

FLAGSHIP SOLAR/BATTERY STORAGE PROJECT REACHES READY-TO-BUILD STAGE

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- **Flagship solar PV and battery storage development in Kadina, South Australia has reached the ready-to-build stage**
- **Follows successful completion of the development stage within targeted timeframe; permits and planning approvals obtained and grid connection offer in-hand**
- **5MW solar farm with a DC-coupled 5MW/10MWh battery storage capability; clean energy to be exported through a 5MW grid connection, with additional import functionality to enable charging in periods of low or negative pricing**
- **Project is well-placed to monetise prevailing market conditions over 30+ year asset life, including the provision of Ancillary Market Services under the new Integrated Resource Provider registration category**

Sydney – 15 February 2023 – MPower Group Limited (ASX: MPR)

Leading specialist renewable energy and battery storage development company MPower Group Limited (ASX: MPR) is pleased to announce that its flagship solar PV / battery storage project in South Australia has reached ready-to-build status.

The announcement follows an extensive period of consultation with South Australian regulators and policymakers, after MPower first commenced the development of two hybrid power projects in the South Australian market (*refer ASX Announcement 9 December 2021*).

Shovel-ready

Located in Kadina, South Australia, MPower's clean energy development comprises a 5MW solar farm with a DC-coupled 5MW/10MWh battery storage capability.

In October 2022, MPower received a formal Offer to Connect for the project from SA Power Networks, which is the sole electricity distributor in South Australia (*refer ASX Announcement 13 October 2022*).

As well as the grid connection offer, which is mission-critical to the Company's SA development plans, MPower has now also obtained all the relevant permits and planning approvals required to bring the project to ready-to-build status.

The grid connection terms enable clean energy generated by the solar PV facility to be exported via a 5MW connection to the distribution network. Importantly, the project also has the benefit of an import capability that will enable the battery to be charged during periods of low or negative prices, in turn facilitating the sale of energy during peak pricing periods.

With the relevant planning and regulatory approvals now obtained, discussions with funding partners continue to progress well. MPower expects to be in position to commence construction of the first Kadina hybrid clean energy project during the course of 2023.

Market potential

Along with consistent projected income from the supply of clean solar power to the local energy grid, the Kadina project's battery storage capability also unlocks potential new revenue streams as the market for the provision of ancillary services into the wholesale market evolves within the broader energy transition.

Specifically, the project has been designed to provide Ancillary Market Services such as Contingency FCAS under the new Integrated Resource Provider registration category that was recently introduced as part of an Australian Energy Market Commission rule change.

The rule change is designed to support the integration of battery storage into the National Electricity Market, particularly where storage and hybrid systems utilise a single connection point, which is the case with the Kadina project. The new Integrated Resource Provider category will allow the project to register and participate in a single registration category rather than under two different categories.

Further, MPower is well positioned to leverage its in-house intellectual property and management expertise to drive returns, which is already evident in-market with the successful expansion of EBITDA margins at the group's Lakeland solar/storage facility in North Queensland (*refer ASX Announcement 9 November 2022*).

MPower's clean energy credentials are being utilised to deploy the latest solar PV and battery technology for the first Kadina project. This, together with the project's exempt generator status in the National Electricity Market leave the Company particularly well-placed to monetise dynamic market conditions over the 30+ year life of the asset.

Management commentary

MPower Chief Executive Officer, Nathan Wise, commented: *"The attainment of final regulatory and development approvals marks the next step forward for our broader clean energy generation strategy in the South Australian market. This update confirms MPower's ability to work alongside regulators and apply the requisite level of development expertise in order to meet our stated operational objectives. The Company is now well positioned to engage on the next round of discussions with project partners and potential funding plans for the growth of its clean energy footprint in South Australia. As the group's national development strategy continues to progress, we look forward to providing more updates on our extensive pipeline of new projects coming to market."*

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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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