



ASX Media Release

AGL to participate in PowAR's acquisition of Tilt Renewables' Australian business

15 March 2021

Powering Australian Renewables (**PowAR**) and Mercury NZ Limited have today announced they have entered into a Scheme Implementation Agreement to acquire NZX and ASX listed Tilt Renewables Ltd (**Tilt**) for an all-cash consideration of NS\$7.80 per share or NZ\$2.9 billion (**Offer Price**) through a Scheme of Arrangement in accordance with the New Zealand Companies Act 1993 (**Scheme**). AGL has a 20% interest in PowAR and will contribute \$A341 million to fund its portion of PowAR's acquisition of Tilt's Australian business.

For AGL, the proposed PowAR acquisition of Tilt will complement AGL's participation in the PowAR platform, which, on implementation of the Scheme, will be the largest owner of wind and solar energy generation in Australia.

AGL CEO, Brett Redman, said today's announcement continues AGL's legacy as one of the largest private investors in renewable energy in Australia and further progresses AGL's own energy transition.

"The proposed acquisition by PowAR will provide more renewable energy options in AGL's generation portfolio, further supporting our orderly transition away from coal-fired power and responding to our customers' increasing appetite for cleaner energy," Mr Redman said.

"This is an exciting opportunity for PowAR to further extend its leadership in renewable energy generation. For AGL, participating in this acquisition aligns with AGL's climate commitments, and complements our recent acquisitions of Epho and Solgen that have positioned us as Australia's largest commercial solar provider.

"Tilt's exceptional renewable asset portfolio is matched by a significant development pipeline, with more than 3,500 MW capacity across various technologies, including wind, solar, battery storage and peaking capacity in Australia.

"Together with PowAR's existing portfolio, these will support AGL's transition to accelerate in line with customer demands and community expectations for cleaner, reliable and affordable energy."

The proposed acquisition, upon completion, will reinforce PowAR's standing as Australia's leading owner and operator of wind and solar energy generation, with installed capacity of 1,313MW across nine operating wind and solar farms.

AGL, which drove the creation of PowAR with QIC and the Future Fund as a financing initiative for the development and operation of renewable energy assets, will contribute \$341 million representing AGL's share of the equity component of the total enterprise value for the Australian business. This is anticipated to be funded from existing AGL financing headroom.

"When AGL created PowAR in 2016, in partnership with QIC and the Future Fund, we envisaged its potential to drive investment in large-scale renewable energy generation in Australia. Once completed, this acquisition will make that vision a reality," Mr Redman said.

The Scheme is subject to a number of conditions which are detailed in Tilt's announcement.



Notes:

- This release is to be read in conjunction with the PowAR release dated 15 March 2021.
- PowAR and Mercury NZ have entered into a Scheme Implementation Agreement to acquire 100% of NZX- and ASX-listed Tilt Renewables Ltd for an all-cash consideration of NZ\$7.80 per share or NZ\$2.9 billion.
- Under the transaction, PowAR will take ownership of Tilt's Australian business and Mercury NZ will take ownership of Tilt's New Zealand business.

Authorised for release by AGL's Market Disclosure Committee

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About AGL

Proudly Australian for more than 180 years, AGL supplies around 4.2 million services to customers, including energy, phone and broadband services. We're committed to making energy, alongside other essential services, simple, fair and transparent. AGL operates the largest electricity portfolio in the National Electricity Market made up of traditional coal and gas-fired generation, and renewables such as wind, hydro and solar. We also operate gas storage and production assets. We're focussed on developing flexible supply, building on our history as Australia's leading private investor in renewable energy, to support the transition to a new energy system. We have a passionate belief in progress and a relentless determination to make things better for our communities, customers, the Australian economy and our planet.