A BREATH OF FRESH AIR

ANNUAL REPORT 2018

tilt renewables

WHAT SHONE THIS YEAR

OUR HIGHLIGHTS

97.7 %

The availability of our operational assets exceeded contracted levels.

85.9 M

Cash from operating activities.

103.8 M

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

1600 MW

We now have more than 1,600 MW of planning approved projects across Australia and New Zealand.

3500 MW

The development pipeline has expanded to 3,500 MW covering wind, solar, battery storage and pumped hydro.

1.80 C

The final dividend of 1.80 cents per share brings the full year dividend to 3.05 cents per share.

In our first full year as Tilt Renewables, we have made good progress developing investment opportunities.

This year we have focused on increasing the value of our development pipeline and establishing options for growth across all key markets and relevant technologies.

The Salt Creek Wind Farm has reached financial close and is on target to be fully operational in July 2018. The Dundonnell Wind Farm was submitted into a Victorian Government procurement tender and could see us achieve a 50 percent increase in our asset base. A solid operational asset base and arguably the best renewable pipeline in Australasia means we have the flexibility to move on opportunities quickly yet we retain the resilience not to have to move at all.

BREAKING NEW GROUND

SALT CREEK VICTORIA

"My role has focused on ensuring the project is designed, constructed, and tested to our detailed requirements.

I feel a tremendous sense of pride and achievement to be part of the team and to have installed some of the latest wind turbine technology at Salt Creek Wind Farm in Victoria, my home state."

Simon Stitz
Senior Renewables Engineer

Salt Creek Wind Farm

The Salt Creek Wind Farm development marks the first project delivered as Tilt Renewables. It's an important milestone, confirming our capability to successfully deliver projects and laying a solid foundation for future growth.

Construction of the Salt Creek Wind Farm in Western Victoria began in mid-2017, with the first wind turbines commencing generation in early June 2018. This project will achieve full commercial operation in July 2018.

The Salt Creek Wind Farm utilises leading technology, with 15 Vestas V126-3.6 MWwind turbines with a total installed capacity of 54 MW producing some 172 GWh annually – enough to power more than 30,000 homes.

The project was delivered via an Engineering, Procurement and Construction (EPC) contract with long-term partners Vestas, who are responsible for the supply and installation of the wind turbines, and Zenviron, who look after the civil and electrical balance of the plant. The project connects to the electricity network via a new dedicated 50km 66kV line which has been constructed, and will be owned and operated by AusNet Services.

The investment decision was based on a fully merchant plant, where the energy and Large-scale Generation Certificates (LGCs) are sold on the wholesale market. In February 2018, we announced an agreement to sell the electricity produced from the Salt Creek Wind Farm to Meridian Energy Australia through to 2030, to support the growth of its retail business Powershop.

This ability to commit to a project and later execute off-take contracts highlights the flexibility of our existing highly contracted operational assets, and offers us more choice to take advantage of opportunities in the market.

54 MW

Total installed capacity.

172 GWh

Produced annually.

30,000

Powering 30,000 homes.

100

Full time jobs during construction.

15

All 15 wind turbine towers were sourced from local manufacturer Keppel Prince Engineering located in Portland, Victoria.

CHAIR & CHIEF EXECUTIVE'S REPORT

Having achieved our establishment year goals, all eyes are now on the future. It is a pleasure to present the annual report for our first full year operating as a stand-alone business.

We are ready to play our part in progressively decarbonising the Australian and New Zealand electricity supplies – we view this as a multi-decade marathon with the odd sprint to capitalise on opportunities as they arise.

We have worked hard to extend and progress our development pipeline and are now very focused on near term opportunities to realise the value from our late stage projects. We continue to invest to progress our strongest early and mid-stage projects through development approvals and feasibility design.

Operating assets are performing well

Our strategy to outsource day-to-day operations to the original turbine suppliers has continued to yield strong performance with overall turbine availability greater than 97.7 percent for the year.

Financial results reflect wind conditions and increased development spend

Our financial results this year were satisfactory given the very low wind conditions experienced, particularly in New Zealand. We also spent more this year on development activities – reflecting the focus of the business, and the results are apparent in the progress made on the pipeline.

Earnings before interest, tax, depreciation, amortisation and fair value movement of financial instruments (EBITDAF) were $103.8 million, down 16 percent on the prior year, which was a high wind year. Net profit after tax (NPAT) was a loss of $2.8 million reflecting the low wind and also an increase in depreciation charges following an increase in asset value in the previous year. Operating cash flows remained healthy with net cash from operating activities of $85.9 million delivered.

Strategic focus has delivered

The pipeline has grown to more than 3,500 MW, with required planning approvals in place for more than 1,600 MW of that amount. We have late stage options in most Australian states and in both islands of New Zealand, providing us with investment choice and resilience to market conditions.

We have also expanded our pipeline in terms of technology options, adding solar, battery storage and pumped hydro to our wind power options.

Our strategy is to have a range of quality late-stage and shovel ready project options, ready to respond to market opportunities across Australia and New Zealand.

3500 MW

The pipeline has grown to more than 3,500 MW, with required planning approvals in place for more than 1,600 MW of that.

630 MW

Salt Creek Wind Farm increases our installed capacity to more than 630 MW.

Salt Creek Wind Farm

We chose to invest in the 54 MW Salt Creek Wind Farm in South Western Victoria this year and the project, comprising 15 Vestas 3.6 MW turbines, is now producing electricity into the grid and is on track for full operation in July as scheduled. This addition to the portfolio improves our locational diversity.

As our first construction project since demerging from Trustpower, it has been satisfying to see the new team deliver well on the complex processes of design, procurement, construction, market registration and connection.

Salt Creek takes our operational capacity to more than 630 MW.

Dundonnell Wind Farm

We believe our Dundonnell project is a competitive option to materially increase renewable energy in Victoria, connecting to a strong unconstrained part of the grid.

The Victorian Government's 'Victorian Renewable Energy Auction Scheme' (VREAS) was launched late in 2017, representing an opportunity for our Dundonnell Wind Farm. VREAS required developers to bid renewable energy projects up to a total of 650 MW, with the key focus being on local content and contribution to the rural communities where the assets will be located.

Dundonnell represents an investment opportunity of some 50 percent of our current business scale and will enable us to put a further $300 million in equity to work for shareholders.

While we are confident our VREAS bid is attractive and competitive, the auction was well over-subscribed. Regardless of the outcome of this auction though, the Dundonnell project is a quality project which will compete well in offering renewable energy to the market.

Flexible strategy on offtake

Wind and solar farms sell electricity into markets where there is inherent price uncertainty over the life of the asset. This price uncertainty can be swapped to offtake buyers via a long term fixed price power purchase agreement (PPA) but the appetite of buyers for PPAs in terms of pricing and term varies with market conditions and with the influence of emissions and renewable energy policy evolution.

Our strategy is to take a portfolio approach that allows some flexibility in the timing of PPA contracting as well as some merchant and medium term power sales contracts. This strategy is evident with the Salt Creek Wind Farm where PPA off-take arrangements were implemented after the investment decision for this smaller scale development. This flexibility allows us to choose the best outcome for each project and removes one area of constraint in getting a project to investment decision.

Technology progress

With an eye on the future of the electricity market, the team has secured options for a co-located solar and battery and storage facility at the Snowtown 1 wind farm. This project also received a grant from the South Australian Government as the combination of wind, solar and battery will be unique and the learning helpful for the wider electricity supply. It is becoming clear that the control systems used to integrate the technologies will be critical and we are excited to have an opportunity to be leading development in this area.

Our Senior Leadership Team has deep hydropower experience and we are pursuing a significant option for a pumped hydro development near Adelaide, at the site of a decommissioned quarry. If constructed the pumped hydro will rehabilitate the site and create network support capability near the centre of the South Australian load. For us, it also provides an opportunity to firm the output from existing assets, potentially allowing us to offer a wider range of products to customers, and also support further investments in the state.
We are currently working on feasibility and planning approval processes for this project.

External influences

The political and energy policy environment has remained fluid in Australia this year, with the Federal Government focus moving away from the Renewable Energy Target to the proposed National Energy Guarantee (NEG). We believe the underlying fundamentals of an ageing coal generation fleet and international obligations around decarbonisation are being acknowledged and the NEG is being structured to ensure Australia can take advantage of increased renewable energy penetration over the next couple of decades.

To fully achieve the potential of renewable energy in Australia the entire industry will need to adapt including policy, system operation, network resilience and design and market and trading systems. There will also need to be adoption of storage technologies.

In addition to Federal Government activity, the states of Victoria and Queensland have announced renewable targets and accompanying procurement processes and we have offered projects to both processes.

In New Zealand the new Labour Government has set ambitious renewable energy targets. As the only Company with consented wind farms in the South Island, plus Waverley in the North Island and repowering of the 20 year old Tararua stage 1 as an option, we believe we are well placed to support these targets going forward.

Directors

We are pleased that we have achieved full bench strength for our Board and welcome Anne Urlwin as an independent director. With Anne's appointment the company has seven directors with a majority of those directors being independent.

Final dividend

A final unimputed, unfranked dividend of 1.80 cents per share was paid on 8 June 2018, bringing the full year dividend to 3.05 cents per share.

Thanks

Finally, we are again thankful for the contributions made by the Board and Senior Leadership Team, all of our staff plus our partners and suppliers. Their dedication has allowed Tilt Renewables to progress towards being the leading renewables company in Australasia. We have big goals and look forward to this support continuing in the years ahead.

We also acknowledge the work of Robert Farron, CEO until the end of 2017. His efforts to lead the demerger and establishment of the company were tireless. We respect his decision to step away from corporate life and wish him well for the future.

Bruce Harker
Chair

Deion Campbell
Chief Executive

OUR BOARD

Bruce Harker PhD (Elec, Eng), BE (Hons), Dist FIPENZ

Chair

Chair, Remuneration Committee and Member, Health, Safety, Environment, and Community Committee

Bruce has extensive experience in corporate governance and energy markets with a focus on renewable energy development. He is an executive of H.R.L. Morrison & Co. Bruce previously chaired the Australian hydro business, Southern Hydro Partnership and was deputy chair of ASX listed Energy Developments Limited. He was a Director of Trustpower Limited from 2000 and Board Chair from 2007 to 2015. He also chaired start up electricity retailer, Lumo, previously Victoria Electricity over the period from 2004 to 2012 from its first signed customer through to 500,000 customers. Bruce has been the Chair of Tilt Renewables since its establishment in October 2016.

Paul Newfield MA (Hons), MPhil

Director

Member, Audit and Risk Committee

Paul's experience includes managing listed and unlisted investments across the energy, utilities and infrastructure sectors in Australia, New Zealand, North America and Europe. He is the Chief Investment Officer of H.R.L. Morrison & Co, where he has overall responsibility for analysing investment markets, directing origination activity and assessing specific investment opportunities.

Before that, Paul was a Principal at The Boston Consulting Group. Paul has been a Director of Tilt Renewables since its establishment in October 2016.

Fiona Oliver LLB, BA

Director

Chair, Audit and Risk Committee, Chair, Independent Directors Committee

Fiona is an experienced Board Director and Audit Committee Chair. Her active board roles include deputy Chair of Public Trust and board director of BNZ Life Insurance Limited and BNZ Insurance Services Limited. Fiona is also a member of the Inland Revenue Department's Risk and Assurance Committee. Fiona has Executive level operational leadership experience in asset management, funds management and private equity, including holding the roles of Chief Operating Officer of BT Funds Management, Westpac's investment arm, and GM Wealth Management for AMP NZ.

Fiona also managed the Risk and Operations functions of AMP's Sydney and (then) London based private equity division. Prior to a career in management, Fiona practiced as a corporate and commercial lawyer at a senior level in Auckland, Sydney and London, specialising in corporate finance/mergers and acquisitions. Fiona has been a Director of Tilt Renewables since its establishment in October 2016.

Phillip Strachan BCom, FCPA, Member AICD

Director

Chair, Health, Safety, Environment and Community Committee, Member, Remuneration Committee, Member, Independent Directors Committee

Phillip has extensive experience in operations and governance at the executive level. He is currently the Chair of Queensland Rail, a Director of the Great Barrier Reef Foundation and a member of the Audit and Risk Committee of the University of Sunshine Coast. He was the President of the Australian Aluminium Council and held several executive roles over a 36-year career with the Rio Tinto Group, including the Chief Executive Officer of the global Bauxite and Alumina businesses based in Brisbane, and Chief Financial Officer at the Rio Tinto global aluminium product group based in Montreal. Phillip has been a Director of Tilt Renewables since its establishment in October 2016.

Geoffrey Swier MCom (Econ)

Director

Member, Audit and Risk Committee and Member, Health, Safety, Environment and Community Committee, Member, Independent Directors Committee

Geoffrey has over 25 years of experience in micro-economic reform, notably in the establishment of competitive energy markets, privatisation and the development of water industries. He is an independent Director of Trustpower Limited, a Director of Melbourne consulting firm, Farrier Swier Consulting and Board member of Health Purchasing Victoria. Geoffrey's past roles include being a Member of the Australian Energy Regulator and Associate Member of the Australian Competition and Consumer Commission. Geoffrey has been a Director of Tilt Renewables since its establishment in October 2016.

Anne Urlwin BCom, FCA, ACIS, CFInstD

Director (15/06/18)

Member, Remuneration Committee, Member, Independent Directors Committee

Anne is a professional company director with experience in a diverse range of sectors including construction, infrastructure, energy, telecommunications and health.

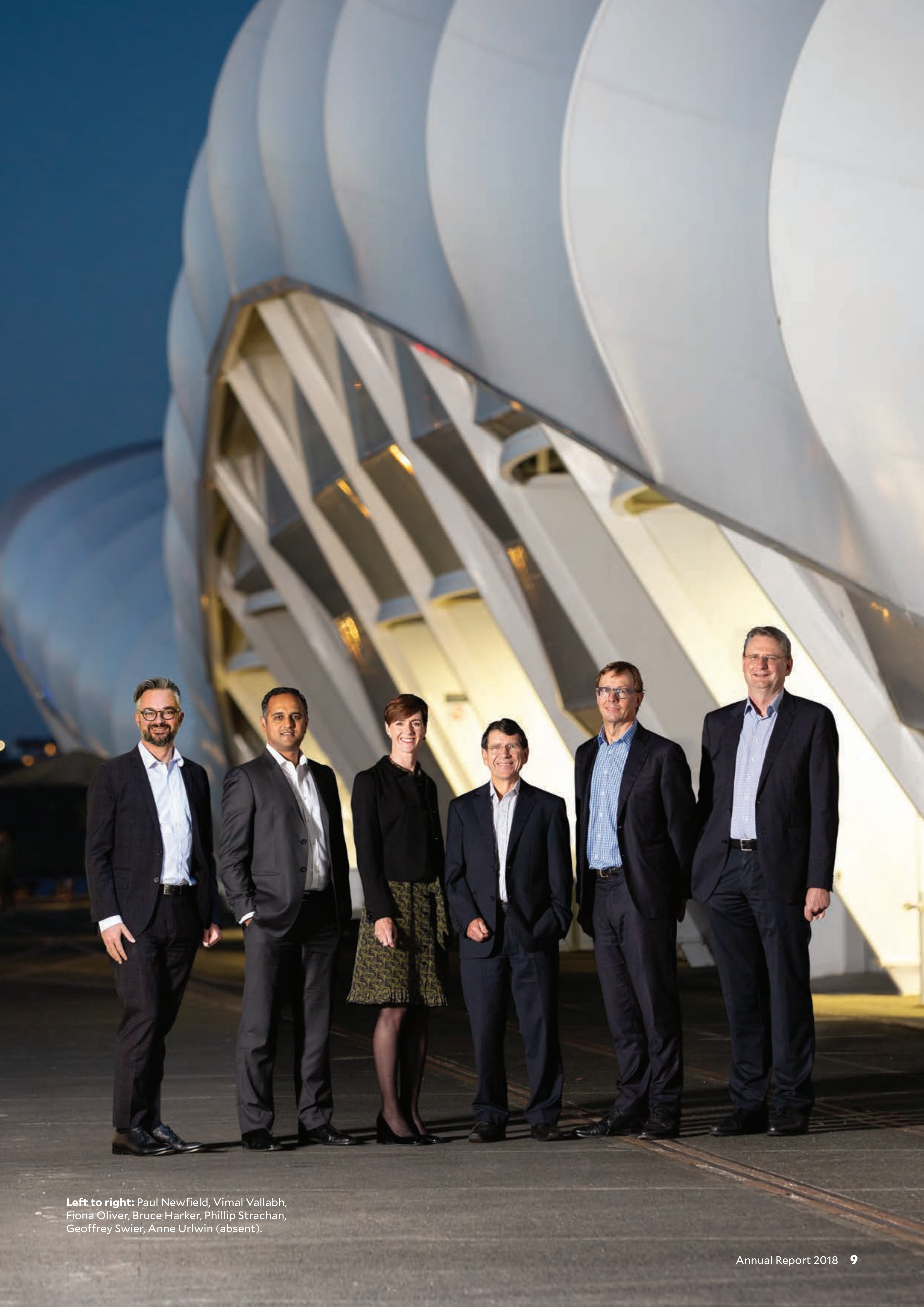
As a former Director of Meridian Energy, she brings energy sector experience and a strong interest in renewable energy. Until last year she was Chairman of commercial construction group Naylor Love Enterprises which, combined with her current roles as a director of City Rail Link Ltd and of Chorus Ltd, provide relevant governance experience in major infrastructure projects.

Anne's other current public-listed company directorships are with Summerset Group Holdings Ltd and Steel & Tube Holdings Ltd. Anne has been a Director of Tilt Renewables since June 2018.

Vimal Vallabh BCom, LLB, CFA IMC

Director

Vimal has been involved in the development and acquisition of power and renewable energy projects and related supply chain companies across Europe, the US and Africa for the past 20 years. He is currently Head of Energy at H.R.L. Morrison & Co and a Board Director at Longroad Energy (USA). He has previously held roles in the energy industry, private equity and investment banking. Vimal has been a Director of Tilt Renewables since its establishment in October 2016.



