



MANAWA ENERGY

Delivering value as
an independent
power producer

FY25 INTERIM RESULTS
8 NOVEMBER 2024

Manawa Energy Limited and subsidiaries

About these interim financial statements

The reporting entity is the consolidated group comprising Manawa Energy Limited and its subsidiaries together referred to as 'Manawa Energy'.

The financial statements are presented for the half year ended 30 September 2024.

Manawa Energy is a limited liability company incorporated and domiciled in New Zealand. The principal activities of Manawa Energy are the ownership and operation of electricity generation facilities from renewable energy sources.

Manawa Energy is registered under the Companies Act 1993, and is listed on the New Zealand Stock Exchange (NZX). It is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The financial statements were authorised on behalf of the Manawa Energy Board of Directors on 8 November 2024.



Deion Campbell
Chair
Manawa Energy



Sheridan Broadbent
Chair, Audit & Risk Committee
Manawa Energy

Key metrics

For the six months ended 30 September

	2024	2023	2022	2021	2020
Net Profit After Tax (\$M)	(3)	56	391	115	34
Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments and Asset Impairments (EBITDAF)* excluding discontinued operations (\$M)	44	78	70	106	92
Total EBITDAF* (\$M)	44	77	73	122	110
Underlying earnings after tax (\$M)*	15	39	35	59	53
Basic earnings per share (cents per share)	(2)	17	124	35	11
Underlying earnings per share (cents per share)	4	12	11	19	17
Dividends paid during the period (cents per share)	11.0	8.5	51.0	18.5	15.5
Net debt to annualised EBITDAF	5.4	2.8	3.1	2.7	3.0
Net tangible assets per share (dollars per share)	3.6	4.2	4.0	3.4	3.4
Sales					
Time of use sales – fixed price (GWh)	197	202	210	206	250
Time of use sales – spot price (GWh)	355	334	371	427	428
Total commercial & industrial customer sales (GWh)	552	536	581	633	678
Load weighted average price before hedging (\$/MWh)	296	106	149	217	135
Generation					
North Island generation production (GWh)	444	550	545	446	410
South Island generation production (GWh)	478	560	431	554	535
	922	1,110	976	1,000	945
GWAP for MNW generation (\$/MWh)	304	108	124	208	135

*EBITDAF and Underlying earnings after tax are non-GAAP measures, refer to [note 2](#) for more details.

Consolidated Income Statement

for the six months ended 30 September 2024

Continuing Operations	Note	Unaudited 6 Months September 2024 \$000	Unaudited 6 Months September 2023 \$000
Operating Revenue			
Retail electricity revenue – fixed price		50,938	48,181
Retail electricity revenue – spot price		125,616	57,605
Wholesale electricity revenue		123,445	106,000
Other operating revenue		5,641	5,858
		305,640	217,644
Operating Expenses			
Line costs		34,890	30,146
Electricity costs		164,817	58,968
Generation asset maintenance costs		13,580	15,333
Employee benefits		18,295	18,257
Generation development expenditure		3,843	1,829
Other operating expenses		26,636	15,276
		262,061	139,809
Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments and Asset Impairments (EBITDAF)*	2	43,579	77,835
Loss on sale of other land and buildings		118	–
Net fair value (gains)/losses on financial instruments	6	23,047	(23,554)
Amortisation of intangible assets		660	600
Depreciation		10,302	9,570
Operating Profit		9,452	91,219

Continuing Operations	Note	Unaudited 6 Months September 2024 \$000	Unaudited 6 Months September 2023 \$000
Interest paid		14,532	12,998
Interest received		(967)	(282)
Net finance costs		13,565	12,716
(Loss)/Profit Before Income Tax		(4,113)	78,503
Income tax expense		(780)	21,982
(Loss)/Profit From Continuing Operations		(3,333)	56,521
Loss from Discontinued Operations		–	(612)
(Loss)/Profit After Tax		(3,333)	55,909
(Loss)/Profit after tax attributable to the shareholders of the Company		(4,923)	53,961
Profit after tax attributable to non-controlling interests		1,590	1,948
Basic and diluted earnings per share from continuing operations (cents per share)		(1.6)	17.4
Basic and diluted earnings per share from discontinued operations (cents per share)		–	(0.2)
		(1.6)	17.2

The Board of Manawa Energy Limited authorised these Interim Financial Statements for issue on 8 November 2024.

