

# STATEMENT OF PERFORMANCE EXPECTATIONS

2025-2026

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## Introduction

This Statement of Performance Expectations (SPE) has been prepared by the Board of Directors (the Board) of New Zealand Green Investments Ltd (NZGIF, or the Company) pursuant to the Crown Entities Act 2004. It was amended after Shareholding Ministers passed a shareholder resolution replacing NZGIF's constitution in April 2025.

## Background

NZGIF was established in 2019 to accelerate investments that support New Zealand's decarbonisation.

In April 2025, Shareholding Ministers, noting a changed investment landscape in the low emissions investment market, passed a shareholder resolution changing the Company's constitution and instructed NZGIF to effect a managed wind-down of its investments, while meeting its ongoing contractual and legal obligations.

In giving effect to the expectations set out by Ministers, in 2025-26 NZGIF completed its transition from an investment origination-focused business to an investment management business, seeking to exit investments as quickly as possible and return investment capital to the Crown.

In line with Shareholders' expectations, NZGIF acting in accordance with its revised financial powers continues to engage with its investee companies and other market participants on the sale or transfer of NZGIF's loans and equity positions. As of 1 July 2025, NZGIF had exited from \$70m in investments and commitments.

NZGIF does not intend to supply any output classes in 2025-26.

### **NZGIF's Purpose and Functions**

NZGIF's purpose and functions are:

The purpose of the Company is to effect a managed wind-down of its investment portfolio and, to that end, to manage its assets and meet its ongoing contractual (and other legal) commitments, and (to the extent possible) realise through sale or refinance, or otherwise exit from, those assets.

### **Basis upon which the document has been prepared**

In preparing this document, the Board have taken into account the expectations that have been communicated to NZGIF by shareholders, and decisions that have been made by the Board regarding the most efficient and effective way to achieve the expectations of shareholders.

The Board's intentions are summarised below:

- Effecting a managed wind-out of its investment portfolio;
- Accelerating the return of capital to the Crown;
- Undertaking compliance and financial management;
- Maintaining a focus on fiscal responsibility and cost efficiency;
- Maintaining operational capability to implement an orderly wind-out process.

## Key Performance Indicators

Objective	Measure	2025 -26 Target
NZGIF effects a managed wind-out of its investment portfolio	Investment commitments are exited in a timely manner	\$100 million commitments exited <sup>1</sup>
	NZGIF retains the operational capability to implement an orderly wind-out process	3-4 FTEs retained to 30 June 2026
NZGIF accelerates the return of capital to the Crown	NZGIF maintains its solvent position while accelerating distributions to the Crown	\$220 million of cash and novated deposits distributed
NZGIF meets its ongoing legal and contractual commitments	All material legal and contractual obligations are met	100% compliance
NZGIF provides timely and transparent communication to Shareholders on its wind-out progress	NZGIF provides quarterly reporting to Shareholders on wind-out plan progress.	Reporting provided to Shareholders in the month following each quarter end.
	NZGIF informs Shareholders before undertaking any transactions of \$10m or more.	100% compliance
NZGIF operates in a financially sustainable, self-financing manner	NZGIF manages costs carefully and seeks cost efficiencies where possible	Operating expenses are within the budget of \$6.8m
	NZGIF is self-financing and cancels its uncalled shares.	\$300m of uncalled shares cancelled

<sup>1</sup>Exit includes sale, refinance and other methods, including the expiry of a contractual commitment.

## Statement of Responsibility

The Board is responsible for the prospective financial statements contained in this document, including the appropriateness of the underlying assumptions. The Board is also responsible for internal control systems that provide reasonable assurance as to the integrity and reliability of financial reporting.



David Woods

Acting Chair

New Zealand Green Investment Finance

20 November 2025



Mark Vivian

Director

New Zealand Green Investment Finance

20 November 2025

## Financial Statements

### Prospective Statement of Comprehensive Revenue and Expenses

*New Zealand Green Investment Finance Limited*

*For the year ended 30 June 2026*

	Notes	Budget Year ended 30 June 2026 \$m
<b>Revenue</b>		
Investment income	2 i	5.4
Fair value gains		0.8
<b>Total revenue</b>		<b>6.2</b>
<b>Less expenses</b>		
Personnel	2 ii	5.4
Other expenses	2 iii	1.4
<b>Total expenses</b>		<b>6.8</b>
<b>(Deficit)</b>		<b>(0.6)</b>
<b>Comprehensive income</b>		<b>-</b>
<b>Total comprehensive revenue and expense for the period</b>		<b>(0.6)</b>

These prospective financial statements should be read in conjunction with the accompanying Notes.

