supervision or termination of the arrangement in the manner available to a DOCA. | Creditors will not have a right to:<br>1 terminate the arrangement<br>2 require External Administration information from the trustee<br>3 exercise any influence over the companies<br>4 seek court supervision or termination of the arrangement in the manner available to a DOCA. |
| What is the impact on the Fair Entitlements Guarantee? | Employees terminated before a Creditors Trust cannot access the Fair Entitlements Guarantee ('FEG'). They must be paid through the Creditors Trust. If there is a shortfall in the amount available for distribution to creditors after the Administration and Trustee's costs and secured creditors' claims, employees may | The current projections indicate that priority creditors will be paid in full. | The current projections indicate that priority creditors will be paid in full.<br>We note that Mr Caldwell, as a director, cannot participate for more than nominal amounts in FEG in any event. |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | receive less under a Creditors Trust than they would if the company was wound up.<br><br>It is likely that some employee claims exceed the FEG limits, and would not be met by FEG in a Liquidation, although they would retain priority ranking should funding become available. | | |
| Will the Company be able to fund the Creditors Trust? | | Otsana Syndicate have secured indicative commitments for the quantum of the Creditor Payment.<br><br>In our opinion, the Otsana Capital, advising the Otsana Syndicate, have record of successfully completing such recapitalisation transactions.<br><br>However, we are unable to guarantee that Creditor Payment will be received.<br><br>If it is unable to do so, the Deed Administrators will be able to convene a further Meeting of Creditors to | In respect of the capacity of Onergy to complete this transaction, we understand that Onergy is a Single Purpose Vehicle entity created for this transaction. We are advised by Allan Campbell, that Onergy does not have capacity on its own to complete the transaction, rather Onergy has obtained commitments from overseas parties to provide it the necessary funding.<br><br>We have several times asked for documentary evidence of the capacity of Onergy to carry out its Proposal or |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | | terminate the DOCA before the Creditors Trust comes into operation. | that it has actual funds in hand, however we have not been provided with satisfactory evidence as yet.<br><br>As such, we have concerns as to Onergy's capacity to complete the transaction. We have requested that Onergy provide that evidence to us before or at the creditors meeting, such that creditors can be properly informed, given its critical importance.<br><br>As such, we are unable to guarantee that Contributions will be received.<br><br>If it is unable to do so, the Deed Administrators will be able to convene a further Meeting of Creditors to terminate the DOCA before the Creditors Trust comes into operation.<br><br>Creditors should be aware that, whilst an amended DOCA may be proposed at that time, it is reasonable to expect that as a consequence of the DOCA failing, that the Companies will go into Liquidation. |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| Will the Company be solvent after the Deed is carried out? | All Creditors claims will be discharged under the DOCA. Without creditors, the Company will be solvent. We are unable to say whether it will remain so. | Yes. | Yes.<br><br>We note that proposal requires that the preserved New Moonie debt, with perfected security, will agree to a forbearance in respect of its debts for some time. |
| What is the difference, from a taxation perspective, between a DOCA and a Creditors Trust? | Normally, the taxation effects of a DOCA are borne by the Company: the Deed Fund is not a separate taxpayer. A Creditors Trust is a trust, and the trustee is liable to taxation in respect of transactions carried out in respect of the trust estate.<br><br>It is not contemplated that income will be derived and distributed to beneficiaries. | Refer general remarks. | Refer general remarks |
| What is the difference for individual creditors? | The effects of entering into a creditors trust will differ between different kinds of creditors. The Administrators are unable to provide advice to Creditors about | Refer general remarks<br><br>We also note that the funds available in the Creditors Trust will be distributed to the beneficiaries in | Refer general remarks<br><br>We also note that the funds available in the Creditors Trust will be distributed to the beneficiaries in |

| Matter reported on | General Remarks | Otsana Syndicate | Onergy |
|---|---|---|---|
| | the impact on them individually of the Trust being established, and recommend that they seek their own professional advice. | accordance with the priorities afforded under the Corporations, as if in Liquidation. | accordance with the priorities afforded under the Corporations, as if in Liquidation. |

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "12"
## Administrators' Receipts and Payments

## Summarised Receipts & Payments

## Greatcell Solar Limited
## (Administrators Appointed)
## Transactions From 10 December 2018 To 14 March 2019

| A/C | Account | Net | GST | Gross |
|---|---|---|---|---|
| 74 | Cash at Bank | 68,272.70 | 0.00 | 68,272.70 |
| 88 | Contribution to Costs | 35,016.84 | 3,501.69 | 38,518.53 |
| 89 | Contribution to Costs (No GST) | 3,135.00 | 0.00 | 3,135.00 |
| **Total Receipts (inc GST)** | | **$106,424.54** | **$3,501.69** | **$109,926.23** |
| 47 | Superannuation | 769.94 | 0.00 | 769.94 |
| 51 | Wages & Salaries | 8,797.66 | 0.00 | 8,797.66 |
| 57 | Website Hosting Expense | 1,305.80 | 130.60 | 1,436.40 |
| 58 | IT Services | 10,632.73 | 1,063.27 | 11,696.00 |
| 59 | Garden Maintenance | 263.64 | 26.36 | 290.00 |
| 132 | Bank Charges | 0.60 | 0.00 | 0.60 |
| 139 | Legal Fees (1) | 22,095.32 | 2,209.53 | 24,304.85 |
| 140 | Legal Fees (2) | 3,135.00 | 0.00 | 3,135.00 |
| 227 | Supernnuation Liability | 0.00 | 0.00 | 0.00 |
| 233 | GST Clearing Account | 2,123.00 | 0.00 | 2,123.00 |
| 234 - 10 | Withholding Tax (PAYG) - Lump Sum A | (2,362.11) | 0.00 | (2,362.11) |
| **Total Payments (inc GST)** | | **$46,761.58** | **$3,429.76** | **$50,191.34** |
| **Balance in Hand - By Bank Account** | | | | |
| **212** | **Cheque Account** | | | **59,734.89** |
| | | | | **$59,734.89** |

## Summarised Receipts & Payments

## Greatcell Solar Industries Pty Ltd
## (Administrators Appointed)
## Transactions From 10 December 2018 To 14 March 2019

| A/C | Account | Net | GST | Gross |
|---|---|---|---|---|
| **Total Receipts (inc GST)** | | **$0.00** | **$0.00** | **$0.00** |
| **Total Payments (inc GST)** | | **$0.00** | **$0.00** | **$0.00** |
| **Balance in Hand - By Bank Account** | | | | |
| | | | | **$0.00** |

## Summarised Receipts & Payments

## Greatcell Solar Australia Pty Ltd
## (Administrators Appointed)
## Transactions From 10 December 2018 To 14 March 2019

| A/C | Account | Net | GST | Gross |
|---|---|---|---|---|
| 74 | Cash at Bank | 123,640.74 | 0.00 | 123,640.74 |
| 88 | Contribution to Costs | 5,260.40 | 526.04 | 5,786.44 |
| **Total Receipts (inc GST)** | | **$128,901.14** | **$526.04** | **$129,427.18** |
| 27 | Statutory Advertising | 3,501.00 | 0.00 | 3,501.00 |
| 36 | Insurance | 2,579.89 | 257.99 | 2,837.88 |
| 40 | Postage | 778.50 | 77.85 | 856.35 |
| 42 | Rates (Council) | 60.45 | 0.00 | 60.45 |
| 47 | Superannuation | 1,537.86 | 0.00 | 1,537.86 |
| 51 | Wages & Salaries | 18,285.92 | 0.00 | 18,285.92 |
| 53 | Stamp Duty | 205.91 | 0.00 | 205.91 |
| 57 | Employee Reimbursement | 36.76 | 3.68 | 40.44 |
| 58 | IT Services | 3,080.00 | 308.00 | 3,388.00 |
| 59 | Domain Renewal Costs | 890.40 | 89.04 | 979.44 |
| 132 | Bank Charges | 3.00 | 0.00 | 3.00 |
| 227 | Superannuation Liability | (773.00) | 0.00 | (773.00) |
| 233 | GST Clearing Account | 2,201.00 | 0.00 | 2,201.00 |
| 234 - 10 | Withholding Tax (PAYG) - Lump Sum A | (4,633.25) | 0.00 | (4,633.25) |
| **Total Payments (inc GST)** | | **$27,754.44** | **$736.56** | **$28,491.00** |
| **Balance in Hand - By Bank Account** | | | | |
| **212** | **Cheque Account** | | | **100,936.18** |
| | | | | **$100,936.18** |

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "13"
## Remuneration Approval Reports

# Remuneration Approval Report

## **Greatcell Solar Limited**
(Administrators Appointed)
("the Company")

ACN 111 723 883

14 March 2019

Peter Krejci
Andrew Cummins
Joint and Several Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

TABLE OF CONTENTS

1 DECLARATION ..... 3

2 EXECUTIVE SUMMARY ..... 3

3 DESCRIPTION OF WORK COMPLETED ..... 5

3.1 Remuneration for the period 10 December 2018 to 13 March 2019 ..... 5
3.2 Remuneration for the period 14 March 2019 to 22 March 2019 ..... 13
3.3 Remuneration for the period 22 March 2019 to Conclusion ..... 16

4 CALCULATION OF REMUNERATION ..... 18

5 DEED ADMINISTRATORS' REMUNERATION FROM COMMENCEMENT TO CONCLUSION ..... 19

6 TRUSTEES' REMUNERATION FROM COMMENCEMENT TO CONCLUSION ..... 23

7 LIQUIDATORS' REMUNERATION FROM 22 MARCH 2019 TO CONCLUSION ..... 27

8 STATEMENT OF REMUNERATION CLAIM ..... 31

9 LIKELY IMPACT ON DIVIDENDS ..... 32

10 DISBURSEMENTS ..... 32

11 SUMMARY OF RECEIPTS AND PAYMENTS ..... 34

12 QUERIES & INFORMATION SHEET ..... 34

# 1 DECLARATION

We, Peter Krejci and Andrew Cummins of BRI Ferrier (NSW) Pty Ltd have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of Greatcell Solar Limited (Administrators Appointed) ("GSL") in accordance with the law and applicable professional standards. We are satisified that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

# 2 EXECUTIVE SUMMARY

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

| Period | Report Reference | Amount ($, ex GST) |
|---|---|---|
| **Resolution [2]:** *Administrators' remuneration for the period 10 December 2018 to 13 March 2019* | [3.1] | 217,018.00 |
| **Resolution [3]:** *Administrators' remuneration for the period 14 March 2019 to 22 March 2019* | [3.2] | 22,000.00 |
| **Resolution [4]:** *Administrators' remuneration for the period 22 March 2019 to conclusion of the Administration* | [3.3] | 30,982.00 |
| **Sub-total:** | | **270,000.00** |
| | | |
| <u>If the Creditors resolve to enter into a Deed of Company Arrangement incorporating a Creditors' Trust:</u><br>**Resolution [11]:** *Deed Administrators' remuneration from the date of the execution of the Deed of Company Arrangement ("DOCA") to the conclusion of the DOCA* | [5] | 120,000.00 |
| **Resolution [12]:** *Trustees of the Creditors Trust's remuneration from the date of the execution of the Creditors Trust to the conclusion of the Creditors Trust* | [6] | 120,000.00 |
| | | |
| <u>If the Creditors resolve to wind up the Company:</u><br>**Resolution [15]:** *Joint and Several Liquidators' remuneration for the period 22 March 2019 to the conclusion of the Liquidation* | [7] | 200,000.00 |
| **Sub-total:** | | **200,000.00** |

We note that given the pooled nature of the proposed DOCAs, we have sought approval of our professional fees as Deed Administrators and Trustees from each entity. Those fees however, will only be paid once.

We also note that we are unable to predict the exact costs that will be incurred during the DOCA period versus the Creditors' Trust period. As such, we are seeking the same fee approvals for each period, noting that we will only draw the fees once.

We also seek to have the following internal disbursements approved by Creditors:

| Period | Report Reference | Amount ($, ex GST) |
|---|---|---|
| **Resolution [5]:** *Internal disbursements incurred during the Voluntary Administration Period* | [10] | 6,000.00 |
| | | |
| If the Creditors resolve to enter into a Deed of Company Arrangement incorporating a Creditors' Trust:<br>**Resolution [13]:** *Internal disbursements incurred during the Deed of Company Arrangement Period* | [10] | 4,000.00 |
| **Resolution [14]:** *Internal disbursements incurred during the Creditors Trust Period* | [10] | 4,000.00 |
| | | |
| If the Creditors resolve to wind up the Company:<br>**Resolution [16]:** *Internal disbursements incurred during the Liquidation Period* | [10] | 5,000.00 |

The total remuneration sought for this Voluntary Administration is greater than the estimate provided in the Initial Remuneration Notice dated 12 December 2018. The primary reasons for the variance are as follows:

- Conducted a lengthy sale of business campaign over the Christmas period, including preparation of an information memorandum and direct engagement with various potential purchasers.
- The Companies collectively made an application to the Court to extend the convening period at the request of interested parties to complete their due diligence.
- Lengthy negotiations with interested parties regarding the formulation of DOCA proposals for creditors' consideration.
- Dealing with the significant volume of GSL's books and records located at the Dominion premises and tasks associated with obtaining backups of electronic records.

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

# 3 DESCRIPTION OF WORK COMPLETED

The tables below provide a summary of the work completed by us and our staff in the Administration.

