

QUARTERLY REPORT

For the period ending on 30 June 2025

MPower Group Limited

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Sydney – 31 July 2025 – MPower Group Limited (ASX: MPR)

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Australia

Leading specialist renewable energy, battery storage and microgrid business MPower Group Limited (ASX: MPR) (the **Company**) is pleased to provide the following report on its activities for the quarter ending 30 June 2025 (**Quarter**).

The highlight for the June Quarter was the announcement that the Company reached agreed terms for a sale of its renewable energy business that will deliver an attractive outcome for the Company.

Sale Transaction

In June 2025, MPower entered into a binding Business Sale Agreement (**Business Sale Agreement**) with Wollemi Energy Group Pty Limited (**Buyer**) and Wollemi Climate Pty Ltd (collectively **Wollemi**), a climate-focused investment firm, with respect to a sale of substantially all of the assets of the Company and certain of its subsidiaries for a total cash consideration of approximately \$19 million (the **Sale Transaction**).

The Sale Transaction includes the sale of:

- MPower's renewable energy platform;
- the Lakeland Solar & Storage Project;
- a pipeline of project opportunities;
- MPower's services business; and
- certain other assets as set out in the Business Sale Agreement.

All MPower employees are to be offered employment with the Buyer.

The Sale Transaction has been undertaken after the Company's extensive process to secure capital from a party with an appropriate risk appetite and alignment with the scale of the opportunity that MPower has created. During that process, Wollemi emerged as a suitable capital partner and during negotiations it became clear that the best outcome for the Company's shareholders would be to agree to Wollemi acquiring the MPower platform in order to fully leverage MPower's capabilities and deliver the strategic benefits that have been identified.

The purchase price of approximately \$19 million is payable in cash, subject to adjustments as set out in the Business Sale Agreement. In addition, the Buyer will also assume responsibility and liability for accrued leave entitlements for those MPower employees who accept the Buyer's offer of employment.

Following completion, the Company expects it will be able to repay all its liabilities in full and retain surplus cash, currently estimated to be approximately \$3.8 million. This represents net assets per share of approximately 1.1 cents.

The purchase price is payable at completion, other than \$2 million that is payable 6 months after the date of completion, subject to agreed terms.

The Business Sale Agreement is binding on the parties and has several remaining conditions precedent to completion, including:

- (a) the novation or assignment of certain contracts and leases;
- (b) certain employees and executives of MPower agreeing to new employment agreements with the Buyer; and
- (c) re-energisation of the Lakeland Solar & Storage Project that is currently undergoing transformer repairs, to Wollemi's reasonable satisfaction.

Approval by shareholders of the Company was obtained at a General Meeting held on 16 July 2025.

The Sale Transaction is expected to complete during August 2025.

The Future

MPower intends to use the proceeds from the Sale Transaction to make payments owed to its lenders and creditors. Following these payments, the Company will decide whether to:

- (a) return capital to shareholders to enable shareholders to liquidate their investments in the Company (after expiry of the warranty claim period in the Business Sale Agreement of 6 months from the date of Completion) through either a buy back, capital reduction or liquidation;
- (b) acquire a new business through a backdoor listing transaction; or
- (c) a combination of the uses of proceeds described in paragraphs (a) and (b).

Portfolio update

During the Quarter, MPower continued to work on a pipeline of project development opportunities and engage actively with project development groups.

In May 2025, the Company's operational project at Lakeland, Queensland, encountered a transformer fault and the Lakeland Project has been offline and not generating revenue since that time. Repairs are currently underway to rectify the issue and the project is on track to be re-energised during August 2025. Re-energisation of the Lakeland Project to Wollemi's reasonable satisfaction is a condition precedent to completion of the Sale Transaction.

Also during the Quarter, the Company's proposed sale of the development assets associated with the Faraday Renewable Energy Project has been discontinued. The connection costs for the project have increased significantly and future options for the project, which is excluded from the Sale Transaction, are currently being evaluated.

Additional information on Appendix 4C

Cash receipts during the Quarter were \$1,334K, predominantly comprising 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 asset at Lakeland, Queensland.

The main operating cash outflows were operating costs of \$940K and staff costs of \$408K (which excludes some related party remuneration costs that have been deferred by agreement). Net cash outflows from operating activities were \$304K for the Quarter and \$550K for the 12 months.

The Company's cash flows are expected to materially change following completion of the Sale Transaction when there will be no operating cash inflows and outflows will be limited to lower ongoing corporate costs.

Payments to related parties

Payments of \$17K 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 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,334	5,396
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(940)	(3,135)
(c) advertising and marketing		
(d) leased assets	(79)	(435)
(e) staff costs	(408)	(1,796)
(f) administration and corporate costs	(32)	(76)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	24
1.5 Interest and other costs of finance paid	(183)	(528)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(304)	(550)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(5)	(1,578)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		(182)
	(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)		
2.6	Net cash from / (used in) investing activities	(5)	(1,760)

3.	Cash flows from financing activities		
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	497	3,038
3.6	Repayment of borrowings	(266)	(747)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	231	2,291

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	271	212
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(304)	(550)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(1,760)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	231	2,291
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	193	193

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	193	193
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	193	193

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	17
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	11,398	11,357
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	11,398	11,357
7.5	Unused financing facilities available at quarter end		41
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>\$3.69m unsecured debt facilities from Tag Private Pty Limited with a maturity date of 10 November 2025 and an interest rate on the facilities of 15%.</p> <p>\$1.44m 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>\$6.27m 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>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(304)
8.2	Cash and cash equivalents at quarter end (item 4.6)	193
8.3	Unused finance facilities available at quarter end (item 7.5)	41
8.4	Total available funding (item 8.2 + item 8.3)	234
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.77
	<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: No. On 12 June 2025 the Company announced it had reached agreed terms for a sale of its renewable energy business, being the Company's main undertaking. Completion of the transaction is estimated to occur during August 2025, following which the Company's cash outflows are expected to significantly reduce.</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: No</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: Refer to Item 8.6.1. The Company's operations are expected to materially change following completion of the sale transaction.

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 July 2025

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.