

## MARKET UPDATE

- **MPower achieves significant milestones**
- **Large scale energy storage project underway**
- **\$40 million revenue for FY2017**

**Sydney – 11 August 2017 – Tag Pacific Limited (ASX: TAG)** today released an update in advance of its full year result announcement later this month.

In the 2017 financial year, MPower recorded a number of key successes. A US\$10 million solar project in Samoa and an energy storage project in Western Australia were completed; new energy storage products were introduced into the market; a new Bardic range was launched; and a consortium was formed with Broadspectrum (Australia) Pty Ltd to target large-scale solar opportunities.

Towards the end of the financial year, MPower was awarded and has begun work on a landmark energy storage project for the Cook Islands which is larger than any existing grid-connected energy storage system operating in Australia.

These successes, together with a healthy contracted order book and a growing pipeline of opportunities in renewables and hybrid power systems, position MPower well as it starts the 2018 financial year. A heavy investment has been made in new business development resources with an eye to the longer term.

Revenue for the 2017 financial year is expected to be approximately \$40 million (2016: \$56 million), with MPower's distribution activities attaining higher margins on lower revenues. Revenue from new projects originally planned for the second half of the 2017 financial year has now been contracted in the 2018 financial year.

The group's investment in MPower is expected to show an EBITDA loss of between \$1.5 and \$1.7 million for the full year. Once Tag head office and listing costs are taken into account, a consolidated Tag Group loss is expected in the range of \$3.8 to \$4.1 million after tax and minorities.

MPower's cashflow for the year was positive and overall Tag Group cashflow was neutral, with the group having \$3.9 million in cash at year end.

The results are still in the process of being finalised and audited and usual balance date processes are yet to be completed.

Full details, including an update on the progress being made by MPower, will be released with the full year results at the end of August.

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A Tag Company



## **ASX ANNOUNCEMENT (continued)**

### **ABOUT**

Tag Pacific Limited is a Sydney-based investment house listed on the Australian Securities Exchange with a focus on niche areas of the power industry. Tag has invested in a diverse range of companies and activities that have been brought together primarily to operate under the banner of MPower. The company's mission is to invest in the power industry in a manner that creates and enhances value and achieves above average returns.

### **ENDS**

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