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Limited (Administrators Appointed) | **Period From** | 10 December 2018 | **To** | 13 March 2019 |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

## 3.1 REMUNERATION FOR THE PERIOD 10 DECEMBER 2018 TO 13 MARCH 2019

| Task Area | General Description | Includes |
|---|---|---|
| **Assets**<br>**160.70 Hours**<br>**$81,034.00**<br>**(excl. GST)** | Sale of Business and/or Assets | Preparing advertisement for sale of business and/or assets in the Australian Financial Review<br>Preparing confidentiality agreement<br>Preparing information memorandum for interested parties<br>Establish online data room, activate security, printing and access protocols<br>Populate data room to meet information memorandum requirements<br>Engaging interested parties regarding sale process and responding to their queries<br>Undertaking due diligence on interested parties<br>Receipt and disbursement of refundable deposits from interested parties<br>Internal meetings regarding status of sale process<br>Preparing affidavit for extension of convening period to enable an extension of the sale timeframe for potential purchasers<br>Reviewing and considering offers from potential purchasers |

| Task Area | General Description | Includes |
|---|---|---|
| | | Consider alternate realisation strategies in lieu of sale of business including timeframe and cash flow requirements<br>Preparing ASX submission for waiver of listing removal<br>Discussions with management regarding obtaining further information<br>Negotiating with potential purchasers regarding viable offers |
| | Leasing | Reviewing leasing documents<br>Discussions with management regarding lease agreements<br>Discussions with St George with respect of leased assets<br>Prepare and issue disclaimer relating to Kingston apartment and organise return of keys |
| | Debtors | Reviewing and assessing debtors ledger<br>Liaising with ARENA and CRC in relation to negotiations for potential funding<br>Liaising with staff regarding potential recoveries<br>Liaising with solicitor regarding NIMS debtor recovery<br>Reviewing proposed settlement agreement and correspondence from solicitors regarding status of proceedings |
| | Plant and Equipment | Reviewing fixed asset register<br>Attendance on site to review plant and equipment<br>Liaising with Grays regarding plant and equipment valuation<br>Liaising with company management and staff regarding schedule of assets and leased assets<br>Reviewing draft valuation report from Grays |

| Task Area | General Description | Includes |
|---|---|---|
| | Other Assets | Discussions with management and considering intellectual property and possible recoveries<br>Discussion with staff regarding eligibility for research & development grants<br>Reviewing documents to establish Company's claim in grants under existing agreements<br>Liaising with banks to recover credit balance<br>Liaising with St George to release term deposit<br>Tasks associated with securing website domains<br>Reviewing Director's D&O insurance policies |
| **Creditors<br>100.40 Hours<br>$44,026.00<br>(excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by email and post |
| | Creditor reports | Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors<br>Preparing and issuing Circular to Creditors extension of convening period<br>Preparing Second Report to Creditors detailing investigations<br>Preparing scenario analysis for estimated return to creditors in DOCA/CT vs Liquidation |
| | Dealing with proofs of debt | Receipting and filing Proof of Debt and Proxies |

| Task Area | General Description | Includes |
|---|---|---|
| | First Meeting of Creditors | Preparation of meeting notices, proxies and advertisements<br>Sending Notice of Meeting to all known creditors<br>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting<br>Preparation and lodgement of minutes of meetings with ASIC<br>Responding to stakeholder queries and questions immediately following meeting<br>Finalising minutes of first meeting of creditors |
| | Retention of Title Claims | Correspondence issued to PMSI creditors disclosed on PPSR search |
| | Secured Creditor Reporting | Correspondence with security interest holders disclosed on PPSR Search<br>Reviewing security documents<br>Reviewing current payout figures<br>Provide updates regarding the status of the administration to security interest holders<br>Considering validity of New Moonie security<br>Liaising with solicitors regarding validity of New Moonie security |
| | Proposal for Deed of Company Arrangement | Consider potential outcome for Administration, DOCA and potential settlement with Director<br>Discussions regarding funding requirements for DOCA<br>Reviewing potential DOCA funding implications and settlement issues, and obtaining legal advice<br>Review of draft DOCA and Creditor's Trust Deed<br>Liaising with solicitors regarding draft DOCA and Creditor's Trust Deed |
| **Employees<br>11.80 Hours<br>$4,962.00<br>(excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register<br>Review and prepare correspondence to employees by email and post |

| Task Area | General Description | Includes |
|---|---|---|
| | Calculation of entitlements | Consider calculation of employee entitlements<br>Prepare and issue correspondence to superannuation funds regarding superannuation entitlement payments<br>Liaising with company management and staff regarding employee entitlement calculations<br>Reviewing various employment contracts and cross-checking entitlement calculations with same<br>Prepare updated entitlement calculations based on employment contracts<br>Consider implications of excluded employee definition on outstanding employee entitlement claim |
| | Other employee issues | Liaising with the Department of Jobs and Small Business regarding status of administration<br>Meeting with employees to discuss Voluntary Administration process<br>Preparation of correspondence to employee regarding termination of employment<br>Generating employee entitlement reports from company MYOB Greentree<br>Preparing correspondence to an employee regarding breakdown of VA wages and PAYG payment summary |
| **Trade On**<br>**21.10 Hours**<br>**$8,814.00**<br>**(excl. GST)** | Trade On Management | Preparing plan to preserve assets for a sale and internal discussions regarding same<br>Meetings with management regarding employee redundancies<br>Organising trade-on insurance requirements<br>Conducting cash flow analysis for trade-on<br>Organising mail redirection<br>Liaising with landlord regarding occupational and lease compliance issues as well as negotiating rental relief for VA process<br>Liaising with the parties involved with the Otsana Proposal regarding trade-on funding<br>Reviewing lease and leased asset documentation |

| Task Area | General Description | Includes |
|---|---|---|
| | | Liaising with Computershare regarding services<br>Attendance on-site<br>Liaising with utilities and telecommunications to ensure continuation of service<br>Liaising with all other key service suppliers regarding appointment, opening of trade-on accounts and trade-on related issues<br>Attending to transfer of various telecommunication services<br>Maintenance of suppliers schedule<br>Internal discussions regarding administration cash flow and associated employment costs |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Preparation of cash flow projection for continued trade<br>Preparation of commitment schedule for overhead expenses<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses |
| **Investigation**<br>**117.80 Hours**<br>**$52,220.00**<br>**(excl. GST)** | Conducting investigation | Discussions with staff regarding Company records required<br>Conducting ASIC searches on Company and Directors<br>Performing property searches in Australia and UK for company and directors<br>Conducting ownership searches for website<br>Obtained backup of Company records<br>Reviewing completed ROCAP<br>Reviewing Company's books and records including MYOB Greentree for management accounts<br>Meetings with Directors regarding background and financial performance of the Company |

| Task Area | General Description | Includes |
|---|---|---|
| | | Review and preparation of narrative of business nature and history<br>Conducting and summarising statutory searches<br>Reviewing company contracts<br>Correspondence with Director regarding enquiries into financial statements<br>Reviewing company financials with particular focus on intercompany transactions and subsidiary disclosures<br>Preparation of comparative financial statements<br>Preparation of deficiency statement<br>Preparation of working capital analysis<br>Preparation of statutory information<br>Conducting review of company bank statements<br>Conducting investigations into potential voidable transactions<br>Conducting investigations into potential insolvent trading claim<br>Internal meetings regarding above matters<br>Preparation of investigation file |
| | Litigation / Recoveries | Conducting investigations into safe harbour and liaising with solicitors regarding same<br>Reviewing director commentary regarding safe harbour plans<br>Liaising with solicitors regarding convertible note agreement and assignment deed |
| **Administration 64.60 Hours $25,962.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Insurance | Identification of potential issues requiring attention of insurance specialists<br>Reviewing insurance policies |

| Task Area | General Description | Includes |
|---|---|---|
| | Bank account administration | Preparing correspondence opening accounts<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms | Preparing and lodging ASIC forms including 505, 507, 5011 etc |
| | ATO and other statutory reporting | Notification of appointment |
| | Planning / Review | Discussions regarding status of administration<br>Internal meetings to discuss workflow |
| **Total hours: 476.40**<br>**Total: $217,018.00 (excl. GST)** | | |

## 3.2 REMUNERATION FOR THE PERIOD 14 MARCH 2019 TO 22 MARCH 2019

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Limited (Administrators Appointed) | **Period From** | 14 March 2019 | **To** | 22 March 2019 |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $5,000.00 (excl. GST)** | Proposal for Deed of Company Arrangement | Liaising with interested parties regarding proposals for DOCA<br>Consider potential outcome for Administration and analysis of various DOCA proposals<br>Reviewing creditors listing and making enquiries regarding same for purpose of ascertaining estimated level of creditor claims<br>Discussions with Deed Proponent regarding funding requirements for DOCA<br>Further review of required DOCA funding Liaising with Deed Proponent regarding finalisation and execution of DOCA<br>Liaising with solicitors regarding draft DOCA and Creditor's Trust Deed |
| **Creditors $10,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Review and prepare correspondence to creditors and their representatives by email and post |
| | Creditor reports | Finalising Second Report to Creditors detailing investigations and convening Second Meeting of<br>Finalising scenario analysis for estimated return to creditors in DOCA/CT vs Liquidation<br>Finalising Circular to Creditors regarding Second Report to Creditors and issue of same |

| Task Area | General Description | Includes |
|---|---|---|
| | Second Meeting of Creditors | Sending Notice of Meeting to all known creditors<br>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting<br>Responding to stakeholder queries and questions immediately following meeting |
| **Employees $1,000.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | Other employee issues | Correspondence regarding employees not previously mentioned above |
| **Trade On $1,500.00 (excl. GST)** | Trade On Management | Liaising with Willis Towers Watson regarding ongoing insurance issues<br>Management of casual staff on-site<br>Liaising with on-going service providers<br>Reviewing and approving payments relating to on-going services |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses |
| **Investigations $2,000.00 (excl. GST)** | Conducting Investigations | Finalising comparative financial statements<br>Finalising deficiency statement<br>Finalising working capital analysis<br>Review of specific transactions<br>Internal meetings regarding above matters<br>Finalisation of investigation file |

| Task Area | General Description | Includes |
|---|---|---|
| | ASIC Reporting | Preparing and lodging statutory investigation report |
| **Administration $2,500.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Bank account administration | Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms | Preparing and lodging ASIC forms |
| | Planning / Review | Discussions regarding status of administration |
| **Total: $22,000.00 (excl. GST)** | | |

## 3.3 REMUNERATION FOR THE PERIOD 22 MARCH 2019 TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Limited (Administrators Appointed) | **Period From** | 22 March 2019 | **To** | Conclusion |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

At the forthcoming meeting, Creditors may resolve to accept the proposed Deed of Company Arrangement ("DOCA") and to appoint Peter Krejci and Andrew Cummins as Joint and Several Deed Administrators of same. The Administrators will seek the approval of Creditors to be paid remuneration for services rendered from the date of the resolution being passed to the execution of the DOCA. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $9,500.00 (excl. GST)** | Deed of Company Arrangement | Liaising with interested parties regarding proposals for DOCA<br>Dealing with any issues arising in relation to execution of DOCA<br>Arrange execution of DOCA Liaising and ensuring Deed Contributions are paid into Deed Fund<br>Liaising with Deed Proponent regarding status and timing of shareholders meeting<br>Liaising with ASX regarding reinstating GSL's ASX trading status<br>Liaising with CBP regarding ASX submissions |
| **Creditors $13,400.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by email and post |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debts and Proxies |
| | Second Meeting of Creditors | Preparation and lodgement of minutes of meetings with ASIC |

| Task Area | General Description | Includes |
|---|---|---|
| **Employees $2,500.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | Other employee issues | Correspondence regarding employees not previously mentioned above |
| **Trade On $3,000.00 (excl. GST)** | Trade On Management | Liaising with on-going service providers |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses |
| **Administration $2,582.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | Planning / Review | Discussions regarding status of administration |
| **Total: $30,982.00 (excl. GST)** | | |

# 4 CALCULATION OF REMUNERATION

**Greatcell Solar Limited (Administrators' Appointed)**
**A.C.N. 111 723 883**
**For the Period 10 December 2018 to 13 March 2019**

| Staff Classification | Name | Charge Rate per Hour $ | Assets | | Creditors | | Investigation | | Trade On | | Employees | | Administration | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Appointee | Andrew Cummins | 680.00 | 0.30 | 204.00 | | - | | - | | - | | - | 0.50 | 340.00 | **0.80** | **544.00** |
| Appointee | Peter Krejci | 680.00 | 12.20 | 8,296.00 | 3.40 | 2,312.00 | 10.30 | 7,004.00 | 2.20 | 1,496.00 | | - | 9.90 | 6,732.00 | **38.00** | **25,840.00** |
| Principal | Robyn Karam | 650.00 | 1.50 | 975.00 | | - | | - | | - | | - | | - | **1.50** | **975.00** |
| Director | John Keenan | 570.00 | 68.50 | 39,045.00 | 28.10 | 16,017.00 | 14.10 | 8,037.00 | | - | 0.60 | 342.00 | 5.30 | 3,021.00 | **116.60** | **66,462.00** |
| Director | Peter Sheppard | 570.00 | 0.20 | 114.00 | | - | 0.10 | 57.00 | | - | 0.80 | 456.00 | | - | **1.10** | **627.00** |
| Supervisor | Katherine La | 420.00 | 20.20 | 8,484.00 | 13.40 | 5,628.00 | 33.70 | 14,154.00 | 4.50 | 1,890.00 | 1.20 | 504.00 | 6.90 | 2,898.00 | **79.90** | **33,558.00** |
| Supervisor | Kira Yu | 420.00 | 54.60 | 22,932.00 | 31.00 | 13,020.00 | 27.10 | 11,382.00 | 9.40 | 3,948.00 | 5.80 | 2,436.00 | 13.70 | 5,754.00 | **141.60** | **59,472.00** |
| Senior 1 | Jack Li | 360.00 | 2.00 | 720.00 | 6.30 | 2,268.00 | 31.40 | 11,304.00 | 2.00 | 720.00 | 3.40 | 1,224.00 | 4.60 | 1,656.00 | **49.70** | **17,892.00** |
| Senior 2 | Casey Byrne | 290.00 | | - | 9.90 | 2,871.00 | | - | | - | | - | 0.20 | 58.00 | **10.10** | **2,929.00** |
| Intermediate 1 | Stephen Lee | 260.00 | | - | 2.10 | 546.00 | 1.00 | 260.00 | 2.50 | 650.00 | | - | 6.40 | 1,664.00 | **12.00** | **3,120.00** |
| Intermediate 1 | Zen Taureka | 260.00 | | - | | - | | - | | - | | - | 3.60 | 936.00 | **3.60** | **936.00** |
| Intermediate 2 | Clair Daher | 235.00 | | - | | - | | - | | - | | - | 0.20 | 47.00 | **0.20** | **47.00** |
| Snr Admin Assistant | Jessica Mula | 220.00 | 1.20 | 264.00 | 6.20 | 1,364.00 | 0.10 | 22.00 | 0.50 | 110.00 | | - | 3.00 | 660.00 | **11.00** | **2,420.00** |
| Snr Admin Assistant | Sonia Stelmach | 220.00 | | - | | - | | - | | - | | - | 9.30 | 2,046.00 | **9.30** | **2,046.00** |
| Jnr Admin Assistant | Joanna Miralis | 150.00 | | - | | - | | - | | - | | - | 1.00 | 150.00 | **1.00** | **150.00** |
| **Total** | | | 160.70 | 81,034.00 | 100.40 | 44,026.00 | 117.80 | 52,220.00 | 21.10 | 8,814.00 | 11.80 | 4,962.00 | 64.60 | 25,962.00 | **476.40** | **217,018.00** |
| | | | | | | | | | | | | | | | **GST** | 21,701.80 |
| | | | | | | | | | | | | | | | **Total (incl GST)** | **$238,719.80** |
| **Average rate per hour** | | | | 504.26 | | 438.51 | | 443.29 | | 417.73 | | 420.51 | | 401.89 | | 455.54 |

# 5 DEED ADMINISTRATORS' REMUNERATION FROM COMMENCEMENT TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Limited (Administrator Appointed) | **Period From** | Execution | **To** | Conclusion |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Deed of Company Arrangement | | | | |

At the forthcoming meeting, Creditors may resolve to accept the proposed Deed of Company Arrangement ("DOCA") and to appoint Peter Krejci and Andrew Cummins as Joint and Several Deed Administrators of same. The Administrators will seek the approval of Creditors to be paid remuneration for services rendered from the date of the execution of the DOCA to the DOCA being wholly effectuated.

