

## QUARTERLY REPORT

For the period ending on 30 September 2024

**MPower Group Limited**

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Australia

- **Narromine Renewable Energy Project (NSW) achieved commercial operations and commenced generating revenue**
- **Narromine is the first project that MPower has owned, constructed and commissioned as part of its Build Own Operate strategy**
- **MPower and AMPYR Distributed Energy have agreed terms for the conversion of Narromine's \$10 million project funding facility into project equity**
- **AMPYR will receive 100% equity in the Narromine project and all project funding to be extinguished in full**
- **Further progress across the Company's portfolio of clean energy assets to support a planned portfolio of clean energy assets across Australia**
- **New funding arrangements secured to increase and extend the Company's corporate debt facilities**

### Sydney – 31 October 2024 – 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 September 2024 (**Quarter**).

Operational highlights in the September Quarter were focussed on the Narromine Renewable Energy Project in New South Wales, which achieved commercial operations and commenced generating revenue in July 2024. Later in the Quarter, terms were agreed for the conversion of Narromine's project funding into project equity.

The Quarter also saw further progress across the Company's portfolio of clean energy assets as well as the continued advancement of MPower's development activities to establish a portfolio of distribution-connected clean energy assets.

#### ***Narromine Renewable Energy Project***

During the Quarter, MPower completed the construction of the Narromine Renewable Energy Project, with revenue commencing at full capacity in July 2024 following the successful commissioning and connection of the project to enable participation in the National Electricity Market.

The start of commercial operations marked a key milestone for the Narromine project and is the first project that MPower has owned, constructed and commissioned as part of its Build Own Operate strategy.

The Narromine project is now generating and exporting clean energy at full capacity into the National Electricity Market. A merchant market revenue strategy has been adopted initially, with project revenues determined by the prevailing wholesale spot prices for energy and Large-scale Generation Certificates.

Later in the Quarter, MPower and AMPYR Distributed Energy announced that the Narromine Renewable Energy Project would be acquired by AMPYR after terms were agreed for the conversion of Narromine's \$10 million project funding facility into project equity.

As a result of the transaction, AMPYR will receive 100% equity in the Narromine project and all funding costs, including principal, capitalised and accrued interest, will be extinguished in full. The principal outstanding under the funding facility at 30 September 2024 was \$10 million.

MPower expects to record a gain of approximately \$700K following completion of the transaction upon deconsolidation of the asset, subject to finalisation of the accounting treatment and review by the Company's auditors.

The conversion from debt to equity is binding on the parties and is subject only to Foreign Investment Review Board (FIRB) approval being obtained by AMPYR. Completion of the conversion to equity is expected to take place in the coming months once FIRB approval has been obtained.

MPower was responsible for the design and construction of the project and will continue to be the operations & maintenance provider and asset manager in respect of the project.

The Narromine project is a 6.7MWdc/4.99MWac solar project in central-west New South Wales. The project includes Bifacial PV Modules, Single Axis Tracking and central inverter technology, with the capacity to produce more than 14,000MWh of energy in its first year of operations. The project achieved commercial operations in July 2024 and has performed in line with its design specification, exporting more than 1,600MWh of energy in its first two full months of operation.

The acquisition by MPower of 100% of the rights to the Narromine project was completed in August 2023 and site works commenced in February 2024. The project was funded by AMPYR Distributed Energy under a project funding relationship established in March 2023.



Image: Narromine Renewable Energy Project (NSW)

### ***Portfolio update***

In the previous Quarter, MPower commenced a process to investigate the potential sale of the Lakeland project with the intention of recycling capital for the future expansion of its clean energy portfolio. Since that time, MPower has shifted focus away from a potential sale to alternative ways of leveraging the Lakeland project in combination with other operational and development assets. MPower remains open to all options to maximise the value in the Lakeland asset.

MPower continues to refine its portfolio of development assets across the eastern states of Australia. This includes hybrid solar/battery storage projects in New South Wales, South Australia and Victoria that are at various stages of development. MPower is actively working with its development partners and advisers to progress its development pipeline and funding opportunities to support the rollout of projects and the establishment of a portfolio of clean energy assets.