## Prospective Statement of Movements in Equity

*New Zealand Green Investment Finance Limited*

*For the year ended 30 June 2026*

	<b>Budget Year ended 30 June 2026 \$m</b>
<b>Balance at beginning of year</b>	<b>318.8</b>
Total comprehensive revenue and expense	(0.6)
<b>Other transactions</b>	
Distributions to The Crown	(220.3)
<b>Balance at end of period</b>	<b>97.9</b>

These prospective financial statements should be read in conjunction with the accompanying Notes.

## Prospective Statement of Financial Position

*New Zealand Green Investment Finance Limited*

*As at 30 June 2026*

	Notes	Budget As at 30 June 2026 \$m
Redeemable preference shares		27.9
Ordinary shares		179.7
Accumulated deficit		(109.7)
<b>Total equity</b>		<b>97.9</b>
<b>Assets</b>		
Cash and cash equivalents		66.5
Trade receivables and prepayments		0.1
Debt investments	1(h)	18.9
Equity investments	1(h)	14.0
<b>Total assets</b>		<b>99.5</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Employee entitlements		1.0
Provisions		0.3
Trade payables		0.3
<b>Total current liabilities</b>		<b>1.6</b>
<b>Total liabilities</b>		<b>1.6</b>
<b>Net assets</b>		<b>97.9</b>

These prospective financial statements should be read in conjunction with the accompanying Notes.



## Prospective Statement of Cash Flows

New Zealand Green Investment Finance Limited

For the year ended 30 June 2026

	<b>Budget</b>
	<b>Year ended 30</b>
	<b>June 2026</b>
	<b>\$m</b>
<b>Cash flows from operating activities</b>	
<b>Cash was provided from:</b>	
Investment income	9.1
<b>Cash was applied to:</b>	
Payments to suppliers and employees	(9.2)
<b>Net cash (used in) operating activities</b>	<b>(0.1)</b>
<b>Cash flows from investing activities</b>	
<b>Cash was provided from:</b>	
Debt instrument repayments	46.0
Term deposit maturities	204.9
Proceeds from sale of equity instruments	5.6
<b>Cash was applied to:</b>	
Debt and equity instrument deployments	(7.8)
Term deposit placements	(45.8)
<b>Net cash provided by investing activities</b>	<b>203.0</b>
<b>Cash flows from financing activities</b>	
<b>Cash was applied to:</b>	
Distributions to The Crown	(174.0)
<b>Net cash (used in) financing activities</b>	<b>(174.0)</b>
<b>Net increase in cash and cash equivalents</b>	<b>28.9</b>
Total cash and cash equivalents at the beginning of the period	37.6
<b>Closing cash and cash equivalents</b>	<b>66.5</b>

These prospective financial statements should be read in conjunction with the accompanying Notes.

# Notes to the Prospective Financial Statements

## Section 1:

### **General information, compliance and significant accounting policies**

#### (a) Corporate information

These are the prospective financial statements of New Zealand Green Investment Finance Limited ("NZGIF or the Company"). The prospective financial statements for the financial year 2025-26 have been developed based on key assumptions, detailed below.

NZGIF is a public purpose Crown-controlled company and is consequently exempt from the payment of income tax.

The registered office is Level 4, 2 Commerce Street, Auckland.

#### (b) Statement of compliance and basis of preparation

The Company is a public benefit entity (PBE) for the purposes of financial reporting under Public Sector PBE Standards (PBE Standards) as its primary purpose is to manage its low-emissions investment portfolio.

The prospective financial statements have been prepared under the specific accounting policies outlined below, which are expected to be applied to the financial statements to be included in NZGIF's 2025-26 Annual Report.

The financial information contained within is prospective and, by its nature, contains assumptions and estimates which may lead to material differences between the prospective financial information and the actual financial results prepared in future reporting periods. The Company has undertaken a review of its financial models and believe they remain fit for purpose in preparing prospective financial information.