A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $33,000.00 (excl. GST)** | Deed of Company Arrangement | Liaising with parties regarding terms of the DOCA<br>Receipting funds due under DOCA<br>Receipting ATO R&D rebate due under the Otsana DOCA proposal<br>Receipting of deed contributions from recapitalisation |
| | Property, Plant and Equipment | Reviewing assets schedules<br>Liaising with Grays regarding organising online auction plant and equipment<br>Reviewing status of sale of plant and equipment<br>Internal discussions regarding status of sale of plant and equipment<br>Receipting funds from sale of plant and equipment |
| | Debtors | Liaising with solicitors regarding recoveries relating to NIMS legal proceedings<br>Liaising with solicitors regarding negotiations pertaining to settlement of claims relating to NIMS legal proceedings |

| Task Area | General Description | Includes |
|---|---|---|
| | | Receipting of funds as a result of settlement of NIMS legal proceedings |
| **Creditors $48,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Creditor Reports | Prepare and issue correspondence to creditors regarding execution of the DOCA<br>Prepare and issue a circular to creditors convening the meeting of creditors regarding recapitalisation approval<br>Preparing and issuing Report(s) to Creditors regarding update on administration<br>Prepare statement(s) of posting |
| | Deed of Company Arrangement | Overseeing that financial reporting requirements adhered to and audit of financial reports are undertaken (if required)<br>Reviewing correspondence issued to shareholders regarding convening shareholder meetings<br>Liaising with Deed Proponent regarding the status of obtaining necessary approvals from shareholders and ASX<br>Liaising with ASX (if required)<br>Overseeing the status of recapitalisation process and liaising with deed proponent regarding same |
| | Shareholder enquiry | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals<br>Tasks associated with dealing with shareholder enquiries |
| | Secured Creditors | Liaising with solicitors regarding removal of New Moonie security interest (if required) |

| Task Area | General Description | Includes |
|---|---|---|
| | | Reviewing documents to be filed with Court for removal of New Moonie security interest (if required)<br>Internal discussions regarding removal of New Moonie security interest (if required) |
| **Employees $8,000.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| **Trade On $25,000.00 (excl. GST)** | Trade On Management | Monitoring of trade-on with essential services<br>Authorising payments associated with essential services<br>Internal discussions regarding trade-on cash flow<br>Finalising trade-on accounts |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses<br>Finalising daily cash flow schedule and reconciling actual and accrued expenses |
| **Administration $6,000.00 (excl. GST)** | Document maintenance/file review/checklist | Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 5011, 5603 etc. |

| Task Area | General Description | Includes |
|---|---|---|
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration<br>Completing checklists<br>Finalising WIP |
| **Total: $120,000.00 (excl. GST)** | | |

# 6 TRUSTEES' REMUNERATION FROM COMMENCEMENT TO CONCLUSION

Creditors will be asked to consider approving the remuneration of the Trustees' of the Creditors Trust from the time of their appointment to the conclusion of the Creditors Trust; and, subject to approval, that the Trustees are able to draw their remuneration from Creditors' Trust.

Where a proposed DOCA incorporated a CT, Regulatory Guide 82 ("RG82"), issued by the Australian Securities and Investments Commission ("ASIC"), states that we are required to provide details of the remuneration and anticipated expenses of the proposed trustee in administering the Creditors Trust. This is set out in the Assessment of DOCA incorporating a CT. For creditors' benefit, the area of work likely to be undertaken by the Creditors Trustee are further detailed below.

| Task Area | General Description | Includes |
|---|---|---|
| **Creditors $55,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Creditor Reports | Prepare and issue correspondence to creditors regarding effectuation of the DOCA<br>Prepare and issue further circular to creditors convening the meeting of creditors regarding recapitalisation approval<br>Preparing and issuing Report(s) to Creditors regarding update on administration<br>Prepare statement(s) of posting |
| | Deed of Company Arrangement | Overseeing that financial reporting requirements adhered to and audit of financial reports are undertaken (if required)<br>Reviewing correspondence issued to shareholders regarding convening shareholder meetings<br>Liaising with deed proponent regarding the status of obtaining necessary approvals from shareholders and ASX<br>Liaising with ASX (if required)<br>Overseeing the status of recapitalisation process and liaising with deed proponent regarding same |

| Task Area | General Description | Includes |
|---|---|---|
| | Shareholder enquiry | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals<br>Tasks associated with dealing with shareholder enquiries |
| | Secured Creditors | Liaising with solicitors regarding removal of New Moonie security interest (if required)<br>Reviewing documents to be filed with Court for removal of New Moonie security interest (if required)<br>Internal discussions regarding removal of New Moonie security interest (if required) |
| **Employees $20,000.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | Employee dividend | Correspondence with employees regarding dividend<br>Correspondence with ATO regarding SGC proof of debt<br>Calculating dividend rate<br>Preparing dividend file<br>Advertising dividend notice<br>Preparing distribution<br>Receipting POD<br>Adjudicating POD<br>Ensuring PAYG is remitted to ATO |
| **Dividend $30,000.00 (excl. GST)** | Processing proofs of debt | Preparation of correspondence to potential creditors inviting lodgement of POD<br>Receipt of PODs<br>Maintain POD register<br>Adjudicating PODs<br>Request further information from claimants regarding POD<br>Correspondence with Directors regarding potential disputes with claimants<br>Obtaining legal advice regarding potential disputes with claimants<br>Preparation of correspondence to claimant advising outcome of adjudication |

| Task Area | General Description | Includes |
|---|---|---|
| | Dividend Procedures | Preparation of correspondence to creditors advising of intention to declare dividend<br>Advertisement of intention to declare dividend<br>Liaising with accountant to prepare outstanding pre-appointment tax lodgements<br>Obtain clearance from ATO to allow distribution of company's assets<br>Preparation of dividend calculation<br>Preparation of correspondence to creditors announcing declaration of dividend<br>Advertise announcement of dividend<br>Preparation of distribution<br>Preparation of dividend file<br>Preparation of payment vouchers to pay dividend<br>Preparation of correspondence to creditors enclosing payment of dividend |
| **Administration $15,000.00 (excl. GST)** | Document maintenance/file review/checklist | Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 5011, 5602, 5603 etc. |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration<br>Completing checklists |

| Task Area | General Description | Includes |
|---|---|---|
| | | Finalising WIP |
| **Total: $120,000.00 (excl. GST)** | | |

# 7 LIQUIDATORS' REMUNERATION FROM 22 MARCH 2019 TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Limited (Administrators Appointed) | **Period From** | 23 March 2019 | **To** | Conclusion |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Creditors Voluntary Liquidation | | | | |

At the forthcoming meeting, Creditors may resolve to place the Company into Liquidation and to appoint Peter Krejci and Andrew Cummins as Joint and Several Liquidators of same. The Liquidators will seek the approval of Creditors to be paid remuneration for services rendered in the Liquidation from the date of the resolution being passed to the completion of the Liquidation. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $38,000.00 (excl. GST)** | Property, Plant and Equipment | Reviewing assets schedules<br>Liaising with Grays regarding plant and equipment valuation<br>Liaising with Grays regarding organising sale of plant and equipment<br>Reviewing status of sale of plant and equipment<br>Internal discussions regarding status of sale of plant and equipment<br>Receipting funds from sale of plant and equipment |
| | Debtors | Liaising with solicitors regarding recoveries relating to NIMS legal proceedings<br>Reviewing correspondence regarding recoveries relating to NIMS legal proceedings<br>Liaising with solicitors regarding negotiations pertaining to settlement of claims relating to NIMS legal proceedings<br>Receipting of funds as a result of settlement of NIMS legal proceedings |

| Task Area | General Description | Includes |
|---|---|---|
| | Other Assets | Investigating recoverability of R&D tax incentive refundable offset<br>Receipting recoveries in relation to R&D tax incentive refundable offset (if any)<br>All tasks associated with dealing with intellectual property |
| **Creditors $35,500.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by facsimile, email and post |
| | Creditor reports | Preparing Statutory Report to Creditors regarding investigations<br>Preparing further reports to creditors (if necessary) |
| | Meeting of Creditors | Responding to stakeholder queries and questions immediately following meeting<br>Preparation and lodgement of minutes of meetings with ASIC |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Shareholder enquiries | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals<br>Tasks associated with dealing with shareholder enquiries |
| **Employees $35,500.00 (excl. GST)** | Employees enquiry | Issuing correspondence to employees regarding termination and FEG<br>Liaising with employees regarding entitlements<br>Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | FEG | Correspondence with FEG<br>Preparing initial questionnaire<br>Preparing FEG quotation for services |

| Task Area | General Description | Includes |
|---|---|---|
| | | Reviewing payroll records<br>Calculating employees' claims<br>Request further supporting documentation from employees to substantiate their claims<br>Preparing verification spreadsheet of employee entitlements<br>Correspondence with FEG regarding discrepancies, if any |
| | Other employee issues | Correspondence regarding employees not previously mentioned above |
| **Trade On $4,000.00 (excl. GST)** | Trade On Management | Liaising with suppliers regarding finalisation of trade-on by Administrators<br>Liaising with management and staff regarding finalisation of trade-on affairs<br>Tasks associated with finalisation of trading by Administrator |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| **Investigation $70,000.00 (excl. GST)** | Conducting investigation | Further reviewing Company's books and records<br>Preparation of updated deficiency statement, if necessary)<br>Conducting further investigations into potential voidable transactions<br>Conducting further investigations into other potential recoveries<br>Conducting further investigations into potential insolvent trading claim<br>Consider recovery action for potential recoveries, if any<br>Consider breach of duty claims |
| | Litigation / Recoveries | Liaising with creditors/suppliers regarding potential unfair preferences<br>Discussions with solicitors regarding potential recoveries |

| Task Area | General Description | Includes |
|---|---|---|
| | | Discussions with solicitors regarding potential insolvent trading claim (if applicable)<br>Commencing recovery action regarding potential unfair preferences<br>Commencing recovery action regarding insolvent trading (if applicable)<br>Negotiating commercial settlement, if necessary |
| | ASIC reporting | Preparing statutory investigation reports<br>Preparing supplementary report, if required<br>Liaising with ASIC |
| **Administration $17,000.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Periodic administration review<br>Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 509D, 5602, 5011, etc. |
| | ATO and other statutory reporting | Notification of appointment<br>Preparing BASs |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration |

| Task Area | General Description | Includes |
|---|---|---|
| | | Completing checklists<br>Finalising WIP |
| **Total: $200,000.00 (excl. GST)** | | |

## 8 STATEMENT OF REMUNERATION CLAIM

By Resolution, we will be seeking approval from the Creditors for the following resolutions:

Resolution 2: Joint and Several Administrators' Remuneration for the period 10 December 2018 to 13 March 2019

"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 10 December 2018 to 13 March 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, be fixed and approved at $217,018.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."

Resolution 3: Joint and Several Administrators' Remuneration for the period 14 March 2019 to 22 March 2019

"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 14 March 2019 to 22 March 2019 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $22,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."

If a Deed of Company Arrangement is accepted:

Resolution 4: Joint and Several Administrators' Remuneration for the period 22 March 2019 to Conclusion

"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 22 March 2019 to the conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $30,982.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."

Resolution 11: Joint and Several Deed Administrators' Remuneration

*"That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an*

*interim cap of $120,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."*

Resolution 12: Trustees' Remuneration

*"That the remuneration of the Trustees of the Creditors' Trust, their partners and staff for the period from the date of the execution of the Creditors' Trust to the conclusion of the Creditors' Trust, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Trustees be authorised to draw that amount from the Creditors' Trust as and when incurred."*

If the Company is wound up:

Resolution 15: Joint and Several Liquidators' Remuneration from 22 March 2019 to Conclusion

*"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 22 March 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $200,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."*

At this time, we do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of our investigations and we wish to seek further remuneration then we will be required to convene a meeting of the creditors or committee of inspection and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

## 9 LIKELY IMPACT ON DIVIDENDS

The Administrators/Trustees are entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as an external administrator. The remuneration and disbursements of the Administrators/Trustees have a priority ranking ahead of creditors.