Left to right: Paul Newfield, Vimal Vallabh, Fiona Oliver, Bruce Harker, Phillip Strachan, Geoffrey Swier, Anne Urlwin (absent).

OUR EXECUTIVE TEAM

Deion Campbell BEng (Elect, Hons), MEng (Elect), FEngNZ, CMInstD

Chief Executive

Deion's extensive hydro and wind power experience has been built over 25 years in the renewable electricity industry in engineering, project delivery, site development, operational management and executive leadership roles. Before joining Tilt Renewables, Deion was Generation General Manager at Trustpower Limited where he led a dispersed team of more than 100 people and had responsibility for safety, environment, development, maintenance and operations activities for 50 power stations across Australia and New Zealand. He also worked with leading turbine suppliers to drive innovation in wind farm maintenance strategies and commercial frameworks. Deion has been involved in the development, construction and operation of wind and hydro generation projects worth over $1 billion in New Zealand and Australia.

In addition to his electrical engineering degrees, Deion has completed executive training at INSEAD and is a Fellow of Engineering NZ and a Chartered Company Director.

Steve Symons BBus (Acc), CA

Chief Financial Officer and Company Secretary

Steve is a highly experienced finance professional with over 20 years experience within the energy sector in a number of senior finance roles. He joined the Tilt Renewables team as the Chief Financial Officer and Company Secretary in October 2016. Prior to joining Tilt Renewables, Steve held senior finance and management roles at Palisade Investment Partners and Epic Energy (now Energy Australia). In addition, Steve was the Managing Director of Roaring 40s for two years.

Steve has a Bachelor of Business (Accounting) and is a Chartered Accountant. Steve is also a member of the Australia Institute of Company Directors.

Clayton Delmarter BSc(Tech), GDipBus(Fin)

General Manager Renewable Development

Clayton has worked in the renewable energy space for over 16 years, and has had significant input into the majority of Tilt Renewables' development and operational projects. Previously he worked at Trustpower where his roles included Project Delivery Manager, responsible for a number of successful wind and hydro projects, as well as Acting General Manager Generation, and Engineering Manager. Clayton has also spent a period of time in North America working on large scale renewable developments.

Nigel Baker BE (Mech, Hons), GDip (Project Management)

General Manager Generation and Trading

Nigel is a senior executive with over 20 years industry experience, including the last 17 years in the operation, construction and commercialisation of renewable energy assets. He joined the Tilt Renewables team in February 2018 as the General Manager, Generation and Trading. Prior to joining Tilt Renewables, Nigel held senior operations and management positions with Pacific Hydro both in Australia and Chile, where in recent years he was the General Manager of Pacific Hydro's Chilean business and CEO of a renewable energy joint venture between Pacific Hydro and Statkraft of Norway.

Nigel has a Bachelor of Engineering (Mechanical, with Honours) from the University of Melbourne, has completed post-graduate studies at RMIT (Grad Dip in Project Management) and the London Business School (Senior Executive Programme) and is a member of the Australian Institute of Company Directors.

Left to right: Clayton Delmarter, Deion Campbell, Nigel Baker, Steve Symons

OUR DOWN TO EARTH APPROACH

"As a developer and owner of renewable energy projects, the most important asset of ours are the landholders. Without them, we do not have a project. Having a strong and engaging relationship with our landholders is very important to a successful renewable project. It's a great part of what I do week to week."

Chris Righetti
Renewable Project Developer

OPERATIONAL ASSETS

AUSTRALIA

Together, the two stages of Snowtown Wind Farm produce an average of 1,232 GWh of renewable energy per year, making it the second largest, and one of the best performing wind farms in Australia. That's enough to power over 200,000 South Australian homes and offset nearly one million tonnes of CO_2 produced by thermal electricity generation.

SNOWTOWN 1

Wind Farm

Maximum capacity: 101 MW

Estimated annual production: 357 GWh

Electricity: 89% contracted until December 2018

LGCs: 89% contracted until December 2018

SNOWTOWN 2

Wind Farm

Maximum capacity: 270 MW

Estimated annual production: 875 GWh

Electricity: 100% contracted until December 2030

LGCs: 100% contracted until December 2030

BLAYNEY

Wind Farm

Maximum capacity: 10 MW

Estimated annual production: 18 GWh

Electricity: 100% contracted until October 2020

LGCs: 100% contracted until October 2020

CROOKWELL

Wind Farm

Maximum capacity: 5 MW

Estimated annual production: 8 GWh

Electricity: 100% contracted until July 2018*

LGCs: 100% contracted until July 2018

SALT CREEK

Wind Farm

Maximum capacity: 54 MW

Estimated annual production: 172 GWh

Electricity: 50% contracted until 31 December 2018 and then 100% contracted until December 2030

LGCs: Uncontracted

NEW ZEALAND

Together, the 134 turbines of all three stages of the Tararua Wind Farm, rank as the largest wind farm in New Zealand and produce an average annual power output of over 560 GWh.

TARARUA 1 & 2

Wind Farm

Maximum capacity: 68 MW

Estimated annual production: 245 GWh

Electricity: 100% contracted until end of the asset life

TARARUA 3

Wind Farm

Maximum capacity: 93 MW

Estimated annual production: 318 GWh

Electricity: 100% contracted until end of the asset life

MAHINERANGI 1

Wind Farm

Maximum capacity: 36 MW

Estimated annual production: 101 GWh

Electricity: 100% contracted until end of the asset life

* Negotiations ongoing at the time of writing to extend this contract.

LOOKING FAR AND WIDE

"I am incredibly proud to be working for an organisation of the calibre of Tilt Renewables. The diverse pipeline of projects spanning established and emerging technologies including wind, solar, pumped hydro and battery storage, combined with a very talented and enthusiastic team provides amazing opportunities for career growth and fulfillment. As an engineer, and having been recently promoted to engineering manager, I can't think of a better place to continue developing my technical and management skills during this transformative phase in the industry."

Sherrin Yeo
Engineering Manager

Strength of our development pipeline

We are focused on maintaining a range of growth options, spread by technology and location and capable of being executed quickly as market opportunities unfold.

This year we successfully grew our development pipeline to more than 3,500 MW options, spread across 18 projects, five Australian states, both islands of New Zealand and the core technologies of wind, solar, battery storage and pumped hydro.

Our priority of advancing projects that we consider to be near term options has this year resulted in approximately 900 MW of new projects securing required environmental approvals, bringing the total of planning approved options to over 1,600 MW.

The flexibility and optionality we have created will produce opportunities as we continue to pursue value delivery from our pipeline.

Our continuous improvement thinking also means we regularly review the conditions of our existing permits to ensure these are sufficiently flexible so that we can optimise these projects to improve their viability or reduce their environmental footprint.

A good example of this is the Dundonnell Wind Farm in Western Victoria, we obtained approval to increase the maximum tip height of the wind turbines to 189m above ground level. This meant we were able to select larger, more efficient technology that significantly reduces the cost of energy from the site, and makes the best use of the naturally occurring wind resource across the project area.

We also continue to look for opportunities to keep ahead of technology changes and this year we were awarded a grant from the South Australian government to assist with the installation of battery storage at our proposed Snowtown North solar farm. This project would be co-located at the existing Snowtown wind farm and use existing transmission infrastructure.

New environmental permits gained this year:

465 MW

of solar projects in Queensland and South Australia.

130 MW

Waverley Wind Farm in New Zealand's North Island.

300 MW

Rye Park Wind Farm in New South Wales.

AUSTRALIAN PIPELINE

CHEWKO
Solar Farm
Potential capacity: 75 MW

DYSART
Solar Farm
Potential capacity: 100 MW

DUNDONNELL
Wind Farm
Potential capacity: 336 MW

HIGHBURY
Pumped Hydro
Potential capacity: 300 MW

NSW PROJECT 1
Wind Farm
Potential capacity: 400 MW

NSW PROJECT 2
Solar Farm
Potential capacity: 80 MW

PALMER
Wind Farm
Potential capacity: 300 MW

QLD PROJECT
Solar Farm
Potential capacity: 325 MW

RYE PARK
Wind Farm
Potential capacity: 300 MW

SNOWTOWN
Battery Storage and Solar Farm
Potential capacity: 20 MW (battery), 45 MW (north solar), 70 MW (south solar)

VIC PROJECT
Wind Farm
Potential capacity: 300 MW

WADDI
Wind and Solar Farm
Potential capacity: 105 MW (wind), 40 MW (solar)

WESTERN DOWNS
Solar Farm
Potential capacity: 250 MW

NEW ZEALAND PIPELINE

KAIWERA DOWNS
Wind Farm
Potential capacity: 240 MW

MAHINERANGI 2
Wind Farm
Potential capacity: 170 MW

WAVERLEY
Wind Farm
Potential capacity: 130 MW

Battery Storage

Pumped Hydro

Wind Farm

Solar Farm

OUR PEOPLE

We are proud of the team of 33 professionals we have assembled and encouraged by the dedication they demonstrate towards our ambitious goals.

Rich in diversity, our team have a broad range of talent, skills, experiences, age, gender and backgrounds that enable us to be innovative and agile. We have a strong belief in the benefits of inclusiveness and diversity and recognise that providing rewarding careers and supporting lives outside of work are critical to keeping the best people here and working hard.

To this end, we offer flexible work arrangements for those who need to work on a part-time basis or those that prefer to change their core working hours to accommodate their personal needs. For example, starting later to enable school drop off commitments or starting earlier in the day to get free some time later in the afternoon.

Over the next 12 months, we will be introducing a paid parental leave scheme and a purchased leave program to support our flexible work practices.

Remuneration

The financial benefits provided to our employees are designed to attract and retain the highest calibre talent. We are committed to ensuring that gender is not a consideration in any component of our remuneration system. With a small workforce it is more difficult to undertake a like-for-like review, however we take a holistic view across the organisation to looking at relativities, fairness and to ensure there are no pay gaps driven by gender and no bias when rewarding our people.

In addition to salary, all permanent employees participate in a short term incentive plan (STI) which is an at-risk component of compensation directly linked with corporate strategic objectives and individual performance.

Selected senior managers also participate in a long term incentive plan (LTI) designed to align with the long-term interest of shareholders. Details of the LTI are disclosed in the Directors and Executive Remuneration Policy.

Well-being

During 2017 we launched the 'Renew(able) You' Programme. This holistic wellness program looks at mental, physical, social and financial wellness. Having meaningful employee benefits, underpinned by healthy company performance, will make Tilt Renewables a competitive employer in our industry and help us continue to be an employer of choice.

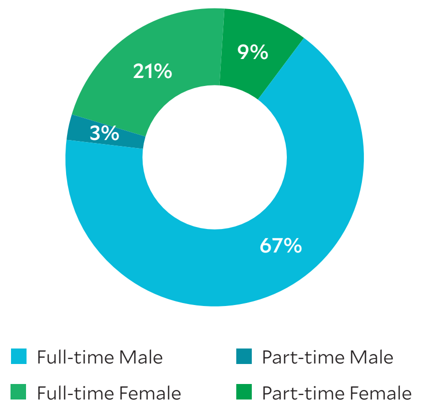
Career development

Developing leadership capability will be a key focus for our people over the next 12 months to support corporate objectives, our people, and to continue to drive our business forward. This will support the development of a strong succession pipeline for future leadership roles and offer potential opportunities to promote from within.

Diversity as at 31 March 2018:

	Board Level	Executive Level	Employees (excl. Executive)
Total	**6**	**4**	**29**
Number of women	1	0	10
Number of men	5	4	19
Percentage of women	17%	0%	34%
Percentage of men	83%	100%	66%

Work type:



Marcelle Gannon

Market Operations Manager

"With an exciting and responsible role, I still have the flexibility to work 4 days a week, which means that I have 1 day to spend at my children's school to help in the classroom. This helps me to balance what is important for my family with my career at Tilt Renewables."

Tharaka Ekanayake

IT Intern ReadyGrad Program

"I gathered intimate knowledge in configuration of TechOne and gained abundant financial knowledge due to working within the financial team. I was offered the role of an Associate Consultant in Niltech Consulting and shortly started consulting for Tilt Renewables to further set up their TechOne ERP System. This is my first professional role in Australia and through it I hope to improve my knowledge not only in TechOne but also in the field of IT."

Chigozie Okoye-Oti

Project Administrator

"I have found an organisation that matched my values and goals, I was presented with a rewarding opportunity. I am well into my final year of study and every day brings more exciting challenges. Working here has been a growing experience."

Barend van der Poll

Asset Manager

"My employment at Tilt Renewables enables me to work a time-shifted day, which allows me to start earlier and go home earlier to assist my wife with therapy for my son who has special needs. The benefit to Tilt Renewables is that my hours align with the operational sites, especially New Zealand."

HEALTH & SAFETY

Mission

Our people and contractors working together so that Safety First is a priority for every task, every day.

Vision

Happy and Healthy

Safety values

Passionate: Commitment from all that Safety will drive 'Happy and Healthy' workplaces.

Respect: Working together with our partners to aligned expectations.

Innovation: Encouraging safer, smarter ways of doing things through shared knowledge.

Integrity: Following the Just Culture Safety Model that supports proactive learning.

Delivery: Accountability and safe behaviours to drive outcomes.

Empowerment: Ensuring our people have the necessary competence to execute tasks safely and the authority to stop work.

SAFETY LEADERSHIP

Our strong commitment to the safety of our staff and partners begins with our health and safety strategy.

Our Health, Safety, Environment and Community Board Sub-Committee meets bi-annually and focuses on:

- Current and emerging health and safety risks;
- Safety leadership;
- Health and wellbeing programs;
- Health and safety audits;
- Health and safety reporting; and
- Compliance monitoring.

To help the Board understand our operating environments, they have visited our Salt Creek and Snowtown wind farms during the year.

On a quarterly basis, we host safety BBQs at Snowtown where we bring together our contractors to share best practice and discuss topics focusing on safety.

Training and competency

All the people working on our assets are required to have appropriate training and competency.

For example, it is a mandatory site requirement that all contractors are competent to work safely on the wind turbines. As part of this they need to have successfully completed the Global Wind Organisation training. To demonstrate safety leadership, our Asset Management Team have also completed this training.
Key elements of that training include:

- First aid;
- Manual handling;
- Wind turbine rescue; and
- Working at heights.

We also ensure our people are competent for other duties and have included 4WD training and 30% of our staff hold first aid certificates. Defibrillators are available at the Melbourne office and at all permanently staffed site offices.

Health and safety targets

Safety incident frequency rates are measured on a rolling 12-month basis including contractor statistics. We also track and set targets for a combination of leading indicators across the business including Hazardous Observations, Audits, Inspections and Safety.

Safety interactions are encouraged to ensure staff engage across all levels of our business when visiting site. We also review safe work practices and discuss risk management with our partners.

We had 4 recordable injuries during the financial year. None of these injuries caused permanent disability.

SAFETY CULTURE ACTION PLANS

- Leadership
- People
- Risk and Governance
- Systems

STRATEGY SAFETY FIRST COMMITMENT

Health and safety targets:

	Definition	2018	2017
TRIFR	Total Recordable Injury Frequency Rate (TRIFR) is the number of lost time injuries, restricted work injuries and applicable medical treatment incidents per 1m hours worked.	14.2	0
LTI	Lost Time Injuries (LTI) Work related incident causing injury or illness to any person associated with the project such that the person is unable to return to work on the next shift or on the next day.	1	0
RI	Recordable Injuries (RI) is a combination of LTI and Medical Treatment Injury (MTI) and Restricted Work Injury (RWI)	4	0

A NEW SENSE OF COMMUNITY

"I am excited to be part of great team working on many varied projects, through all phases of development and operation. I am personally driven to help achieve the best possible environmental and community outcomes for all stakeholders, on all our projects, and I am pleased that the business supports me in this endeavour."

Cara Layton
Environmental Planner

COMMUNITY ENGAGEMENT

We pride ourself on fostering strong landowner and community relationships, and are committed to open and honest dialogue with all stakeholders. We aim to build and enhance community acceptance and trust on all our projects, and for the wider renewable energy industry.

We strive to ensure community engagement occurs throughout all aspects of the wind farm life-cycle and that project staff interact with the project communities in a manner that is open, inclusive, responsive and accountable.

Community benefits

As a long-term corporate citizen, it is our commitment to share the benefits of our projects. The overarching objectives of benefit sharing are to:

- Ensure that communities directly benefit from the presence of a project;
- Contribute towards broader public benefits and economic development that address the needs of the regions throughout the life-cycle of the project;
- Build on strategic opportunities to drive local innovation; and
- Create a legacy beyond the immediate project benefits.

SALT CREEK COMMUNITY

Case Study

Keppel Prince Engineering

All 15 wind turbine towers for Salt Creek were sourced from local manufacturer Keppel Prince Engineering located in Portland, Victoria.

Keppel Prince General Manager, Steve Garner said the Salt Creek Wind Farm project was a real boost to the company and was also supporting industries in the region.

"We've worked hard to be competitive against overseas imports. We're really happy to be working with Vestas and Tilt Renewables and looking forward to a strong future ahead," Mr Garner said.

"The wind industry has been up and down and we have had to put off staff before due to the uncertainty in the industry. With the new VRET that is now in place we're excited by what the future holds for us and this Salt Creek Wind Farm is a very pleasing first step in expanding our workforce and securing our company's future."

Deion Campbell, Steve Garner (Keppel Prince Engineering) and Lilly D'Ambrosio (Minister for Energy, Environment and Climate Change) during a visit to Keppel Prince Engineering.

Mac's Hotel

Mac's Hotel owners Richard and Jodie Beeck took over the business saying the upcoming project was a major factor in their decision.

Mrs Beeck said "I fell in love with the building and with everything that was planned for the town, we thought it was a really viable option.

The major projects have definitely helped enhance our business and helped to plan and action more changes sooner," she said.

"Our occupancy is 90 percent. If we didn't have the wind farm, we had expected 40 to 50 percent occupancy."

Mortlake's WestVic Tyres

Mortlake's WestVic Tyres has secured the tyre contracting work for the wind farm. Business owner Simon Ritchie said the work from the wind farm has improved his business and the wider community.

