

## QUARTERLY ACTIVITIES REPORT

For the period ending on 30 June 2023

**MPower Group Limited**

ABN 73 009 485 625

Phone +61 2 8788 4600

Level 4, 15 Bourke Road  
Mascot NSW 2020  
Australia

- **Strategic partnership formed with Evergen, facilitating the integration of Evergen's distributed energy optimisation technology into MPower's clean energy portfolio**
- **Technology to optimise arbitrage opportunities, loads and new market opportunities into the future**
- **\$10M project funding agreement with global renewables investment firm AMPYR Energy substantially progressed**
- **MPower responsible for project design and construction across its asset portfolio, as well as earn ongoing revenue from operations in accordance with its stated BOO strategy**
- **June quarter activities saw the Company advance its growing project pipeline and progress long-term funding for the execution of its Build Own Operate strategy**

### Sydney – 31 July 2023 – MPower Group Limited (ASX: MPR)

Leading specialist renewable energy, battery storage and microgrid business MPower Group Limited (ASX: MPR) is pleased to provide the following report on its activities for the quarter ending 30 June 2023 (**Quarter**).

Activities in the March Quarter were highlighted by advancing the company's funding arrangements and the formation of a strategic partnership with Evergen.

#### ***Strategic partnership with Evergen***

During the Quarter, MPower formed a joint strategic development partnership with Evergen, a global clean energy infrastructure provider. The agreement facilitates the deployment of Evergen's optimisation technology in parallel with the phased rollout of MPower's clean energy asset portfolio. The application of Evergen's technology is expected to provide MPower with a unique competitive advantage and drive returns on a project-by-project basis.

Under the terms of the platform agreement between the parties, Evergen's technology will be deployed initially at MPower's Lakeland Solar & Storage Project – a 10.8MWac solar farm with an associated 1.4MWac/5.3MWh lithium-ion battery storage facility. The Evergen platform will then be rolled out across MPower's portfolio projects as they are constructed.

Evergen's renewable generation optimisation and portfolio management technology will be configured for MPower's requirements and is designed to integrate directly with MyPower®, MPower's proprietary remote monitoring and control platform.

MPower's portfolio is ideally suited to Evergen's platform, with its optimisation technology being developed specifically to enhance the performance of decentralised clean energy assets, which aligns directly with the network of decentralised power assets that MPower is building across Australia.

### ***\$10M project funding facility***

MPower made substantial progress during the Quarter in advancing the \$10 million project funding facility announced at the end of the March quarter.

The Company established a project funding relationship with AMPYR Energy, a global renewable energy investment firm, to fund the growth of its national Build Own Operate portfolio of solar power and battery storage projects being rolled out across Australia.

During the Quarter, the parties worked to close out the conditions precedent under the facility, including finalisation of security arrangements, project authorisations being in place and final due diligence and lender approvals being obtained. The conditions precedent are expected to be satisfied in the coming weeks.

The innovative funding arrangement is designed to finance construction and development costs on a project-by-project basis. In this way, MPower will be provided with a flexible funding mechanism to take projects through to the operational phase, when they become revenue accretive through the generation and export of clean energy to the National Electricity Market.

The funding agreement is structured as a debt facility, with mechanisms to convert to equity in the project at a later stage, enabling both parties to benefit from a future uplift in value.

Funding for the first project comprises a \$10 million facility for an 18 month term and a 12.25% interest rate.

### ***Financial overview***

Cash receipts during the Quarter were \$1,502K which mainly relate to the Company's service and maintenance activities. The main cash outflows were operating costs of \$883K and staff costs of \$606K. Net cash used in operating activities was \$394K.

Following the end of the Quarter, MPower's corporate debt facility was extended by one month to 15 August 2023 while the Company works towards finalising a longer term refinance of the facility.

### ***Comment***

**Chief Executive Officer Nathan Wise commented:** *"The Company has made pleasing progress during the June quarter, including the formation of a strategic partnership with Evergen. We are pleased to join forces with a partner of Evergen's calibre, as part of our strategy to build an optimised network of decentralised clean energy assets in the Australian market. The Company has also made steady progress on its project funding arrangements, which is a fundamental element in the execution of MPower's Build Own Operate strategy. As we start the next quarter and the 2024 financial year, the Company is poised to commence the construction phase and further expand its portfolio of clean energy projects with its partners."*

### ***Payments to related parties***

Payments of \$17K to related parties and their associates relate to remuneration payments made to the directors of the company.

## 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 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.

Connect with us  <https://www.linkedin.com/company/mpower-australia>  
 <https://twitter.com/MPowerGroupLtd>

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

MPower Group Limited

**ABN**

73 009 485 625

**Quarter ended ("current quarter")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,502	5,631
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(883)	(3,062)
(c) advertising and marketing	-	(3)
(d) leased assets	(71)	(280)
(e) staff costs	(606)	(2,806)
(f) administration and corporate costs	(36)	(395)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	15
1.5 Interest and other costs of finance paid	(307)	(954)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(394)</b>	<b>(1,854)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	528
(c) property, plant and equipment	(164)	(630)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(164)</b>	<b>(102)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,700
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(127)
3.5	Proceeds from borrowings	350	812
3.6	Repayment of borrowings	(297)	(729)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>32</b>	<b>1,656</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	763	537
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(394)	(1,854)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(164)	(102)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	32	1,656
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>237</b>	<b>237</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	237	763
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>237</b>	<b>763</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	17
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	12,828	12,828
7.2	Credit standby arrangements		
7.3	Other – project funding facility (conditional)	10,000	0
7.4	<b>Total financing facilities</b>	<b>22,828</b>	<b>12,828</b>
7.5	<b>Unused financing facilities available at quarter end</b>		10,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p><b>MPower Group Limited:</b> \$4.653m secured term debt from St George bank with a maturity date of 15 July 2023 and a variable interest rate on the term debt of 11.48%. The facility was extended after the end of the Quarter to 15 August 2023.</p> <p><b>Lakeland Solar &amp; Storage Limited:</b> \$7.350m limited recourse project finance facility from Nord/LB with a maturity date of 30 April 2031 and a fixed interest rate of 5.6%.</p> <p><b>MPower Capital Pty Limited:</b> \$0.825m limited recourse project finance facility from Tag Private Pty Limited with a fixed interest rate of 12%. After the end of the Quarter the facility limit increased to \$0.905m and the maturity date was extended to 27 September 2023.</p> <p><b>Narromine Renewable Energy Project Pty Limited:</b> \$10.0m project funding facility from AMPYR Australia Pty Limited with a maturity date of 18 months from drawdown and a fixed interest rate of 12.25%. The facility was announced to the market on 23 March 2023 and is subject to conditions precedent being satisfied prior to funds being available to the borrower. It is expected that the conditions precedent will be satisfied in the coming weeks.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(394)
8.2	Cash and cash equivalents at quarter end (item 4.6)	237
8.3	Unused finance facilities available at quarter end (item 7.5)	10,000
8.4	Total available funding (item 8.2 + item 8.3)	10,237
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	25.98
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.