We are unable to pay our remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court. Approval by Creditors is efficient and timely, and is less costly than an application to the Court.

However, any dividend will ultimately be impacted by the realisations achieved by the Administrators/Trustees and the value of creditor claims admitted to participate in the dividend. The likely impact of approval of remuneration and disbursements on dividends to creditors is that it will reduce such dividends.

## 10 DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not obliged to seek creditor approval for disbursements, but must account to creditors. This includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Report.

We advise that to date, we have not been paid any disbursements incurred during this Administration by our Firm.

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for the following resolutions:

Resolution 5: Joint and Several Administrators' Internal Disbursements:

"That the Joint and Several Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $6,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."

If a Deed of Company Arrangement is accepted:

Resolution 13: Deed Administrators' Internal Disbursements:

"That the Joint and Several Deed Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Deed Administrators be authorised to draw that amount as accrued."

Resolution 14: Trustees' Internal Disbursements

"That the Trustees of the Creditors' Trust be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Trustees be authorised to draw that amount as accrued."

If the Company is wound up:

Resolution 16: Joint and Several Liquidators' Internal Disbursements

"That the Joint and Several Liquidators be allowed internal disbursements at the rates of charge in the Voluntary Administrator's Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."

Future internal disbursements provided by our firm will be charged to the administration on the following basis:

| Internal Disbursements | Rate (excl. GST) ($) |
|---|---|
| Photocopying/Printing | $0.25 per page |
| Facsimile | $0.25 per page |
| Postage | At cost |
| Staff vehicle use | In accordance with ATO mileage allowances |

## 11 SUMMARY OF RECEIPTS AND PAYMENTS

Attached to the report is a summary of the receipts and payments in the administration to 14 March 2019.

## 12 QUERIES & INFORMATION SHEET

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Administrators' office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA website, *www.arita.com.au*, or can be obtained from this office.

# Remuneration Approval Report

## Greatcell Solar Industries Pty Limited

(Administrators Appointed)

("the Company")

ACN 083 102 498

14 March 2019

Peter Krejci
Andrew Cummins
Joint and Several Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

TABLE OF CONTENTS

1 DECLARATION ..... 3

2 EXECUTIVE SUMMARY ..... 3

3 DESCRIPTION OF WORK COMPLETED ..... 5

3.1 Remuneration for the period 10 December 2018 to 13 March 2019 ..... 5
3.2 Remuneration for the period 14 March 2019 to 22 March 2019 ..... 10
3.3 Remuneration for the period 22 March 2019 to Conclusion ..... 12

4 CALCULATION OF REMUNERATION ..... 14

5 DEED ADMINISTRATORS' REMUNERATION FROM COMMENCEMENT TO CONCLUSION ..... 15

6 TRUSTEES' REMUNERATION FROM COMMENCEMENT TO CONCLUSION ..... 19

7 LIQUIDATORS' REMUNERATION FROM 22 MARCH 2019 TO CONCLUSION ..... 23

8 STATEMENT OF REMUNERATION CLAIM ..... 25

9 LIKELY IMPACT ON DIVIDENDS ..... 26

10 DISBURSEMENTS ..... 27

11 SUMMARY OF RECEIPTS AND PAYMENTS ..... 28

12 QUERIES & INFORMATION SHEET ..... 28

# 1 DECLARATION

We, Peter Krejci and Andrew Cummins of BRI Ferrier (NSW) Pty Ltd have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of Greatcell Solar Industries Pty Ltd (Administrators Appointed) ("the Company") in accordance with the law and applicable professional standards. We are satisified that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

# 2 EXECUTIVE SUMMARY

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

| Period | Report Reference | Amount ($, ex GST) |
|---|---|---|
| **Resolution [1]:** *Administrators' remuneration for the period 10 December 2018 to 13 March 2019* | [3.1] | $60,877.50 |
| **Resolution [2]:** *Administrators' remuneration for the period 14 March 2019 to 22 March 2019* | [3.2] | $7,000.00 |
| **Resolution [3]:** *Administrators' remuneration for the period 22 March 2019 to conclusion of the Administration* | [3.3] | $7,122.50 |
| **Sub-total:** | | **$75,000.00** |
| | | |
| If the Creditors resolve to enter into a Deed of Company Arrangement:<br>**Resolution [4]:** *Deed Administrators' remuneration from the date of the execution of the Deed of Company Arrangement ("DOCA") to the conclusion of the DOCA* | [5] | $120,000.00 |
| **Resolution [5]:** *Trustees of the Creditors Trust's remuneration from the date of the execution of the Creditors Trust to the conclusion of the Creditors Trust* | [6] | $120,000.00 |
| | | |
| If the Creditors resolve to wind up the Company:<br>**Resolution [6]:** *Joint and Several Liquidators' remuneration for the period 22 March 2019 to the conclusion of the Liquidation* | [7] | $80,000.00 |
| **Sub-total:** | | **$80,000.00** |

We note that given the pooled nature of the proposed DOCAs, we have sought approval of our professional fees as Deed Administrators and Trustees from each entity. Those fees however, will only be paid once.

We also note that we are unable to predict the exact costs that will be incurred during the DOCA period versus the Creditors' Trust period. As such, we are seeking the same fee approvals for each period, noting that we will only draw the fees once.

We also seek to have the following internal disbursements approved by Creditors:

| Period | Report Reference | Amount ($, ex GST) |
|---|---|---|
| **Resolution [5]:** *Internal disbursements incurred during the Voluntary Administration Period* | [10] | 5,000.00 |
| | | |
| If the Creditors resolve to enter into a Deed of Company Arrangement:<br>**Resolution [13]:** *Internal disbursements incurred during the Deed of Company Arrangement Period* | [10] | 4,000.00 |
| **Resolution [14]:** *Internal disbursements incurred during the Creditors Trust* | [10] | 4,000.00 |
| | | |
| If the Creditors resolve to wind up the Company:<br>**Resolution [16]:** *Internal disbursements incurred during the Liquidation Period* | [10] | 5,000.00 |

The total remuneration for the Voluntary Administration is estimated to be $75,000.00 (plus GST), which is consistent with our previous estimate provided in the Initial Remuneration Notice dated 12 December 2018.

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

# 3 DESCRIPTION OF WORK COMPLETED

The tables below provide a summary of the work completed by us and our staff in the Administration.

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Industries Pty Ltd (Administrators Appointed) | **Period From** | 10 December 2018 | **To** | 13 March 2019 |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

## 3.1 REMUNERATION FOR THE PERIOD 10 DECEMBER 2018 TO 13 MARCH 2019

| Task Area | General Description | Includes |
|---|---|---|
| **Assets**<br>**40.60 Hours**<br>**$21,153.00**<br>**(excl. GST)** | Sale of Business and/or Assets | Preparing advertisement for sale of business and/or assets in the Australian Financial Review<br>Preparing confidentiality agreement<br>Preparing information memorandum for interested parties<br>Establish online data room, activate security, printing and access protocols<br>Populate data room to meet information memorandum requirements<br>Engaging interested parties regarding sale process and responding to their queries<br>Undertaking due diligence on interested parties<br>Receipt and disbursement of refundable deposits from interested parties<br>Internal meetings regarding status of sale process<br>Preparing affidavit for extension of convening period to enable an extension of the sale timeframe for potential purchasers<br>Reviewing and considering offers from potential purchasers |

| Task Area | General Description | Includes |
|---|---|---|
| | | Consider alternate realisation strategies in lieu of sale of business including timeframe and cash flow requirements<br>Preparing ASX submission for waiver of listing removal<br>Discussions with management regarding obtaining further information<br>Negotiating with potential purchasers regarding viable offers |
| | Other Assets | Discussions with management and considering intellectual property and possible recoveries<br>Liaising with solicitor regarding intellectual property issues<br>Liaising with banks to recover credit balance and close pre-appointment accounts |
| **Creditors**<br>**31.20 Hours**<br>**$13,872.00**<br>**(excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by email and post |
| | Creditor reports | Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors<br>Preparing and issuing Circular to Creditors extension of convening period<br>Preparing Second Report to Creditors detailing investigations<br>Preparing scenario analysis for estimated return to creditors in DOCA/CT vs Liquidation |
| | Dealing with proofs of debt | Receipting and filing Proof of Debt and Proxies |

| Task Area | General Description | Includes |
|---|---|---|
| | First Meeting of Creditors | Preparation of meeting notices, proxies and advertisements<br>Sending Notice of Meeting to all known creditors<br>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting<br>Preparation and lodgement of minutes of meetings with ASIC<br>Responding to stakeholder queries and questions immediately following meeting<br>Finalising minutes of first meeting of creditors |
| | Retention of Title Claims | Correspondence issued to PMSI creditors disclosed on PPSR search |
| | Secured Creditor Reporting | Correspondence with security interest holders disclosed on PPSR Search<br>Reviewing security documents<br>Reviewing current payout figures<br>Provide updates regarding the status of the administration to security interest holders<br>Considering validity of New Moonie security<br>Liaising with solicitors regarding validity of New Moonie security |
| | Proposal for Deed of Company Arrangement | Consider potential outcome for Administration, DOCA and potential settlement with Director<br>Discussions regarding funding requirements for DOCA<br>Reviewing potential DOCA funding implications and settlement issues, and obtaining legal advice<br>Review of draft DOCA and Creditor's Trust Deed<br>Liaising with solicitors regarding draft DOCA and Creditor's Trust Deed |

| Task Area | General Description | Includes |
|---|---|---|
| **Employees**<br>**0.30 Hours**<br>**$126.00**<br>**(excl. GST)** | Employees enquiry | Receive employee enquiry by telephone<br>Maintain employee enquiry register |
| **Trade On**<br>**2.20 Hours**<br>**$1,444.00**<br>**(excl. GST)** | Trade On Management | Preparing cash flow projection<br>Consider trade-on related issues and internal discussions regarding same<br>Liaising with landlord regarding extended convening period and negotiating rent waiver<br>Reviewing incoming correspondence regarding various trade-on related issues |
| **Investigation**<br>**31.50 Hours**<br>**$14,191.00**<br>**(excl. GST)** | Conducting investigation | Discussions with staff regarding Company records required<br>Conducting ASIC searches on Company and Directors<br>Performing property searches<br>Conducting ownership searches for website<br>Obtained backup of Company records<br>Reviewing completed ROCAP<br>Reviewing Company's books and records including MYOB Greentree for management accounts<br>Meetings with Directors regarding background and financial performance of the Company<br>Review and preparation of narrative of business nature and history<br>Conducting and summarising statutory searches<br>Reviewing company contracts<br>Correspondence with Director regarding enquiries into financial statements<br>Reviewing company financials with particular focus on intercompany transactions and subsidiary disclosures<br>Preparation of comparative financial statements<br>Preparation of deficiency statement<br>Preparation of working capital analysis<br>Preparation of statutory information |

| Task Area | General Description | Includes |
|---|---|---|
| | | Conducting investigations to determine if potential voidable transactions or insolvent trading claims available<br>Internal meetings regarding above matters<br>Preparation of investigation file |
| | Litigation / Recoveries | Conducting investigations into safe harbour and liaising with solicitors regarding same<br>Reviewing director commentary regarding safe harbour plans |
| **Administration 23.50 Hours $10,091.50 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Insurance | Identification of potential issues requiring attention of insurance specialists<br>Reviewing insurance policies |
| | Bank account administration | Preparing correspondence opening accounts<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms | Preparing and lodging ASIC forms including 505, 507, 531, 5011 etc |
| | ATO and other statutory reporting | Notification of appointment |
| | Planning / Review | Discussions regarding status of administration<br>Internal meetings to discuss workflow |
| **Total hours: 129.30**<br>**Total: $60,877.50 (excl. GST)** | | |

## 3.2 REMUNERATION FOR THE PERIOD 14 MARCH 2019 TO 22 MARCH 2019

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Industries Pty Ltd (Administrators Appointed) | **Period From** | 14 March 2019 | **To** | 22 March 2019 |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $1,650.00 (excl. GST)** | Proposal for Deed of Company Arrangement | Consider potential outcome for Administration<br>Discussions regarding funding requirements for DOCA<br>Obtaining legal advice where necessary<br>Further review of draft amendments to DOCA and Creditor's Trust Deed proposal submitted<br>Liaising with solicitors regarding draft DOCA and Creditor's Trust Deed |
| **Creditors $3,500.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone, email and post |
| | Creditor reports | Finalising Second Report to Creditors detailing investigations and convening Second Meeting of<br>Finalising scenario analysis for estimated return to creditors in DOCA/CT vs Liquidation<br>Finalising Circular to Creditors regarding Second Report to Creditors and issue of same |
| | Second Meeting of Creditors | Sending Notice of Meeting to all known creditors<br>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting<br>Responding to stakeholder queries and questions immediately following meeting |

| Task Area | General Description | Includes |
|---|---|---|
| **Investigations $1,000.00 (excl. GST)** | Conducting Investigations | Finalising comparative financial statements<br>Finalising deficiency statement<br>Finalisation of investigation file |
| | ASIC Reporting | Preparing and lodging statutory investigation report |
| **Administration $850.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | ASIC Forms | Preparing and lodging ASIC forms |
| | Planning / Review | Discussions regarding status of administration |
| **Total: $7,000.00 (excl. GST)** | | |

## 3.3 REMUNERATION FOR THE PERIOD 22 MARCH 2019 TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Industries Pty Ltd (Administrators Appointed) | **Period From** | 22 March 2019 | **To** | Conclusion |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

At the forthcoming meeting, Creditors may resolve to accept the proposed Deed of Company Arrangement ("DOCA") and to appoint Peter Krejci and Andrew Cummins as Joint and Several Deed Administrators of same. The Administrators will seek the approval of Creditors to be paid remuneration for services rendered from the date of the resolution being passed to the execution of the DOCA. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $3,000.00 (excl. GST)** | Deed of Company Arrangement | Discussions with deed proponent and their advisors regarding preparation of the DOCA<br>Liaising with solicitors regarding DOCA<br>Finalising DOCA with deed proponent and their advisors and organising execution<br>Liaising and ensuring Deed Contributions are paid into Deed Fund |
| **Creditors $3,234.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone, email and post |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debts and Proxies |
| | Second Meeting of Creditors | Preparation and lodgement of minutes of meetings with ASIC |
| **Administration** | Correspondence | All other correspondence not discussed above |

| Task Area | General Description | Includes |
|---|---|---|
| **$888.50 (excl. GST)** | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Planning / Review | Discussions regarding status of administration |
| **Total: $7,122.50 (excl. GST)** | | |