"We've put another staff member, a young local fella which is great for our business," Simon said.

"Not only have we got all the work doing alignments and other tyre work as required – we've actually got a wind farm vehicle in the shop at the moment – we've also picked up work from other contractors out at the wind farm.

"This is great for us as it exposes us to other businesses and potential further work in the future."

In addition to the benefits to his business, Simon said the project had helped the local cricket club as well.

"I'm the president of the cricket club and we have secured quite a bit of sponsorship from the wind farm.

"We're building a new stadium so all the sponsorship will benefit the kids of Mortlake."

Olivine Restaurant

Olivine restaurant owner Wendy Lynzaat said the Salt Creek Wind Farm was creating business opportunities that previously did not exist.

"I would never do catering jobs out at Woorndoo, that's for sure," she said with a laugh.

Dundonnell Wind Farm Brolga Survey

The Brolga is one of Australia's largest flying birds. Measuring 1 to 1.3m in height, they are found across north and north-east Australia and Victoria.

In Victoria, the Brolga is a threatened species and is classified as vulnerable. The Victorian and Commonwealth Governments have joined with the wind energy industry (represented by the Clean Energy Council) to form a partnership called the South-West Victorian Brolga Research Project. This Project aims to develop a standard approach for assessing, mitigating and offsetting impacts of wind energy development on Victorian Brolgas.

The Brolga Guidelines recommend default turbine-free buffers within certain distances of breeding and flocking sites, unless site specific investigations can show, with a high level of confidence the size and shape of home ranges for breeding or flocking sites.

To generate a high level of confidence for the behaviour of the Brolga around the Dundonnell region, we undertook one of the most extensive surveys to date.

We engaged two Dundonnell landowners to participate in the survey program for a period of over three years to:

- assist environmental consultants with their level of understanding of the local surrounds; and
- undertake a field survey which involved a total of 4,000 hours work, and travel of over 33,000km's within 10km radius of the wind farm.

During the survey program, the land owners continually engaged with other local landowners who enjoyed working with trusted members of their community, who they knew, as opposed to dealing with an external consultant.

The work done by the land owners played a critical role in the Development Approvals process for the Dundonnell Wind Farm. One of the roles has continued on, with that land owner being an active presence in the identification and selection of future Brolga wetland sites for the Brolga Compensation Plan. This will facilitate permit compliance when the project progresses to construction.

ACHIEVING THE RIGHT ENVIRONMENT

We have a strong track record of obtaining new environmental approvals, and operating long term assets in accordance with all conditions of these approvals right across our New Zealand and Australian asset portfolio.

Project Design

A wind farm project's layout and design are subject to an iterative design process and adjusted multiple times throughout the feasibility phase of the project, during the planning and environmental approval processes, and following approval of the project prior to construction.

Post approval, the design process considers the constraints associated with the approval conditions and relevant standards (e.g. noise limits, shadow flicker, environmental and heritage constraints), and the conditions of landholder agreements. The potential areas for siting turbines and associated infrastructure can evolve significantly over time to ensure a permit compliant layout.

Some of the activities for planning and environmental approvals include:

- **Flora and fauna –** scope and surveys include identification of native vegetation, protected and threatened species, home range calculations and production of turbine free buffer zones for the project area;
- **Heritage –** typically the preparation of a Cultural Heritage Management Plan involves active engagement with the relevant indigenous group and historical assessment of the project area;
- **Environmental and technical assessments –** which includes geomorphology, hydrogeology, surface water, shadow flicker, electro-magnetic interference, visual and noise assessments impacting the project area.

Environmental Policy

We are committed to managing the environmental impacts of our business operations and complying with obligations of our approvals.

Each operating asset has an Environmental Management Plan to ensure any issues are notified and controlled effectively.

The key measures of environmental sustainability are compliance with both our approvals and general regulatory requirements such as:

- Greenhouse gas emissions National Greenhouse and Energy Reporting (NGER);
- Planning approved conditions;
- Native vegetation; and
- Notifiable Pollution Incidents.

Our Environmental Policy guides our sustainability goals and is supported by an Environmental Management System (EMS), which identifies a series of objectives and actions. The EMS in turn guides the assessment process to minimise environmental impacts. Compliance and EMS initiatives are regularly reported and monitored by the Board.

300,000

Produced enough green energy to power 100,000 homes in New Zealand and 200,000 in Australia.

1.8M

Offset nearly 1.8m tonnes of CO_2 produced by thermal electricity generation.

For the Salt Creek construction project, a bio-diesel generator was employed to power the construction compound, which saved over 11,000L of diesel.

SAFE GUARDING OUR FUTURE

Corporate Governance

Tilt Renewables is committed to ensuring that it adheres to the best practice corporate governance principles contained in the NZX Corporate Governance Code issued in May 2017 ('NZX Code'). In this Corporate Governance section, each principle of the NZX Code is set out with an explanation as to how Tilt Renewables meets each principle. As at 31 March 2018, other than as identified under the principles below, the governance frameworks of Tilt Renewables comply with the NZX Code.

Tilt Renewables' corporate governance policies, practices and procedures can be found on the corporate governance section of the website https://www.tiltrenewables.com/.

PRINCIPLE 1: CODE OF ETHICAL BEHAVIOUR

Code of ethics

A Code of Ethics has been developed and approved by the Board. Tilt Renewables is committed to maintaining the highest standards of honesty, integrity and ethical conduct and has adopted a Code of Ethics to deter wrongdoing and to promote:

- Honest and ethical conduct including handling of actual or apparent conflicts of interest;
- Full, fair, accurate, timely and understandable disclosure in reports and documents filed by the Company;
- Abide by the laws, rules and regulations of the countries in which they are operating;
- Prompt internal reporting to the Board of Directors of violations of the Code of Ethics; and
- Accountability for adherence to the Code of Ethics.

The Code of Ethics is not an exhaustive list of acceptable or non-acceptable behaviour, rather it is intended to guide decisions so they are consistent with Tilt Renewables values, business goals and legal and policy obligations. Failure to follow the Code of Ethics may lead to disciplinary action being taken, which may include dismissal. The Code of Ethics applies to the Board of Directors and the Company's employees.

Whistleblowing Policy

Tilt Renewables has established a Whistleblowing Policy to facilitate the disclosure and impartial investigation of any serious wrongdoing. This policy advises the Board and employees of their right to disclose serious wrongdoing, and sets out Tilt Renewables internal procedures for receiving and dealing with such disclosures. The policy is consistent with, and facilitates, the Protected Disclosures Act 2000.

Conflicts of interest

Where any Tilt Renewables Director has a conflict of interest or is otherwise interested in any transaction, that Director is required to disclose his or her conflict of interest, and thereafter neither participate in the discussion nor vote in relation to the relevant matter. The Company maintains a register of disclosed interests.

Insider trading

To protect Tilt Renewables reputation and safeguard employees who may want to buy or sell Tilt Renewables securities, the Company's Securities Trading Policy requires an approved procedure to be followed by all staff and Directors. Certain employees of the Company are required to make additional disclosures under the Financial Markets Conduct Act 2013.

PRINCIPLE 2: BOARD COMPOSITION AND PERFORMANCE

Director appointments

Prior to appointing a Director, the Company undertakes a rigorous evaluation process of the current skill set of the Board and identifies the desired skills and experience of a new Director. The Board Charter sets out the terms of appointment of a new Director, therefore, a separate written agreement is not established.

Prior to appointment or re-election, non-executive Directors are required to specifically acknowledge that they have the time to fully discharge their responsibilities to the Company. Directors are expected to comply with all relevant legislation and regulation in fulfilling their roles.

Director agreements

The Board at this stage has made a decision not to implement Directors Agreements for directors. The Board will investigate the use of Directors Agreements for future appointments of Directors.

Board of Directors

The Directors are elected by the shareholders and are responsible to the shareholders for the performance of the Company. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The Board draws on relevant corporate governance best practice principles to assist and contribute to the performance of the Company.

The Board has developed a charter that outlines responsibilities that encompass the following:

- Setting the strategic direction of Tilt Renewables and monitoring management's implementation of that strategy;
- Selecting and appointing (and, if appropriate, removing from office) the Chief Executive Officer, determining his/her conditions of service and monitoring his/her performance against established objectives;

- Ratifying the appointment (and, if appropriate, removing from office) the Chief Financial Officer and Company Secretary;
- Ratifying the remuneration of senior management consistent with their employment agreements;
- Monitoring financial outcomes and the integrity of reporting, and approving annual budgets and longer-term strategic and business plans;
- Setting specific limits of authority for management to commit to new expenditure, enter contracts or acquire businesses without prior Board approval;
- Ensuring that effective audit, risk management and compliance systems are in place to protect the Company's assets and to minimize the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
- Monitoring compliance with regulatory requirements (including continuous disclosure) and setting ethical standards and then monitoring compliance with those standards;
- Reviewing, on a regular basis, senior management succession planning and development;
- Ensuring effective and timely reporting to shareholders; and
- Ensuring the Company has a strong health and safety culture and complies with health and safety legislation.

The Board Charter clearly distinguishes the roles and responsibilities of the Board as distinct to management. A copy of the Board Charter is available on our website.

Each year the Board has eight scheduled meetings, at least one extended strategic planning meeting, at least four Audit and Risk Committee meetings and unscheduled meetings to consider and/or review substantial projects and any other special circumstances that may arise from time to time.

The full Board determines the Board size and composition, subject to limits imposed by the Company's Constitution which is required to comply with the NZX Listing Rules. The Constitution provides for a minimum of three Directors and a maximum of seven.

The Constitution and NZX Listing Rules also require that while there are a total of six or seven Directors, two must be independent Directors. As at 31 March 2018, the Board has determined that the independent Directors of Tilt Renewables are F. Oliver, P. Strachan, and G. Swier and the non- independent Directors of Tilt Renewables are B. Harker (Chair), V. Vallabh and P. Newfield. On 15 June 2018, A. Urlwin was appointed to the Board as an independent Director. Tilt Renewables have separate roles for CEO and the Chair and these roles are performed by different people.

Director Training

Following the appointment, Directors are supported to familiarise themselves with the operations of the business and this continues throughout the Directors' tenure.

Directors are expected to undertake any necessary continuing professional education to enable them to discharge their duties. From 31 March 2018, Directors will maintain a register of their continuing professional education which will be provided to the company on a six-monthly basis.

Diversity Policy

The Company has a documented Diversity Policy which applies at all levels from Board, the Senior Leadership Team and employees. The Company is committed to eliminating barriers and providing a work environment that recognises and values diversity. We endeavor to ensure our workplaces are free from discrimination and other unlawful behaviours.

Committee meetings and attendance

Directors	Board Meetings, Incl Conference Calls	Audit & Risk Committee	Remuneration Committee	Health, Safety, Environment & Community Committee	Independent Directors Committee
B. Harker	12		2	2	
P. Newfield	12	4			
V. Vallabh	12				
F. Oliver	12	4			3
G. Swier	12	4		2	3
P. Strachan	12		2	2	3
	12	**4**	**2**	**2**	**3**

Review of Board performance

The Chair undertakes an annual assessment of the Boards performance including its performance against the requirements of its Charter, the performance of individual Committees and the performance of individual Directors. In early 2018, an external assessment was undertaken of the Board and its performance and all Directors were provided individual feedback.

PRINCIPLE 3: BOARD COMMITTEES

The Board has established four standing Sub Committees being the Audit and Risk Committee, the Remuneration Committee, the Health and Safety, Environment and Community Committee and the Independent Directors Committee.

Audit and Risk Committee

This committee meets at least four times a year. Members of the Committee are F. Oliver (Chair), G. Swier and P. Newfield. The composition of the committee has majority independent directors and 100% non-executive Directors. The Chair is also not the Chair of the Board.

The overall objectives of the Committee are to:

- Oversee and appraise the quality of audits conducted by the internal and external auditors of the Company;
- Maintain open lines of communication among the Board, management and the internal and external auditors;
- Review the financial information presented by management to shareholders, regulators and the general public;
- Determine the adequacy of the Company's administrative, operating internal and accounting controls, including the detection and prevention of fraud;
- Monitor compliance with statutory and regulatory matters relating to financial and corporate reporting;
- Provide strategic guidance and feedback to the Board and management on the Company's risk management framework; and
- Assist the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to the oversight of the effective management of the Company's material business risks.

Health, Safety, Environment and Community Committee

The Board has established a Health, Safety, Environment and Community Committee (HSEC) which has three Directors as members P. Strachan (Chair), B. Harker and G. Swier.

The overall objectives of the Committee are to:

- Acquire and maintain up-to-date knowledge of HSEC matters that are relevant to the Company;
- Understand the Company's operations and hazards and risks associated with these operations;
- Ensure the integrity of the HSEC data and review reporting to ensure useful information is presented;
- Reviewing HSEC outcomes from the Company's operations and activities ensuring that improvement options and plans are developed and monitor implementation;
- Ensure the Company has appropriate resources and processes to eliminate or minimise HSEC operational risks arising from the Company's activities;
- Ensure there are appropriate processes for receiving and considering information about incidents, hazards and risks and for responding to that information;
- Ensure there are processes for complying with relevant HSEC duties, and that these are implemented;
- Verify that the appropriate resources and processes are in place and being used at Tilt Renewables and within the Company; and
- Ensure there are appropriate early stage go/no-go screening and evaluation frameworks for HSEC for early stage new projects and ensure the Board is fully informed on HSEC risks when it is considering new investments.

Independent Directors Committee

The Board has determined to establish an Independent Directors Committee (IDC). As at 31 March 2018, there were three members F. Oliver (Chair), P. Strachan and G. Swier. Since this time, A. Urlwin has joined this committee.

This Committee has been established to independently consider prospective capital raisings by the Company, having particular regards to:

- Proposals that result in differential treatment of the controlling shareholder (which is more than minor, when compared to the treatment of other shareholders);
- Related Party transactions, by way of example, any participation in an underwrite facility by the controlling shareholder, as well as the obligation for any interested director to not vote on any transaction in respect of which they are interested;
- Recommending to the Board whether the proposed capital raising should proceed in the manner contemplated, or with such variations as the Committee considers appropriate; and
- Advising the Board as to the governance arrangements the Committee recommends in respect of the capital raising, including whether some or all relevant matters should be delegated to the Committee due to any conflict of the Board members who are not members of the Committee, or for any other appropriate reason.

The Remuneration Committee

The Board has established a Remuneration Committee. As at 31 March 2018, there were two Directors as members, B. Harker (Chair) and P. Strachan. Since this time, a further independent Director has been appointed to this Committee and at the time of issuing this report this Director was A. Urlwin.

The responsibilities of the Committee include:

- Reviewing and recommending to the Board for approval of the Remuneration Policy for Directors and senior executives;
- The structure of the policy allows the Company to attract and retain Directors and senior executives of sufficient calibre to facilitate the efficient and effective management of the Company's operations;
- Annual review and recommendation to the Board for approval of the remuneration packages of all Directors and senior executives of the Company;
- With reference to the Board, managing the employment or removal of the Chief Executive Officer and negotiation of employment terms;
- Participation in the process of employment of the Chief Financial Officer and recommendation to the Board of its confidence in any appointment; and
- Establishment of appropriate performance criteria, from time to time, for short and long term employee incentive schemes and to make recommendations to the Board.

Nominations Committee

The Board has chosen not to constitute a Nominations Committee as recommended by the Code. The Board has decided that Director nominations are handled more effectively by the full Board, on the basis that its collective experience makes it best placed to determine which candidates are best placed to help advance the strategic direction of the Company. Given the Directors' diverse backgrounds, the Board considers that delegating this responsibility to a Committee would reduce the holistic input that the Board can provide in evaluating potential candidates' skills and characteristics.

Takeover Policy

The Board has established a policy and procedure to be followed should a takeover offer be received. The overall objective of Tilt Renewables' takeover response strategy is to maximise value for shareholders. The specific objectives of this strategy and the policy are to ensure that:

- Tilt Renewables is well prepared for any takeover or similar approach;
- Tilt Renewables is able to respond in a professional, timely and co-ordinated manner;
- Tilt Renewables shareholders are fully informed with respect to the value of Tilt Renewables, the value of the offer and the offer process;
- Credible alternatives are considered and, if appropriate, made available to shareholders; and
- Tilt Renewables complies with all of its legal, regulatory and Listing Rules requirements.

It is envisaged that, upon an approach being received, Tilt Renewables would appoint the Independent Directors Committee to oversee the takeover response.

PRINCIPLE 4: REPORTING AND DISCLOSURE

Market Disclosure Policy

The Company is committed to providing timely, orderly, consistent and credible information in accordance with legal and regulatory requirements to enable orderly behaviour in the market and promote investor confidence. The Company believes it is imperative that disclosure be evenly balanced during good times and bad and that all parties in the investment community have fair access to such information.

Delegation and Authority Policy

The Company has a Delegated Authorities Policy in place for its New Zealand and Australian activities that have been approved by the Board. The policy provides limited authority to certain Company employees to purchase goods and services, enter sales contracts and approve credit, sign deeds, indemnities and guarantees, and sign other contracts and documents. The policy is reviewed annually.

Revenue Risk Management Policy

The Company has adopted a Revenue Risk Management Policy to manage the risk related to the sale and of purchase of electricity and LGC in the whole markets. Derivative instruments and Power Purchase Agreements, are used to set the price of electricity and LGCs at a future nominated time. The Electricity and LGC Trading Policy allows wholesale electricity and LGC trading to occur within risk limits set by the Board.

Treasury Policy

The Company has a Treasury Policy which has been approved by the Board to manage finance, interest rate and foreign exchange risks. This policy approves the use of certain instruments for risk management purposes, and it prohibits any activity that is purely speculative in nature. It also sets out exposure limits, delegated authorities and internal controls.