*EBITDAF is a non-GAAP measure. Refer to [note 2](#) for more information.

Consolidated Statement of Comprehensive Income

for the six months ended 30 September 2024

	Unaudited 6 Months September 2024 \$000	Unaudited 6 Months September 2023 \$000
Profit after tax	(3,333)	55,909
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss:		
Fair value (losses)/gains on cash flow hedges	(27,356)	52,540
Tax effect of the following:		
Fair value losses/(gains) on cash flow hedges	7,660	(14,711)
Total Other Comprehensive Income	(19,696)	37,829
Total Comprehensive Income	(23,029)	93,738
Attributable to shareholders of the Company	(24,619)	91,790
Attributable to non-controlling interests	1,590	1,948
Total comprehensive income attributable to shareholders of the Company arises from:		
Continuing operations	(24,619)	92,402
Discontinued operations	-	(612)

Consolidated Statement of Changes in Equity

for the six months ended 30 September 2024

	Note	Share capital \$000	Revaluation reserve \$000	Cash flow hedge reserve \$000	Retained earnings \$000	Total Shareholder's Equity \$000	Non- controlling interest \$000	Total Equity \$000
Opening balance as at 1 April 2023		2	695,776	19,930	530,320	1,246,028	22,901	1,268,929
Total comprehensive income for the period		-	-	37,829	53,961	91,790	1,948	93,738
<i>Transactions with owners recorded directly in equity</i>								
Dividends paid		-	-	-	(26,603)	(26,603)	(824)	(27,427)
Total transactions with owners recorded directly in equity		-	-	-	(26,603)	(26,603)	(824)	(27,427)
Unaudited closing balance as at 30 September 2023		2	695,776	57,759	557,678	1,311,215	24,025	1,335,240
Opening balance as at 1 April 2024		2	695,772	(2,577)	501,576	1,194,773	22,225	1,216,998
Total comprehensive income for the period		-	-	(19,696)	(4,923)	(24,619)	1,590	(23,029)
<i>Transactions with owners recorded directly in equity</i>								
Dividends paid	4	-	-	-	(34,427)	(34,427)	(1,004)	(35,431)
Total transactions with owners recorded directly in equity		-	-	-	(34,427)	(34,427)	(1,004)	(35,431)
Unaudited closing balance as at 30 September 2024		2	695,772	(22,273)	462,226	1,135,727	22,811	1,158,538

Consolidated Statement of Financial Position

as at 30 September 2024

	Note	Unaudited September 2024 \$000	Audited March 2024 \$000
Equity			
<i>Capital and reserves attributable to shareholders of the Company</i>			
Share capital		2	2
Revaluation reserve		695,772	695,772
Retained earnings		462,226	501,576
Cash flow hedge reserve		(22,273)	(2,577)
Non-controlling interests		22,811	22,225
Total Equity		1,158,538	1,216,998
<i>Represented by:</i>			
Current Assets			
Cash and cash equivalents		5,489	1,654
Electricity market security deposits		24,523	29,972
Accounts receivable and prepayments		48,511	73,015
Assets held for sale	11	2,152	3,625
Derivative financial instruments		64,937	92,289
Taxation receivable		13,137	14,284
Total		158,749	214,839
Non Current Assets			
Property, plant and equipment		1,864,446	1,849,021
Right-of-use assets		7,976	1,881
Derivative financial instruments		29,342	25,710
Other investments		7,308	7,308
Intangible assets		1,862	2,117
		1,910,934	1,886,037
Total Assets		2,069,683	2,100,876

	Note	Unaudited September 2024 \$000	Audited March 2024 \$000
Current Liabilities			
Accounts payable and accruals		60,069	81,390
Unsecured bank loans	3	26,100	17,001
Lease liabilities		477	315
Derivative financial instruments		84,400	89,480
Taxation payable		1,829	1,457
		172,875	189,643
Non Current Liabilities			
Unsecured bank loans	3	79,666	64,000
Unsecured senior bonds	3	373,023	372,681
Lease liabilities		7,900	1,642
Derivative financial instruments		80,411	48,646
Deferred tax liability		197,270	207,266
		738,270	694,235
Total Liabilities		911,145	883,878
Net Assets		1,158,538	1,216,998

