

MyFarm Solar Fund Limited Partnership

May 2025

10–12% p.a.

forecast returns paid quarterly

The MyFarm Solar Fund LP offers wholesale investors the opportunity to invest in a portfolio of solar farms throughout New Zealand, with projected returns of 10-12% p.a. achieved through long-term Power Purchase Agreements.

Offer Overview

MyFarm is partnering with Hiringa Energy Limited, a leading green energy producer, to develop five utility scale (5MW) solar farms over the next two to three years. Overall, the project aims to build up to 25MW of electricity production capacity and involve total capital of \$36 million. Electricity generated from these solar farms will be sold to Hiringa Energy through long-term Power Purchase Agreements (PPAs), providing the potential for attractive inflation adjusted returns.

The MyFarm Solar Fund will own the farms and is forecast to provide cash distributions of 10%-12% p.a., paid quarterly, with depreciation benefits (9.5 year straight-line method) expected to provide significant tax advantages for investors. With these tax benefits, the target distribution of 10–12% p.a. is estimated to be the equivalent of a 15% p.a. return on a fully taxable investment, assuming a tax rate of 33%.

Investment Highlights

Attractive return and depreciation benefits

- Forecast Return of 10-12% p.a.
- With depreciation benefits, the target distribution of 10–12% p.a. is estimated to be the equivalent of a 15% p.a. return on a fully taxable investment, assuming a tax rate of 33%*.

Favourable agreements

- Long term (expected to be circa ten year) PPA agreements for each solar farm targeted to generate forecast investor returns. Price adjusts annually in line with the inflation.
- Fixed price construction agreements aim to ensure that development costs remain predictable and controlled.

Investment Longevity

- Solar panels are projected to have 30 year lifespan, backed by warranties. The Fund's business plan includes contingency for maintenance, key replacement parts.
- Long-term lease agreements or land acquisition intended for each site. The Fund intends to secure a 30 year lease (20+5+5) for the first site.
- Electricity demand is projected to increase within the lifetime of this investment.
- It is possible that the aggregated assets could attract institutional investor interest in the long run.

Exciting industry; fit-for-market design

- Electricity demand is forecast to increase significantly by 2050. New generation is required.
- There is a gap in the market for 5MW solar farms that are efficient from a production, consenting and construction standpoint.

**Over the first ten years of the investment.*

Advantages of a MyFarm Solar Farm

The MyFarm Solar Fund's farms fill a gap in the energy market for mid-scale decentralised energy production, with design efficiencies that offer a range of economic and environmental advantages over other solar farm designs.

From an economic perspective, the 5MW farms do not require a Transpower grid connection and more easily meet resource consent requirements, meaning that progress is fast: moving from obtaining a land option agreement to switching the power on can be achieved within a year. More typical solar installations can take years to be consented and receive approval for a Transpower connection, take longer to construct and are more likely to face input constraints at times of peak supply. The smaller sites that the Fund plans to use can target regions where energy supply is short, and pricing is typically higher – for example at the top of the North and South Islands.

From an environmental perspective, the specific design of the Solar Fund's installations only use 1 hectare per MW of production, compared to circa 2 hectares per MW with a conventional design. The design also uses significantly less steel and almost no concrete in its manufacture and therefore the materials used have a low carbon footprint.

Solar Farm Construction and Ownership

The Solar Fund will work with another MyFarm entity, the MyFarm Solar Development LP (MSDLP), to develop up to five solar farms with the Fund as the owner of the portfolio.

The Solar Fund intends to enter into an agreement to purchase a completed solar farm in Northland, currently under development by MSDLP. The Solar Fund will advance finance to develop a second solar farm planned for construction in Blenheim, targeted for delivery in Q2 2026. Funding for future solar farms (farms 3-5) may be shared between the Fund and MSDLP.

Why we like the Renewable Energy Sector

With strong market fundamentals and significant government regulatory support, we believe the renewable energy sector can provide attractive opportunities for private investment.

New Zealand needs additional electricity generation. Transpower, New Zealand's provider of core electricity transmission infrastructure, notes that to get reliable supply the country needs more renewable energy projects to be commissioned and in production. Transpower predicts that electricity outages could begin as early as 2026 and energy shortfalls could persist until 2034, with the additional demand exceeding the capacity that coal and gas can supply.

The Ministry of Business, Innovation and Employment forecast that meeting this increased demand will require an estimated \$14 billion of investment in new generation by 2035. Private investment that can generate attractive returns is critical to achieving this goal.



