



NZX AND ASX ANNOUNCEMENT

7 April 2020

A\$260 MILLION CAPITAL RETURN TO SHAREHOLDERS

Tilt Renewables Limited (TLT) intends to return approximately A\$260m (approximately A\$0.55 per share) to shareholders via a pro-rata share buy-back.

TLT's balance sheet currently includes A\$535m of unrestricted cash, largely made up of proceeds from the sale of the Snowtown 2 Wind Farm in December 2019. This cash sum does not include the necessary cash commitments for the Dundonnell and Waipipi Wind Farms, which are currently under construction and fully funded.

TLT's strategic focus continues to be its leading role in the renewables transition in Australia and New Zealand, and with a diverse development pipeline of more than 3,000GW, TLT anticipates delivering further quality investment opportunities for shareholders. TLT is also conscious of the ongoing need for cash in order to fund those opportunities.

TLT has considered the capital required to progress its most promising mid-to-late stage development projects, plus the potential effects of COVID-19 on operating and construction assets, to assess the appropriate balance sheet capability and thus determine the level of excess capital which may be better utilised if directly in the hands of shareholders.

Progress for the higher priority development projects is generally in line with expectations. The most immediate project of scale is the Rye Park Wind Farm (Rye Park) in New South Wales. TLT is preparing an application to vary the projects' planning approval, with a tip height modification to allow the most efficient modern turbines to be used. TLT anticipates making an investment decision for Rye Park in 2021. Other smaller scale development opportunities (including batteries) are also expected to proceed to investment decision over the next 24 months, but with only minor equity funding requirements.

TLT proposes to undertake the capital return by way of a Court approved scheme of arrangement in accordance with Part 15 of the Companies Act 1993 (New Zealand). Such a scheme is fair to all shareholders as it achieves a return of capital on a pro rata basis, leaving the relative voting and distribution rights of all shareholders unaffected. This process will take approximately 15 weeks and further information will be provided as the process advances.

TLT Chief Executive, Deion Campbell said, "this is a great opportunity for TLT to let its 8,100 shareholders benefit directly from the highly successful sale of Snowtown 2, whilst still leaving plenty of cash available for us to pursue growth opportunities, including from our industry leading development pipeline." Mr Campbell also said, "the timing of this capital return would hopefully provide some relief to any of our shareholders who might be struggling through the impact of COVID-19."

Following the capital return the TLT business will still maintain a very strong balance sheet which is highlighted as follows:

- A\$275 million of unrestricted cash available for pursuing growth opportunities
- No debt refinancing occurring until November 2023
- Gearing level post completion of projects currently under construction remains less than 40%
- Healthy, largely contracted, annual cashflow from operating assets.

ENDS



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