

## LAKELAND ON TRACK TO EXCEED EARNINGS FORECAST

**MPower Group Limited**  
ABN 73 009 485 625

Phone +61 2 8788 4600

Level 4, 15 Bourke Road  
Mascot NSW 2020  
Australia

- **Operational control at Lakeland now established, with MPower installed as the asset manager**
- **Cost restructure has been initiated, resulting in annualised expense reductions of more than \$500,000 per annum**
- **Project on track to exceed previously stated EBITDA contribution of more than \$800,000 per annum**
- **Project upgrade has commenced with the rollout of MPower's proprietary remote monitoring solution**

### Sydney – 9 November 2022 – MPower Group Limited (ASX: MPR)

MPower, Australia's leading specialist renewable energy, battery storage and microgrid business, is pleased to confirm its post-acquisition integration of the Lakeland Solar & Storage Project is progressing in accordance with the Group's targeted commercialisation strategy.

#### **Lakeland Solar & Storage Project**

Located in Cooktown Shire, North Queensland, Lakeland comprises a 10.8MWac solar farm and an associated 1.4MWac/5.3MWh lithium-ion battery storage facility. The project has been in operation since 2017 and has a future operating life of around 20 years. It benefits from a long-term power purchase agreement (PPA) with Origin Energy for 100% of the solar power output, which runs until 2030.

#### **Strong Execution – Project Integration Strategy**

When the Lakeland acquisition was announced, MPower targeted additional annual revenues of \$1.8 million, flowing through to \$800,000 in annual earnings before interest, tax, depreciation and amortisation (EBITDA) (*refer ASX Announcement 16 May 2022*). With stable revenues complemented by improved operational efficiencies, the Lakeland project is now forecast to meet or exceed its EBITDA target, in line with the Company's initial projections. More than \$500,000 of annual costs have been removed which underpin this target.

The acquisition was subsequently finalised in August 2022, and MPower has now been formally installed as the asset manager with operational control of the project.

The Group confirms that revenue generation from existing solar power output at Lakeland has been maintained as expected. The project's consistent revenue trajectory was highlighted by MPower as a strategic benefit at the time of acquisition, and reflects the strength of its long-term PPA with Origin Energy.

As outlined at the time of acquisition, the group identified cost-saving opportunities through infrastructure upgrades and the implementation of MPower's proprietary remote monitoring and control technology.

That upgrade program has now commenced, with the application of remote monitoring for both solar and battery storage operations and an associated reduction in ongoing operating costs.

**Chief Executive Officer Nathan Wise said:** *"The Lakeland acquisition marked the Group's first commercial transaction in the Queensland market, and we are thrilled with the early traction for both revenue and EBITDA that is already evident in this asset. The consistent revenue profile demonstrates the strength of Lakeland's long-term PPA with Origin and rewards the Company's strategic foresight to target growth through M&A with a selective approach – in this case an established renewable energy project that supplies power directly to the domestic Queensland market with the backing of one of Australia's largest energy companies."*

*Pleasingly, the implementation of our cost reduction strategy at Lakeland has also exceeded expectations, providing the Group with additional earnings upside. In the wake of MPower's early success at Lakeland, we look forward to providing more updates on our growth-by-acquisition strategy and adding additional value for shareholders into CY2023."*

## Ends

### Contact

For further information, please contact:

Nathan Wise  
Chief Executive Officer  
(02) 8788 4600

Ben Jarvis  
Six Degrees Investor Relations  
0413 150 448

This announcement has been authorised by Nathan Wise, Chief Executive Officer.

### 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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