Consolidated Cash Flow Statement

for the six months ended 30 September 2024

	Note	Unaudited 6 Months September 2024 \$000	Unaudited 6 Months September 2023 \$000
Cash Flows from Operating Activities			
<i>Cash was provided from:</i>			
Receipts from customers		328,990	200,359
		328,990	200,359
<i>Cash was applied to:</i>			
Payments to suppliers and employees		282,431	118,991
Taxation paid		26	23,971
		282,457	142,962
Net Cash Flow from Operating Activities	7	46,533	57,397
Cash Flows from Investing Activities			
<i>Cash was provided from:</i>			
Sale of property, plant & equipment		1,594	983
Return of electricity market security deposits		121,749	39,150
Interest received		967	282
		124,310	40,415
<i>Cash was applied to:</i>			
Lodgement of electricity market security deposits		116,299	16,487
Purchase of property, plant and equipment		25,542	30,990
Purchase of intangible assets		404	472
		142,245	47,949
Net Cash Flow used in Investing Activities		(17,935)	(7,534)

	Note	Unaudited 6 Months September 2024 \$000	Unaudited 6 Months September 2023 \$000
Cash Flows from Financing Activities			
<i>Cash was provided from:</i>			
Bank loan proceeds		192,422	123,045
		192,422	123,045
<i>Cash was applied to:</i>			
Repayment of bank loans		167,657	124,309
Interest paid		13,976	13,526
Repayment of lease liability		121	154
Dividends paid to owners of the Company		34,427	26,603
Dividends paid to non-controlling shareholders in subsidiary companies		1,004	824
		217,185	165,416
Net Cash Flow used in Financing Activities		(24,763)	(42,371)
Net Decrease in Cash and Cash Equivalents		3,835	7,492
Cash and Cash Equivalents at Beginning of the Period		1,654	2,805
Cash and Cash Equivalents at End of the Period		5,489	10,297

Notes to the Financial Statements

NOTE 1: BASIS OF PREPARATION

Reporting entity

The reporting entity is the consolidated group comprising Manawa Energy Limited and its subsidiaries together referred to as Manawa Energy. Manawa Energy is a limited liability company incorporated and domiciled in New Zealand. The principal activities of Manawa Energy are the ownership and operation of electricity generation facilities from renewable energy sources.

Manawa Energy Limited is registered under the Companies Act 1993, and is listed on the New Zealand Stock Exchange (NZX). It is an FMC Reporting Entity under the Financial Markets Conducts Act 2013.

The financial statements are presented for the half year ended 30 September 2024.

Basis of preparation

These unaudited condensed interim financial statements have been prepared for the six months ended 30 September 2024. These financial statements provide an update on the interim performance of Manawa Energy, and should be read in conjunction with the full year financial statements presented for the year ended 31 March 2024 from which the same accounting policies and methods of computation have been followed.

The interim financial statements are prepared in accordance with:

- › NZ IAS 34 *Interim Financial Reporting*.
- › Generally Accepted Accounting Practice (GAAP).
- › The accounting policies and methods of computation in the most recent annual financial statements.
- › The Financial Markets Conduct Act 2013, and NZX equity listing rules.
- › New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS) and other applicable New Zealand Financial Reporting Standards, as appropriate for profit oriented entities.

In preparing the financial statements we have:

- › Recorded all transactions at the actual amount incurred (historical cost convention), except for generation assets and derivatives which are recorded at fair value.
- › Reported in 'New Zealand Dollars' (NZD) rounded to the nearest thousand.

Estimates and judgements made in preparing the financial statements are frequently evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity are disclosed below:

- › fair value of Manawa Energy's generation assets
- › fair value of derivatives and other financial instruments, particularly the electricity price CFD with Mercury NZ Limited.

Seasonality

Manawa Energy's business is subject to seasonality due to seasonal differences in hydrology, the demand for electricity and the wholesale electricity price. Given volatility from year to year it is not possible to quantify the impact of this seasonality.

Generation asset valuation

Manawa Energy last revalued its assets at 31 March 2023. An updated forecast of wholesale electricity prices and an updated assessment of Manawa Energy's weighted average cost of capital has been prepared and, along with latest cost forecast assumptions, the appropriateness of the carrying value has been reviewed at 30 September 2024. As a result of this analysis, the Directors have concluded that the carrying value sits within a reasonable fair value range.