# 4 CALCULATION OF REMUNERATION

**Greatcell Solar Industries Pty Ltd (Administrators' Appointed)**
**A.C.N. 083 102 496**
**For the Period 10 December 2018 to 13 March 2019**

| Staff Classification | Name | Charge Rate per Hour | Assets | | Creditors | | Investigation | | Trade On | | Employees | | Administration | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Appointee | Peter Krejci | 680.00 | 5.10 | 3,468.00 | | - | 5.10 | 3,468.00 | 2.00 | 1,360.00 | | - | 5.40 | 3,672.00 | **17.60** | **11,968.00** |
| Director | John Keenan | 570.00 | 20.10 | 11,457.00 | 11.60 | 6,612.00 | 1.90 | 1,083.00 | | - | | - | 2.90 | 1,653.00 | **36.50** | **20,805.00** |
| Supervisor | Katherine La | 420.00 | 5.50 | 2,310.00 | 5.60 | 2,352.00 | 10.60 | 4,452.00 | 0.10 | 42.00 | | - | 2.10 | 882.00 | **23.90** | **10,038.00** |
| Supervisor | Kira Yu | 420.00 | 8.70 | 3,654.00 | 7.60 | 3,192.00 | 3.30 | 1,386.00 | 0.10 | 42.00 | 0.30 | 126.00 | 3.70 | 1,554.00 | **23.70** | **9,954.00** |
| Senior 1 | Jack Li | 360.00 | | - | 2.00 | 720.00 | 10.50 | 3,780.00 | | - | | - | 0.90 | 324.00 | **13.40** | **4,824.00** |
| Senior 2 | Casey Byrne | 290.00 | | - | 0.40 | 116.00 | | - | | - | | - | | - | **0.40** | **116.00** |
| Intermediate 1 | Stephen Li | 260.00 | | - | | - | | - | | - | | - | 2.50 | 650.00 | **2.50** | **650.00** |
| Intermediate 1 | Zen Taureka | 260.00 | | - | | - | | - | | - | | - | 0.80 | 208.00 | **0.80** | **208.00** |
| Intermediate 2 | Clair Daher | 235.00 | | - | | - | | - | | - | | - | 0.30 | 70.50 | **0.30** | **70.50** |
| Snr Admin Assistant | Jessica Mula | 220.00 | 1.20 | 264.00 | 4.00 | 880.00 | 0.10 | 22.00 | | - | | - | 2.60 | 572.00 | **7.90** | **1,738.00** |
| Snr Admin Assistant | Sonia Stelmach | 220.00 | | - | | - | | - | | - | | - | 2.30 | 506.00 | **2.30** | **506.00** |
| **Total** | | | 40.60 | 21,153.00 | 31.20 | 13,872.00 | 31.50 | 14,191.00 | 2.20 | 1,444.00 | 0.30 | 126.00 | 23.50 | 10,091.50 | **129.30** | **60,877.50** |
| | | | | | | | | | | | | | | | **GST** | 6,087.75 |
| | | | | | | | | | | | | | | | **Total (incl GST)** | **$66,965.25** |
| **Average rate per hour** | | | | 521.01 | | 444.62 | | 450.51 | | 656.36 | | 420.00 | | 429.43 | | 470.82 |

# 5 DEED ADMINISTRATORS' REMUNERATION FROM COMMENCEMENT TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Industries Pty Ltd (Administrators Appointed) | **Period From** | Execution | **To** | Conclusion |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Deed of Company Arrangement | | | | |

At the forthcoming meeting, Creditors may resolve to accept the proposed Deed of Company Arrangement ("DOCA") and to appoint Peter Krejci and Andrew Cummins as Joint and Several Deed Administrators of same. The Administrators will seek the approval of Creditors to be paid remuneration for services rendered from the date of the execution of the DOCA to the DOCA being wholly effectuated.

A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $33,000.00 (excl. GST)** | Deed of Company Arrangement | Liaising with parties regarding terms of the DOCA<br>Receipting funds due under DOCA<br>Receipting ATO R&D rebate due under the Otsana DOCA proposal<br>Receipting of deed contributions from recapitalisation |
| | Property, Plant and Equipment | Reviewing assets schedules<br>Liaising with Grays regarding organising online auction plant and equipment<br>Reviewing status of sale of plant and equipment<br>Internal discussions regarding status of sale of plant and equipment<br>Receipting funds from sale of plant and equipment |
| | Debtors | Liaising with solicitors regarding recoveries relating to NIMS legal proceedings |

| Task Area | General Description | Includes |
|---|---|---|
| | | Liaising with solicitors regarding negotiations pertaining to settlement of claims relating to NIMS legal proceedings<br>Receipting of funds as a result of settlement of NIMS legal proceedings |
| **Creditors $48,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Creditor Reports | Prepare and issue correspondence to creditors regarding execution of the DOCA<br>Prepare and issue a circular to creditors convening the meeting of creditors regarding recapitalisation approval<br>Preparing and issuing Report(s) to Creditors regarding update on administration<br>Prepare statement(s) of posting |
| | Deed of Company Arrangement | Overseeing that financial reporting requirements adhered to and audit of financial reports are undertaken (if required)<br>Reviewing correspondence issued to shareholders regarding convening shareholder meetings<br>Liaising with Deed Proponent regarding the status of obtaining necessary approvals from shareholders and ASX<br>Liaising with ASX (if required)<br>Overseeing the status of recapitalisation process and liaising with deed proponent regarding same |
| | Shareholder enquiry | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals<br>Tasks associated with dealing with shareholder enquiries |

| Task Area | General Description | Includes |
|---|---|---|
| | Secured Creditors | Liaising with solicitors regarding removal of New Moonie security interest (if required)<br>Reviewing documents to be filed with Court for removal of New Moonie security interest (if required)<br>Internal discussions regarding removal of New Moonie security interest (if required) |
| **Employees $8,000.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| **Trade On $25,000.00 (excl. GST)** | Trade On Management | Monitoring of trade-on with essential services<br>Authorising payments associated with essential services<br>Internal discussions regarding trade-on cash flow<br>Finalising trade-on accounts |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses<br>Finalising daily cash flow schedule and reconciling actual and accrued expenses |
| **Administration $6,000.00 (excl. GST)** | Document maintenance/file review/checklist | Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |

| Task Area | General Description | Includes |
|---|---|---|
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 5011, 5603 etc. |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration<br>Completing checklists<br>Finalising WIP |
| **Total: $120,000.00 (excl. GST)** | | |

# 6 TRUSTEES' REMUNERATION FROM COMMENCEMENT TO CONCLUSION

Creditors will be asked to consider approving the remuneration of the Trustees of the Creditors Trust from the time of their appointment to the conclusion of the Creditors Trust; and, subject to approval, that the Trustees are able to draw their remuneration from Creditors' Trust.

Where a proposed DOCA incorporated a CT, Regulatory Guide 82 ("RG82"), issued by the Australian Securities and Investments Commission ("ASIC"), states that we are required to provide details of the remuneration and anticipated expenses of the proposed trustee in administering the Creditors Trust. This is set out in the Assessment of DOCA incorporating a CT. For creditors' benefit, the area of work likely to be undertaken by the Creditors Trustee are further detailed below.

| Task Area | General Description | Includes |
|---|---|---|
| **Creditors $55,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Creditor Reports | Prepare and issue correspondence to creditors regarding effectuation of the DOCA<br>Prepare and issue further circular to creditors convening the meeting of creditors regarding recapitalisation approval<br>Preparing and issuing Report(s) to Creditors regarding update on administration<br>Prepare statement(s) of posting |
| | Deed of Company Arrangement | Overseeing that financial reporting requirements adhered to and audit of financial reports are undertaken (if required)<br>Reviewing correspondence issued to shareholders regarding convening shareholder meetings<br>Liaising with deed proponent regarding the status of obtaining necessary approvals from shareholders and ASX<br>Liaising with ASX (if required)<br>Overseeing the status of recapitalisation process and liaising with deed proponent regarding same |

| Task Area | General Description | Includes |
|---|---|---|
| | Shareholder enquiry | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals<br>Tasks associated with dealing with shareholder enquiries |
| | Secured Creditors | Liaising with solicitors regarding removal of New Moonie security interest (if required)<br>Reviewing documents to be filed with Court for removal of New Moonie security interest (if required)<br>Internal discussions regarding removal of New Moonie security interest (if required) |
| **Employees $20,000.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | Employee dividend | Correspondence with employees regarding dividend<br>Correspondence with ATO regarding SGC proof of debt<br>Calculating dividend rate<br>Preparing dividend file<br>Advertising dividend notice<br>Preparing distribution<br>Receipting POD<br>Adjudicating POD<br>Ensuring PAYG is remitted to ATO |
| **Dividend $30,000.00 (excl. GST)** | Processing proofs of debt | Preparation of correspondence to potential creditors inviting lodgement of POD<br>Receipt of PODs<br>Maintain POD register<br>Adjudicating PODs<br>Request further information from claimants regarding POD<br>Correspondence with Directors regarding potential disputes with claimants<br>Obtaining legal advice regarding potential disputes with claimants<br>Preparation of correspondence to claimant advising outcome of adjudication |

| Task Area | General Description | Includes |
|---|---|---|
| | Dividend Procedures | Preparation of correspondence to creditors advising of intention to declare dividend<br>Advertisement of intention to declare dividend<br>Liaising with accountant to prepare outstanding pre-appointment tax lodgements<br>Obtain clearance from ATO to allow distribution of company's assets<br>Preparation of dividend calculation<br>Preparation of correspondence to creditors announcing declaration of dividend<br>Advertise announcement of dividend<br>Preparation of distribution<br>Preparation of dividend file<br>Preparation of payment vouchers to pay dividend<br>Preparation of correspondence to creditors enclosing payment of dividend |
| **Administration $15,000.00 (excl. GST)** | Document maintenance/file review/checklist | Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 5011, 5602, 5603 etc. |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration<br>Completing checklists |

| Task Area | General Description | Includes |
|---|---|---|
| | | Finalising WIP |
| **Total: $120,000.00 (excl. GST)** | | |

# 7 LIQUIDATORS' REMUNERATION FROM 22 MARCH 2019 TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Industries Pty Ltd (Administrators Appointed) | **Period From** | 22 March 2019 | **To** | Conclusion |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Creditors Voluntary Liquidation | | | | |

At the forthcoming meeting, Creditors may resolve to place the Company into Liquidation and to appoint Peter Krejci and Andrew Cummins as Joint and Several Liquidators of same. The Liquidators will seek the approval of Creditors to be paid remuneration for services rendered in the Liquidation from the date of the resolution being passed to the completion of the Liquidation. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Creditors $39,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by facsimile, email and post |
| | Creditor reports | Preparing Statutory Report to Creditors regarding investigations<br>Preparing further reports to creditors (if necessary) |
| | Meeting of Creditors | Responding to stakeholder queries and questions immediately following meeting<br>Preparation and lodgement of minutes of meetings with ASIC |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Shareholder enquiries | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals |

| Task Area | General Description | Includes |
|---|---|---|
| | | Tasks associated with dealing with shareholder enquiries |
| **Investigation $28,000.00 (excl. GST)** | Conducting investigation | Further reviewing Company's books and records<br>Preparation of updated deficiency statement, if necessary)<br>Conducting further investigations into potential voidable transactions<br>Conducting further investigations into other potential recoveries<br>Consider recovery action for potential recoveries, if any<br>Consider breach of duty claims |
| | ASIC reporting | Preparing statutory investigation reports<br>Preparing supplementary report, if required<br>Liaising with ASIC |
| **Administration $13,000.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Periodic administration review<br>Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments, if any<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 5011, 5602, 5603 etc. |
| | ATO and other statutory reporting | Notification of appointment<br>Preparing BASs |
| | Planning / Review | Discussions regarding status of administration |

| Task Area | General Description | Includes |
|---|---|---|
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration<br>Completing checklists<br>Finalising WIP |
| **Total: $80,000.00 (excl. GST)** | | |

## 8 STATEMENT OF REMUNERATION CLAIM

By Resolution, we will be seeking approval from the Creditors for the following resolutions:

Resolution 1: Joint and Several Administrators' Remuneration for the period 10 December 2018 to 13 March 2019

*"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 10 December 2018 to 13 March 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, be fixed and approved at $60,877.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."*

Resolution 2: Joint and Several Administrators' Remuneration for the period 14 March 2019 to 22 March 2019

*"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 14 March 2019 to 22 March 2019 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $7,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."*

If a Deed of Company Arrangement is accepted:

Resolution 3: Joint and Several Administrators' Remuneration for the period 22 March 2019 to Conclusion

*"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 22 March 2019 to the conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $7,122.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."*

Resolution 8: Joint and Several Deed Administrators' Remuneration

*"That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."*

Resolution 9: Trustees' Remuneration

*"That the remuneration of the Trustees of the Creditors' Trust, their partners and staff for the period from the date of the execution of the Creditors' Trust to the conclusion of the Creditors' Trust, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Trustees be authorised to draw that amount from the Creditors' Trust as and when incurred."*

If the Company is wound up:

Resolution 12: Joint and Several Liquidators' Remuneration from 22 March 2019 to Conclusion

*"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 22 March 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $80,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."*

At this time, we do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of our investigations and we wish to seek further remuneration then we will be required to convene a meeting of the creditors or committee of inspection and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

# 9 LIKELY IMPACT ON DIVIDENDS

The Administrators/Trustees are entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as an external administrator. The remuneration and disbursements of the Administrators/Trustees have a priority ranking ahead of creditors.

We are unable to pay our remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court. Approval by Creditors is efficient and timely, and is less costly than an application to the Court.

