

HALF YEAR RESULTS

For the six months ending on 31 December 2020

- Revenue from continuing operations up 22% to \$7.64 million
- EBITDA from continuing operations swings positive – a \$1.46 million turnaround on PCP
- Revenue and earnings driven by a mix of project delivery and recurring maintenance work
- Build Own Operate plans progressing with expanding pipeline of development sites across Australia

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Sydney – 8 February 2021 – MPower Group Limited (ASX: MPR)

MPower, Australia's leading specialist renewable energy, battery storage and microgrid business, is pleased to report on its half year result for the six months ending on 31 December 2020 (**Half**).

During the Half, the Company recorded revenue from continuing operations of \$7.64 million, a 22% increase over the previous comparative period (\$6.27 million). EBITDA from continuing operations was positive at \$0.06 million which was a considerable improvement on the \$1.40 million loss recorded in the 2019 first half. The positive result reflects the financial gains made following completion of the transformational activities undertaken and completed last year.



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

MPower has successfully finalised all outstanding matters relating to the sale of its product distribution businesses. The businesses were sold during 2020 and the sale price was subject to a post-completion working capital adjustment.

During the Half, MPower substantially progressed the design and construction of two 5MWac solar farm projects commenced in early 2020. The South Australian projects, with a combined value to the Company of over \$9 million, showcase our expertise and dependability in delivering and commissioning solar farms of this size which bodes well for the plans to Build Own and Operate up to 20 renewable power projects of a similar size.

MPower's service division, which provides maintenance services to critical power system assets, performed well during the Half, successfully completing new contracts in the hospital and data centre sectors.

Whilst delivering the two solar farm projects has been a central activity in the six months under review, MPower's focus is rapidly shifting towards expanding its pipeline of potential Build Own Operate renewable energy sites.

MPower is targeting an initial portfolio of up to 20 renewable energy assets with an aggregate capacity of around 100MWac. The portfolio of renewable energy assets across several states would have an estimated value of more than \$150 million once fully constructed and operational.

MPower has obtained exclusive rights over three renewable energy project sites that are currently under development in Victoria and South Australia, with a 5MWac solar farm being planned for each location. 5MWac opportunities are being pursued due to their many advantages with the most notable being the relative ease of connection to the grid.

By securing rights over renewable energy sites during or at the end of their development phase and acquiring the renewable development assets once the development phase has been completed, MPower is looking to rapidly roll-out a portfolio of assets by focusing on its core capability of delivering high reliability renewable energy projects that have reached 'ready to build' status.

During the Half, MPower renegotiated the terms of its banking facilities that were put in place earlier in the year. In July 2020, MPower successfully agreed an extension of its banking facilities until July 2021, with regular principal repayments of its debt facility to commence in March 2021.

MPower's cash balance at the end of the Half was \$2.93 million. Cash outflows during the period included \$0.75 million to pay out the minority unitholders in the Power Property Unit Trust that was wound-up during the Half and \$1.25 million to finalise the sale transaction matters. Operating cash outflows of approximately \$1.43 million during the Half were anticipated and reflect typical cash movements from project activities. MPower also received the benefit of JobKeeper and Cashflow Boost payments during the Half. The December 2020 quarter was the last period during which MPower received JobKeeper payments following the recent growth in the Company's revenue.

Chief Executive Officer Nathan Wise commented: *“We are pleased with the performance for the half and we are well placed for the remainder of FY2021 and beyond. Growth will be driven by our continuing and growing project delivery and maintenance operations and accelerated through execution of our well documented Build Own Operate strategy which is advancing to plan. As reported, we have exclusivity over three sites and we are on track to increase our footprint in the coming months. Interest from funders in consolidating renewable energy projects delivering a combined 100MWac is considerable and we look forward to reporting on steady progress on that front.”*

Ends

Contact

For further information, please 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.