Revenue

Manawa Energy receives electricity revenue from two sales channels. Retail electricity revenue is received from commercial and industrial customers for the supply of electricity to their premises. Wholesale electricity revenue is received from the spot electricity market for Manawa Energy's own generation production and includes electricity price derivative settlements.

Operating Segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and for which operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available. Manawa Energy's Board of Directors has been identified as the chief operating decision maker for the purpose of segmental reporting. Manawa Energy has determined that it operates in one segment which is generating and providing electricity across New Zealand. The determination is based on the reports reviewed by the Board in assessing performance, allocating resources and making strategic decisions. All of Manawa Energy's operations are provided in New Zealand, therefore no geographic information is provided. A portfolio of electricity hedges are used to manage the combined electricity generation revenue and the electricity cost of the commercial and industrial customers.

NOTE 2: NON-GAAP MEASURES

Underlying Earnings

Underlying Earnings is a non-GAAP (Generally Accepted Accounting Principles) financial measure. Manawa Energy believes that this measure is an important additional financial measure to disclose as it excludes movements in the fair value of financial instruments which can be volatile year to year depending on movement in long term interest rate and/or electricity future prices. Also excluded in this measure are items considered to be one-off and not related to core business such as changes to the company tax rate or gain/impairment of generation assets.

	Unaudited 6 Months September 2024 \$000	Unaudited 6 Months September 2023 \$000
Profit after tax	(3,333)	55,909
Fair value (gains)/losses on financial instruments	23,047	(23,554)
Loss on sale of other land and buildings	118	-
Scheme of arrangement transaction costs*	2,104	-
Adjustments before income tax	25,269	(23,554)
Change in income tax expense in relation to adjustments	(6,486)	6,595
Adjustments after income tax	18,783	(16,959)
Underlying Earnings After Tax	15,450	38,950
Underlying earnings after tax attributable to the shareholders of the Company	13,798	37,915
Underlying earnings after tax attributable to non-controlling interests	1,652	1,035

*Manawa Energy entered into a Scheme Implementation Agreement (SIA) with Contact Energy Limited (Contact) on 11 September 2024 under which Contact has agreed to acquire all of Manawa Energy's shares through a scheme of arrangement. The SIA is conditional upon the satisfaction of shareholder approval, Commerce Commission approval and High Court approval.

Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments and Asset Impairments (EBITDAF)

EBITDAF is a non-GAAP financial measure but is commonly used within the electricity industry as a measure of performance as it shows the level of earnings before the impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use the measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector.

NOTE 3: BORROWINGS

Manawa Energy borrows under a negative pledge arrangement which, with limited exceptions, does not permit Manawa Energy to grant any security interest over its assets. The negative pledge deed requires Manawa to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios. The banking arrangements may also create restrictions over the sale or disposal of certain assets unless the bank loans are repaid or renegotiated. Throughout the period Manawa Energy has complied with all debt covenant requirements in these agreements.

Unaudited 30 September 2024	Unsecured bank loans \$000	Senior Bonds \$000
Repayment terms:		
Less than one year	31,100	-
One to two years	14,666	-
Two to five years	60,000	375,000
Over five years	-	-
Bond issue costs	-	(1,977)
	105,766	373,023
Current portion	26,100	-
Non-current portion	79,666	373,023
	105,766	373,023
Audited 31 March 2024		
Repayment terms:		
Less than one year	17,001	-
One to two years	34,000	-
Two to five years	30,000	375,000
Over five years	-	-
Bond issue costs	-	(2,319)
	81,001	372,681
Current portion	17,001	-
Non-current portion	64,000	372,681
	81,001	372,681

Senior bonds rank equally with bank loans.

A loan that matures within a year will still be considered non-current if Manawa Energy has an unconditional right to refinance the loan through non-current undrawn facilities with the same lender.

NOTE 4: DIVIDENDS

	Unaudited 6 Months September 2024 \$000	Unaudited 6 Months September 2023 \$000
Final dividend prior year	34,427	26,603
Total dividend	34,427	26,603

A fully imputed interim dividend of 4 cents per share has been declared and is payable on 6 December 2024 to all shareholders on the register at 29 November 2024.

