

CHAIRMAN'S ADDRESS TO SHAREHOLDERS

Sydney – 25 November 2021 – MPower Group Limited (ASX: MPR)

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Some months have now passed since the end of the 2021 financial year, the first financial year following our exit from previous non-core activities. This has transitioned us into a leading renewable energy business, focused on delivering world class solar farms, battery storage and hybrid power systems. Our deep knowledge of technology combined with engineering excellence and a long track record of successfully delivering high specification projects leaves us very well placed as Australia moves towards a climate-friendly and decentralised power future.

Notwithstanding the disruption, delays, challenges and costs brought on by the COVID-19 pandemic, we now find ourselves at a tipping point. Our vision of a technology-led company building, owning and operating a portfolio of renewable energy assets is coming to fruition.

MPower is working alongside developers and others to progress the development of multiple sites and ensure they meet MPower's strict criteria for investment. The aim of MPower's Build Own Operate aspirations is to leverage the company's in-house capabilities and experience and increase the revenue streams available from each individual project opportunity.

To date, we have executed binding purchase agreements on the first three development sites, one in NSW and two in Victoria, for a combined consideration of approximately \$1.9 million. Diversifying locations is one of our mitigants for dealing with weather and network variations. The NSW site at Narromine has already received an "Offer to Connect" from Essential Energy which will enable the project to be connected into the distribution network and become a participant in the National Electricity Market. The Victorian sites are expected to reach similar status in the coming months. Our first three projects will see 36,000MWh+ of clean energy generated from 34,000 Bifacial PV Modules, which is the equivalent capacity to power over 4,500 homes once fully operational.

These initial sites are the first in a proposed portfolio of up to twenty 5MW renewable energy projects that will have an estimated end value of more than \$150 million. 5MW solar farms offer considerable advantages and have been chosen by MPower because the grid connection process for 5MW solar farms is simpler than for large utility-scale solar farms; there is no risk of curtailment; and the exposure to market service charges is far reduced. And by taking a portfolio approach the risk of a single point of failure is eliminated.

There are a large number of potential sites in MPower's pipeline, and our focus has now shifted towards green energy funding options.

There are two components to the funding. The first is having sufficient funds to assess, acquire and hold development sites, and that is the main driver for the Share Purchase Plan we announced this week. This has been buoyed by the increasing interest we have witnessed in MPower's business plan and progress. We have welcomed a large number

of new shareholders who have progressively come onto the share register during the course of 2021, and we take this as a positive sign of escalating investor interest.

The second funding component relates to the construction phase and the long-term operating phase of the solar farms, which have a predicted power generating life of thirty years or more. With ever-increasing demand for electricity being foreshadowed in a clean energy economy, the potential returns that these infrastructure assets can yield informs our thinking. Our strategy looks to maximise future power market pricing opportunities using a flexible offtake approach and subsequently, augmenting power output with battery storage.

We are seeking to develop a funding structure in which there will be a direct correlation between investor returns and the value of the power generated and sold by the renewable energy infrastructure assets that MPower sources, builds, controls, maintains and manages. Suffice to say this is innovative territory, and we are working on a number of options, which we expect to be in a position to expand on early in the new year. Success with this will ultimately unlock MPower's future growth pathway.

MPower's service and maintenance activities, which includes contracts for maintaining two solar farms, is almost back to normal operations. Recently, MPower has developed a proprietary solution for the control and monitoring of renewable energy projects, strengthening our existing operations and maintenance capabilities, and adding a potential new revenue stream from future deployments. At a touch of a button, we can now see and control exactly what is going on at any project under our management.

Finally, it is important to note that MPower is taking great care to standardise its approach to solar farm design and construction which will drive future efficiencies and ensure projects progress from shovel ready status to generating revenue from the power output as quickly as possible. With the proposed acquisition of our third project site, we are already witnessing the economies of scale. All of our in-house development costs are expensed when they are incurred and are not capitalised. We are making haste slowly expecting that our investment in well credentialed in-house expertise will ultimately pay off; and that careful and patient execution of our strategy will deliver financial benefits to MPower in the fulness of time.

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Contact

For further information, please contact:

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This announcement has been authorised by Peter Wise AM, Chairman

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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