

HALF YEAR RESULTS

For the six months ended 31 December 2024

MPower Group Limited

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Australia

- **MPower and AMPYR Distributed Energy finalise terms for the conversion of Narromine's project funding facility into project equity**
- **Post balance date, AMPYR has received 100% equity in the Narromine project and all project funding has been extinguished in full**
- **Pipeline of project development opportunities boosted following positive engagement with several project development groups**
- **Increased potential to align MPower's strategy, pipeline and capabilities with project funding for the rollout of a portfolio of hybrid renewable energy assets**

Sydney – 28 February 2025 – **MPower Group Limited (ASX: MPR)**

Leading specialist renewable energy, battery storage and microgrid business MPower Group Limited (ASX: MPR) (the **Company**) reports on its activities for the six month period to 31 December 2024.

The half year highlight was the finalisation of terms to convert project funding for the Narromine Renewable Energy Project in New South Wales into project equity and was strengthened by continued progress across the Company's development pipeline and efforts to establish a portfolio of distribution-connected hybrid renewable energy assets.

Narromine Renewable Energy Project

Early in the half year under review, MPower reported that revenue had commenced at full capacity at the Narromine Renewable Energy Project 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 followed the commencement of the project delivery phase in late 2023. Since connecting to the grid at full capacity, the project has performed in line with its design specification, exporting more than 5,690MWh of energy during the half year reporting period.

On 10 October 2024, MPower and AMPYR Distributed Energy (Australia) announced that the Narromine Renewable Energy Project would be acquired by AMPYR following agreement being reached on the terms for the conversion of Narromine's project funding facility into project equity. The conversion was subject only to Foreign Investment Review Board (FIRB) approval being obtained by AMPYR.

That transaction completed following the half year balance date and AMPYR now holds 100% equity in the Narromine project and all funding costs, including principal, capitalised and

accrued interest, have been extinguished in full. The transaction has removed \$10.36 million of short-term debt from MPower's balance sheet. The Narromine project has been classified as an asset "held for sale" in the Half Year Accounts.

MPower expects to record a gain of approximately \$0.7 million 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 final position and the removal of the project assets together with all Narromine project funding liabilities will be reflected in the Group's full year results.

MPower was responsible for the design and construction of the project and continues on as the operations & maintenance provider and asset manager in respect of the project following the conversion.

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.

Portfolio update

During the period under review, MPower scoped upgrade works for its 100% owned solar and battery project at Lakeland in Far North Queensland. At the time the project was acquired by MPower in 2022, several upgrade opportunities were identified to enhance project performance and reliability. A number of project enhancements have already been implemented by MPower and further upgrades are now planned to better align project performance with the project's original design. MPower is engaging with project stakeholders to finalise the scope, timing and funding for the upgrade works.

Subsequent to 31 December 2024, agreement was reached for the disposal of the development assets associated with the Faraday Renewable Energy Project. The transaction is conditional on meeting a number of conditions precedent that are typical for a transaction of this nature. The estimated proceeds from the sale are approximately \$0.5 million.

Outlook and funding

The commencement of future projects, either with third parties or in conjunction with funding partners as part of MPower's Build Own Operate strategy, is important as MPower's cash resources (principally being its operating cashflow from its service activities and the sale of renewable energy) continue to be stretched to meet its operating costs at its current level of activity, which is not sustainable in the long-term.

The prospects of commencing delivery of new projects are supported by the underlying financial metrics of hybrid projects that are compelling. For projects that MPower is targeting for its own portfolio, the challenge remains securing capital partners with an appropriate risk appetite and alignment to the scale of the opportunity that MPower has created. If funding of new projects can be achieved, it will see the required funds flowing to the Company and MPower's strategic plan being delivered.

In the meantime, the Company is reliant on its funders for ongoing support. After the balance date, the Company and Tag Private agreed terms to increase the existing unsecured loan facility limit of \$1.5 million to \$2.0 million to be made available for working capital purposes. This is in addition to an earlier loan between Tag Private and MPower Capital with a facility

limit of \$1.25 million. The total amount owing to Tag Private under the two loans, including accrued interest, at 31 December 2024 was \$2.8 million.

MPower has boosted its pipeline of project development opportunities during and since the half year following active discussions with several project development groups. The Company has refined its strategic approach to distribution-connected hybrid renewable energy projects, including its approach to project design, project delivery, offtake, geographic focus and project funding.

MPower is actively seeking to align its strategy, pipeline and capabilities with project funding to support the rollout of projects and the establishment of a portfolio of hybrid renewable energy assets. Significant time, funds and resources have been invested over a number of years in building platform capability and an attractive opportunity for funding partners to rapidly deploy capital into a renewable, firm generation platform that both helps accelerate Australia's energy transition and captures value from volatility in the National Electricity Market.

Ends

Contact

For further information, please 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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