### ***Financial overview***

Cash receipts during the Quarter were \$1,246K and were broadly in line with previous quarters. Receipts predominantly comprise revenues generated through the Company's service and maintenance activities, together with the sale of clean energy and associated renewable energy certificates from the group's clean energy assets. While the Narromine project began generating revenue during the Quarter, the associated cashflows from the Narromine project commenced after the end of the Quarter and are expected to continue until completion of the sale of the project occurs in the coming months. As the Narromine project has been 100% owed during the construction period, cashflows associated with construction are shown under investing and financing activities rather than operating activities.

The main operating cash outflows were operating costs of \$573K and staff costs of \$581K. Net cash used in operating activities during the Quarter was \$208K.

During the Quarter, MPower secured new funding arrangements that support the Company's plans to establish a portfolio of distribution connected clean energy assets across Australia. MPower finalised terms for a new \$1.5 million facility and at the same time agreed extensions to \$2.7 million of existing corporate facilities to provide longer term funding to the Group. The new facility terms with Oceania Capital Partners and Tag Private were in place at the end of the Quarter.

To date, the Company has been able to navigate the complexities of developing and delivering distribution-connected clean energy assets with limited financial resources and a minimal balance sheet, which has been underpinned by the Company's service and maintenance activities. It is critical to the Company's future that new revenue streams are brought on in the coming months through the delivery of new projects so that the Group has sufficient financial resources to continue pursuing its strategy, promote growth and establish a scale of operations that can support its cost base. The funding environment for small-scale clean energy projects and portfolios continues to be very challenging for MPower. Notwithstanding this, the Company is actively engaging with a number of parties with a view to partnering on future solar and battery storage projects.

### **Comment**

**Chief Executive Officer Nathan Wise commented:** *"The successful acquisition, delivery, commissioning and subsequent sale of the Narromine Renewable Energy Project showcases MPower's end-to-end capability with a focus on distribution-connected clean energy assets. The team has accomplished many milestones in a relatively short period of time."*

*"As we move forward with our portfolio of development and operational assets and look to build our pipeline of project opportunities, MPower will use its experience and track record to tackle the funding headwinds and other challenges involved in rolling out infrastructure assets at scale."*

### **Payments to related parties**

Payments of \$20K 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

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://x.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 September 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,246	1,246
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(573)	(573)
(c) advertising and marketing		
(d) leased assets	(233)	(233)
(e) staff costs	(581)	(581)
(f) administration and corporate costs	(24)	(24)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	(50)	(50)
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>(208)</b>	<b>(208)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(1,350)	(1,350)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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>(1,350)</b>	<b>(1,350)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5	Proceeds from borrowings	1,792	1,792
3.6	Repayment of borrowings	(60)	(60)
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>1,732</b>	<b>1,732</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	212	212
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(208)	(208)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,350)	(1,350)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,732	1,732
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>386</b>	<b>386</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	386	386
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>386</b>	<b>386</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	20
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.</i> <i>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	21,050	21,010
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	21,050	21,010
7.5	<b>Unused financing facilities available at quarter end</b>		40
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>\$2.65m unsecured debt facility from Tag Private Pty Limited with a maturity date of 10 November 2025 and an interest rate on the facility of 15%.</p> <p>\$1.56m secured debt facility from Oceania Capital Partners Limited with a maturity date of 8 November 2025 and an interest rate on the facility of 13.25%.</p> <p>\$10.0m secured debt facility from AMPYR Distributed Energy with a maturity date of 28 February 2025 and an interest rate on the facility of 12.25%. After the end of the quarter, agreement was reached for the conversion of the facility into equity in the Narromine Renewable Energy Project (refer ASX announcement dated 10 October 2024).</p> <p>\$6.84m secured debt facility from NORD/LB with a maturity date of 30 April 2031 and a fixed interest rate on the term debt of 5.6%.</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)	(208)
8.2	Cash and cash equivalents at quarter end (item 4.6)	386
8.3	Unused finance facilities available at quarter end (item 7.5)	40
8.4	Total available funding (item 8.2 + item 8.3)	426
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.05
<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	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p> <p>Answer: N/A</p> <p>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?</p> <p>Answer: N/A</p>	



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 October 2024

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.