**Make Hay
while the
Sun Shines.
Think Solar
Energy.**



Hiringa Energy

Hiringa Energy Limited (Hiringa) is the operating partner for the Solar Fund. Hiringa is sourcing suitable sites for future solar farms along with necessary consents and agreements and will design and build each site under a fixed price agreement. Under an existing Heads of Agreement, Hiringa will then maintain each site, and purchase the electricity generated under long-term (circa 10-year) set price Power Purchase Agreements.

Hiringa is a New Zealand company specialising in green hydrogen production for heavy transport and industry. Based in Taranaki, it operates across New Zealand and Australia, developing infrastructure for renewable energy and hydrogen production. Hiringa is founder-owned but backed by significant investors.

As part of its mission to decarbonise heavy transport, Hiringa commissioned three hydrogen refuelling stations across the North Island during 2024, with a fourth currently under construction. Over the next four years, an additional 20 stations are planned to extend their refuelling network. Hiringa requires a supply of renewable energy at a cost-effective price to produce green hydrogen and support hydrogen supply contracts. While

they can contract renewable energy from third-party operators, the MyFarm partnership enables Hiringa to procure renewable energy at a known and competitive cost.

Strong Partnership Agreements

Through the MyFarm and Hiringa partnership, the Fund aims to reduce risk for investors via fixed-price construction agreements and long-term Power Purchase Agreements (PPA).

The planned long-term Power Purchase Agreements are contracts for Hiringa to pay the Fund an agreed price per MW of power produced, which increases with inflation. These agreements will lock in the price paid to the Solar Fund regardless of supply and demand fluctuations in the wider electricity market. The fixed price development agreement is aimed at providing confidence to investors as any cost overruns in the development stage of the farms would be borne by Hiringa and not the Fund.



Expert Governance

The three Solar Fund Directors hold significant experience in renewable energy, engineering, project delivery and financial management, and have a range of Directorships on notable New Zealand companies and Non-Governmental Organisations (NGOs).

A Bright Future

Solar energy is predicted to become an important part of New Zealand's electricity generation profile due to its low Levelised Cost of Energy (the average cost of producing energy over a facility's lifetime) and ability to operate efficiently alongside hydro and wind generation. When linked with green hydrogen production and storage, as proposed by Hiringa, the Solar Fund can contribute to our sustainable energy future.

Offer Details

Capital Raise Target	<ul style="list-style-type: none">• Target raise of \$14 million, with the potential for up to \$9.5 million of oversubscriptions.• Minimum investment of \$50,000
Distribution Forecast	<ul style="list-style-type: none">• Commencing at 10.0% p.a. (on called capital). Rising to 12.0% p.a., paid quarterly.
Target LVR	<ul style="list-style-type: none">• Debt to be introduced on operating assets, up to an LVR of 35%.• A portion of debt is planned to be repaid in years 4–10 to provide for equipment replacement in years 12–15.
Key Dates	<ul style="list-style-type: none">• Offer opens: 3rd June.• Offer closes: 10th July.
Liquidity	MyFarm Solar Fund will be hosted on the Syndex exchange. www.syndex.exchange



“We believe the Solar Fund is an excellent opportunity for investors looking for attractive, long-term returns from sustainable energy production.”

- Gordon Love

Why MyFarm?

MyFarm is one of New Zealand's leading specialist primary sector investment firms, with over \$600m of assets under management. Since 1990, MyFarm have provided investors with exposure to productive land-based assets, allowing participation in New Zealand's vibrant rural economy. Renewable energy is a natural fit for MyFarm Investments as projects can optimise rural land use while supporting the broader economy.

Interested in finding out more?

The MyFarm Solar Fund will open for applications in June 2025.

Register your interest by clicking on the link below or calling one of the MyFarm team.

REGISTER MY INTEREST



Gordon Love

Client Relations Manager

+64 27 488 8238

gordonl@myfarm.co.nz



Scott Levings

Client Relations Manager

+64 27 342 8342

scott@myfarm.co.nz



Louise Bignall

Head of Client Relations

+64 21 172 0662

louiseb@myfarm.co.nz

“New Zealand is on a transition path away from fossil fuels, led by our zero CO2 emissions commitments, and enabled by new technology. At the same time, a growing economy requires increased energy demand - and renewable energy sources, such as solar, wind, and geothermal, will play a significant role.”

- Andrew Watters (MyFarm CEO)



This Information Brief is directed to persons who fall within the exclusions applicable to offers made to “wholesale investors” as set out in Schedule 1, clause 3 of the Financial Markets Conduct Act 2013 (FMCA). You can obtain further information on FMCA requirements, and whether you come within the exclusions and their requirements on our website: www.mylfarm.co.nz/can-i-invest

This investment described in this Information Brief is not suitable for retail investors.

This document is not an offer to invest. MyFarm Investments will present the investment offer via an Information Memorandum in June 2025.