

STATEMENT OF PERFORMANCE EXPECTATIONS

2024 - 2025

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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, NZGIF is transitioning 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 is now engaging with its investee companies and other market participants on the sale or transfer of NZGIF's loans and equity positions. The process is being conducted by the Board of NZGIF, assisted by PwC as commercial advisor, and monitored by the Treasury.

This SPE has been amended pursuant to the Crown Entities Act 2004 (s 149K(2)(b)).

NZGIF does not intend to supply any class of outputs that is not a reportable class of outputs in 2024-2025.

NZGIF's Purpose and Functions

NZGIF's purpose and functions can now be summarised as:

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:

- Subject to appropriate consideration of the shareholder expectations, the Board carries out those expectations;
- Managing and monitoring NZGIF's investments in accordance with best practice investment management;
- Compliance and financial management;
- Develop a plan to effect a managed wind-down of NZGIF;

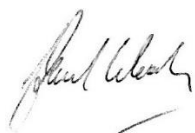
- Maintaining a focus on fiscal efficiency.

Key Performance Indicators

Objective	Measure	2024-25 Target
NZGIF effects a managed wind-down of its investment portfolio	NZGIF takes steps to initiate the development of a wind-down plan	Draft wind down plan prepared and reviewed by Board
		Commercial advisor appointed
	Investment commitments are exited in a timely manner	\$24.5m commitments exited
	NZGIF retains the capability to develop and implement the wind-down plan	Retention strategy implemented
NZGIF meets its ongoing legal and contractual commitments	All material legal and contractual obligations are met	100%
NZGIF operates in a financially sustainable, self-financing manner	Capital called from Shareholding Ministers to fund ordinary operations and investment activity	\$0
	NZGIF's workforce is appropriately sized	Change process outcomes determined

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.

A handwritten signature in black ink, appearing to read 'David Woods', with a stylized flourish at the end.

David Woods

Acting Chair

New Zealand Green Investment Finance

3 October 2025

A handwritten signature in blue ink, appearing to read 'Mark Vivian', with a stylized flourish at the end.

Mark Vivian

Director

New Zealand Green Investment Finance

3 October 2025

Financial Statements

Prospective Statement of Comprehensive Revenue and Expenses

New Zealand Green Investment Finance Limited

For the year ended 30 June 2025

	Notes	Budget Year ended 30 June 2025 \$m
Revenue		
Investment income	2 i	27.5
Fair value losses		(5.8)
Total revenue		21.7
Less expenses		
Personnel	2 ii	10.5
Depreciation & amortisation	2 iii	3.3
Finance costs		0.1
Other expenses	2 iv	143.8
Total expenses		157.7
(Deficit)		(136.0)
Comprehensive income		-
Total comprehensive revenue and expense for the period		(136.0)

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 2025

	Budget Year ended 30 June 2025 \$m
Balance at beginning of year	435.2
Total comprehensive revenue and expense	(136.0)
Other transactions	
Net movement in non-controlling interest	(0.1)
Balance at end of period	299.1

NZGIF has issued \$700 million ordinary shares, of which \$400 million has been called. NZGIF does not expect to call any further redeemable preference shares or ordinary shares during the year.

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 2025

	Notes	Budget As at 30 June 2025 \$m
Redeemable preference shares		27.9
Ordinary shares		400.0
Retained earnings		(128.8)
Total equity		299.1
Assets		
Current assets		
Cash and cash equivalents		37.6
Term deposits		205.3
Debt investments	1(h)	5.4
Trade receivables and prepayments		4.3
Total current assets		252.6
Non-current assets		
Debt investments	1(h)	32.9
Equity investments	1(h)	17.6
Total non-current assets		50.5
Total assets		303.1
Liabilities		
Current liabilities		
Employee entitlements		0.8
Provisions		1.4
Trade payables – exchange transactions		1.8
Total current liabilities		4.0
Total liabilities		4.0
Net assets		299.1

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 2025

	Budget
	Year ended 30
	June 2025
	\$m
Cash flows from operating activities	
Cash was provided from:	
Investment income	32.0
Net GST received	0.7
Cash was applied to:	
Payments to suppliers and employees	(22.1)
Net cash provided by operating activities	10.6
Cash flows from investing activities	
Cash was provided from:	
Debt instrument repayments	105.8
Sale of property, plant and equipment	0.7
Term deposit maturities	252.3
Cash was applied to:	
Debt and equity instrument deployments	(70.1)
Derecognition of cash balances from entities no longer consolidated	(1.3)
Payment for property, plant and equipment	(6.7)
Term deposit placements	(299.2)
Net cash (used in) investing activities	(18.5)
Cash flows from financing activities	
Cash was provided from:	
Proceeds from borrowings	0.4
Cash was applied to:	
Interest paid on borrowings	(0.1)
Repayment of borrowings	(0.5)
Net cash provided by financing activities	(0.2)
Net (decrease) in cash and cash equivalents	(8.1)
Total cash and cash equivalents at the beginning of the period	45.7
Closing cash and cash equivalents	37.6

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 2024-2025 have been developed based on key assumptions, detailed below. NZGIF and its wholly-owned subsidiaries, NZGIF Security Trustee Limited, NZGIF Solar Investments Limited, Accelerate Climate Capital Limited, NZGIF Finance Solutions Limited and NZGIF CX Investments Limited, amalgamated on 27 June 2025.

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 low-emissions investment in New Zealand.

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 2024-25 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

The prospective financial statements comprise the results of its NZGIF and its subsidiaries up until 31 March 2025.

On 31 March 2025 NZGIF met the definition of an investment entity, following the revised purpose of the Company. On this date it derecognised all assets and liabilities of the formerly controlled entities from the statement of financial position.

In preparing financial statements all inter-entity transactions, balances, unrealised gains and losses were eliminated.

(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 meets the definition of an investment entity as defined in PBE IPSAS 35. As a result, the financial statements include the results of its controlled entities only up to 31 March 2025, the date at which the investment entity status was adopted.

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. Unlike instruments measured at amortised cost, these instruments are not subject to the effective interest method for interest recognition. 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.

Debt investments are initially recognised at fair value, with transaction costs directly attributable to the investment included in their fair value unless the investment is measured at fair value through surplus and deficit ("FVTSD").

Debt investments are subsequently classified as and measured at FVTSD as all are held to sell.

Equity investments

NZGIF became an investment entity on 31 March 2025. 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, along with operating lease income from leased LEV's (before NZGIF became an investment entity). The table below shows the reconciliation of these;

Investment income	Year ended 30 June 2025 (\$m)
Interest and fees from investments	6.0
Interest from cash and cash equivalents	1.9
Interest from term deposits	10.3
Operating lease income	7.5
Other income	1.8
Investment income	27.5

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

Personnel	Year ended 30 June 2025 (\$m)
Contractors	0.7
Salaries, wages and benefits	9.3
Defined contribution plan employer contributions	0.5
Personnel	10.5

- iii. **depreciation and amortisation** includes depreciation charges on property, plant and equipment and amortisation of intangible assets.

- iv. **other expenses** includes all costs that are not personnel, depreciation and amortisation or finance costs. The table below shows the reconciliation of these;

Other expenses	Year ended 30 June 2025 (\$m)
Accounting & consulting expenses	0.4
Expected credit losses	(1.9)
Fees to auditor – audit fees	0.4
Impairment	137.1
Legal costs	2.0
Operating lease expenses	1.4
Recruitment costs	0.2
Rent costs	0.6
Technology services and subscriptions	0.7
Travel	0.3
Wind-down costs (non-personnel)	0.3
Other	2.3
Other expenses	143.8

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.