

## MPOWER FAST TRACKS BOO PORTFOLIO WITH LAKELAND ACQUISITION

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- **MPower to acquire the Lakeland Solar & Storage Project in Far North Queensland**
- **Hybrid project comprising a 10.8MWac solar farm with an adjoining 1.4MWac/5.3MWh lithium-ion battery storage system**
- **Project has been operating since 2017 and has a long-term power purchase agreement with Origin Energy to sell 100% of the energy**
- **\$8 million enterprise value to acquire 100% of the Lakeland project – equity required will be internally funded**
- **Opportunity to utilise MPower’s engineering expertise to improve operational performance and enhance economic returns from the project**
- **Acquisition delivers an operating asset expected to generate annual revenue from the sale of energy and LGCs of approximately \$1.8m and EBITDA of more than \$800,000**
- **Expands and fast tracks MPower’s BOO portfolio with a utility-scale asset and immediate energy storage infrastructure**

### Sydney – 16 May 2022 – MPower Group Limited (ASX: MPR)

MPower, Australia’s leading specialist renewable energy, battery storage and microgrid business, is pleased to announce a transaction that accelerates its Build Own Operate (**BOO**) strategy with the proposed acquisition of the Lakeland Solar & Storage Project (the **Project**) located in Cooktown Shire, North Queensland, comprising a 10.8MWac solar farm and an associated 1.4MWac/5.3MWh lithium-ion battery storage facility.

The Project has been in operation since 2017 and benefits from a long-term power purchase agreement with Origin Energy until 2030 for 100% of the Project’s output. The Project has an expected remaining operating life of approximately 20 years.

MPower intends to deploy its in-house engineering team and capability to deliver immediate operational improvements, including upgrades to Project infrastructure and implementation of MPower’s proprietary solution for the control and monitoring of renewable energy projects. MPower will take responsibility for the operations, maintenance and asset management of the Project from Completion.

The Project is expected to generate annual revenue from the sale of energy and LGCs of approximately \$1.8 million and annual earnings before interest, tax, depreciation and amortisation (**EBITDA**) of more than \$800,000.

The acquisition delivers MPower a proven operating asset and accelerates the Company's BOO strategy to include immediate energy storage infrastructure and a utility-scale renewable energy asset.

MPower has entered into a Share Purchase Agreement with Kawa Australia Developments Pty Limited to acquire 100% of Lakeland Solar & Storage Pty Ltd, the owner of the Project. The transaction has an enterprise value of \$8 million, comprising deferred consideration of up to \$0.35 million over a three-year period following completion and the assumption of an existing \$7.66 million limited recourse long-term debt facility in place with German bank, NORD/LB, one of Europe's largest renewable energy project finance banks. The equity required for the transaction will be internally funded.

The transaction is subject to a number of conditions, including third party consents being obtained and the finalisation of amendments to the existing debt facility structure. The acquisition is expected to be completed by the end of June 2022.

The Project is strategically aligned to MPower's portfolio and fast tracks the Company's plans to own and operate a distributed portfolio of Australian renewable energy assets.

The Project's lithium-ion battery storage capacity further enhances the Company's capability to own and manage assets in the burgeoning battery storage sector. The Project also expands MPower's geographic footprint, adding Queensland to the Company's existing development projects in New South Wales, Victoria and South Australia.



Image: Lakeland Solar & Storage Project

**Chief Executive Officer Nathan Wise said:** *“The acquisition of the Lakeland project is an exciting opportunity for MPower that accelerates and expands our BOO strategy. It provides us with an established, operating hybrid renewable energy asset that will increase the Company’s revenues from day one, adding more than \$800,000 to EBITDA per year. We intend to immediately deploy our expertise to upgrade the project and enhance its value.”*

*“This significant transaction lays a solid foundation for us to now accelerate the build-out of our BOO portfolio which is progressing very well. A number of significant steps forward are imminent. Furthermore, we continue to assess other underperforming renewable assets that might form part of our BOO portfolio and where we can improve asset performance.”*

## Ends

### Contact

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This announcement has been authorised by Nathan Wise, Chief Executive Officer.

### 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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