PRINCIPLE 5: REMUNERATION

Directors holding office and their Remuneration

The Directors holding office as at 31 March 2018 and during the year are listed below. The total amount of remuneration and other benefits receivable by each Director during the financial year, and responsibility is listed next to their names:

Name	Position	Board Fees	Committee Fees	Total
Bruce Harker	Chairman	190,000	-	190,000
Paul Newfield	Director	85,000	10,000	95,000
Vimal Vallabh	Director	85,000	-	85,000
Fiona Oliver	Independent Director	85,000	23,000	108,000
Geoffrey Swier	Independent Director	85,000	18,500	103,500
Phillip Strachan	Independent Director	85,000	18,500	103,500
		615,000	**70,000**	**685,000**

Remuneration Policy

Tilt Renewables is committed to remuneration practices that are fair and reasonable with a clear link between remuneration and performance. The Remuneration Policy is designed to reward performance that aligns with shareholder value both operationally and the pursuit of long term value.

The remuneration framework for Tilt Renewables currently comprises of three key components:

Fixed Remuneration – comprises fixed cash salary plus superannuation. Fixed salary for each role is based on the scale, complexity and expectation of the role. Market benchmarking is used to establish the salary range for each role.

Short Term Incentive (STI) – is an at-risk element of the overall annual cash remuneration. STIs are subject to the successful operational performance against Key Performance Indicators (KPIs) that are set in line with the Company's current goals. The KPIs include: health and safety outcomes; company annual financial performance; execution of projects; achievement certain business milestones and leadership performance.

Long Term Incentives (LTI) – is based on Total Shareholder Return (TSR) over a three year period measured against both Relative TSR and Absolute TSR hurdles as follows:

TSR	Hurdle	Minimum Hurdle Measure
Relative	ASX 200 Total Return Index	> 50th percentile
Absolute	Return to Shareholders	> 7% annual compound TSR

Eligible employees are issued both Relative and Absolute TSR Performance Rights (Performance Rights). The amount of Performance Rights is determined based on a set percentage of the relevant employee's fixed annual remuneration and the share price at the start of the offer period. The LTI scheme is settled with the issue of the appropriate amount of Tilt Renewables shares at the end of the three year vesting period should the Performance Rightsassessment criteria be achieved and the employee remains employed at the time of assessment.

From FY19, Development Business Performance (DBP) will be a new risk element of annual remuneration which is paid in Restricted Shares in the Company.

Recipients are awarded shares based on the achievement of value increase from the Company's investment in its development pipeline. Shares are restricted for four years from grant.

The Company undertakes a valuation of its pipeline and assesses whether the development project portfolio increases or slips in value over the year, after allowing for development spend. The Performance Test includes assessment of estimated value gain/(loss) from the Company's project spend as projects move through development stages through to shovel ready and, when the best projects attain successful close. A minimum value add threshold applies for any reward to be granted. In addition to the Restricted Period, this scheme requires participants to accumulate a minimum holding of shares in the company before shares can be sold.

The DBP and LTI schemes are offered to the Senior Leadership Team and other selected senior managers in order to align these key people with the long-term interest of shareholders.

Details of the DBP and LTI are disclosed in the Director and Executive Remuneration Policy, which is available on the Company's website.

Employees Remuneration

During the financial year, the number of employees and or former employees who received remuneration and other benefits in their capacity as employees of the Company and its subsidiaries the value of which was or exceeded $100,000 per annum is shown below:

Remuneration Ranges	Number of Employees
100,000 – 119,999	2
120,000 – 129,999	4
130,000 – 139,999	2
140,000 – 149,999	2
150,000 – 159,999	2
160,000 – 169,999	2
170,000 – 179,999	1
180,000 – 189,999	1
210,000 – 219,999	1
220,000 – 229,999	1
230,000 – 239,999	2
240,000 – 339,999	1
250,000 – 259,999	1
410,000 – 419,999	1
440,000 – 449,999	1
510,000 – 519,999	1
610,000 – 619,999	1
1,300,000 – 1,309,999	1

The figures do not include amounts paid post 31 March 2018 that relate to the year ended 31 March 2018.

Chief Executive Officer Remuneration

Robert Farron was the Chief Executive Officer of Tilt Renewables up until 31 December 2017. Deion Campbell was appointed as the Chief Executive Officer on 25 January 2018.

During the year, the total remuneration earned, for the Chief Executive Officer was as follows:

Robert Farron

	31 March 2018	31 March 2017
Base Salary	$718,304	$232,727
Short Term Incentive*	$286,204	$209,589
One-off Amounts	$121,298	$11,985
Total	**$1,125,806**	**$454,301**

* Short term incentives represent amounts which were accrued in the year and were paid in May/June of the following financial year, except for Robert's 2018 amount which was paid during the year as part of his departure.

During financial year Robert was also issued the following Performance Rights as described in the Long Term Incentive section.

LTI Rights	31 March 2018	31 March 2017
Retention Rights	-	53,191
Relative TSR	130,000	111,675
Absolute TSR	195,000	167,513
Total	**325,000**	**332,379**

It should be noted as part of Robert's departure he was assessed as a "good leaver" under the LTI scheme and was entitled to an assessment as to whether the hurdles for a payout had been satisfied at 31 May 2018. At that time, it was determined that the hurdles had not been achieved and as a result no payout was made. This extinguishes all entitlements that Robert has under the LTI.

Deion Campbell

	31 March 2018	31 March 2017
Base Salary	$96,769	n/a
Short Term Incentive*	$45,320	n/a
Total	**$142,089**	**n/a**

* Short term incentives represent amounts which were accrued in the year and were paid in May/June of the following financial year.

Deion Campbell resigned as the General Manager Generation and Trading on 31 October 2017 and was engaged as an independent consultant to assist the Company on special projects and the transition to new leadership of the Generation and Trading business for which he was paid $29,759 in consulting fees prior to taking up the role of the Chief Executive Officer.

As at 31 March 2018, Deion has not received any LTI Rights. The LTI Rights which he received in his role as a General Manager Generation & Trading were forfeited upon his resignation in October 2017.

Robert and Deion were not remunerated by the Company for being a Director as it was part of their roles as the Chief Executive Officer of Tilt Renewables.

PRINCIPLE 6: RISK MANAGEMENT

Risk management

The Company has developed a Risk Management Framework which includes the Risk Management Policy. This framework outlines the risk assessment and rating criteria including definitions for guidance. Management and the Senior Leadership Team actively participate in the identification, assessment, and monitoring of new and existing risks. Management undertakes regular reporting to the Audit and Risk Committee and the Board of the Company's risks and the treatment of those risks.

PRINCIPLE 7: AUDITORS

External audit

Oversight of the Company's external audit arrangements is the responsibility of the Audit and Risk Management Committee to ensure that external audit independence is maintained. The Committee will review and approve the external auditors proposed audit plan, scope and approach prior to approving the audit engagement letter.

The external auditor is required to seek approval from the Committee, prior to undertaking any services outside of the scope of their statutory audit role. In the event the Committee authorises the external auditor to undertake a service outside of its statutory audit role, the Committee will monitor its performance.

The external auditor attends the Annual Meeting of the Company and is available for any questions.

Internal audit

The Company has established an internal audit function that is responsible for monitoring the Company's system of internal controls. Internal audit operates independently from the Board and reports its findings directly to the Audit and Risk Committee. Internal audit liaises closely with the external auditor, who reviews the internal audit work undertaken to the extent necessary to support their audit opinion.

Internal control

The Company has adopted a system of internal control. The system is based upon written procedures, policies, guidelines and organisational structures that provide an appropriate division of responsibility, sound risk management, a programme of internal audit, and the careful selection and training of qualified personnel. While the Board acknowledges that it is responsible for the overall control framework of the Company, it recognises that no cost effective internal control system will preclude all errors and irregularities.

PRINCIPLE 8: SHAREHOLDER RIGHTS AND RELATIONS

The role of shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders in the annual and interim reports and various announcements to NZX/ASX. Quarterly production information is also provided following the end of each quarter via NZX/ASX announcement.

The Board encourages full participation of shareholders at the annual meeting to ensure a high level of accountability and identification with the Company's strategies and goals. All announcements are also available under the investor section of the Company website.

Shareholders are encouraged to attend the annual meeting, which is the forum for shareholders to vote on key business issues, including election of directors and other company matters. The Company provides at least 28 days advance notice of the annual meeting to encourage attendance.

Voting rights

Every shareholder present in person, by proxy or by representative, on a vote by voices or a show of hands has one vote, and on a poll, has one vote for each fully paid share held. Shares held as treasury stock do not have voting rights.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

For the year ended 31 March 2018

Tilt Renewables is pleased to present its audited financial statements. Tilt Renewables demerged from Old Trustpower on 31 October 2016, and for comparative purposes, the prior period financial statements have been prepared as if the demerged Tilt Renewables had been a stand alone entity since 1 April 2016.

The notes to our financial statements have been grouped into the broad categories that the Directors consider most relevant when evaluating the performance of Tilt Renewables. The categories are:

Generation	Notes 3-8
Funding	Notes 9-11
Equity	Notes 12-16
Tax, related parties and other notes	Notes 17-22

There is also an appendix, from notes A1 to A19, which contains additional detailed disclosure readers may wish to consider to supplement the disclosures in the primary sections of notes listed above.

There is also a profitability analysis for the generation segments included in note 3.

Accounting policies can be found throughout the notes to the financial statements and are denoted by a shaded box surrounding them.

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KEY METRICS

Financial Statements
For the year ended 31 March 2018

Key metrics	2018	2017
Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments, Asset Impairments (EBITDAF) ($M)	103,772	124,046
Profit After Tax ($M)	(2,775)	16,371
Underlying earnings after tax ($M) – See note A2	(3,973)	8,621
Basic earnings per share (cents per share)	(0.89)	5.23
Dividends paid during the year (cents per share)	3.50	6.60
Gearing ratio	54%	51%
Generation production		
Australian generation production (GWh)	1,225	1,305
New Zealand generation production (GWh)	571	744
	1,796	**2,049**
Financial statements are presented in AUD functional currency		
Exchange rate – income statement (average rate)	0.9233	0.9413
Exchange rate – balance sheet (year end rate)	0.9393	0.9135

DIRECTORS' RESPONSIBILITY STATEMENT

Financial Statements 2018

The Directors are pleased to present the financial statements of Tilt Renewables Limited and subsidiaries for the year ended 31 March 2018.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group as at 31 March 2018 and the financial performance and cash flows for the year ended on that date.

The Directors consider that the financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Bruce Harker
Chairman

Fiona Oliver
Director

Company Registration Number 1212113
Dated: 10 May 2018

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Tilt Renewables Limited

The consolidated financial statements comprise:

- the statement of financial position as at 31 March 2018;
- the income statement for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies

OUR OPINION

In our opinion, the consolidated financial statements of Tilt Renewables Limited (the Company),including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 31 March 2018, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAsNZ) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Group in the areas of tax compliance and other consulting services. The provision of these other services has not impaired our independence as auditor of the Group.

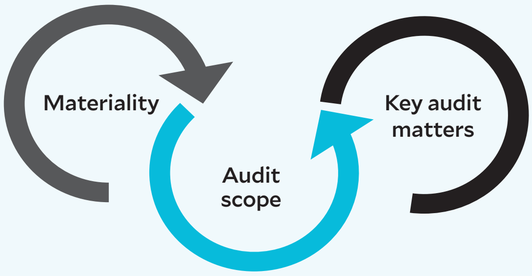
PricewaterhouseCoopers, ABN 52 780 433 757

2 Riverside Quay, Southbank VIC 3006, GPO Box 1331, Melbourne VIC 3001

T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

OUR AUDIT APPROACH

An audit is designed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



Materiality

- For the purpose of our audit we used overall Group materiality of $2.1 million, which represents approximately 2% of the Group's Earnings before Interest, Tax, Depreciation, Amortisation and Fair value movements on financial instruments (EBITDAF).
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the consolidated financial statements as a whole.
- We chose Group EBITDAF because, in our view, it is the metric against which the performance of the Group is most commonly measured and is a generally accepted benchmark.
- We selected 2% based on our professional judgement noting that it is also within the range of commonly acceptable profit related thresholds.

Audit scope

- Our audit focused on where the Directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group has operations and assets across Australia and New Zealand, with its head office based in Melbourne, where we performed most of our procedures.

Key audit matters

- Amongst other relevant topics, we communicated the following key audit matter to the Audit and Risk Committee:
  - Carrying value of Generation assets

This is further described in the *Key audit matters* section of our report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter

Carrying value of generation assets

Refer note 4 & 6 ($1,163.8m)

Generation assets are carried at fair value and the Group's policy is that they are re-valued at least every 3 years by an independent valuer. As a result of the demerger in the prior year, the Directors obtained an independent valuation of generation assets as at 31 March 2017.

In 2018, the Directors have determined that there has been no substantial changes to the key assumptions used in the valuation methodology and these assumptions remain appropriate as at 31 March 2018.

The valuation of generation assets requires a number of significant assumptions, including assumptions about forward electricity prices, future generation volumes, forecast operating costs and the rate used to discount future cash flows. All of these assumptions involve judgements about the future.

This was a key audit matter due to the significance of generation assets and the judgement required in determining the key assumptions.

How our audit addressed the key audit matter

Our procedures included:

- We considered the key assumptions used in the 2017 valuation and assessed if there were any indicators that these had significantly changed. This included the following:
  - Compared the forward electricity price path used for the 2017 valuation to current externally derived market forecast data.
  - Compared the future generation volumes to the historical actual levels achieved.
  - Considered if there were any changes to the operating cost structure of generation sites that may impact the expected future cash flows by comparing forecast operating costs with historical actual operating costs incurred.
  - Assessed the discount rates used in the valuation by comparing them to our view of an acceptable range based on market data, comparable companies and industry research.

We compared the forecast cash flows for 2018 used in the 2017 valuation model with the 2018 actuals, as well as the 2019 forecast with the most recent Board approved budget.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Company Strategy, Highlights, Chair and CEO Report, Summary of Assets and Projects, Board and Executive Team, Corporate Governance and Statutory information included in the Group's annual report for the year ended 31 March 2018 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

WHO WE REPORT TO

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Charles Christie. For and on behalf of:

Chartered Accountants Melbourne
10 May 2018

I, Charles Christie am currently a member of the Institute of Chartered Accountants in Australia and my membership number is 77665.

PricewaterhouseCoopers was the audit firm appointed to undertake the audit of Tilt Renewables Limited for the year ended 31 March 2018. I was responsible for the execution of the audit and delivery of our firm's auditor's report. The audit work was completed on 10 May 2018 and an unqualified opinion was issued.

Charles Christie
Partner

INCOME STATEMENT

For the year ended 31 March 2018

	Note	2018 $000	2017 $000
Operating revenue			
Electricity revenue	3	157,879	174,269
Other operating revenue		78	198
	2	**157,957**	**174,467**
Operating expenses			
Generation costs		31,219	36,285
Employee benefits		8,161	3,853
Other operating expenses	A5	14,804	10,283
		54,185	**50,421**
EBITDAF	A2	**103,772**	**124,046**
Net fair value (gains) / losses on financial instruments	A9	(1,198)	(7,750)
Amortisation of intangible assets		48	12
Depreciation	4	80,146	73,984
Operating profit		**24,776**	**57,800**
Interest paid	10	30,506	32,160
Interest received	10	(1,069)	(272)
Net finance costs		**29,437**	**31,888**
Profit before income tax		**(4,661)**	**25,912**
Income tax (expense) / income	17	1,886	(9,541)
Profit after tax		**(2,775)**	**16,371**
Profit after tax attributable to the shareholders of the Company		**(2,775)**	**16,371**
Basic earnings per share (cents per share)	A3	(0.89)	5.23
Diluted earnings per share (cents per share)	A3	(0.89)	5.23

The accompanying notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Note	2018 $000	2017 $000
Profit after tax		(2,775)	16,371
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Revaluation gains on generation assets	12	-	132,603
Other currency translation differences	12	3,097	8,010
Tax effect of the following:			
Revaluation gains on generation assets	12	-	(38,538)
Other currency translation differences	12	(881)	667
Total other comprehensive income		**2,216**	**102,742**
Total comprehensive income		**(559)**	**119,113**
Attributable to shareholders of the Company		**(559)**	**119,113**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018 $000	2017 $000
Equity			
Capital and reserves attributable to shareholders of the Company			
Share capital	12	-	-
Revaluation reserve	12	450,148	450,148
Retained earnings	12	65,317	79,047
Share based payments reserve	12	89	-
Foreign currency translation reserve	12	(7,551)	(9,767)
Total equity		**508,003**	**519,428**
Represented by:			
Current assets			
Cash at bank		45,913	27,008
Receivable from related parties	22	2,090	3,281
Accounts receivable and prepayments	A7	31,827	16,549
		79,830	**46,838**
Non-current assets			
Property, plant and equipment	4	1,251,530	1,241,025
Derivative financial instruments	A10	2,471	4,654
Intangible assets	5	597	569
		1,254,598	**1,246,248**
Total assets		**1,334,428**	**1,293,086**
Current liabilities			
Accounts payable and accruals	A8	15,652	9,363
Payable to related parties	22	367	6,238
Borrowings	9	36,781	35,086
Derivative financial instruments	A10	264	1,448
Taxation payable		2,044	7,297
		55,108	**59,432**
Non-current liabilities			
Borrowings	9	602,269	535,675
Derivative financial instruments	A10	5,469	7,666
Accounts payable and accruals	A8	2,837	2,952
Deferred tax liability	18	160,742	167,933
		771,317	714,226
Total liabilities		**826,425**	**773,658**
Net assets		**508,003**	**519,428**

