



MARKET ANNOUNCEMENT

17 February 2025

Manawa Energy provides updated earnings guidance

Manawa Energy Limited (**Manawa**) (NZX Code: MNW) expects lower FY25 earnings as a result of the very dry hydrological conditions experienced in January and February to date combined with wind volumes acquired via power purchase agreements being materially lower than long-term average and elevated spot and forward electricity prices. This period of market stress follows the extreme dry, calm conditions and record high prices experienced in H1 FY25, as well as a period of extremely low spot prices in Q3, with prices averaging \$43/MWh (at OTA).

Manawa has experienced materially reduced inflows over a sustained period of time into its hydro schemes. Inflows since 1 December 2024 (to 11 February 2025) were 90GWh below long-term average.

As a result, generation from run-of-river schemes is well below historical average levels and Manawa's storage lake levels are now at 79% of long run average for this time of year. Wind PPA offtake volumes have also been 38% lower than long-term average for the 6 weeks from 1 January 2025 to 11 February 2025.

Wholesale electricity prices have increased sharply since the start of January, reflecting these conditions.

The majority of Manawa's electricity generation volume is currently sold via fixed price, fixed volume agreements, in particular the Mercury hedge (under which the volume sold reduces annually from FY25 to FY32) and Manawa is therefore subject to risks associated with both the volume and the timing of electricity generated. The impact of any short positions in the market due to these weather conditions is heightened during periods of significantly elevated wholesale prices (which often coincide as the electricity price and hydrology tend to be negatively correlated). Manawa has been exposed to these risks periodically throughout FY25 owing to the two dry / calm sequences that have been observed in FY25, being periods of very low hydrological inflows combined with below average wind production.

Recent conditions, combined with the conditions observed across both H1 FY25 and Q3, have had a material negative impact on FY25 earnings for Manawa.

Manawa now expects normalised* EBITDAF for the year to 31 March 2025 to be in the range of \$80M - \$95M. This compares to the previous earnings guidance provided in November 2024 of \$95M to \$115M.

This revised earnings guidance is underpinned by the following assumptions:

- Hydro generation volumes of ~1,640GWh;
- FY25 wind PPA offtake volumes of ~590GWh;
- Current ASX forward pricing is reflective of actual spot pricing across the period;
- No material adverse events; and
- ~\$6.5m of generation development opex costs.

Following good progress across the major asset refurbishment program, Manawa also expects FY25 CAPEX** to be near the top end of the previous guidance range of \$40m - \$50m.

* Excluding transaction costs (for the proposed Contact Energy acquisition)

** Excluding capitalised interest

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About Manawa Energy Limited

Manawa Energy is Aotearoa New Zealand's largest independent electricity generator and renewables developer. We have 26 power schemes throughout New Zealand and a total installed capacity of 510 megawatts, generating an average of 1942 gigawatt hours of electricity per year. We supply around 600 commercial and industrial customers.

Manawa (meaning 'heart') acknowledges our heritage establishing electricity generation on the Omanawa River in the Kaimai area during the early 1900s. Our name was gifted by Ngāti Hangarau hapū, mana whenua of the area where our Kaimai hydro-electric power scheme is located.