However, any dividend will ultimately be impacted by the realisations achieved by the Administrators/Trustees and the value of creditor claims admitted to participate in the dividend. The likely impact of approval of remuneration and disbursements on dividends to creditors is that it will reduce such dividends.

## 10 DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not obliged to seek creditor approval for disbursements, but must account to creditors. This includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Report.

We advise that to date, we have not been paid any disbursements incurred during this Administration by our Firm.

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for the following resolutions:

Resolution 5: Joint and Several Administrators' Internal Disbursements

*"That the Joint and Several Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."*

If a Deed of Company Arrangement is accepted:

Resolution 13: Deed Administrators' Internal Disbursements

*"That the Joint and Several Deed Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Deed Administrators be authorised to draw that amount as accrued."*

Resolution 10: Trustees' Internal Disbursements

*"That the Trustees of the Creditors' Trust be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Trustees be authorised to draw that amount as accrued."*

If the Company is wound up:

Resolution 16: Joint and Several Liquidators' Internal Disbursements

*"That the Joint and Several Liquidators be allowed internal disbursements at the rates of charge in the Voluntary Administrator's Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."*

Future internal disbursements provided by our firm will be charged to the administration on the following basis:

| Internal Disbursements | Rate (excl. GST) ($) |
|---|---|
| Photocopying/Printing | $0.25 per page |
| Facsimile | $0.25 per page |
| Postage | At cost |
| Staff vehicle use | In accordance with ATO mileage allowances |

## 11 SUMMARY OF RECEIPTS AND PAYMENTS

Attached to the report is a summary of the receipts and payments in the administration to 14 March 2019.

## 12 QUERIES & INFORMATION SHEET

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Administrators' office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA website, *www.arita.com.au*, or can be obtained from this office.

# Remuneration Approval Report

## Greatcell Solar Australia Pty Limited

(Administrators Appointed)

Formerly known as Dyesol Australia Pty Ltd

("the Company")

ACN 131 374 064

14 March 2019

Peter Krejci and Andrew Cummins

Joint and Several Voluntary Administrators

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
Level 30, Australia Square, 264 George Street, Sydney NSW 2000
GPO Box 7079, Sydney NSW 2001
Phone (02) 8263 2300
Facsimile (02) 8263 2399
Email: info@brifnsw.com.au
Website: www.briferrier.com.au

BRI Ferrier

TABLE OF CONTENTS

1 DECLARATION ..... 3

2 EXECUTIVE SUMMARY ..... 3

3 DESCRIPTION OF WORK COMPLETED ..... 5

3.1 Remuneration for the period 10 december 2018 to 13 March 2019 ..... 5
3.2 Remuneration for the period 14 March 2019 to 22 March 2019 ..... 12
3.3 Remuneration for the period 22 March 2019 to Conclusion ..... 15

4 CALCULATION OF REMUNERATION ..... 17

5 DEED ADMINISTRATORS' REMUNERATION FROM COMMENCEMENT TO CONCLUSION ..... 18

6 TRUSTEES' REMUNERATION FROM COMMENCEMENT TO CONCLUSION ..... 22

7 LIQUIDATORS' REMUNERATION FROM 22 MARCH 2019 TO CONCLUSION ..... 25

8 STATEMENT OF REMUNERATION CLAIM ..... 29

9 LIKELY IMPACT ON DIVIDENDS ..... 30

10 DISBURSEMENTS ..... 30

11 SUMMARY OF RECEIPTS AND PAYMENTS ..... 32

12 QUERIES & INFORMATION SHEET ..... 32

# 1 DECLARATION

We, Peter Krejci and Andrew Cummins of BRI Ferrier (NSW) Pty Ltd have undertaken a proper assessment of this remuneration claim for our appointment as Joint and Several Administrators of Greatcell Solar Australia Pty Limited (Administrators Appointed) ("the Company") in accordance with the law and applicable professional standards. We are satisified that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

# 2 EXECUTIVE SUMMARY

To date, no remuneration has been approved and paid in this administration. This remuneration report details approval sought for the following fees:

| Period | Report Reference | Amount ($, ex GST) |
|---|---|---|
| **Resolution [1]:** *Administrators' remuneration for the period 10 December 2018 to 13 March 2019* | [3.1] | $141,524.50 |
| **Resolution [2]:** *Administrators' remuneration for the period 14 March 2019 to 22 March 2019* | [3.2] | $21,000.00 |
| **Resolution [3]:** *Administrators' remuneration for the period 22 March 2019 to conclusion of the Administration* | [3.3] | $17,475.50 |
| **Sub-total:** | | **$180,000.00** |
| | | |
| If the Creditors resolve to enter into a Deed of Company Arrangement:<br>**Resolution [4]:** *Deed Administrators' remuneration from the date of the execution of the Deed of Company Arrangement ("DOCA") to the conclusion of the DOCA* | [5] | $120,000.00 |
| **Resolution [5]:** *Trustees of the Creditors Trust's remuneration from the date of the execution of the Creditors Trust to the conclusion of the Creditors Trust* | [6] | $120,000.00 |
| | | |
| If the Creditors resolve to wind up the Company:<br>**Resolution [6]:** *Joint and Several Liquidators' remuneration for the period 22 March 2019 to the conclusion of the Liquidation* | [7] | $200,000.00 |
| **Sub-total:** | | **$200,000.00** |

We note that given the pooled nature of the proposed DOCAs, we have sought approval of our professional fees as Deed Administrators and Trustees from each entity. Those fees however, will only be paid once.

We also note that we are unable to predict the exact costs that will be incurred during the DOCA period versus the Creditors' Trust period. As such, we are seeking the same fee approvals for each period, noting that we will only draw the fees once.

We also seek to have the following internal disbursements approved by Creditors:

| Period | Report Reference | Amount ($, ex GST) |
|---|---|---|
| **Resolution [5]:** *Internal disbursements incurred during the Voluntary Administration Period* | [10] | 4,000.00 |
| | | |
| If the Creditors resolve to enter into a Deed of Company Arrangement:<br>**Resolution [13]:** *Internal disbursements incurred during the Deed of Company Arrangement Period* | [10] | 4,000.00 |
| **Resolution [14]:** *Internal disbursements incurred during the Creditors Trust* | [10] | 4,000.00 |
| | | |
| If the Creditors resolve to wind up the Company:<br>**Resolution [16]:** *Internal disbursements incurred during the Liquidation Period* | [10] | 5,000.00 |

The total remuneration for the Voluntary Administration is estimated to be $180,000.00 (plus GST), which is consistent with our previous estimate provided in the Initial Remuneration Notice dated 12 December 2018.

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

# 3 DESCRIPTION OF WORK COMPLETED

The tables below provide a summary of the work completed by us and our staff in the Administration.

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Australia Pty Limited (Administrators Appointed) | **Period From** | 10 December 2018 | **To** | 13 March 2019 |
| **Practitioner** | Peter Krejci<br>Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

## 3.1 REMUNERATION FOR THE PERIOD 10 DECEMBER 2018 TO 13 MARCH 2019

| Task Area | General Description | Includes |
|---|---|---|
| **Assets**<br>**73.30 Hours**<br>**$38,591.00**<br>**(excl. GST)** | Sale of Business and/or Assets | Preparing advertisement for sale of business and/or assets in the Australian Financial Review<br>Preparing confidentiality agreement<br>Preparing information memorandum for interested parties<br>Establish online data room, activate security, printing and access protocols<br>Populate data room to meet information memorandum requirements<br>Engaging interested parties regarding sale process and responding to their queries<br>Undertaking due diligence on interested parties<br>Receipt and disbursement of refundable deposits from interested parties<br>Internal meetings regarding status of sale process<br>Preparing affidavit for extension of convening period to enable an extension of the sale timeframe for potential purchasers<br>Reviewing and considering offers from potential purchasers |

| Task Area | General Description | Includes |
|---|---|---|
| | | Consider alternate realisation strategies in lieu of sale of business including timeframe and cash flow requirements<br>Preparing ASX submission for waiver of listing removal<br>Discussions with management regarding obtaining further information<br>Negotiating with potential purchasers regarding viable offers |
| | Leasing | Correspondence with security interest holders disclosed on PPSR Search<br>Discussions with management and staff relating to lease agreements<br>Prepare initial notice to landlord<br>Reviewing leasing documents<br>Ongoing correspondence with landlord regarding use of leased premises and request for waiver of rent |
| | Debtors | Reviewing and assessing debtors ledger<br>Liaising with ARENA in relation to negotiations for potential funding<br>Internal discussions regarding recoverability prospects |
| | Plant and Equipment | Reviewing fixed asset register<br>Attendance on site to review plant and equipment<br>Liaising with Grays regarding plant and equipment valuation<br>Liaising with company management and staff regarding schedule of assets and leased assets<br>Reviewing draft valuation report from Grays |

| Task Area | General Description | Includes |
|---|---|---|
| | Other Assets | Discussions with management and considering intellectual property and possible recoveries<br>Reviewing documents to establish Company's claim in grants under existing agreements<br>Liaising with banks to recover credit balance<br>Tasks associated with securing website domains<br>Reviewing Director's D&O insurance policies |
| **Creditors**<br>**61.10 Hours**<br>**$27,419.00**<br>**(excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by email and post |
| | Creditor reports | Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors<br>Preparing and issuing Circular to Creditors regarding update on legal proceedings<br>Preparing Second Report to Creditors detailing investigations<br>Preparing scenario analysis for estimated return to creditors in DOCA/CT vs Liquidation |
| | Dealing with proofs of debt | Receipting and filing Proof of Debt and Proxies |
| | Retention of Title Claims | Correspondence issued to PMSI creditors disclosed on PPSR search |

| Task Area | General Description | Includes |
|---|---|---|
| | First Meeting of Creditors | Preparation of meeting notices, proxies and advertisements<br>Sending Notice of Meeting to all known creditors<br>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting<br>Preparation and lodgement of minutes of meetings with ASIC<br>Responding to stakeholder queries and questions immediately following meeting |
| | Secured Creditor Reporting | Correspondence with security interest holders disclosed on PPSR Search<br>Reviewing security documents<br>Reviewing current payout figures<br>Provide updates regarding the status of the administration to security interest holders<br>Considering validity of New Moonie security<br>Liaising with solicitors regarding validity of New Moonie security |
| | Proposal for Deed of Company Arrangement | Consider potential outcome for Administration, DOCA and potential settlement with Director<br>Discussions regarding funding requirements for DOCA<br>Reviewing potential DOCA funding implications and settlement issues, and obtaining legal advice<br>Review of draft DOCA and Creditor's Trust Deed<br>Liaising with solicitors regarding draft DOCA and Creditor's Trust Deed |
| **Employees<br>24.90 Hours<br>$10,644.00<br>(excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register<br>Review and prepare correspondence to employees by email and post |
| | Calculation of entitlements | Calculation of employee entitlements |

| Task Area | General Description | Includes |
|---|---|---|
| | | Liaising with payroll regarding employee entitlements<br>Reviewing employee files and Company's books and records<br>Extracting and reviewing employment contracts in Company's books and records |
| | Other employee issues | Meeting with employees to discuss Voluntary Administration process<br>Preparation of correspondence to employee regarding termination of employment |
| **Trade On**<br>**16.90 Hours**<br>**$7,810.00**<br>**(excl. GST)** | Trade On Management | Conducting assessment of Company's financial position<br>Meeting with management regarding Company background, financial position and trade on management<br>Liaising with management regarding trading position<br>Dealing with continued occupation of Premises<br>Liaising with staff regarding keys and access codes to Premises<br>Discussions with management regarding employees roles and reporting structure<br>Meetings with management regarding employee redundancies<br>Liaising with Willis Towers Watson regarding insurance policies for continued trading<br>Dealing with continued sales and operations of the business<br>Dealing with staff resignations and handover process<br>Liaising with landlord regarding occupational and lease compliance issues<br>Working with management and staff to resolve occupational and lease compliance issues |
| | Processing receipts and payments | Entering receipt and payments into accounting system |

| Task Area | General Description | Includes |
|---|---|---|
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Preparation of cash flow projection for continued trade<br>Preparation of commitment schedule for overhead expenses<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses |
| **Investigation 85.80 Hours $37,763.00 (excl. GST)** | Conducting investigation | Discussions with staff regarding Company records required<br>Conducting ASIC searches on Company and Directors<br>Performing property searches in Australia and UK for company and directors<br>Conducting ownership searches for website<br>Obtained backup of Company records<br>Reviewing completed ROCAP<br>Reviewing Company's books and records including MYOB Greentree for management accounts<br>Meetings with Directors regarding background and financial performance of the Company<br>Review and preparation of narrative of business nature and history<br>Conducting and summarising statutory searches<br>Reviewing company contracts<br>Correspondence with Director regarding enquiries into financial statements<br>Reviewing company financials with particular focus on intercompany transactions and subsidiary disclosures<br>Preparation of comparative financial statements<br>Preparation of deficiency statement<br>Preparation of working capital analysis<br>Preparation of statutory information<br>Conducting review of company bank statements<br>Conducting investigations into potential voidable transactions |

| Task Area | General Description | Includes |
|---|---|---|
| | | Conducting investigations into potential insolvent trading claim<br>Internal meetings regarding above matters<br>Preparation of investigation file |
| | Litigation / Recoveries | Liaising with solicitors regarding D&O policy<br>Liaising with solicitors regarding recovery actions available |
| **Administration 45.90 Hours $19,297.50 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Insurance | Identification of potential issues requiring attention of insurance specialists<br>Reviewing insurance policies |
| | Bank account administration | Preparing correspondence opening accounts<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms | Preparing and lodging ASIC forms including 505, 507, 531, 5011 etc |
| | ATO and other statutory reporting | Notification of appointment |
| | Planning / Review | Discussions regarding status of administration<br>Internal meetings to discuss workflow |
| **Total hours: 307.90**<br>**Total: $141,524.50 (excl. GST)** | | |