#### (c) Basis of consolidation

During the prior financial year, NZGIF determined that it had the characteristics of an investment entity as defined in PBE IPSAS 35. Following this determination, the Company no longer consolidated its controlled entities. The Company instead measures its investments in controlled entities and associates at fair value through surplus or deficit.

#### (d) Functional and presentation currency

Items included in the prospective financial statements are measured using the currency of the primary economic environment in which the Company operates, which is New Zealand dollars (NZD). It is also the presentation currency. All values are presented in millions rounded to the nearest one hundred thousand dollars (\$m).

#### (e) Goods and services tax

All items in the prospective financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

#### (f) Significant judgements, estimates and assumptions

In preparing these prospective financial statements the Company has made judgements, estimates and assumptions concerning the future that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors,

including expectations of future events that are believed to be reasonable under the circumstances.

NZGIF's constitution was amended in April 2025, formally transitioning the organisation from an investment origination entity to an investment management entity. NZGIF's revised mandate focuses on responsibly exiting its investment positions and returning capital to the Crown.

In line with this strategic shift, the Company began engaging with its investee companies and market participants to facilitate the sale or transfer of its debt and equity holdings. This transition marks a significant change in the organisation's business model and has led to updates in the following key accounting judgements and estimates:

- The Company's management model for all debt instruments has changed to held to sell. Accordingly, these instruments are now measured at fair value through surplus or deficit.
- The Company has the characteristics of an investment entity as defined in PBE IPSAS 35. As a result, the Company no longer consolidates its controlled entities within the prospective financial statements. The Company instead measures its investments in controlled entities and associates at fair value through surplus or deficit.

Other significant assumptions in the prospective financial information include market interest rates, investment portfolio composition and headcount.

### (g) Revenue

Interest income on debt instruments measured at fair value through surplus or deficit is recognised in surplus or deficit using the contractual interest rate. Changes in fair value, including any accrued interest, are recognised in surplus or deficit as they arise.

### (h) Investments

The Company holds several direct equity investments in private companies, along with loans, advances and guarantees made to entities. These investments are included as Debt investments and Equity investments in the Prospective Statement of Financial Position.

#### **Debt investments**

The classification of debt investments at initial recognition depends on the Company's management model for managing the financial assets and the financial asset's contractual cash flow characteristics. Following the Company's change of purpose in April 2025, its management model is held to sell for all debt investments.

Held to sell debt investments are recognised and measured at fair value through surplus and deficit ("FVTSD").

#### **Equity investments**

During the prior financial year, NZGIF determined that it had the characteristics of an investment entity. Thereafter, the Company ceased consolidating its controlled entities and instead measures its investments in these entities at FVTSD.

## Section 2:

### Financial performance

- i. **investment income** includes interest and fee income from its investments, including cash and deposits with trading banks. The table below shows the reconciliation of these;

Investment income	Year ended 30 June 2026 (\$m)
<b>Interest and fees from investments</b>	1.1
<b>Interest from cash and cash equivalents</b>	1.0
<b>Interest from term deposits</b>	3.2
<b>Other income</b>	0.1
<b>Investment income</b>	<b>5.4</b>

- ii. **personnel** includes expenses related to employees and contractors. The table below shows the reconciliation of these;

Personnel	Year ended 30 June 2026 (\$m)
<b>Directors' fees</b>	0.2
<b>Salaries, wages and benefits</b>	4.9
<b>Defined contribution plan employer contributions</b>	0.3
<b>Personnel</b>	<b>5.4</b>

- iii. **other expenses** includes all costs that are not personnel costs. The table below shows the reconciliation of these;

Other expenses	Year ended 30 June 2026 (\$m)
<b>Fees to auditor – audit fees</b>	0.2
<b>Legal costs</b>	0.3
<b>Technology services and subscriptions</b>	0.4
<b>Travel</b>	0.1
<b>Other</b>	0.4
<b>Other expenses</b>	<b>1.4</b>

### Statement of cash flows

The definitions of the terms used in the statement of cash flows are:

1. **cash and cash equivalents** comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily converted to known amounts of cash and are subject to an insignificant risk of changes in value.
2. **operating activities** are the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
3. **investing activities** are those activities relating to the acquisition, issue or disposal of current and non-current investments, property, plant and equipment, intangible assets and other non-current assets; and
4. **financing activities** are those activities that result in changes in the size and composition of the contributed equity of the Company, along with borrowing funds to fund investing activities.