

QUARTERLY ACTIVITIES REPORT

For the period ending on 31 December 2021

MPower Group Limited

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Australia

- **Purchase agreement secured over third Build Own Operate site in Faraday, Victoria**
- **Final milestone payments of \$500K received for South Hummocks and Kadina Solar Farms**
- **New two-year maintenance contracts add \$300K in recurring revenue**
- **Proprietary solution for remote project control and monitoring developed expanding MPower's maintenance capabilities and adding a new revenue stream**
- **NSW battery storage project major milestone achieved with final acceptance from Endeavour Energy**
- **Two new hybrid power projects being developed to capitalise on negative daytime energy pricing in South Australia**
- **Discussions with potential partners continues with several funding options for green energy power projects being assessed**

Sydney – 31 January 2022 – MPower Group Limited (ASX: MPR)

MPower, Australia's leading specialist renewable energy, battery storage and microgrid business, is pleased to provide the following report on its activities for the quarter ending on 31 December 2021 (**Quarter**).

Operational overview

During the Quarter, MPower continued to execute several initiatives towards the development of its Build Own Operate (**BOO**) portfolio of 20 5MW renewable energy projects with an estimated value of more than \$150 million. The Company also made significant advances on both its maintenance and monitoring capabilities and battery storage projects, adding additional revenue streams for the Company and allowing for integration into the BOO portfolio of renewable energy projects.

South Hummocks and Kadina Solar Farms

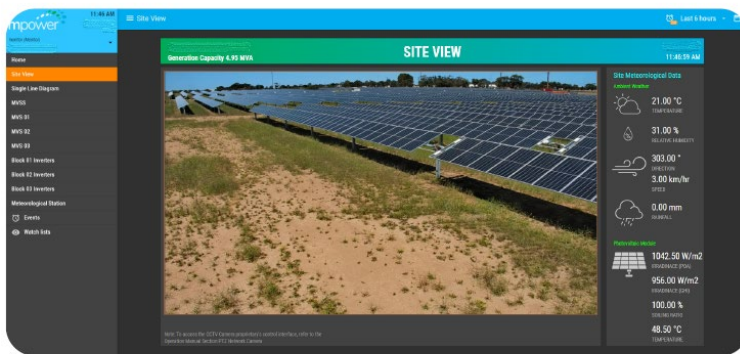
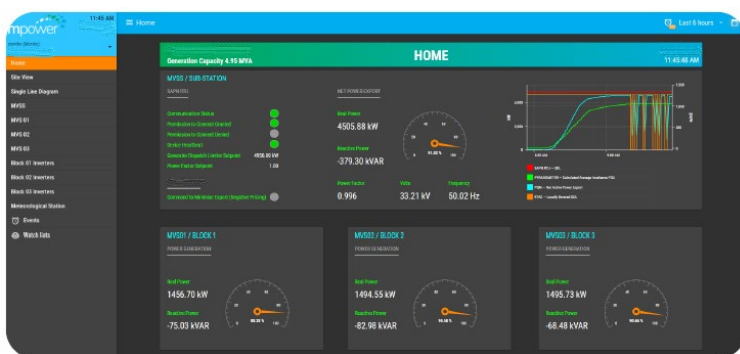
MPower received final milestone payments totalling \$500K for the completion of two South Australian 5MW solar farms located at South Hummocks and Kadina. Now completed and fully operational, the projects are supporting the energy needs of more than 3,000 homes in the regional locations. Maintenance contracts for both sites were also secured, adding another ~\$300K in additional revenue over an initial two-year period.

Proprietary monitoring and control platform

Further strengthening the company's maintenance and monitoring capabilities, MPower developed a proprietary solution for the control and monitoring of its renewable energy projects. The technology will be deployed on new and existing sites where MPower has existing maintenance service agreements.

The platform was developed in-house using existing intellectual property. The unique design enables owners and asset managers to remotely access and control on-site infrastructure using a dynamic and user-friendly web-based browser software. Collecting and processing data from on-site equipment and providing real-time monitoring of project performance, users are notified immediately of critical alarm events. Reporting functionality allows users to gain valuable insights with monthly reports producing a high-level overview on project performance.

The broadening of the company's monitoring and maintenance capabilities provides MPower with another potential revenue stream as it looks to incorporate the technology into its offering to renewable energy asset owners and managers seeking additional reliability and performance analytics.



Images 1 & 2: Indicative screenshots of MPower's new remote project control and monitoring platform

Third Build Own Operate site secured

Adding to the company's portfolio of 5MW renewable energy projects, a binding purchase agreement was executed for a third Build Own Operate site in Faraday, Victoria. Located approximately 100km from Melbourne, the project covers an area of 14ha and was selected due to a strong local demand and attractive future load prospects.

The total purchase value for the development rights is \$585K, with completion of the purchase to occur once all conditions have been satisfied and the site reaches shovel ready status, expected in the coming months. The project is anticipated to be completed and revenue generating by FY2023.

Developed by Tetris Energy, the project includes over 11,000 Bifacial PV Modules with the capacity to produce more than 11,500MWh of electricity in its first year. The site will power upwards of 1,500 homes and have an estimated carbon offset of 8,150,000kg CO₂.

NSW battery storage project milestone

MPower's landmark 1.5MWh grid connected battery storage project reached a major milestone successfully achieving its final acceptance with Endeavor Energy. Final acceptance follows stringent field-testing and provides the company with significant validation for the solution for other potential operators and for implementation into MPower's BOO portfolio of renewable energy projects.

Test work was undertaken across two summer periods with results highlighting the battery storage project achieved its objectives of reducing network capital costs, augmenting grid capacity, and improving the quality of supply and network reliability. Grid forming battery technology is witnessing widespread adoption as a critical element needed to provide reliable grid stability as the National Electricity Market accelerates towards a greater level of renewable energy generation.

Development of hybrid solar battery projects

MPower also released details during the Quarter of two hybrid solar battery projects being developed in South Australia. The projects aim to capitalise on existing pricing opportunities as a result of negative daytime pricing across South Australia.

The projects complement MPower's plans to establish a distributed portfolio of renewable energy projects, with the two projects being secured in Kadina, South Australia. A hybrid 5MW solar farm with a DC-coupled 5MW/10MWh battery project is being planned at each site. SA Power Networks has confirmed that the network has capacity to accommodate the projects and formal connection applications were lodged during the Quarter.

Portfolio funding

MPower continued to progress discussions with and is considering a number of green energy financing options in order to support the planned development of the Company's portfolio of up to 20 5MW renewable energy projects that will have an estimated end value of more than \$150 million.

Corporate overview

During the Quarter MPower launched a Share Purchase Plan (**SPP**) to fund the growth of its BOO portfolio, acquire and develop renewable energy development sites, and for general working capital purposes.

Eligible shareholders were able to apply for up to \$30,000 worth of new ordinary shares at an issue price of 5 cents per share. Eligible shareholders were able to choose the amount subscribed for, from either \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 worth of new shares.

In December 2021, the SPP closed raising a total amount of \$173,000 before costs, with 3,460,000 new fully paid ordinary shares issued. The shares were issued and commenced trading on the ASX in December 2021.

Financial overview

MPower's cash balance was \$2.393 million at the end of the Quarter. Cash receipts from operating activities were \$2.089 million including the final milestone payments of approximately \$500K relating to the South Hummocks and Kadina projects. Net operating cashflows were broadly breakeven during the Quarter.

Payments to related parties

Payments of \$209K to related parties and their associates relate to remuneration payments made to the directors of the company.

Ends

Contact

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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.

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