

QUARTERLY REPORT

For the quarter ending on 30 June 2021

- **Exclusivity secured on a total of 10 sites across three states – Victoria, South Australia and New South Wales**
- **Purchase agreements for initial sites now being finalised**
- **Second tranche of \$5 million placement completed; and banking facilities extended**
- **Lithium-ion chosen as the preferred battery storage technology for Build Own Operate sites**
- **MPOWER well placed in the coming quarters to significantly advance development of its Build Own Operate portfolio**

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Sydney – 29 July 2021 – MPOWER Group Limited (ASX: MPR)

MPOWER, Australia's leading specialist renewable energy, battery storage and microgrid business, is pleased to provide the following report on its activities for the quarter ending on 30 June 2021 (**Quarter**).

Operational overview

MPOWER ended the 2021 financial year well placed to advance development of its Build Own Operate (**BOO**) portfolio of 5MW renewable energy projects that it plans to establish predominantly on the East Coast of Australia.

Activities during the quarter included securing exclusivity over three new sites in Victoria, locking in exclusivity on its first NSW renewable energy site, and selecting a preferred battery storage technology for MPOWER's BOO portfolio.

Exclusive rights have now been obtained over 10 sites across three states – Victoria, South Australia and New South Wales. Adding four new sites during the Quarter to the Company's growing pipeline highlights the substantial steps taken by MPOWER to deliver on the initial planned portfolio of up to 20 5MW sites with an estimated end value of over \$150 million.

During the Quarter, negotiations regarding the formal purchase agreements on the initial sites advanced, with the first contract likely to be executed in the near term. Several financing alternatives are being assessed to advance to the construction phase with considerable interest received from potential funding partners that are seeking exposure to green energy projects that deliver attractive financial returns over the longer-term life cycle of the assets.

The acceleration of the Company's BOO strategy is in part due to MPower closing the second tranche of its \$5 million placement. Completion of the second \$3 million tranche to a range of sophisticated and institutional investors, including an ESG focused institutional fund, is a strong vote of confidence from investors in the Company's strategy and the quality of the renewable energy projects and the associated infrastructure MPower is offering.

Extensive due diligence and reviews were undertaken by MPower's technical team into various energy storage technologies, with lithium-ion selected as the preferred battery storage technology for the Company's BOO sites.

Lithium-ion battery technology was chosen as it provides the best form of electrical energy storage available today and into the foreseeable future. With a decreasing cost curve, a higher density than competing technologies, and operating under a large temperature range, the technology is highly advantageous given the location of a number of MPower's sites.

The Company intends to augment its portfolio of 5MW solar projects with 5MW of DC-coupled battery storage which will enhance project returns. MPower's approach to solar farm design is to incorporate a higher DC capacity initially, so revenue can be maximised through increased power generation during the morning and afternoon periods and enhanced further with the subsequent augmentation of battery storage.

MPower has successfully delivered more than 10MWh of battery storage projects for customers and will leverage its considerable in-house expertise for its own battery storage strategy.



Image: A 5MWac solar farm designed and constructed by MPower

Financial overview

During the Quarter, the Company's \$5.4 million term debt and other banking facilities were extended for a further 12 months. MPower will make principal repayments of \$25,000 per month, with the facility terms otherwise remaining unchanged.

Cash at the end of the Quarter was \$3.5 million, the largest inflow being the \$3 million received from the second tranche of the placement. Net operating cash outflows for the Quarter were approximately \$0.9 million which was anticipated and reflective of the resources being put into growing the Company's portfolio of BOO sites across Australia.

Board composition

The Company is actively looking to strengthen its board and diversify the skill base by adding to the number of non-executive directors with renewable energy sector expertise.

Ends

Contact

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This announcement has been authorised by the board of MPower Group Limited.

About MPower

MPower Group Limited (ASX: MPR) is a technology-led company with a long history specialising in the delivery of reliable on-grid and off-grid power solutions for blue chip corporate and government customers. Headquartered in Sydney, MPower's team of professionals has successfully delivered turn-key solar, battery storage and micro grid projects across the region.

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