## 3.2 REMUNERATION FOR THE PERIOD 14 MARCH 2019 TO 22 MARCH 2019

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Australia Pty Limited (Administrators Appointed) | **Period From** | 14 March 2019 | **To** | 22 March 2019 |
| **Practitioner** | Peter Krejci and Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $4,200.00 (excl. GST)** | Proposal for Deed of Company Arrangement | Consider potential outcome for Administration, DOCA and potential settlement with Director<br>Discussions regarding funding requirements for DOCA<br>Further reviewing potential DOCA funding implications and settlement issues, and obtaining legal advice<br>Further review of draft amendments to DOCA and Creditor's Trust Deed proposal submitted<br>Liaising with solicitors regarding draft DOCA and Creditor's Trust Deed |
| **Creditors $6,300.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Review and prepare correspondence to creditors and their representatives by email and post |
| | Creditor reports | Finalising Second Report to Creditors detailing investigations and convening Second Meeting of<br>Finalising scenario analysis for estimated return to creditors in DOCA/CT vs Liquidation<br>Finalising Circular to Creditors regarding Second Report to Creditors and issue of same |

| Task Area | General Description | Includes |
|---|---|---|
| | Second Meeting of Creditors | Sending Notice of Meeting to all known creditors<br>Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, and draft minutes of meeting<br>Responding to stakeholder queries and questions immediately following meeting |
| **Employees $1,050.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | Other employee issues | Correspondence regarding employees not previously mentioned above |
| **Trade On $2,100.00 (excl. GST)** | Trade On Management | Liaising with Willis Towers Watson regarding ongoing insurance issues<br>Management of casual staff on-site<br>Liaising with on-going service providers<br>Reviewing and approving payments relating to on-going services |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses |
| **Investigations $4,200.00 (excl. GST)** | Conducting Investigations | Finalising comparative financial statements<br>Finalising deficiency statement<br>Finalising working capital analysis<br>Review of specific transactions<br>Internal meetings regarding above matters<br>Finalisation of investigation file |
| | Litigation / Recoveries | Liaising with solicitors regarding ongoing matters |

| Task Area | General Description | Includes |
|---|---|---|
| | ASIC Reporting | Preparing and lodging statutory investigation report |
| **Administration $3,150.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Bank account administration | Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms | Preparing and lodging ASIC forms |
| | Planning / Review | Discussions regarding status of administration |
| **Total: $21,000.00 (excl. GST)** | | |

## 3.3 REMUNERATION FOR THE PERIOD 22 MARCH 2019 TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Australia Pty Limited (Administrators Appointed) | **Period From** | 22 March 2019 | **To** | Conclusion |
| **Practitioner** | Peter Krejci and Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Voluntary Administration | | | | |

At the forthcoming meeting, Creditors may resolve to accept the proposed Deed of Company Arrangement ("DOCA") and to appoint Peter Krejci and Andrew Cummins as Joint and Several Deed Administrators of same. The Administrators will seek the approval of Creditors to be paid remuneration for services rendered from the date of the resolution being passed to the execution of the DOCA. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $4,785.00 (excl. GST)** | Deed of Company Arrangement | Discussions with deed proponent and their advisors regarding preparation of the DOCA<br>Liaising with solicitors regarding DOCA<br>Finalising DOCA with deed proponent and their advisors and organising execution<br>Liaising and ensuring Deed Contributions are paid into Deed Fund |
| **Creditors $4,785.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by email and post |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debts and Proxies |
| | Second Meeting of Creditors | Preparation and lodgement of minutes of meetings with ASIC |
| **Employees $1,603.00** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |

| Task Area | General Description | Includes |
|---|---|---|
| **(excl. GST)** | Other employee issues | Correspondence regarding employees not previously mentioned above |
| **Trade On $2,390.00 (excl. GST)** | Trade On Management | Liaising with Willis Towers Watson regarding insurance policies<br>Liaising with on-going service providers |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses |
| **Administration $2,390.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Filing of documents<br>File reviews<br>Updating checklists |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | Planning / Review | Discussions regarding status of administration |
| **Total: $15,953.00 (excl. GST)** | | |

# 4 CALCULATION OF REMUNERATION

**Greatcell Solar Australia Pty Ltd (Administrators' Appointed)**
**A.C.N. 131 374 064**
**For the Period 10 December 2018 to 13 March 2019**

| Staff Classification | Name | Charge Rate per Hour $ | Assets | | Creditors | | Investigation | | Trade On | | Employees | | Administration | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ | Hrs | $ |
| Appointee | Peter Krejci | 680.00 | 12.30 | 8,364.00 | 1.80 | 1,224.00 | 4.70 | 3,196.00 | 1.70 | 1,156.00 | 1.20 | 816.00 | 8.60 | 5,848.00 | **30.30** | **20,604.00** |
| Director | John Keenan | 570.00 | 32.70 | 18,639.00 | 21.30 | 12,141.00 | 10.70 | 6,099.00 | 4.20 | 2,394.00 | 1.20 | 684.00 | 6.30 | 3,591.00 | **76.40** | **43,548.00** |
| Director | Peter Sheppard | 570.00 | | - | | - | 6.00 | 3,420.00 | | - | | - | | - | **6.00** | **3,420.00** |
| Supervisor | Katherine La | 420.00 | 8.90 | 3,738.00 | 9.20 | 3,864.00 | 22.00 | 9,240.00 | 1.10 | 462.00 | 13.20 | 5,544.00 | 6.30 | 2,646.00 | **60.70** | **25,494.00** |
| Supervisor | Kira Yu | 420.00 | 17.70 | 7,434.00 | 12.60 | 5,292.00 | 16.80 | 7,056.00 | 6.50 | 2,730.00 | 4.20 | 1,764.00 | 7.70 | 3,234.00 | **65.50** | **27,510.00** |
| Senior 1 | Jack Li | 360.00 | 0.30 | 108.00 | 8.70 | 3,132.00 | 21.00 | 7,560.00 | 2.00 | 720.00 | 5.10 | 1,836.00 | 1.10 | 396.00 | **38.20** | **13,752.00** |
| Senior 2 | Casey Byrne | 290.00 | | - | 0.40 | 116.00 | | - | | - | | - | | - | **0.40** | **116.00** |
| Intermediate 1 | Stephen Li | 260.00 | | - | 2.20 | 572.00 | 4.50 | 1,170.00 | 1.00 | 260.00 | | - | 3.40 | 884.00 | **11.10** | **2,886.00** |
| Intermediate 1 | Zen Taureka | 260.00 | | - | | - | | - | | - | | - | 2.10 | 546.00 | **2.10** | **546.00** |
| Intermediate 2 | Clair Daher | 235.00 | | - | | - | | - | | - | | - | 0.30 | 70.50 | **0.30** | **70.50** |
| Snr Admin Assistant | Jessica Mula | 220.00 | 1.40 | 308.00 | 4.90 | 1,078.00 | 0.10 | 22.00 | 0.40 | 88.00 | | - | 2.80 | 616.00 | **9.60** | **2,112.00** |
| Snr Admin Assistant | Sonia Stelmach | 220.00 | | - | | - | | - | | - | | - | 5.30 | 1,166.00 | **5.30** | **1,166.00** |
| Jnr Admin Assistant | Joanne Miralis | 150.00 | | - | | - | | - | | - | | - | 2.00 | 300.00 | **2.00** | **300.00** |
| **Total** | | | 73.30 | 38,591.00 | 61.10 | 27,419.00 | 85.80 | 37,763.00 | 16.90 | 7,810.00 | 24.90 | 10,644.00 | 45.90 | 19,297.50 | **307.90** | **141,524.50** |
| | | | | | | | | | | | | | | | **GST** | 14,152.45 |
| | | | | | | | | | | | | | | | **Total (incl GST)** | **$155,676.95** |
| **Average rate per hour** | | | | 526.48 | | 448.76 | | 440.13 | | 462.13 | | 427.47 | | 420.42 | | 459.64 |

# 5 DEED ADMINISTRATORS' REMUNERATION FROM COMMENCEMENT TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Australia Pty Limited (Administrators Appointed) | **Period From** | Execution | **To** | Conclusion |
| **Practitioner** | Peter Krejci and Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Deed of Company Arrangement | | | | |

At the forthcoming meeting, Creditors may resolve to accept the proposed Deed of Company Arrangement ("DOCA") and to appoint Peter Krejci and Andrew Cummins as Joint and Several Deed Administrators of same. The Administrators will seek the approval of Creditors to be paid remuneration for services rendered from the date of the execution of the DOCA to the DOCA being wholly effectuated.

A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $33,000.00 (excl. GST)** | Deed of Company Arrangement | Liaising with parties regarding terms of the DOCA<br>Receipting funds due under DOCA<br>Receipting ATO R&D rebate due under the Otsana DOCA proposal<br>Receipting of deed contributions from recapitalisation |
| | Property, Plant and Equipment | Reviewing assets schedules<br>Liaising with Grays regarding organising online auction plant and equipment<br>Reviewing status of sale of plant and equipment<br>Internal discussions regarding status of sale of plant and equipment<br>Receipting funds from sale of plant and equipment |
| | Debtors | Liaising with solicitors regarding recoveries relating to NIMS legal proceedings |

| Task Area | General Description | Includes |
|---|---|---|
| | | Liaising with solicitors regarding negotiations pertaining to settlement of claims relating to NIMS legal proceedings<br>Receipting of funds as a result of settlement of NIMS legal proceedings |
| **Creditors $48,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Creditor Reports | Prepare and issue correspondence to creditors regarding execution of the DOCA<br>Prepare and issue a circular to creditors convening the meeting of creditors regarding recapitalisation approval<br>Preparing and issuing Report(s) to Creditors regarding update on administration<br>Prepare statement(s) of posting |
| | Deed of Company Arrangement | Overseeing that financial reporting requirements adhered to and audit of financial reports are undertaken (if required)<br>Reviewing correspondence issued to shareholders regarding convening shareholder meetings<br>Liaising with Deed Proponent regarding the status of obtaining necessary approvals from shareholders and ASX<br>Liaising with ASX (if required)<br>Overseeing the status of recapitalisation process and liaising with deed proponent regarding same |
| | Shareholder enquiry | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals<br>Tasks associated with dealing with shareholder enquiries |

| Task Area | General Description | Includes |
|---|---|---|
| | Secured Creditors | Liaising with solicitors regarding removal of New Moonie security interest (if required)<br>Reviewing documents to be filed with Court for removal of New Moonie security interest (if required)<br>Internal discussions regarding removal of New Moonie security interest (if required) |
| **Employees $8,000.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| **Trade On $25,000.00 (excl. GST)** | Trade On Management | Monitoring of trade-on with essential services<br>Authorising payments associated with essential services<br>Internal discussions regarding trade-on cash flow<br>Finalising trade-on accounts |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| | Budgeting & Financial Reporting | Liaising with management regarding cash flow projection for continued trade<br>Reviewing daily cash flow schedule and reconciling actual and accrued expenses<br>Finalising daily cash flow schedule and reconciling actual and accrued expenses |
| **Administration $6,000.00 (excl. GST)** | Document maintenance/file review/checklist | Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |

| Task Area | General Description | Includes |
|---|---|---|
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 5011, 5603 etc. |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration<br>Completing checklists<br>Finalising WIP |
| **Total: $120,000.00 (excl. GST)** | | |

# 6 TRUSTEES' REMUNERATION FROM COMMENCEMENT TO CONCLUSION

Creditors will be asked to consider approving the remuneration of the Trustees of the Creditors Trust from the time of their appointment to the conclusion of the Creditors Trust; and, subject to approval, that the Trustees are able to draw their remuneration from Creditors' Trust.

Where a proposed DOCA incorporated a CT, Regulatory Guide 82 ("RG82"), issued by the Australian Securities and Investments Commission ("ASIC"), states that we are required to provide details of the remuneration and anticipated expenses of the proposed trustee in administering the Creditors Trust. This is set out in the Assessment of DOCA incorporating a CT. For creditors' benefit, the area of work likely to be undertaken by the Creditors Trustee are further detailed below.

| Task Area | General Description | Includes |
|---|---|---|
| **Creditors $55,000.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Creditor Reports | Prepare and issue correspondence to creditors regarding effectuation of the DOCA<br>Prepare and issue further circular to creditors<br>Preparing and issuing Report(s) to Creditors regarding update on administration |
| | Deed of Company Arrangement | Overseeing that financial reporting requirements adhered to and audit of financial reports are undertaken (if required)<br>Reviewing correspondence issued to shareholders regarding convening shareholder meetings<br>Liaising with deed proponent regarding the status of obtaining necessary approvals from shareholders and ASX<br>Liaising with ASX (if required)<br>Overseeing the status of recapitalisation process and liaising with deed proponent regarding same |
| | Shareholder enquiry | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals |

| Task Area | General Description | Includes |
|---|---|---|
| | | Tasks associated with dealing with shareholder enquiries |
| | Secured Creditors | Liaising with solicitors regarding removal of New Moonie security interest (if required)<br>Reviewing documents to be filed with Court for removal of New Moonie security interest (if required) |
| **Employees $20,000.00 (excl. GST)** | Employees enquiry | Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | Employee dividend | Correspondence with employees regarding dividend<br>Correspondence with ATO regarding SGC proof of debt<br>Calculating dividend rate<br>Preparing dividend file<br>Advertising dividend notice<br>Preparing distribution<br>Receipting POD<br>Adjudicating POD<br>Ensuring PAYG is remitted to ATO |
| **Dividend $30,000.00 (excl. GST)** | Processing proofs of debt | Preparation of correspondence to potential creditors inviting lodgement of POD<br>Receipt of PODs<br>Maintain POD register<br>Adjudicating PODs<br>Request further information from claimants regarding POD<br>Correspondence with Directors regarding potential disputes with claimants<br>Obtaining legal advice regarding potential disputes with claimants<br>Preparation of correspondence to claimant advising outcome of adjudication |

| Task Area | General Description | Includes |
|---|---|---|
| | Dividend Procedures | Preparation of correspondence to creditors advising of intention to declare dividend<br>Advertisement of intention to declare dividend<br>Liaising with accountant to prepare outstanding pre-appointment tax lodgements<br>Obtain clearance from ATO to allow distribution of company's assets<br>Preparation of dividend calculation<br>Preparation of correspondence to creditors announcing declaration of dividend<br>Advertise announcement of dividend<br>Preparation of distribution<br>Preparation of dividend file<br>Preparation of payment vouchers to pay dividend<br>Preparation of correspondence to creditors enclosing payment of dividend |
| **Administration $15,000.00 (excl. GST)** | Document maintenance/file review/checklist | Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 5011, 5602, 5603 etc. |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration |
| **Total: $120,000.00 (excl. GST)** | | |