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2018

	Note	Share Capital $000	Invested Capital $000	Revaluation Reserve $000	Foreign Currency Translation Reserve $000	Retained Earnings $000	Other Reserves $000	Total Equity $000
Opening balance as at 1 April 2016		**-**	**87,675**	**356,083**	**(18,444)**	**-**	**-**	**425,314**
Movements 1 April 2016 – 31 October 2016								
Total comprehensive income for the period	12	-	16,489	-	11,504	-	-	27,993
Transactions with owners recorded directly in equity								
Dividends paid	14	-	(11,134)	-	-	-	-	(11,134)
Total transactions with owners recorded directly in equity		**-**	**(11,134)**	**-**	**-**	**-**	**-**	**(11,134)**
Demerger on 31 October 2016		-	(93,030)	-	-	93,030	-	-
Balance as at 31 October 2016		**-**	**-**	**356,083**	**(6,940)**	**93,030**	**-**	**442,173**
Movements 1 November 2016 – 31 March 2017								
Total comprehensive income for the period	12	-	-	94,065	(2,827)	(118)	-	91,120
Settlement of demerger related party charges		-	-	-	-	(4,906)	-	(4,906)
Transactions with owners recorded directly in equity								
Dividends paid	14	-	-	-	-	(8,959)	-	(8,959)
Total transactions with owners recorded directly in equity		**-**	**-**	**-**	**-**	**(8,959)**	**-**	**(8,959)**
Closing balance as at 31 March 2017		**-**	**-**	**450,148**	**(9,767)**	**79,047**	**-**	**519,428**
Movements 1 April 2017 - 31 March 2018								
Total comprehensive income for the period	12	-	-	-	2,216	(2,775)	-	(559)
Transactions with owners recorded directly in equity								
Dividends paid	14	-	-	-	-	(10,954)	-	(10,954)
Share based payments		-	-	-	-	-	89	89
Total transactions with owners recorded directly in equity		**-**	**-**	**-**	**-**	**(10,954)**	**89**	**(10,865)**
Closing balance as at 31 March 2018		**-**	**-**	**450,148**	**(7,551)**	**65,317**	**89**	**508,003**

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 March 2018

	Note	2018 $000	2017 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers (inclusive of GST)		168,335	203,434
		168,335	**203,434**
Cash was applied to:			
Payments to suppliers and employees (inclusive of GST)		69,953	74,870
Taxation paid		12,445	6,407
		82,398	**81,277**
Net cash from operating activities	**A13**	**85,937**	**122,158**
Cash flows from investing activities			
Cash was provided from:			
Interest received		1,069	272
		1,069	**272**
Cash was applied to:			
Purchase of property, plant and equipment		83,575	16,769
Purchase of intangible assets		-	546
		83,575	17,316
Net cash used in investing activities		**(82,506)**	**(17,044)**
Cash flows from financing activities			
Cash was provided from:			
Secured loan proceeds		100,000	442,477
		100,000	**442,477**
Cash was applied to:			
Repayment of loans		37,380	409,118
Repayment of related parties		5,610	64,594
Interest paid		30,506	32,397
Dividends paid		10,954	20,093
		84,450	**526,202**
Net cash used in financing activities		**15,550**	**(83,724)**
Net increase / (decrease) in cash and cash equivalents		**18,981**	**21,390**
Cash and cash equivalents at beginning of the year		27,008	5,136
Exchange gains / (losses) on cash and cash equivalents		(75)	482
Cash and cash equivalents at end of the year		**45,913**	**27,008**

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

NOTE 1: BASIS OF PREPARATION

Reporting entity

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

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

The financial statements are presented for the year ended 31 March 2018.

On 31 October 2016, the demerger of Scarlett Limited (previously known as Trustpower Limited, 'Old Trustpower') became effective. At this date, all of the assets and liabilities directly related to the development and operation of wind and solar generation assets were transferred to Tilt Renewables. The remaining assets and liabilities, related to the ownership and operation of hydro generation assets and the retail sale of energy and telecommunications services, were transferred to Trustpower Limited.

The financial information presented in these consolidated financial statements is based on actual figures as an independent group after the demerger and carve-out figures prior to the demerger. The carve-out financial information presented in these consolidated financial statements reflects the financial performance of the business units responsible for the development, ownership and operation of wind and solar generation assets (Tilt Renewables). Accordingly, the consolidated statement of financial position as at 31 March 2017, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period November 2016 – March 2017 and the related key figures are based on actual figures as an independent group. The financial information for the periods before 31 October 2016 are a carve-out of the financials for Tilt Renewables from information provided by Old Trustpower.

Basis of preparation

The financial statements are prepared in accordance with:

- The Financial Markets Conduct Act 2013, and NZX equity listing rules;
- New Zealand Generally Accepted Accounting Practice (NZGAAP);
- 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.

The financial statements have been prepared as follows:

- All transactions at the actual amount incurred (historical cost convention), except for generation assets and derivatives which have been revalued to fair value; and
- All figures have been reported in Australian Dollars (AUD) and reported to the nearest thousand.

An index to all of the accounting policies is available in note A1. Changes to accounting policies and standards are shown in note A19.

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. Tilt Renewables makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are listed below.

Judgements and key assumptions

The areas involving a higher degree of judgement or complexity are disclosed below:

- Fair value of Tilt Renewables generation assets (Note 6).
- Useful lives of generation assets for depreciation (Note 6).
- Fair value of derivatives and other financial instruments (Note A17).

NOTE 1: BASIS OF PREPARATION (CONTINUED)

Basis of accounting for the carve-out financial information

The carve-out financial information of Tilt Renewables for the prior year seven month period ended 31 October 2016 has been prepared on a carve-out basis from Old Trustpower's consolidated financial statements, which comply with NZ IFRS, comprising the historical income and expenses, assets and liabilities and cash flows attributable to Tilt Renewables. Tilt Renewables carve-out financial information includes all those legal entities that have historically comprised the Tilt Renewables aspects of Old Trustpower.

Where the operations of Old Trustpower entities transferred in their entirety to Trustpower Limited or Tilt Renewables the financial information of those entities have been assigned wholly to Trustpower Limited or Tilt Renewables respectively. Where the operations of an Old Trustpower entity comprised both the operations of Trustpower Limited and Tilt Renewables the income and expenses have been allocated based on the business units that generated the income and expenditure. Assets and liabilities have been allocated based on methods specific to each line item. Where a line item has required additional adjustments or recalculations an explanation is given below.

The carve-out financial information may not be indicative of Tilt Renewables future performance and it does not necessarily reflect what its combined results of operations, financial position and cash flows would have been had Trustpower operated as an independent group and had it presented standalone financial statements during the periods presented.

The following summarises the main carve-out adjustments and allocations made in preparing the carve-out financial information. The Directors of Tilt Renewables consider that the allocations described below have been made on a reasonable basis but are not necessarily indicative of the costs that would have been incurred if Tilt Renewables had been a standalone entity.

Intercompany transactions and related party transactions

Intercompany transactions and assets and liabilities between Tilt Renewables entities have been eliminated in the carve-out financial information. Transactions with other Old Trustpower companies transferred to Trustpower Limited have been treated as related party transactions. Accounts receivable from and payables to other group companies reflect the accounts receivable and payable between Tilt Renewables entities and Trustpower Limited entities. Some carve-out adjustments have been applied to these balances reflecting the fact that the operations of some Old Trustpower entities were split between Tilt Renewables and Trustpower Limited.

Invested capital

The net assets of Tilt Renewables are represented firstly by share capital, revaluation reserve and foreign currency translation reserve where these components of equity relate directly to the entities comprising of Tilt Renewables. The surplus of net assets over these components of equity is represented by capital invested in Tilt Renewables and shown as "invested capital". The consolidated statement of changes in equity shows that contributed equity is transferred to retained earnings on 31 October 2016.

Financing

Treasury management was centralised within Old Trustpower so that all external debt was held within one New Zealand entity and one Australian entity. Upon demerger all debt facilities of Old Trustpower were refinanced and new debt facilities were implemented by Tilt Renewables and Old Trustpower.

The external debt financing and related interest expenses of the demerging Old Trustpower group that were directly attributable to the operations of Tilt Renewables, were included in the carve-out financial information. This carve-out allocation was also consistent with the debt allocations that occurred upon the implementation of the demerger.

Income tax

Where 100% of the operations of an Old Trustpower entity were transferred to Tilt Renewables or Trustpower Limited, the tax expenses and tax liabilities and receivables in the carve-out financial information is based on actual taxation.

Where the operations of an entity were split between Tilt Renewables and Trustpower Limited the taxes allocated to Tilt Renewables have been recalculated as if it had been a separate taxpayer. The remaining taxes have been allocated to Trustpower.

Dividends

Dividends were allocated to Tilt Renewables based on the dividend policy articulated prior to the demerger. All remaining dividends have been allocated to Trustpower.

NOTE 2: SEGMENT INFORMATION

The leadership team of the Group, consisting of the Chief Executive Officer, Chief Financial Officer, General Manager Generation & Trading and the General Manager Renewable Development, examines the Group's performance from a geographic perspective and has identified the following reporting segments for the Group.

For internal reporting purposes, Tilt Renewables is organised into two reporting segments. The main activities of each segment are:

2.1 Australian generation – the generation of renewable electricity by wind power schemes across Australia.

2.2 New Zealand generation – the generation of renewable electricity by wind power schemes across New Zealand.

The leadership team primarily use a measure of EBITDAF to assess the performance of the operating segments. They also receive information about the segments' revenue, assets and financing on a monthly basis. Information about segment revenue and significant customers is disclosed in note 3.

The segment results for the year ended 31 March 2018 are as follows:

	Generation New Zealand $000	Generation Australia $000	Generation Total $000
Revenue from external customers	36,235	121,722	157,957
EBITDAF	21,691	82,081	103,772
Amortisation of intangible assets	-	48	48
Depreciation	22,600	57,546	80,146
Capital expenditure	1,844	81,731	83,575

The segment results for the year ended 31 March 2017 are as follows:

	Generation New Zealand $000	Generation Australia $000	Generation Total $000
Revenue from external customers	46,765	127,702	174,467
EBITDAF	32,975	91,071	124,046
Amortisation of intangible assets	-	12	12
Depreciation	23,941	50,043	73,984
Capital expenditure	11,473	5,296	16,769

Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of the energy and environmental products outlined below in the ordinary course of the Group's activities:

- Sale of electricity generated from the Group's wind farms; and
- Generation and sale of Large-scale Generation Certificates (LGC's) in Australia. These are recognised at fair value in the period that they are generated.

Revenues are recognised on an accrual basis net of GST unless not recoverable from the taxation authority.

The Group recognises revenue when the amount of revenue can be reliably measured, when the significant risks and rewards of ownership of the products have passed to the buyer, and the Group obtains the right to be compensated.

Revenue is not measured until all sale contingencies have been resolved.

NOTE 2: SEGMENT INFORMATION (CONTINUED)

Generation lease revenue

In accordance with UIG 4 Determining whether an Asset Contains a Lease, revenue that is generated under certain power purchase agreements, where Tilt Renewables sells substantially all of the related electricity to one customer, is classified as lease income.

Over 95% of the electricity generated by Tilt Renewables Australian wind farms is sold via power purchase agreements to a large Australian electricity retailer. All of the electricity generated by Tilt Renewables New Zealand assets is sold via a power purchase agreement to Trustpower. These agreements have been deemed as operating leases of the wind farms under NZ IFRS and all revenue under these contracts are accounted for as lease revenue (2018: $150,508,000 2017: $148,509,000).

The volume of energy supplied is dependent on the actual generation of the wind farms, therefore, the future minimum payments under the terms of the contracts, that expire between 31 December 2018 and 31 December 2030, are not able to be quantified with sufficient reliability for disclosure in the financial statements.

NOTE 3: PROFITABILITY ANALYSIS

Tilt Renewables owns 386 MW of wind generation assets throughout Australia as well as 196 MW of wind generation assets in New Zealand.

Australia

	2018 $000	2017 $000
Operating revenue		
Electricity revenue	73,842	80,146
LGC revenue	47,802	47,358
Net other operating revenue	-	198
	121,644	**127,702**
Operating expenses		
Generation production costs	20,088	26,743
Employee benefits	8,020	2,883
Other operating expenses	11,456	7,005
	39,564	**36,631**
EBITDAF	**82,080**	**91,071**

NOTE 3: PROFITABILITY ANALYSIS (CONTINUED)

New Zealand

	2018 $000	2017 $000
Operating revenue		
Electricity revenue	36,313	46,765
	36,313	**46,765**
Operating expenses		
Generation production costs	11,131	9,542
Employee benefits	142	970
Other operating expenses	3,348	3,278
	14,621	**13,790**
EBITDAF	**21,692**	**32,975**

Generation development
An ongoing part of Tilt Renewables business is the development of new generation assets. All costs incurred, prior to our assessment to move forward with the building of a new asset are expensed, including exploration, evaluation and consenting costs. All costs from the point when a project transitions into a build phase are capitalised if appropriate (see note A5 for further details).

NOTE 4: PROPERTY, PLANT AND EQUIPMENT

Generation assets include land and buildings which are not separately identifiable from other generation assets. Generation assets were independently revalued, using a discounted cash flow methodology, as at 31 March 2017, to their estimated market value as assessed by an independent expert. Management did not identify any significant changes to the impairment assessment assumptions used in the prior year impairment forecasting model and associated third party reports. See note A15 for historical cost information and see note 6 for details of the fair value of the generation assets.

Other property, plant and equipment assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying value amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of Australian and New Zealand wind farm assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

NOTE 4: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Generation Assets $000	Other Plant and Equipment $000	WIP $000	Total $000
Opening balance as at 1 April 2016				
Fair value	1,153,180	-	-	1,153,180
Cost	88	6,590	3,465	10,143
Accumulated depreciation	(10)	(1,594)	-	(1,604)
	1,153,258	**4,996**	**3,465**	**1,161,719**
Additions at cost	12,652	894	3,223	16,769
Depreciation	(73,558)	(426)	-	(73,984)
Disposals at net book value	(22)	(39)	-	(61)
Foreign exchange movements	3,977	2	-	3,979
Revaluations	132,571	32	-	132,603
Closing balance as at 31 March 2017				
Fair value	1,228,844	243	-	1,229,087
Cost	34	6,915	6,688	13,637
Accumulated depreciation	-	(1,699)	-	(1,699)
	1,228,878	**5,459**	**6,688**	**1,241,025**
Additions at cost	6,984	68	76,523	83,575
Depreciation	(79,081)	(511)	-	(79,592)
Disposals	-	-	(554)	(554)
Foreign exchange movements	7,071	4	1	7,076
Transfers	-	776	(776)	-
Closing balance as at 31 March 2018				
Fair value	1,242,475	476	-	1,242,951
Cost	30	7,760	81,882	89,672
Accumulated depreciation	(78,653)	(2,440)	-	(81,093)
	1,163,852	**5,796**	**81,882**	**1,251,530**
Closing balance as at 31 March 2018 by country				
Australia	944,103	5,708	81,663	1,031,474
New Zealand	219,749	88	219	220,056
	1,163,852	**5,796**	**81,882**	**1,251,530**
Closing balance as at 31 March 2017 by country				
Australia	995,209	5,360	6,663	1,007,232
New Zealand	233,669	99	25	233,793
	1,228,878	**5,459**	**6,688**	**1,241,025**

NOTE 4: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Property, plant and equipment

Generation assets are revalued, by independent external valuers, every three years or more frequently if there is evidence of a significant change in value. All other property, plant and equipment is stated at its original cost less depreciation and impairment.

WIP additions in the year primarily relate to the construction costs associated with the Salt Creek wind farm.

Land is not depreciated. Depreciation on all other property, plant and equipment is calculated using the straight-line method at the following rates:

- Generation assets 1-8%
- Freehold buildings 2%
- Plant and equipment 5-33%

NOTE 5: INTANGIBLE ASSETS

In March 2017 Tilt Renewables purchased two solar development projects in Queensland for $546,000.

NOTE 6: KEY ASSUMPTIONS AND JUDGEMENTS

The following assumptions and associated sensitivities formed part of the 2017 fair value assessment. These key assumptions have been reviewed as part of the 2018 fair value assessment exercise and no significant changes have been identified.

Fair value of generation property, plant and equipment

The valuation of Tilt Renewables generation assets is sensitive to the inputs used in the discounted cash flow valuation model.

A sensitivity analysis around some key inputs are given in the table below. The valuation is based on a combination of values that are generally at the midpoint of the range. The valuation impact is calculated as the movement in the fair value as a result of the change in the assumption and keeping all other valuation inputs constant. In addition to the tests below, a separate sensitivity analysis has been conducted to assess the impact of varying future cash flows for increases or decreases of up to 10% in market prices (including New Zealand market prices beyond the fixed price period to March 2022).

Assumption	Low	High	Valuation Impact
Australian Assets			**AUD**
Forward electricity price path (including renewable energy credits) *Note: the valuation impact of changes in price path is reduced by the fixed price agreements in place.*	Lower South Australia spot prices over a 10-year period (15% below the base case on average), reverting to real $93/MWh beyond 2030	Higher South Australia spot prices over a 10-year period (23% above the base case on average) reflecting current market fundamentals without short-term energy policy intervention	-$57,500,000 / +$77,300,000
Generation volume	10% reduction in future production	10% increase in future production	-/+ $115,400,000
Weighted average cost of capital	7.10%	8.10%	+$40,600,000 / -$38,100,000
New Zealand Assets			**NZD**
Generation volume	10% reduction in future production	10% increase in future production	-/+ $33,900,000
Operating costs	10% increase in future operating expenditure	10% decrease in future operating expenditure	-/+ $9,000,000
Weighted average cost of capital	7.40%	8.40%	+$9,100,000 / -$8,600,000

NOTE 6: KEY ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

Some of these inputs are not based on inputs observable in the market, and so under IFRS they are classified within level 2 of the fair value hierarchy. See note A17 for more information of IFRS fair value hierarchy.

Depreciation expense

Management judgment is involved in determining the useful lives of Tilt Renewables generation assets based on engineering knowledge and expertise. The lives of longer lived assets are subject to a greater degree of judgement.

Sensitivity analysis

If the estimated useful lives of generation assets were 10% higher/lower, operating profit for the year would have increased/(decreased) by $6,725,818/$(7,398,400) (2017: $6,445,000/$(7,089,000)).

NOTE 7: BUSINESS COMBINATIONS

No business combinations in the year ended 31 March 2018. In March 2017, Tilt Renewables purchased two solar development projects in Queensland for $546,000.

NOTE 8: FINANCIAL RISK MANAGEMENT – GENERATION

Exchange rate risk

Tilt Renewables typically contracts with local and international suppliers when building a new generation asset. Some of these suppliers may require payment to be made in a foreign currency. To manage the risk of a moving foreign exchange rate, Tilt Renewables will fully hedge large transactions in accordance with Tilt Renewables treasury policy. The total notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2018 was $Nil (31 March 2017: $Nil).