NOTE 5: EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of Manawa Energy by the weighted average number of ordinary shares on issue during the year.

	Note	Unaudited 6 Months September 2024	Unaudited 6 Months September 2023
(Loss)/profit after tax from continuing operations attributable to the shareholders of the Company (\$000)		(4,923)	54,573
Weighted average number of ordinary shares in issue (thousands)		312,973	312,973
Basic and diluted earnings per share from continuing operations (cents per share)		(1.6)	17.4
Loss after tax from discontinued operations attributable to the shareholders of the Company (\$000)		-	(612)
Weighted average number of ordinary shares in issue (thousands)		312,973	312,973
Basic and diluted earnings per share from discontinued operations (cents per share)		-	(0.2)
Underlying Earnings After Tax Attributable to Shareholders of the Company (\$000)	2	13,798	37,915
Weighted average number of ordinary shares in issue (thousands)		312,973	312,973
Underlying earnings per share (cents per share)		4.4	12.1

OUR KEY FINANCIAL RISKS

NOTE 6: FINANCIAL RISK MANAGEMENT

Fair Values

Except for senior bonds, the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

Estimation of Fair Values

The fair values of financial assets and financial liabilities are determined as follows:

- > The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- > The fair value of other financial assets and liabilities are calculated using discounted cash flow analysis based on market-quoted rates.
- > The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:

- > forward price curve (as described below); and
- > discount rates.

The selection of variables requires significant judgement and therefore there is a range of reasonably possible assumptions in respect of these variables that could be used in estimating the fair value of these derivatives. Maximum use is made of observable market data when selecting variables and developing assumptions for the valuation techniques. See later in this note for sensitivity analysis.

Electricity derivative valuation input

Source

Electricity forward price curve to value electricity price derivative instruments	Market quoted prices where available and the Directors' best estimate based on their view of the long run marginal cost of new generation where no market quoted prices are available.
Inflation forecast for valuing inflation-linked electricity price derivatives	Reserve Bank of New Zealand forecasts
Discount rate for valuing electricity price derivatives	Assumed counterparty cost of funds ranging from 4.3%–5.2%

If the discount rate for valuing electricity price derivatives increased/decreased by 1% then the fair value of the electricity price derivatives would have decreased/increased by an immaterial amount.

Mercury Hedge

Manawa Energy and Mercury NZ Limited entered into an electricity price derivative on 2 May 2022. On Day 1 this had a negative value of \$521,777,000 which was deferred as per NZ IFRS 9 *Financial Instruments*. During the current period \$75,114,000 (cumulative to date:\$326,982,000) of the deferred day 1 value has been recognised through wholesale electricity revenue as the calibrated CFD cash flows have been realised throughout the period. These CFD cash settlements have reduced the impact of changes in wholesale electricity prices on Manawa Energy's revenue. A current period fair value loss of \$26,937,000 (30 September 2023: \$54,923,000 gain) has been recognised with \$26,937,000 (30 September 2023: \$52,540,000) taken to the cash flow hedge reserve and nil (30 September 2023: \$2,383,000) taken to net fair value gains on financial instruments. The fair value of this electricity price derivative at 30 September 2024 is negative \$30,613,000 (31 March 2024: negative \$3,676,000).

Fair Value Hierarchy

NZ IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy which represent the level of judgment and estimation applied in valuing the instrument:

- > Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- > Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- > Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following tables present Manawa Energy's financial assets and liabilities that are measured at fair value.

30 September 2024	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Assets per the statement of financial position				
Interest rate derivative assets	-	6,662	-	6,662
Electricity price derivative assets	-	-	87,602	87,602
Exchange rate derivative assets	-	15	-	15
	-	6,677	87,602	94,279
Liabilities per the statement of financial position				
Interest rate derivative liabilities	-	7,964	-	7,964
Electricity price derivative liabilities	-	-	156,669	156,669
Exchange rate derivative liabilities	-	178	-	178
	-	8,142	156,669	164,811
31 March 2024				
Assets per the statement of financial position				
Interest rate derivative assets	-	7,436	-	7,436
Electricity price derivative assets	-	-	110,256	110,256
Exchange rate derivative assets	-	307	-	307
	-	7,743	110,256	117,999
Liabilities per the statement of financial position				
Interest rate derivative liabilities	-	10,259	-	10,259
Electricity price derivative liabilities	-	-	127,819	127,819
Exchange rate derivative liabilities	-	48	-	48
	-	10,307	127,819	138,126

The following tables present the changes during the period of the level 3 instruments being electricity price derivatives.

