



NZX AND ASX ANNOUNCEMENT

16 April 2021

Tilt Renewables Announces Increase in Scheme Consideration to NZ\$8.10 Per Share

Tilt Renewables Limited ('Tilt Renewables') has amended the Scheme Implementation Agreement ('SIA') with Powering Australian Renewables ('PowAR') and Mercury NZ Limited ('Mercury') to increase the scheme consideration from NZ\$7.80 per share to NZ\$8.10 per share¹.

The increased consideration of NZ\$8.10 per share values Tilt Renewables at an equity value of NZ\$3,070 million and an enterprise value of NZ\$3,238 million². This consideration is equivalent to a:

- 106.6% premium to Tilt Renewables' closing share price on the NZX of NZ\$3.92 per share on 4 December 2020, being the last trading day prior to Infratil's announcement of its strategic review
- 106.3% premium to Tilt Renewables' one-month volume weighted average price on the NZX to 4 December 2020 of NZ\$3.93 per share

Tilt Renewables' largest shareholder, Infratil 2018 Limited ('Infratil') is subject to a voting deed under which it has committed to vote its 65.5% shareholding in favour of the Scheme. Mercury has committed to vote its 19.92% shareholding in favour of the Scheme as a separate interest class.

Tilt Renewables has agreed to a number of amendments to the original SIA, the effect of which is to remove Tilt Renewables' ability to progress any competing proposal that may be presented. Tilt Renewables agreed to this in return for the increase in the scheme consideration and, having regard to the comprehensive process that has been run to date, Tilt Renewables is satisfied that the amended scheme is the most attractive option for shareholders coming out of that process.

Mercury has issued a statement confirming its voting intentions in respect of the Scheme and in respect of any competing proposal that may arise.

In accordance with the original SIA, Tilt Renewables advised PowAR, and Mercury of a competing proposal earlier this week.

Subject to the scheme consideration being within or above the Independent Adviser's value range, the Non-Conflicted³ Directors of Tilt Renewables intend to vote the shares they hold or control in favour of the Scheme and recommend that other shareholders also vote in favour.

Tilt Renewables' shareholders will have the opportunity to vote on the Scheme at a meeting likely to be held in July. Therefore, shareholders do not need to take any action at this time.

If approved, the Scheme is expected to be implemented in August.

¹ Subject to a reduction due to any payment of a Permitted Dividend.

² Based on 379.0 million fully diluted shares on issue, comprising of 376.8 million ordinary shares outstanding and 2.2 million rights, net debt of A\$156m as at 30 September 2020. Figures converted using an A\$ to NZ\$ exchange rate of 0.93.

³ Non-Conflicted Directors refer to Directors of Tilt Renewables who have not abstained from giving a recommendation due to a conflict of interest. The only Conflicted Director is Vincent Hawksworth, who is also CEO of Mercury.



A copy of the Amendment to Scheme Implementation Agreement is attached.

Tilt Renewables is being advised by Lazard as financial adviser and Russell McVeagh and Ashurst as legal advisers.

ENDS

For further information from Tilt Renewables, please contact:

Steve Symons
Chief Financial Officer
Tilt Renewables
Phone +61 419 893 746

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AMENDMENT TO SCHEME IMPLEMENTATION AGREEMENT

Dated

16 April 2021

Parties

PISA OBLIGOR CO 1 PTY LTD (ACN 648 537 017) (the “Acquirer”)

TILT RENEWABLES LIMITED (Company Number 1212113) (the “Company”)

MERCURY NZ LIMITED (Company Number 936901) (“Mercury”)

Background

- A. The parties entered into a scheme implementation agreement (“SIA”) on 14 March 2021, which they wish to amend on the terms set out in this amendment agreement in accordance with clause 20.1 of the SIA.
 - B. Capitalised terms used but not defined in this amendment agreement have the meanings given to them in the SIA.
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Agreement

1. DISCONTINUATION OF OTHER DISCUSSIONS

- 1.1 The Company acknowledges and agrees that upon execution of this amendment agreement it will discontinue, and will not recommence or resume, any discussions with any person (other than the Acquirer and Mercury) (“Third Party”) in relation to a Competing Proposal or Superior Proposal, and has exercised or will immediately exercise its rights under clause 13.12 (“Return of confidential information”) of the SIA in respect of any information provided to the Third Party (as if clause 13.12 applied, with all necessary modifications).

2. AMENDMENTS TO THE SIA

- 2.1 The parties agree that the SIA is amended with immediate effect as follows:

- (a) in the definition of “Break Fee” in clause 1.1, replacing the reference to “\$29,564,240” with “\$30,701,327”;
- (b) in the definition of “Consideration” in clause 1.1, replacing the reference to “\$7.80” with “\$8.10” and deleting the words “or by virtue of any Counter Proposal that is given effect to”;
- (c) in clause 2.4, deleting the words from and including “For clarity,” to and including “fiduciary duties”;
- (d) in clause 2.6, deleting the reference to “14.5(b)”;