Electricity price risk

In Australia over 95% and in New Zealand 100% of output is contracted to large retailers which ensures Tilt Renewables receives a fixed price for this portion of its generation. This risk management strategy assumes that the current electricity wholesale markets operating in New Zealand and Australia, including the renewable energy credit market, will continue to do so in the future. There is a possibility that future regulatory intervention may fundamentally alter the structure of these markets. The likelihood and potential impact of such a change is unquantifiable. However, such an occurrence would likely necessitate a change to Tilt Renewables's electricity price risk management policies and require a review of assets and liabilities held at fair value where electricity price is a key assumption in their value.

Volume risk

In both Australia and New Zealand, 100% of generation comes from wind farms that depend on weather conditions which vary significantly from year to year. Tilt Renewables accepts that this risk will cause a degree of volatility to its earnings and does not attempt to mitigate it.

Credit risk

A large proportion of the Australian and New Zealand revenue comes from three counterparties.

In Australia, one of these is the Australian Electricity Market Operator and the other is a major electricity retailer which holds an investment grade credit rating. As at 31 March 2018, $22,841,452 was owed to Tilt Renewables by these Australian counterparties (31 March 2017: $10,151,407).

In New Zealand the sole counterparty is Trustpower. As at 31 March 2017, for electricity generation, $2,090,445 was owed to Tilt Renewables by Trustpower (31 March 2017: $3,167,369).

Damage to generation assets risk

There is potential for Tilt Renewables to sustain major losses through damage to its generation plant and the resulting loss of earnings. The major portion of this risk has been mitigated by taking out appropriate insurance policies with insurers of high creditworthiness. This insurance covers both the repair and/or replacement of the plant as well as the lost earnings.

NOTE 8: FINANCIAL RISK MANAGEMENT – GENERATION (CONTINUED)

Funding

This section details the borrowings of Tilt Renewables.

Tilt Renewables is debt funded by a combination of bank facilities in New Zealand and Australia and this section should be read in conjunction with the equity section.

This section includes the following notes:

- **Note 9:** Borrowings
- **Note 10:** Finance income and costs
- **Note 11:** Financial risk management – funding

NOTE 9: BORROWINGS

On 7 September 2016, Tilt Renewables signed financing documents in order to enable the funding of the demerger from Old Trustpower. These financing documents included a new syndicated bank debt facility along with the continuation of the EKF Facilities which were historically used to fund a number of the Tilt Renewables operating wind farms. These facilities were drawn down at implementation of the demerger on 31 October 2016 for the purpose of refinancing Old Trustpower debt. In addition to the facilities which were drawn down upon at demerger, there is also an additional expansion facility which was drawn down in the year to fund the Salt Creek wind farm construction project.

At 31 March 2018 Tilt Renewables has drawn down secured loan borrowings against the following facilities.

	2018 $000	2017 $000
Facility and associated borrowing limit – AUD		
Facility A – expiry date: 31 October 2019	172,803	182,108
Facility B – expiry date: 31 October 2020	170,956	178,129
EKF Facility I – expiry date: 30 November 2032	146,997	155,298
EKF Facility II – expiry date: 12 July 2021	26,044	32,566
EKF Facility III – expiry date: 30 November 2026	26,614	28,928
Expansion Facility – expiry date: 31 October 2021	100,000	100,000
Working capital facility	15,000	15,000
	658,414	**692,029**

NOTE 9: BORROWINGS (CONTINUED)

	2018		
	New Zealand Dollar Facilities # $000	Australian Dollar Facilities $000	Total Bank Facilities $000
Repayment terms:			
Less than one year	14,617	24,065	**38,682**
One to two years	15,194	177,781	**192,975**
Two to five years	82,080	213,226	**295,306**
Over five years	10,959	105,492	**116,451**
Facility establishment costs	(831)	(3,534)	**(4,365)**
	122,019	**517,031**	**639,050**
Current portion	14,255	22,526	**36,781**
Non-current portion	107,764	494,505	**602,269**
	122,019	**517,031**	**639,050**
Undrawn facilities			
Less than one year	-	-	**-**
One to two years	-	-	**-**
Two to five years	-	15,000	**15,000**
Over five years	-	-	**-**
	-	**15,000**	**15,000**
Weighted average interest:			
Less than one year	4.0%	3.4%	
One to two years	4.4%	3.9%	
Two to five years	5.2%	4.8%	
Over five years	5.7%	5.1%	

 # New Zealand dollar facilities are drawn down and repaid in NZD. In the financial statements the New Zealand dollar facilities are presented in AUD.

NOTE 9: BORROWINGS (CONTINUED)

	2017		
	New Zealand Dollar Facilities # $000	Australian Dollar Facilities $000	Total Bank Facilities $000
Repayment terms:			
Less than one year	13,957	23,030	**36,987**
One to two years	14,216	24,065	**38,281**
Two to five years	91,557	282,707	**374,264**
Over five years	13,703	113,793	**127,496**
Facility establishment costs	(1,075)	(5,192)	**(6,267)**
	132,358	**438,403**	**570,761**
Current portion	13,631	21,455	**35,086**
Non-current portion	118,727	416,948	**535,675**
	132,358	**438,403**	**570,761**
Undrawn facilities			
Less than one year	-	-	**-**
One to two years	-	-	**-**
Two to five years	-	115,000	**115,000**
Over five years	-	-	**-**
	-	**115,000**	**115,000**
Weighted average interest:			
Less than one year	3.9%	3.8%	
One to two years	4.4%	3.8%	
Two to five years	5.3%	3.5%	
Over five years	5.7%	4.5%	

 # New Zealand dollar facilities are drawn down and repaid in NZD. In the financial statements the New Zealand dollar facilities are presented in AUD.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the term of the borrowings using the effective interest method.

Facility establishment costs are amortised over the life and debt profile of the borrowings facility.

The fair value of Tilt Renewables bank loans and bonds is not materially different to the carrying values above.

NOTE 10: FINANCE INCOME AND COSTS

	2018 $000	2017 $000
Interest paid on bank loans	24,250	21,842
Other interest costs and fees	6,256	10,318
Total interest expense	**30,506**	**32,160**
Interest received on cash at bank	1,069	272
Total interest income	**1,069**	**272**

There was no capitalised interest in the year ended 31 March 2018 (31 March 2017: $Nil).

NOTE 11: FINANCIAL RISK MANAGEMENT – FUNDING

Interest rate risk

All of Tilt Renewables borrowings are a series of floating interest rate facilities. Tilt Renewables uses Interest Rate Swaps (IRS) to fix the interest costs of the Group. This stabilises Tilt Renewables debt servicing costs. However, for every dollar of debt protected against a potential rise in market interest rates, that same dollar is unable to take advantage of a potential fall in market interest rates. Payments made or received by IRS are recognised as a part of "Interest paid on bank loans", except for an immaterial number of these IRS which are instead hedge accounted.

Liquidity risk

The Group's ability to readily attract cost effective funding is largely driven by its credit standing.

Prudent liquidity risk management requires maintaining sufficient cash, marketable securities or unutilised committed credit facilities to provide cover for reasonably conceivable adverse conditions. The Group operates under a Board approved Treasury policy which dictates the level of available committed facilities to be maintained. This is measured by forecasting debt levels under various adverse scenarios and comparing this to committed facility levels.

Exchange rate risk

As at 31 March 2018, approximately 19% of Tilt Renewables debt is denominated in New Zealand dollars (31 March 2017: approximately 23%).

Refinancing risk

From time to time Tilt Renewables debt facilities mature and need to be refinanced. There is a risk that this could occur during adverse market conditions resulting in increased interest rates or, in extreme events, a complete inability to refinance. The Treasury policy requires a spread of debt maturities to minimise the impact of this risk should it occur. This is measured by the proportion of debt maturing in various time bands.

Credit risk

Tilt Renewables Australian and New Zealand dollar facilities are with institutions that all have a Standard & Poor's long-term credit rating of A+ or higher.

Equity

This section outlines the equity structure of Tilt Renewables.

Tilt Renewables is listed on the New Zealand Stock Exchange under the code TLT. Tilt Renewables has over 11,000 shareholders, the two largest shareholders are Infratil Limited (51.04%) and the Tauranga Energy Consumer Trust (26.8%).

This section includes the following notes:

- **Note 12:** Equity
- **Note 13:** Share capital
- **Note 14:** Dividends on ordinary shares
- **Note 15:** Imputation and franking credit account
- **Note 16:** Financial risk management – equity

NOTE 12: EQUITY

	Share Capital $000	Invested Capital $000	Revaluation Reserve $000	Foreign Currency Translation Reserve $000	Retained Earnings $000	Other Reserves $000	Total Equity $000
Opening balance as at 1 April 2016	**-**	**87,675**	**356,083**	**(18,444)**	**-**	**-**	**425,314**
Movements 1 April 2016 – 31 October 2016							
Profit after tax attributable to the shareholders of the Company	-	16,489	-	-	-	-	16,489
Other comprehensive income – items that may be reclassified to the profit or loss							
Other currency translation differences	-	-	-	10,837	-	-	10,837
Tax effect of the following:							
Other currency translation differences	-	-	-	667	-	-	667
Total other comprehensive income	**-**	**-**	**-**	**11,504**	**-**	**-**	**11,504**
Transactions with owners recorded directly in equity							
Dividends paid	-	(11,134)	-	-	-	-	(11,134)
Total transactions with owners recorded directly in equity	**-**	**(11,134)**	**-**	**-**	**-**	**-**	**(11,134)**
Demerger on 31 October 2016	-	(93,030)	-	-	93,030	-	-
Balance as at 31 October 2016	**-**	**-**	**356,083**	**(6,940)**	**93,030**	**-**	**442,173**
Movements 1 November 2016 – 31 March 2017							
Profit after tax attributable to the shareholders of the Company	-	-	-	-	(118)	-	(118)
Other comprehensive income – items that may be reclassified to the profit or loss							
Revaluation gains on generation assets	-	-	132,603	-	-	-	132,603
Other currency translation differences	-	-	-	(2,827)	-	-	(2,827)
Tax effect of the following:							
Revaluation gains on generation assets	-	-	(38,538)	-	-	-	(38,538)
Other currency translation differences	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**94,065**	**(2,827)**	**(118)**	**-**	**91,120**
Settlement of demerger related party charges	-	-	-	-	(4,906)	-	(4,906)
Transactions with owners recorded directly in equity							
Dividends paid	-	-	-	-	(8,959)	-	(8,959)
Total transactions with owners recorded directly in equity	**-**	**-**	**-**	**-**	**(8,959)**	**-**	**(8,959)**
Closing balance as at 31 March 2017	**-**	**-**	**450,148**	**(9,767)**	**79,047**	**-**	**519,428**

NOTE 12: EQUITY (CONTINUED)

Opening balance as at 1 April 2017	**-**	**-**	**450,148**	**(9,767)**	**79,047**	**-**	**519,428**
Movements 1 April 2017 – 31 March 2018							
Profit after tax attributable to the shareholders of the Company	-	-	-	-	(2,775)	-	(2,775)
Other comprehensive income – items that may be reclassified to the profit or loss							
Revaluation gains on generation assets	-	-	-	-	-	-	-
Other currency translation differences	-	-	-	3,097	-	-	3,097
Tax effect of the following:							
Revaluation gains on generation assets	-	-	-	-	-	-	-
Other currency translation differences	-	-	-	(881)	-	-	(881)
Total other comprehensive income	**-**	**-**	**-**	**2,216**	**(2,775)**	**-**	**(559)**
Transactions with owners recorded directly in equity							
Dividends paid	-	-	-	-	(10,954)	-	(10,954)
Share based payments	-	-	-	-		89	89
Total transactions with owners recorded directly in equity	**-**	**-**	**-**	**-**	**(10,954)**	**89**	**(10,865)**
Closing balance as at 31 March 2018	**-**	**-**	**450,148**	**(7,551)**	**65,317**	**89**	**508,003**

NOTE 13: SHARE CAPITAL

	2018 000's of Shares	2017 000's of Shares	2018 $000	2017 $000
Authorised and issued ordinary shares at beginning of period	312,973	-	-	-
Shares issued on demerger	-	312,973	-	-
	312,973	**312,973**	**-**	**-**

All shares rank equally with one vote per share, have no par value and are fully paid.

On 31 October 2016 a Court Approved Scheme of Arrangement was implemented to effect the demerger of Trustpower Limited whereby Trustpower Limited was liquidated and the shareholders of Trustpower Limited received an in specie distribution of one Tilt Renewables Limited and one New Trustpower share for every share that they held in Old Trustpower.

NOTE 14: DIVIDENDS ON ORDINARY SHARES

	2018 Cents Per Share	2017 Cents Per Share	2018 $000	2017 $000
Final dividend prior period	2.25	3.60	7,042	11,134
Interim dividend paid current period	1.25	3.00	3,912	8,959
	3.50	**6.60**	**10,954**	**20,093**
Final dividend declared subsequent to the end of the reporting period payable 8 June 2018 to all shareholders on the register at 25 May 2018.	**1.80**	**2.25**	**5,634**	**7,042**

NOTE 14: DIVIDENDS ON ORDINARY SHARES (CONTINUED)

Dividend distribution

Dividends payable to Tilt Renewables shareholders are recognised as a liability in the financial statements in the period in which the dividend is approved by the Board.

NOTE 15: IMPUTATION AND FRANKING CREDIT ACCOUNT

	2018 $000	2017 $000
Imputation credits available for use in subsequent reporting periods	423	376
Franking credits available for use in subsequent reporting periods	27,323	25,507
	27,746	**25,883**

The above amounts represent the balance of these accounts as at the end of the reporting period, adjusted for respective credits that will arise from the payment of the amount of taxation payable.

NOTE 16: FINANCIAL RISK MANAGEMENT – EQUITY

Capital risk management objectives

When managing capital, Tilt Renewables objectives are to ensure sufficient funds are available to pay liabilities when they fall due and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, Tilt Renewables has discretion to adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, Tilt Renewables monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by net debt plus equity.

The gearing ratio is calculated below:

	Note	2018 $000	2017 $000
Net debt			
Bank and other debt	9	639,050	570,761
Cash and cash equivalents		(45,913)	(27,008)
		593,137	**543,753**
Equity			
Total equity		508,003	519,428
		508,003	**519,428**
Total capital funding		**1,101,140**	**1,063,181**
Gearing ratio		54%	51%

NOTE 16: FINANCIAL RISK MANAGEMENT – EQUITY (CONTINUED)

Tax, related party and other notes

This section details tax disclosures, contingent liabilities, operating lease commitments and related party transactions.

Tilt Renewables' wholly owned New Zealand resident subsidiaries are not members of a consolidated group for New Zealand tax purposes. Tilt Renewables' wholly owned Australian resident subsidiaries are currently members of a consolidated group for Australian tax purposes.

Tilt Renewables' wholly owned subsidiaries are not in a group of companies for New Zealand or Australia GST purposes.

This section includes the following notes:

- **Note 17:** Income tax expense
- **Note 18:** Deferred income tax
- **Note 19:** Key assumptions and judgements – tax
- **Note 20:** Contingent liabilities and subsequent events
- **Note 21:** Other commitments
- **Note 22:** Related party transactions

NOTE 17: INCOME TAX EXPENSE

	2018 $000	2017 $000
Profit before income tax	(4,661)	25,912
Tax on profit	**(1,398)**	**7,774**
Tax effect of non-assessable revenue	98	1,856
Reconciliation difference between tax jurisdictions	134	(89)
Income tax over/(under) provided in prior year	(720)	-
	(1,886)	**9,541**
Represented by:		
Current tax	6,188	13,914
Deferred tax	(8,074)	(4,373)
	(1,886)	**9,541**

A corporate tax rate of 28% is payable by New Zealand corporate entities on taxable profit under New Zealand tax law.

A corporate tax rate of 30% is payable by Australian corporate entities on taxable profit under Australian tax law.

NOTE 18: DEFERRED INCOME TAX

	2018 $000	2017 $000
Balance at beginning of period	167,933	134,357
Current year changes in temporary differences recognised in profit or loss	(8,074)	(4,373)
Current year changes in temporary differences recognised in other comprehensive income	-	38,538
Reclassification of prior year temporary differences	2	-
Exchange rate movements on foreign denominated deferred tax	881	(589)
Total deferred tax liabilities	**160,742**	**167,933**
Comprising:		
Deferred tax liabilities to be recovered after more than 12 months	152,551	162,624
Deferred tax liabilities to be recovered within 12 months	8,191	5,309
	160,742	**167,933**

The tables below show the break down of the temporary differences that make up the deferred tax liabilities and their movement for the year.

	Opening Balance $000	Recognised in Profit or Loss $000	Recognised in Other Comprehensive Income $000	Closing Balance $000
For the year ended 31 March 2018				
Revaluations	186,344	-	681	187,025
Other property, plant and equipment movements	(16,685)	(8,696)	223	(25,158)
Employee benefits	(26)	(70)	-	(96)
Financial instruments	(1,373)	376	14	(983)
Unrealised losses on Australian dollar loan	-	-	-	-
Other	(327)	318	(38)	(47)
	167,933	**(8,072)**	**881**	**160,742**
For the year ended 31 March 2017				
Revaluations	147,806	-	38,538	186,344
Other property, plant and equipment movements	(10,441)	(6,333)	89	(16,685)
Employee benefits	(13)	(13)	-	(26)
Financial instruments	(3,662)	2,289	-	(1,373)
Unrealised losses on Australian dollar loan	667	-	(667)	-
Other	-	(316)	(11)	(327)
	134,357	**(4,373)**	**37,949**	**167,933**

NOTE 19: KEY ASSUMPTIONS AND JUDGEMENTS – TAX

The Group is subject to income taxes in Australia and New Zealand.

Tax consolidation

Tilt Renewables' wholly owned New Zealand resident subsidiaries are not members of a consolidated group for New Zealand tax purposes. Tilt Renewables' wholly owned Australian resident subsidiaries are currently members of a consolidated group for Australian tax purposes.