	Unaudited 6 Months September 2024 \$000	Audited 12 Months March 2024 \$000
Assets per the statement of financial position		
Opening balance	110,256	155,474
Gains or (losses) recognised in profit or loss	(22,654)	52,158
Gains or (losses) recognised in other comprehensive income	-	(97,376)
Closing balance	87,602	110,256
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	32,103	91,549
Liabilities per the statement of financial position		
Opening balance	127,819	92,927
(Gains) or losses recognised in profit or loss	1,913	31,216
(Gains) or losses recognised in other comprehensive income	26,937	3,676
Closing balance	156,669	127,819
Total (gains) or losses for the period included in profit or loss for liabilities held at the end of the reporting period	53,223	77,163
Settlements during the period	202,588	54,277

Electricity price derivatives are classified as Level 3 because the assumed location factors which are used to adjust the forward price path are unobservable.

Sensitivity analysis

If the relevant forward electricity prices increased/decreased by 10% with all other variables held constant, post-tax profit for the period and other components of equity would have been adjusted by the amounts in the table below, as a result of the fair value change in electricity price derivatives.

	Unaudited 6 Months September 2024 \$000	Audited 12 Months March 2024 \$000
Decrease to profit of a 10% increase in electricity forward price	(13,044)	(9,309)
Increase to profit of a 10% decrease in electricity forward price	28,553	23,965
Decrease to equity of a 10% increase in electricity forward price	(61,960)	(83,591)
Increase to equity of a 10% decrease in electricity forward price	46,451	68,935

OTHER DISCLOSURES

NOTE 7: RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES WITH PROFIT AFTER TAX

	Unaudited 6 Months September 2024 \$000	Audited 12 Months March 2024 \$000
(Loss)/profit after tax	(3,333)	56,521
Interest paid	13,976	13,526
Interest received	(967)	(282)
Amortisation of debt issue costs	342	342
Amortisation, depreciation and net loss on sale of property, plant and equipment	11,078	9,699
Movements in financial instruments taken to the income statement	23,047	(23,554)
Decrease in deferred tax liability excluding transfers to reserves	(2,306)	2,316
(Increase)/decrease in working capital	4,696	(1,171)
Net Cash Flow from Operating Activities	46,533	57,397

NOTE 8: CONTINGENT ASSETS AND LIABILITIES

Manawa Energy and Contact Energy Limited (Contact) entered into a Scheme Implementation Agreement on 11 September 2024 under which Contact has agreed to acquire all of Manawa Energy's shares through a scheme of arrangement. The approval of the agreement is subject to various conditions, including shareholder approval, Commerce Commission approval and High Court approval. The scheme gives rise to contingent liabilities of \$18,490,000 as a result of advisor fees in relation to the transaction, employee retention payments and a potential increase to share-based employee incentives. These contingent liabilities will become payable on the earlier of completion of the scheme of arrangement or, for some agreements, the earlier of the scheme of arrangement being completed or certain dates being reached during 2025 (31 March 2024: nil). There were no contingent assets as at 30 September 2024 (31 March 2024: nil).

NOTE 9: SUBSEQUENT EVENTS

Other than those disclosed elsewhere in these financial statements there have been no material events subsequent to 30 September 2024.

NOTE 10: ELECTRICITY MARKET SECURITY DEPOSITS

Manawa Energy is required to provide cash deposits as prudential security in order to trade in the wholesale electricity futures market. The required level of deposits depends on the amount of outstanding contracts Manawa Energy is a party to and the fair value of these contracts.

NOTE 11: ASSETS HELD FOR SALE

Manawa Energy is currently selling several properties on the West Coast (Arnold). The properties were procured in anticipation of developing new hydro electricity generation projects. The projects were ultimately discontinued and the board has endorsed the disposal of these properties.

NZ IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* requires that where a non-current asset is classified as held for sale that asset must be carried at the lower of cost or the amount expected to be recovered on sale.



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