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- (e) in clause 3.4(b)(iii), deleting the words from and including “and provided that” to and including the words “clause 13”;
 - (f) in clause 5.1(b)(i), deleting the words “(other than correspondence relating to a Competing Proposal)”;
 - (g) in clause 5.1(b)(ii), deleting the words “(other than correspondence relating to a Competing Proposal)”;
 - (h) in clause 5.1(b)(iii), deleting the words “(other than issues relating to a Competing Proposal)”;
 - (i) in clause 6.2, deleting the words “subject to there being no Superior Proposal and”;
 - (j) deleting clause 8.1(c);
 - (k) in clause 8.2(a), deleting the words “Company receives a Superior Proposal or the”;
 - (l) in clause 8.3(a), deleting the words “in the absence of a Superior Proposal and”;
 - (m) by deleting clause 9.4(f);
 - (n) in clause 13.2, deleting the words “clause 13.3 and”;
 - (o) by deleting clause 13.3 and substituting for it, the words “Intentionally Omitted”;
 - (p) in clause 13.4, deleting the words “clause 13.5 and”;
 - (q) by deleting clause 13.5 and substituting for it, the words “Intentionally Omitted”;
 - (r) by deleting clause 13.6(b);
 - (s) in clause 13.7, deleting from the first sentence the words from and including “, other than in circumstances” to and ending with the words “Competing Proposal”;
 - (t) in clause 13.8, deleting the words “Matching Rights” from the heading and including the words “Terms of the Scheme” in their place;
 - (u) in clause 13.8, deleting the words “which is, or is reasonably likely to constitute, a Superior Proposal”;
 - (v) by deleting clause 13.8(b) and replacing it with the following:

“the Acquirer may at any time offer to amend the terms of the Scheme and this agreement.”
 - (w) by deleting clause 13.9 and replacing it with the following:

“**Company response:** If the Acquirer makes an offer in terms of clause 13.8(b) the Company must procure that the Board considers the offer in good faith and if the Board determines that the offer is in the best interests of Shareholders then must use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to the proposal resulting from the offer as soon as reasonably practicable.”
 - (x) in clause 13.10(a), adding the words “or clause 13.8(a)” after the words “clause 13.6(a)”;
 - (y) in clause 13.10(b), by deleting the words “subject to clause 13.11,”;

- (z) in clause 13.10, by inserting “,13.8(a)” after “clauses 13.6” and before “and 13.9”;
- (aa) by deleting clause 13.11 and substituting for it, the words “Intentionally Omitted”;
- (bb) in clause 13.12, by deleting the final sentence;
- (cc) by deleting clause 14.5(b);
- (dd) in clause 15.2, by deleting the words “this agreement is terminated and” in the first sentence, and inserting those words at the beginning of clause 15.2(b) before the words “the majority of”;
- (ee) by inserting the following after the word “agreement” in line one of clause 15.2(a) “, other than under clause 3.10, 14.2, 14.3, 14.6, 14.7 or where the exception to clause 15.2(c) applies,”;
- (ff) in clause 15.2(b), by inserting the words “or accept a takeover offer under the Takeovers Code” after the words “recommend that Shareholders vote in favour of a Competing Proposal”;
- (gg) in clause 4 of Schedule 1, by adding the words “, other than any action, claim, litigation, arbitration, prosecution or investigation relating to any Competing Proposal which was notified by the Company to the Acquirer and Mercury prior to 16 April 2021 or by the Company agreeing to enter into the amendment to scheme implementation agreement dated on or about 16 April 2021”.

3. AMENDMENTS TO THE SCHEME PLAN

3.1 The parties agree that the Scheme Plan is amended with immediate effect as follows:

- (a) in the definition of “Consideration” in clause 1.1, replacing the reference to “\$7.80” with “\$8.10”.

4. ANNOUNCEMENT

4.1 The parties agree that immediately after execution of this amendment agreement, the Company will release to NZX and ASX a public announcement in the form set out in the Schedule to this amendment agreement. For the avoidance of doubt, the announcement contemplated by this clause 4.1 is an agreed announcement for the purposes of clause 16.2(b) of the SIA.

5. GENERAL

5.1 The parties agree that the SIA be amended to reflect any consequential renumbering as a result of the amendments in this amendment agreement as well as by removing any defined terms that are no longer used as a result of the amendments in this amendment agreement.

5.2 In the event of any conflict and inconsistency between the SIA and this amendment agreement, the SIA will be construed in such manner as required to ensure consistency with this amendment agreement.


5.3 Other than as amended by this amendment agreement, the SIA (including the schedules thereto) shall continue in full force and effect.

5.4 Clauses 20.1 – 20.12 (inclusive) of the SIA apply to this amendment agreement, with necessary modifications.

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Signatures

TILT RENEWABLES LIMITED by:



Signature of director

Bruce Harker

Name of director



Signature of director

Anne Urlwin

Name of director

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Signed by **PISA OBLIGOR CO 1 PTY LTD**
in accordance with section 127 of the
Corporations Act 2001 (Cth) by:



Signature of director



Name of director (print)



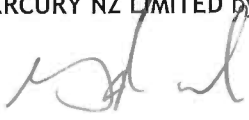
Signature of director/secretary



Name of director/secretary (print)

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MERCURY NZ LIMITED by:

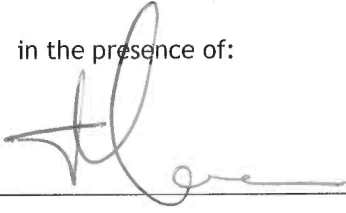


Signature of duly authorised signatory

WILLIAM MEEK
CHIEF FINANCIAL OFFICER

Name of signatory

in the presence of:



Name: *Samuel Moore*
Occupation: *Head of M&A*
Address: *Auckland, NZ*

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SCHEDULE

Announcement (clause 4.1)

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