Tilt Renewables' wholly owned subsidiaries are not in a group of companies for Australia GST purposes and they are in a group of companies for New Zealand GST purposes.

Current tax

Current tax expense is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Applicable tax rates and laws are enacted.

Deferred tax

Deferred tax expense is accounted for using the comprehensive balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities and the corresponding tax base of these items.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductable temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that future taxable amounts will be available.

Deferred tax assets and liabilities are measured at expected tax rates and enacted tax laws at the applicable reporting date.

Deferred tax is recognised for taxable temporary differences between accounting carrying value amounts and tax bases of assets and liabilities.

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to equity items where it is recognised as an equity transaction.

Deferred tax assets and liabilities are offset when relating to the same tax authority and the Group intends to settle current tax assets and liabilities on a net basis.

Tax returns for Tilt Renewables and the detailed calculations that are required for filing tax returns are not prepared until after the financial statements are prepared. Estimates of these calculations are made for the purpose of calculating income tax expense, current tax and deferred tax balances. As well as this, an assessment of the result of tax audit issues is also made. Any difference between the final tax outcomes and the estimations made in previous years will affect current year balances.

NOTE 20: CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

The Group is not aware of any material contingent liabilities at the balance date that have not been disclosed elsewhere in these financial statements (2017: $Nil).

Other than disclosed in note 21 the Group is not party to any material operating leases at balance date (2017: $Nil).

The Group is not aware of any other significant events that have occurred subsequent to balance date but prior to the signing of these financial statements.

NOTE 21: OTHER COMMITMENTS

	2018 $000	2017 $000
Operating leases		
Not later than 1 year	2,464	2,495
Later than 1 year and not later than 5 years	8,188	8,959
Later than 5 years	22,672	24,373
Total operating lease commitments	**33,324**	**35,827**

Operating lease commitments relate to development project option payments; operating asset minimum generation payments and the rental agreement for the Tilt Renewables corporate office in Melbourne.

NOTE 22: RELATED PARTY TRANSACTIONS

Key management personnel compensation

	2018 $000	2017 $000
Annual remuneration	2,430	962
	2,430	**962**

Transactions with other related parties

	2018 $000	2017 $000
Sales and purchases of goods and services		
Supply of electricity to related parties	36,235	17,275
Purchase of management services from parent	126	14
Purchase of management services from related party	15	297
Other transactions		
Settlement of demerger transactions with related party	(1,145)	6,452
Outstanding balances with other related parties		
Sales and purchases of goods and services		
Supply of electricity and services to related parties	2,090	3,281
Purchase of management services from parent	4	-
Other transactions		
Settlement of demerger transactions with related party	-	6,238
Management services from parent	367	-

Shareholders

Tilt Renewables is controlled by Infratil Limited (incorporated in New Zealand) which owns 51.0% of Tilt Renewables Limited's voting shares. The Tauranga Energy Consumer Trust owns 26.8% and the residual balance of 22.2% is widely held.

H.R.L. Morrison & Co Limited manages Infratil Limited where the following Board members of Tilt Renewables Limited hold senior executive positions:

- Mr B. Harker;
- Mr P. Newfield; and
- Mr V. Vallabh.

Other transactions represent the current estimate of final settlement transactions owed to Trustpower.

Except as noted above, no transactions took place with related parties during the year. All transactions with related parties took place on an arm's length basis. No related party debts were forgiven or written off during the year (2017: $Nil), and there are no amounts outstanding at 31 March 2018 (2017: $Nil).

APPENDIX

Financial Statements
For the year ended 31 March 2018

NOTE A1: SIGNIFICANT ACCOUNTING POLICIES INDEX

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Apart from note A18, accounting policies are denoted by the shaded box surrounding them.

NOTE A2: NON-GAAP MEASURES

Underlying earnings after tax

	Note	2018 $000	2017 $000
Profit after tax attributable to the shareholders of the Company		**(2,775)**	**16,371**
Fair value losses / (gains) on financial instruments	A9	(1,198)	(7,750)
Adjustments before income tax		**(1,198)**	**(7,750)**
Adjustments after income tax		-	-
Underlying earnings after tax		**(3,973)**	**8,621**

Underlying earnings is a non-GAAP (Generally Accepted Accounting Principles) financial measure. Tilt Renewables 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.

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 A3: EARNINGS PER SHARE

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

	2018	2017
Profit after tax attributable to the shareholders of the Company ($000)	(2,775)	16,371
Weighted average number of ordinary shares in issue ('000s)	312,973	312,973
Basic earnings per share (cents per share)	**(0.89)**	**5.23**
Diluted earnings per share (cents per share)	**(0.89)**	**5.23**
Underlying earnings after tax ($000)	(3,973)	8,621
Weighted average number of ordinary shares in issue ('000s)	312,973	312,973
Underlying earnings per share (cents per share)	**(1.27)**	**2.75**

NOTE A4: NET TANGIBLE ASSETS PER SHARE

	Note	2018	2017
Total net assets ($000)		508,003	519,428
Less intangible assets ($000)		(597)	(569)
Net tangible assets attributed to shareholders ($000)		507,406	518,859
Number of ordinary shares in issue ('000s)	13	312,973	312,973
Net tangible assets per share (dollars per share)		**1.62**	**1.66**

NOTE A5: OTHER OPERATING EXPENSES

	Note	2018 $000	2017 $000
Remuneration of auditors	A6	468	220
Directors' fees		685	279
Donations		26	29
Generation development expenditure		8,277	4,556
Bank facility and commitment costs		420	434
Other administration costs		4,928	4,765
		14,804	**10,283**

NOTE A6: REMUNERATION OF AUDITORS

During the year the following fees were payable to the auditors of Tilt Renewables, PricewaterhouseCoopers:

	2018 $000	2017 $000
Audit and other assurance services		
Audit services	180	157
Other assurance services	34	9
	214	166
Taxation services		
Tax compliance services and review of Company income tax returns	49	15
	49	15
Other services		
Benchmarking services	13	-
Other consulting services	192	39
	205	39
Total other services	**254**	**54**
Total remuneration of PricewaterhouseCoopers	**468**	**220**

NOTE A7: ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2018 $000	2017 $000
Current portion:		
Electricity market receivables	17,933	14,750
Other receivables and prepayments	13,894	1,799
	31,827	**16,549**

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that Tilt Renewables will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the income statement. The criteria that Tilt Renewables uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- Trustpower, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; and
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

NOTE A8: ACCOUNTS PAYABLE AND ACCRUALS

	2018 $000	2017 $000
Current portion		
Employee entitlements	932	307
Interest accruals	3,181	3,728
GST payable	1,920	1,105
Other accounts payable and accruals	9,619	4,223
	15,652	**9,363**
Non-current portion		
Other accounts payable and accruals	2,837	2,952
	2,837	**2,952**

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTE A9: FAIR VALUE (GAINS) / LOSSES ON FINANCIAL INSTRUMENTS

The changes in the fair value of financial instruments recognised in the income statement for the year to 31 March 2018 are summarised below:

Recognised in the income statement

	2018 $000	2017 $000
Interest rate derivatives	(1,198)	(7,750)
	(1,198)	**(7,750)**

NOTE A10: DERIVATIVE FINANCIAL INSTRUMENTS

	2018 $000	2017 $000
Current		
Interest rate derivative assets	-	-
	-	**-**
Interest rate derivative liabilities	264	1,448
	264	**1,448**
Non-current		
Interest rate derivative assets	2,471	4,654
	2,471	**4,654**
Interest rate derivative liabilities	5,469	7,666
	5,469	**7,666**

NOTE A11: INVESTMENTS IN SUBSIDIARIES

	Parent and Group	Country of Incorporation and Place of Business	% Owned by Tilt Renewables Ltd		Nature of Business
Significant subsidiaries (31 March balance dates)			2018	2017	
#	Tilt Renewables Australia Pty Ltd	Australia	100	100	Holding Company
#^	Tilt Renewables Financing Partnership	Australia	100	100	Financial Services
#	Tilt Renewables Market Services Pty Ltd	Australia	100	100	Financial Services
#	Tilt Renewables Investments Pty Ltd	Australia	100	100	Financial Services
#	Snowtown South Wind Farm Pty Ltd	Australia	100	100	Electricity Generation
#	Snowtown Wind Farm Pty Ltd	Australia	100	100	Electricity Generation
#	Snowtown Wind Farm Stage 2 Pty Ltd	Australia	100	100	Electricity Generation
#	Blayney and Crookwell WindFarm Pty Ltd	Australia	100	100	Electricity Generation
#	Tararua Wind Power Limited	New Zealand	100	100	Electricity Generation and Generation Development
#	Church Lane Wind Farm Pty Ltd	Australia	100	100	Generation Development
#	Dundonnell Wind Farm Pty Ltd	Australia	100	100	Generation Development
#	Salt Creek Wind Farm Pty Ltd	Australia	100	100	Generation Development
#	Wingeel Wind Farm Pty Ltd	Australia	100	100	Generation Development
#	Waddi Wind Farm Pty Ltd	Australia	100	100	Generation Development
#	Rye Park Renewable Energy Pty Ltd	Australia	100	100	Generation Development
#	Nebo 1 Pty Ltd	Australia	100	100	Generation Development
#	Dysart 1 Pty Ltd	Australia	100	100	Generation Development
	Snowtown North Solar Pty Ltd – incorporated 11 December 2017	Australia	100	-	Generation Development

 # Entered into a Deed of Cross Guarantee with Tilt Renewables Limited removing the requirement for the preparation of separate financial statements where preparation of a separate financial statement is required (refer to Note A12).

^ On 31 March 2017, Tilt Renewables Limited transferred its Limited Partner interest in the Tilt Renewables Financing Partnership to Tilt Renewables Investments Pty Ltd.

Except as noted under note 9 there are no other guarantees or restrictions that may restrict dividends and other capital distributions being paid, or loans and advances being made or repaid, to (or from) other entities within the Group.

NOTE A12: DEED OF CROSS GUARANTEE

A Deed of Cross Guarantee was entered into on 31 March 2017.

Note A11 outlines the entities that are parties to the Deed of Cross Guarantee, after eliminating all transactions between parties to the Deed.

The following entity is not included in the Deed of Cross Guarantee:

- Snowtown North Solar Pty Ltd.

No consolidated income statement or statement of financial position has been prepared for the legal entities which are parties to the Deed of Cross Guarantee as all excluded legal entities are shell companies in nature.

NOTE A13: RECONCILIATION OF NET CASH FROM OPERATING ACTIVITIES WITH PROFIT AFTER TAX ATTRIBUTABLE TO THE SHAREHOLDERS

	2018 $000	2017 $000
Profit after tax	**(2,775)**	**16,371**
Items classified as investing/financing		
Interest paid	30,506	32,160
Interest received	(1,069)	(272)
	29,437	**31,888**
Non-cash items:		
Amortisation of intangible assets	48	12
Depreciation	80,146	73,984
Share based staff remuneration	89	-
Movement in derivative financial instruments taken to the income statement	(1,198)	(7,750)
Increase / (decrease) in deferred tax liability excluding transfers to reserves	(7,192)	(4,373)
	71,893	**61,874**
Decrease / (increase) in working capital:		
Accounts receivable and prepayments	(14,087)	6,540
Taxation payable / receivable	(5,253)	6,349
Accounts payable, accruals excluding capital expenditure accruals	6,722	(865)
	(12,618)	**12,025**
Net cash from operating activities	**85,937**	**122,158**

NOTE A14: EMPLOYEE SHARE BASED COMPENSATION

Members of Tilt Renewables senior executive team and certain other employees (together defined as key management personnel) are eligible to participate in the Performance Rights Plan. The scheme which was implemented on 3 February 2017 is defined as follows:

Each performance right entitles the participants to have one fully paid share in Tilt Renewables transferred or issued to the participant, subject to the satisfaction of the applicable performance conditions and the terms and conditions of the plan.

	2018 # of Rights	2017 # of Rights
Number of performance rights		
Outstanding at the beginning of the year	-	-
Granted during the period	1,519,463	-
Forfeited during the period	(699,987)	-
Exercised during the period	-	-
Outstanding at the end of the year	**819,476**	**-**

	2018 $000	2018 $000
Share based payments	**89**	**-**

NOTE A15: PROPERTY, PLANT AND EQUIPMENT AT HISTORICAL COST

If generation assets were stated on an historical cost basis, the amounts would be as follows:

	2018 $000	2017 $000
Generation assets (at cost)	1,030,914	1,023,243
Generation assets accumulated depreciation	(377,096)	(340,152)
	653,818	**683,091**

NOTE A16: FINANCIAL RISK MANAGEMENT

Financial risk management information has been included in notes 8 and 11.

(a) Liquidity risk

The tables below analyse Tilt Renewables' financial liabilities excluding gross settled derivative financial liabilities into relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the period end date. The amounts in the tables are contractual undiscounted cash flows.

	Less Than 1 Month $000	1-6 Months $000	6-12 Months $000	Over 1 Year $000
As at 31 March 2018				
Net settled interest rate derivatives	-	100	164	5,469
Accounts payable and accruals	15,473	81	98	2,837
Secured loans	-	18,809	19,873	619,732
Total	**15,473**	**18,990**	**20,134**	**628,038**
As at 31 March 2017				
Net settled interest rate derivatives	-	822	626	7,666
Accounts payable and accruals	9,184	81	98	2,952
Secured loans	-	14,911	18,945	658,173
Total	**9,184**	**15,814**	**19,669**	**668,791**

(b) Interest rate risk

The aggregate notional principal amounts of the outstanding interest rate derivative instruments at 31 March 2018 was $519,775,000 (2017: $482,216,350).

Interest payment transactions are expected to occur at various dates between one month and nine years from the end of the reporting period consistent with Tilt Renewables forecast total borrowings.

Weighted average interest rates for Tilt Renewables are disclosed in note 9.

NOTE A16: FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis

At 31 March 2018, if interest rates at that date had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year 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 interest rate derivative instruments.

	2018 $000	2017 $000
Increase / (decrease) to profit of a 100 basis point decrease in interest rates	(11,875)	(14,075)
Increase to profit of a 100 basis point increase in interest rates	11,295	13,325
Increase / (decrease) to equity of a 100 basis point decrease in interest rates	(11,875)	(14,075)
Increase to equity of a 100 basis point increase in interest rates	11,295	13,325

Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

NOTE A17: FAIR VALUE MEASUREMENT

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.

Valuation Input	Source
• Interest rate forward price curve to value interest rate swaps.	• Published market swap rates.
• Discount rate for valuing interest rate derivatives.	• Published market interest rates as applicable to the remaining life of the instrument adjusted by the cost of credit of the counterparty for assets and the cost of credit of Tilt Renewables for liabilities.

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.

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 earlier in this note for sensitivity analysis.

NOTE A17: FAIR VALUE MEASUREMENT (CONTINUED)

NZ IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy which represents the level of judgement 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 (as priced) 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).

There were no transfers between level 1, 2 and 3 assets or liabilities within the fair value hierarchy (2017: $Nil).

The fair value for generation assets is disclosed in note 4.

The following tables present Tilt Renewables' financial assets and liabilities that are measured at fair value.

	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
31 March 2018				
Assets per the statement of financial position				
Interest rate derivative assets	-	2,471	-	2,471
	-	**2,471**	**-**	**2,471**
Liabilities per the statement of financial position				
Interest rate derivative liabilities	-	5,733	-	5,733
	-	**5,733**	**-**	**5,733**
31 March 2017				
Assets per the statement of financial position				
Interest rate derivative assets	-	4,654	-	4,654
	-	**4,654**	**-**	**4,654**
Liabilities per the statement of financial position				
Interest rate derivative liabilities	-	9,114	-	9,114
	-	**9,114**	**-**	**9,114**

NOTE A18: FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and Receivables $000	Assets at Fair Value Through Profit or Loss $000	Derivatives Used for Hedging $000	Assets Held to Maturity $000
31 March 2018				
Assets per the statement of financial position				
Derivative financial instruments	-	2,471	-	-
Trade and other receivables excluding prepayments	31,827	-	-	-
Cash and cash equivalents	45,913	-	-	-
	77,740	**2,471**	**-**	**-**
31 March 2017				
Assets per the statement of financial position				
Derivative financial instruments	-	4,654	-	-
Trade and other receivables excluding prepayments	16,549	-	-	-
Cash and cash equivalents	27,008	-	-	-
	43,557	**4,654**	**-**	**-**

	Liabilities at Fair Value Through Profit or Loss $000	Derivatives Used for Hedging $000	Other Financial Liabilities at Amortised Cost $000
31 March 2018			
Liabilities per the statement of financial position			
Secured loans	-	-	639,050
Derivative financial instruments	5,733	-	-
Trade and other payables	-	-	18,489
	5,733	**-**	**657,539**
31 March 2017			
Liabilities per the statement of financial position			
Unsecured bank loans including bank overdrafts	-	-	570,761
Derivative financial instruments	9,114	-	-
Trade and other payables	-	-	12,315
	9,114	**-**	**583,076**

See notes A16 and A17 for details on fair value estimation.

NOTE A19: SUPPLEMENTARY ACCOUNTING INFORMATION

A19.1 Cash flow statement

The following are the definitions used in the cash flow statement:

- cash is considered to be cash on hand and deposits held at call with banks, net of bank overdrafts;
- operating activities include all activities that are not investing or financing activities;
- investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, intangible assets and investments in subsidiaries; and
- financing activities are those activities, which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

A19.2 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian currency units (AUD), which is Tilt Renewables functional and presentation currency.

A19.3 Adoption status of relevant new financial reporting standards and interpretations

No new standards and amendments to standards were applied during the period.

The following new standards have been issued but are not yet effective:

NZ IFRS 9 Financial Instruments

NZ IFRS 9 Financial Instruments, published in July 2014, replaces the existing guidance in NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from NZ IAS 39. NZ IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group does not apply hedge accounting and is still assessing the impact to the financial statements related to the adoption of NZ IFRS 9.

NZ IFRS 15 Revenue from Contracts with Customers

NZ IFRS 15 Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether how much and when revenue is recognised. It replaces existing revenue recognition guidance, including NZ IAS 18 Revenue, NZ IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. NZ IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group has undertaken a project to assess the impact of NZ IFRS 15 and has determined that it is unlikely to have a material impact on the Group's Financial Statements.