# 7 LIQUIDATORS' REMUNERATION FROM 22 MARCH 2019 TO CONCLUSION

| | | | | | |
|---|---|---|---|---|---|
| **Company** | Greatcell Solar Australia Pty Limited (Administrators Appointed) | **Period From** | 22 March 2019 | **To** | Conclusion |
| **Practitioner** | Peter Krejci and Andrew Cummins | **Firm** | BRI Ferrier (NSW) Pty Ltd | | |
| **Administration Type** | Creditors Voluntary Liquidation | | | | |

At the forthcoming meeting, Creditors may resolve to place the Company into Liquidation and to appoint Peter Krejci and Andrew Cummins as Joint and Several Liquidators of same. The Liquidators will seek the approval of Creditors to be paid remuneration for services rendered in the Liquidation from the date of the resolution being passed to the completion of the Liquidation. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

| Task Area | General Description | Includes |
|---|---|---|
| **Assets $38,000.00 (excl. GST)** | Property, Plant and Equipment | Reviewing assets schedules<br>Liaising with Grays regarding plant and equipment valuation<br>Liaising with Grays regarding organising sale of plant and equipment<br>Reviewing status of sale of plant and equipment<br>Internal discussions regarding status of sale of plant and equipment<br>Receipting funds from sale of plant and equipment |
| | Debtors | Liaising with solicitors regarding recoveries relating to NIMS legal proceedings<br>Reviewing correspondence regarding recoveries relating to NIMS legal proceedings<br>Liaising with solicitors regarding negotiations pertaining to settlement of claims relating to NIMS legal proceedings<br>Receipting of funds as a result of settlement of NIMS legal proceedings |

| Task Area | General Description | Includes |
|---|---|---|
| | Other Assets | Investigating recoverability of R&D tax incentive refundable offset<br>Receipting recoveries in relation to R&D tax incentive refundable offset (if any)<br>All tasks associated with dealing with intellectual property |
| **Creditors $35,500.00 (excl. GST)** | Creditor Enquiries | Receive and follow up creditor enquiries by telephone<br>Maintaining creditor enquiry register<br>Review and prepare correspondence to creditors and their representatives by facsimile, email and post |
| | Creditor reports | Preparing Statutory Report to Creditors regarding investigations<br>Preparing further reports to creditors (if necessary) |
| | Meeting of Creditors | Responding to stakeholder queries and questions immediately following meeting<br>Preparation and lodgement of minutes of meetings with ASIC |
| | Dealing with proofs of debt | Receipting and filing Proofs of Debt |
| | Shareholder enquiries | Liaising with deed proponent regarding the status of obtaining necessary ASX approvals<br>Tasks associated with dealing with shareholder enquiries |
| **Employees $35,500.00 (excl. GST)** | Employees enquiry | Issuing correspondence to employees regarding termination and FEG<br>Liaising with employees regarding entitlements<br>Receive and follow up employee enquiries<br>Maintain employee enquiry register |
| | FEG | Correspondence with FEG<br>Preparing initial questionnaire<br>Preparing FEG quotation for services |

| Task Area | General Description | Includes |
|---|---|---|
| | | Reviewing payroll records<br>Calculating employees' claims<br>Request further supporting documentation from employees to substantiate their claims<br>Preparing verification spreadsheet of employee entitlements<br>Correspondence with FEG regarding discrepancies, if any |
| | Other employee issues | Correspondence regarding employees not previously mentioned above |
| **Trade On $4,000.00 (excl. GST)** | Trade On Management | Liaising with suppliers regarding finalisation of trade-on by Administrators<br>Liaising with management and staff regarding finalisation of trade-on affairs<br>Tasks associated with finalisation of trading by Administrator |
| | Processing receipts and payments | Entering receipt and payments into accounting system |
| **Investigation $70,000.00 (excl. GST)** | Conducting investigation | Further reviewing Company's books and records<br>Preparation of updated deficiency statement, if necessary)<br>Conducting further investigations into potential voidable transactions<br>Conducting further investigations into other potential recoveries<br>Conducting further investigations into potential insolvent trading claim<br>Consider recovery action for potential recoveries, if any<br>Consider breach of duty claims |
| | Litigation / Recoveries | Liaising with creditors/suppliers regarding potential unfair preferences<br>Discussions with solicitors regarding potential recoveries |

| Task Area | General Description | Includes |
|---|---|---|
| | | Discussions with solicitors regarding potential insolvent trading claim (if applicable)<br>Commencing recovery action regarding potential unfair preferences<br>Commencing recovery action regarding insolvent trading (if applicable)<br>Negotiating commercial settlement, if necessary |
| | ASIC reporting | Preparing statutory investigation reports<br>Preparing supplementary report, if required<br>Liaising with ASIC |
| **Administration $17,000.00 (excl. GST)** | Correspondence | All other correspondence not discussed above |
| | Document maintenance/file review/checklist | Periodic administration review<br>Filing of documents<br>Updating checklists<br>Preparing internal documents to rollover matter |
| | Insurance | Cancellation of insurance policies |
| | Bank account administration | Processing receipts and payments<br>Bank account reconciliations<br>Preparing internal forms for receipts and payments processing |
| | ASIC Forms and other forms | Preparing and lodging ASIC forms including 505, 509D, 5602, 5011, etc. |
| | ATO and other statutory reporting | Notification of appointment<br>Preparing BASs |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage<br>Sending job files to storage |
| | Finalisation | Notifying ATO of finalisation<br>Cancelling ABN / GST / PAYG registration |

| Task Area | General Description | Includes |
|---|---|---|
| | | Completing checklists<br>Finalising WIP |
| **Total: $200,000.00 (excl. GST)** | | |

## 8 STATEMENT OF REMUNERATION CLAIM

By Resolution, we will be seeking approval from the Creditors for the following resolutions:

Resolution 1: Joint and Several Administrators' Remuneration for the period 10 December 2018 to 13 March 2019

*"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 10 December 2018 to 13 March 2019, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, be fixed and approved at $141,524.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount."*

Resolution 2: Joint and Several Administrators' Remuneration for the period 14 March 2019 to 22 March 2019

*"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 14 March 2019 to 22 March 2019 be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $21,000.00 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."*

If a Deed of Company Arrangement is accepted:

Resolution 3: Joint and Several Administrators' Remuneration for the period 22 March 2019 to Conclusion

*"That the remuneration of the Joint and Several Administrators, their partners and staff for the period 22 March 2019 to the conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019, and approved to an interim cap of $17,475.50 (plus GST), and that the Joint and Several Administrators be authorised to draw that amount as and when incurred."*

Resolution 11: Joint and Several Deed Administrators' Remuneration

*"That the remuneration of the Joint and Several Deed Administrators, their partners and staff for the period from the date of the execution of the Deed of Company Arrangement to the conclusion of the Deed of Company Arrangement, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an*

*interim cap of $120,000.00(plus GST), and that the Joint and Several Deed Administrators be authorised to draw that amount as and when incurred."*

Resolution 11: Trustees' Remuneration

*"That the remuneration of the Trustees of the Creditors' Trust, their partners and staff for the period from the date of the execution of the Creditors' Trust to the conclusion of the Creditors' Trust, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $120,000.00 (plus GST), and that the Trustees be authorised to draw that amount from the Creditors' Trust as and when incurred."*

If the Company is wound up:

Resolution 12: Joint and Several Liquidators' Remuneration from 22 March 2019 to Conclusion

*"That the remuneration of the Joint and Several Liquidators, their partners and staff for the period 22 March 2019 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrators' Second Report to Creditors dated 14 March 2019 and approved to an interim cap of $150,000.00 (plus GST), and that the Joint and Several Liquidators be authorised to draw that amount as and when incurred."*

At this time, we do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of our investigations and we wish to seek further remuneration then we will be required to convene a meeting of the creditors or committee of inspection and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

## 9 LIKELY IMPACT ON DIVIDENDS

The Administrators/Trustees are entitled to be fairly remunerated for undertaking statutory and other duties, including reporting obligations in acting as an external administrator. The remuneration and disbursements of the Administrators/Trustees have a priority ranking ahead of creditors.

We are unable to pay our remuneration without the approval of the Committee of Inspection (if one has been appointed), Creditors, or the Court. Approval by Creditors is efficient and timely, and is less costly than an application to the Court.

However, any dividend will ultimately be impacted by the realisations achieved by the Administrators/Trustees and the value of creditor claims admitted to participate in the dividend. The likely impact of approval of remuneration and disbursements on dividends to creditors is that it will reduce such dividends.

## 10 DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.

- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not obliged to seek creditor approval for disbursements, but must account to creditors. This includes providing details of the basis of charging for these types of disbursements to creditors as part of the Remuneration Report.

We advise that to date, we have not been paid any disbursements incurred during this Administration by our Firm.

We are required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, we will be seeking approval from creditors for the following resolutions:

Resolution 4: Joint and Several Administrators' Internal Disbursements

*"That the Joint and Several Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Voluntary Administrators be authorised to draw that amount as accrued."*

If a Deed of Company Arrangement is accepted:

Resolution 10: Deed Administrators' Internal Disbursements

*"That the Joint and Several Deed Administrators' be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Joint and Several Deed Administrators be authorised to draw that amount as accrued."*

Resolution 11: Trustees' Internal Disbursements

*"That the Trustees of the Creditors' Trust be allowed internal disbursements at the rates of charge in the Voluntary Administrators' Remuneration Approval Report dated 14 March 2019, up to an amount of $4,000.00 (plus GST) and that the Trustees be authorised to draw that amount as accrued."*

If the Company is wound up:

Resolution 16: Joint and Several Liquidators' Internal Disbursements

*"That the Joint and Several Liquidators be allowed internal disbursements at the rates of charge in the Voluntary Administrator's Remuneration Approval Report dated 14 March 2019, up to an amount of $5,000.00 (plus GST) and that the Joint and Several Liquidators be authorised to draw that amount as accrued."*

Future internal disbursements provided by our firm will be charged to the administration on the following basis:

| Internal Disbursements | Rate (excl. GST) ($) |
|---|---|
| Photocopying/Printing | $0.25 per page |
| Facsimile | $0.25 per page |
| Postage | At cost |
| Staff vehicle use | In accordance with ATO mileage allowances |

## 11 SUMMARY OF RECEIPTS AND PAYMENTS

Attached to the report is a summary of the receipts and payments in the administration to 14 March 2019.

## 12 QUERIES & INFORMATION SHEET

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Administrators' office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association ("ARITA") has produced a document entitled "Creditors Information Sheet: Approving Remuneration in External Administrations" which can be downloaded from the ARITA website, *www.arita.com.au*, or can be obtained from this office.

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "14"
## Advice to Creditors About Remuneration

# ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50
Insolvency Practice Rules (Corporations) 70-35

**GREATCELL SOLAR LIMITED**
**ACN 111 723 883**
**GREATCELL SOLAR INDUSTRIES PTY LTD**
**ACN 083 102 498**
**GREATCELL SOLAR AUSTRALIA PTY LTD**
**ACN 131 374 064**

**(ALL ADMINISTRATORS APPOINTED)**
**("THE COMPANIES")**

## A REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

- Time based / hourly rates or "Time Cost"

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

- Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

- Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

- Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

## B METHOD CHOSEN

BRI Ferrier normally charges to use a Time Cost basis, because:

- It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;

- The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement
- The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment
- The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted below remain current until 30 June 2019. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, I will seek approval from creditors.

## C EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table on the following page together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

| Title | Description | Hourly Rates (ex GST) |
|---|---|---|
| Appointee | A Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the appointment. | $680 |
| Principal | A Registered Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment. | $650 |
| Director | An accountant with more than 10 years' experience. May be a Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment. | $570 |
| Senior Manager | An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments. | $525 |
| Manager | An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader. | $505 |
| Supervisor | An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction. | $420 |
| Senior 1 | An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA. Able to complete work on appointments with limited supervision. | $360 |
| Senior 2 | An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision. | $290 |
| Intermediate 1 | An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision. | $260 |
| Intermediate 2 | An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision. | $235 |
| Senior Administration | Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks. | $220 |
| Junior Administration | Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks. | $150 |

## E DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve my internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this administration are provided below.

| Internal Disbursements | Rate (excl GST) ($) |
|---|---|
| Photocopying / Printing | $0.25 per page |
| Facsimiles | $0.25 per page |
| Postage | At cost |
| Travel | At cost |
| Staff vehicle use | In accordance with ATO mileage allowances |

# Greatcell Solar Limited
# ACN 111 723 883

# Greatcell Solar Industries Pty Ltd
# ACN 083 102 498

# Greatcell Solar Australia Pty Ltd
# ACN 131 374 064

# (All Administrators Appointed)

## Annexure "15"
## ASIC Information Sheet

ASIC
Australian Securities & Investments Commission

# Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

## List of information sheets

- INFO 41 Insolvency: A glossary of terms
- INFO 42 Insolvency: A guide for directors
- INFO 43 Insolvency: A guide for shareholders
- INFO 45 Liquidation: A guide for creditors
- INFO 46 Liquidation: A guide for employees
- INFO 54 Receivership: A guide for creditors
- INFO 55 Receivership: A guide for employees
- INFO 74 Voluntary administration: A guide for creditors
- INFO 75 Voluntary administration: A guide for employees
- INFO 84 Independence of external administrators: A guide for creditors
- INFO 85 Approving fees: A guide for creditors

## Where can I get more information?

Further information is available from the ARITA website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

This is **Information Sheet 39** (**INFO 39**) updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 10:57