NZ IFRS 16 Leases

NZ IFRS 16 Leases, removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating. The standard is effective for annual reporting periods beginning on or after 1 January 2019. The Group has $33.3 million of operating lease commitments as at 31 March 2018 which are not currently shown in the balance sheet.

There are no other NZ IFRSs or NZ IFRIC interpretations that are not yet effective that would be expected to have a material impact on Tilt Renewables.

STATUTORY INFORMATION

INTERESTS REGISTER

The Company is required to maintain an Interests Register in which of certain transactions and matters involving the Directors must be recorded. The matters set out below were recorded in the Interests Register of the Company during the financial year.

General notice of interests by Directors

Pursuant to sections 140 and 211(e) of the Companies Act 1993, the general disclosures of interest made during the accounting period by Directors of the Company and its subsidiaries are listed below:

	Company	Nature of Interest	Country of Directorship
Bruce Harker	Tilt Renewables Limited	Director	New Zealand
	IKEGPS Group Limited	Director	New Zealand
	Tararua Wind Power Limited	Director	New Zealand
Paul Newfield	Tilt Renewables Limited	Director	New Zealand
	H.R.L. Morrison & Co Private Markets Pty Ltd	Director	Australia
	H.R.L. Morrison & Co (Australia) Pty Ltd	Director	Australia
	Morrison & Co Funds Management (Australia) Pty Limited	Director	Australia
	Morrison & Co Growth Infrastructure Investments No.1 Pty Ltd	Director	Australia
	Morrison & Co Services (Australia) Pty Ltd	Director	Australia
	Morrison & Co Utilities Management Pty Ltd*	Director	Australia
	Morrison & Co Infrastructure Management (Australia) Pty Limited	Director	Australia
Fiona Oliver	Tilt Renewables Limited	Director	New Zealand
	BNZ Life Insurance Limited	Director	New Zealand
	BNZ Insurance Services Limited	Director	New Zealand
	Inland Revenue Risk & Assurance Committee	Committee Member	New Zealand
	Tararua Wind Power Limited	Director	New Zealand
	Public Trust	Director	New Zealand
	Wynyard Group Limited (In Liquidation)	Director	New Zealand

* This entity has been appointed preferred manager of the Utilities Trust of Australia (UTA) portfolio (subject to unitholder approval). UTA owns interests in Australian entities including UTA Power Networks Pty Limited (which has an interest in Transgrid), and Hastings Utilities Trust (which indirectly owns an interest in Electranet). Other assets held by UTA in Australia include interests in Perth Airport, Australian Registry Investments, Australian Pacific Airports, Sydney Desalination Plan and Interlink Roads.

	Company	Nature of Interest	Country of Directorship
Geoffrey Swier	Tilt Renewables Limited	Director	New Zealand
	Blayney & Crookwell Windfarm Pty Ltd	Director	Australia
	Church Lane Wind Farm Pty Ltd	Director	Australia
	Dundonnell Wind Farm Pty Ltd	Director	Australia
	Dysart 1 Pty Ltd	Director	Australia
	Farrier Swier Consulting Pty Ltd	Director	Australia
	Health Purchasing Victoria	Board Member	Australia
	Nebo 1 Pty Ltd	Director	Australia
	Rye Park Renewables Energy Pty Ltd	Director	Australia
	Salt Creek Wind Farm Pty Ltd	Director	Australia
	Snowtown North Solar Pty Ltd	Director	Australia
	Snowtown South Wind Farm Pty Ltd	Director	Australia
	Snowtown Wind Farm Pty Ltd	Director	Australia
	Snowtown Wind Farm Stage 2 Pty Ltd	Director	Australia
	Tilt Renewables Australia Pty Ltd	Director	Australia
	Tilt Renewables Investments Pty Ltd	Director	Australia
	Tilt Renewables Market Services Pty Ltd	Director	Australia
	Trustpower Limited	Director	New Zealand
	Waddi Wind Farm Pty Ltd	Director	Australia
	Wingeel Wind Farm Pty Ltd	Director	Australia
Vimal Vallabh	Tilt Renewables Limited	Director	New Zealand
	Infratil US Renewables, Inc.	Director	United States
	Longroad Energy Holdings, LLC	Management Board Member	United States
Philip Strachan	Tilt Renewables Limited	Director	New Zealand
	Great Barrier Reef Foundation	Director	Australia
	Langside Nominees Pty Ltd	Director / Secretary	Australia
	Queensland Rail Ltd	Chair	Australia
	Teal Capital Pty Ltd	Director / Secretary	Australia
	University of Sunshine Coast	Member of Audit Committee	Australia

USE OF INFORMATION BY DIRECTORS

During the financial year, there were no notices from Directors of the Company or its subsidiary companies requesting to disclose or use Company information received in their capacity as Directors of the Company or its subsidiary companies which would not otherwise have been available to them.

SUBSIDIARY COMPANY DIRECTORS

The Directors of Tilt Renewables Limited subsidiaries as at 31 March 2018 are as follows:

	Company	Country of Directorship
Bruce Harker	Tilt Renewables Limited	New Zealand
	Tararua Wind Power Limited	New Zealand
Paul Newfield	Tilt Renewables Limited	New Zealand
Fiona Oliver	Tilt Renewables Limited	New Zealand
	Tararua Wind Power Limited	New Zealand
Geoffrey Swier	Tilt Renewables Limited	New Zealand
	Tilt Renewables Australia Pty Ltd	Australia
	Tilt Renewables Investments Pty Ltd	Australia
	Tilt Renewables Market Services Pty Ltd	Australia
	Blayney & Crookwell Windfarm Pty Ltd	Australia
	Church Lane Wind Farm Pty Ltd	Australia
	Dundonnell Wind Farm Pty Ltd	Australia
	Dysart 1 Pty Ltd	Australia
	Nebo 1 Pty Ltd	Australia
	Rye Park Renewables Energy Pty Ltd	Australia
	Salt Creek Wind Farm Pty Ltd	Australia
	Snowtown North Solar Pty Ltd	Australia
	Snowtown South Wind Farm Pty Ltd	Australia
	Snowtown Wind Farm Pty Ltd	Australia
	Snowtown Wind Farm Stage 2 Pty Ltd	Australia
	Waddi Wind Farm Pty Ltd	Australia
	Wingeel Wind Farm Pty Ltd	Australia
Vimal Vallabh	Tilt Renewables Limited	New Zealand
Philip Strachan	Tilt Renewables Limited	New Zealand

	Company	Country of Directorship
Deion Campbell	Tilt Renewables Australia Pty Ltd	Australia
	Tilt Renewables Investments Pty Ltd	Australia
	Tilt Renewables Market Services Pty Ltd	Australia
	Blayney & Crookwell Windfarm Pty Ltd	Australia
	Church Lane Wind Farm Pty Ltd	Australia
	Dundonnell Wind Farm Pty Ltd	Australia
	Dysart 1 Pty Ltd	Australia
	Nebo 1 Pty Ltd	Australia
	Rye Park Renewables Energy Pty Ltd	Australia
	Salt Creek Wind Farm Pty Ltd	Australia
	Snowtown North Solar Pty Ltd	Australia
	Snowtown South Wind Farm Pty Ltd	Australia
	Snowtown Wind Farm Pty Ltd	Australia
	Snowtown Wind Farm Stage 2 Pty Ltd	Australia
	Waddi Wind Farm Pty Ltd	Australia
	Wingeel Wind Farm Pty Ltd	Australia

The remuneration and other benefits received by employees acting as Directors of subsidiaries during the financial year is disclosed in the relevant bandings for employee remuneration. No remuneration has been paid to Directors of Tilt Renewables Limited who act as Directors of its subsidiaries.

GENERAL NOTICE OF INTERESTS BY DIRECTORS OF SUBSIDIARY COMPANIES

Director	Interest	Entity
Bruce Harker*		
Fiona Oliver*		
Geoffrey Swier*		
Deion Campbell	Chief Executive Officer	Tilt Renewables Limited

* Refer general notice of interest of Directors

USE OF INFORMATION BY DIRECTORS OF SUBSIDIARIES

During the financial year, there were no notices from Directors of subsidiary companies requesting to disclose or use of Company information received in their capacity as Directors of the subsidiary companies which would not otherwise have been available to them.

DIRECTORS TRANSACTIONS AND RELEVANT INTEREST IN SECURITIES OF THE COMPANY

The relevant interests of Directors in securities of the Company as at 31 March 2018 are listed below together with transactions by Directors in securities of the Company during the year:

Directors	Number Held at 31 March 2017	Number Acquired / (Disposed)	Number Held at 31 March 2018	Class of Security
BJ and JS Harker Trust (beneficial)	77,946	-	77,946	Ordinary
Bell Gully Trustee Company Limited - beneficially for Bruce Harker	-	65,167	65,167	Ordinary
Bell Gully Trustee Company Limited – beneficially for Paul Newfield	-	29,153	29,153	Ordinary
Bella Vista Trust - Fiona Oliver	-	29,153	29,153	Ordinary
Bosisto Trust - Philip Strachan	-	29,153	29,153	Ordinary
Maclagen Pty Ltd as Trustee of the Swier Family Trust (beneficial)	63,846	29,153	92,999	Ordinary
Bell Gully Trustee Company Limited – beneficially for Vimal Vallabh	-	29,153	29,153	Ordinary

The share acquired by the Directors throughout the year is in accordance with the director's share plan whereby 50% of the director's base fees are used to acquire shares on market. The shares are acquired each month by Forsyth Barr on behalf of the Directors.

STOCK EXCHANGE LISTING

The Company's shares are listed on the NZX and ASX.

CURRENT CREDIT RATING STATUS

Tilt Renewables does not currently have an external credit rating.

DEFINED SHARE BUYBACK PROGRAMME

Tilt Renewables does not currently have a share buyback programme.

CURRENT NZX WAIVERS

NZX ruling 10 August 2016

On 10 August 2016, NZX granted the Company a ruling on NZX Listing Rule 5.2.3 in relation to the proposed demerger of Trustpower Limited. NZX Listing Rule 5.2.3 states a class of securities will generally not be considered for quotation unless those securities meet certain spread requirements, or NZX is otherwise satisfied that the issuer will maintain a spread of security holders which is sufficient to ensure a sufficient liquid market in the class of securities.

The effect of the ruling on NZX Listing Rule 5.2.3 is that, despite not meeting certain spread requirements imposed by NZX Listing Rule 5.2.3, the Group's ordinary shares are able to be quoted on the NZX Main Board. The ruling on NZX Listing Rule 5.2.3 was granted on certain conditions, including that the ruling and its implications are disclosed in the Group's annual report for any period during which the ruling was relied upon.

NZX waiver 1 May 2017

On 1 May 2017, NZX granted the Company a waiver from NZX Listing Rule 7.6.4(a) in relation to the fixed trading plan ('Plan') established for the directors of the Company. The waiver was granted to the extent that this Rule would otherwise prevent the Company from providing financial assistance to a trustee holding shares on trust for certain directors participating in the Plan. The NZX Listing Rules prohibit an issuer from giving financial assistance to any director of the issuer, associated person of a director of the issuer, or employee of the issuer for the purposes of acquiring shares unless an ordinary resolution of shareholders approving the giving of the financial assistance is obtained every 12 months.

Participation in the Plan was mandatory for all directors. Some directors participating in the plan were considered "associated persons" of Infratil Limited ('relevant directors'), a company controlling 51.04% of the Group's shares, therefore their shares acquired under the Plan had to be held on trust and managed by a trustee, so the relevant director neither held nor controlled them. Other directors participating in the Plan were able to hold their shares personally ('non-interested directors').

The waiver from NZX Listing Rule 7.6.4(a) was granted on the conditions that:

1. the non-interested directors of the Company certified to NZX that:
   a. the arrangements between the trustee, the Company and each relevant director were entered into and negotiated on an arm's length commercial basis; and
   b. in their opinion, entry into the arrangements was fair and reasonable to, and in the best interests of, the Company and its shareholders not associated with the relevant directors;
2. should the Company pay any fees to the trustee in connection with the Plan:
   a. the non-interested directors of the Company certify to NZX that:
      i. the fee arrangement is entered into and negotiated on an arm's length commercial basis; and
      ii. in their opinion, the fees paid are fair and reasonable to, and in the best interests of, Tilt Renewables and its shareholders not associated with the relevant directors; and
   b. the Company discloses to the market any fees paid to the trustee by the Company in connection with the Plan;
3. should there be an amendment to the financial assistance provided in connection with the Plan:
   a. the non-interested directors of the Company certify to NZX that:
      i. the amended financial assistance arrangement is entered into and negotiated on an arm's length commercial basis; and
      ii. the amended financial assistance arrangement is fair and reasonable to, and in the best interests of, the Company and its shareholders not associated with the relevant directors; and
   b. the Company discloses to the market any amendment to the financial assistance arrangement in connection with
   the Plan; and
4. the key terms of the Plan and the arrangements to be entered into were disclosed to the market when the Plan was established.

The waiver from NZX Listing Rule 7.6.4(a) was granted on the further condition that the waiver, its conditions and the implications of the waiver are disclosed in the Group's annual reports during the term of the Plan.

The effect of the waiver from NZX Listing Rule 7.6.4(a) is that the Company can provide financial assistance to the trustee for the purposes of acquiring shares for the relevant directors, without requiring an ordinary resolution of shareholders every 12 months as imposed by NZX Listing Rules 7.6.5 and 7.6.6.

NZX DISCIPLINARY ACTION

There has been no action taken by NZX in relation to the Company.

SECURITY HOLDER INFORMATION

The Group's register of substantial security holders, prepared in accordance with Section 293 of the Financial Markets Conduct Act 2013 recorded the following information as at 18 May 2018.

As at 31 March 2018, Tilt Renewables Limited had 312,973,000 ordinary shares on issue and the Group had received the following substantial product holder notices.

Security Holder	Class of Security	Number
Infratil Limited	Ordinary Shares	159,742,389
TECT Holdings Limited	Ordinary Shares	83,878,838

Since 31 March 2018, TECT Holdings Limited has sold down part of its holding in Tilt Renewables to Mercury NZ Limited. As a result, the Group has now received the following substantial shareholder notices.

Security Holder	Class of Security	Number
Infratil Limited	Ordinary Shares	159,742,389
Mercury NZ Limited	Ordinary Shares	62,563,302
TECT Holdings Limited	Ordinary Shares	21,315,536

Analysis of Shareholders – as at 18 May 2018

Holding Range	Holder Count	Holder Count %	Holding Quantity	Holding Quantity %
1 to 1,000	2,110	18.99	1,358,497	0.43
1,001 to 5,000	7,963	71.69	18,278,530	5.85
5,001 to 10,000	649	5.84	4,636,846	1.48
10,001 to 100,000	350	3.15	8,069,475	2.58
100,001 to 499,999	14	0.13	2,952,375	0.94
500,000 to 999,999	6	0.05	4,097,353	1.31
1,000,000 and above	17	0.15	273,579,924	87.41
Total	11,109	100.00	312,973,000	100.00

Summary of Shareholder Location – as at 18 May 2018

Country/Region	Holders	Holder %	Holding	Holding %
New Zealand	10,837	97.53	309,422,796	98.85
Australia	185	1.67	1,632,234	0.52
U.S.A	18	0.16	30,201	0.01
United Kingdom	28	0.25	43,310	0.01
Other	41	0.39	1,844,459	0.61

TOP 20 SHAREHOLDERS – AS AT 18 MAY 2018

Rank	Registered Name	Holding Balance	Percentage
1	Infratil Limited	159,742,389	51.04
2	Mercury NZ Limited	62,563,302	19.99
3	TECT Holdings Limited	21,315,536	6.81
4	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited *	5,522,990	1.77
5	Accident Compensation Corporation *	5,070,196	1.62
6	TEA Custodians Limited Client Property Trust Account *	4,049,010	1.29
7	HSBC Nominees (New Zealand) Limited *	2,546,279	0.81
8	FNZ Custodians Limited	2,206,749	0.71
9	Custodial Services Limited	1,831,855	0.59
10	BNP Paribas Nominees (NZ) Limited *	1,802,592	0.58
11	National Nominees New Zealand Limited *	1,704,463	0.55
12	Forsyth Barr Custodians Limited	1,423,376	0.46
13	Custodial Services Limited	1,282,980	0.41
14	BNP Paribas Nominees (NZ) Limited *	1,260,639	0.40
15	Citibank Nominees (New Zealand) Limited *	1,130,341	0.36
16	New Zealand Permanent Trustees Limited *	1,000,000	0.32
17	JBWere (NZ) Nominees Limited	867,021	0.28
18	Custodial Services Limited	639,321	0.20
19	Custodial Services Limited	600,889	0.19
20	JPMorgan Chase Bank NA NZ Branch-Segregated Clients Acct *	598,671	0.19
		277,158,599	**88.56**

* These names are registered in the name of the New Zealand Central Securities Depository Limited.

DIRECTORY

Board of Directors
Bruce Harker
Paul Newfield
Fiona Oliver
Phillip Strachan
Geoffrey Swier
Anne Urlwin
Vimal Vallabh

Registered Office
c/- Russell McVeagh
Level 30 Vero Centre
48 Shortland Street
Auckland 1010

Postal Address
PO Box 16080
Collins Street West
Melbourne
Victoria 8007

Website
www.tiltrenewables.com

Email Address
info@tiltrenewables.com

Auditors
PricewaterhouseCoopers
Level 19/2 Riverside Quay
Southbank
Victoria 3006

Share Registrar
Computershare Investor Services Limited
159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1142
Telephone: +64 (9) 488 8700
Facsimile: +64 (9) 488 8787

Shareholders with enquiries about transactions, change of address or dividend payments should contact the Share Registrar.

Stock Exchange Listing
New Zealand Exchange Limited
Level 2 NZX Centre
11 Cable Street
Wellington 6011

ASX Limited
20 Bridge Street
Sydney NSW 2000

Calendar
Annual Meeting
28 August 2018


tilt
renewables