



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market					
Name of issuer	Works Finance (NZ) Limited				
Reporting Period	6 months to 31 December 2024				
Previous Reporting Period	6 months to 31 December 2023				
Currency	NZD				
	Amount (000s)	Percentage change			
Revenue from continuing operations	\$9,993	-3.70%			
Total Revenue	\$9,993	-3.70%			
Net profit/(loss) from continuing operations	\$9,936	-3.74%			
Total net profit/(loss)	\$7,154	-3.74%			
Interim/Final Dividend					
Amount per Quoted Equity Security	\$0.02357500				
Imputed amount per Quoted Equity Security	\$0.00660100				
Record Date	05/03/2025				
Dividend Payment Date	17/03/2025				
	Current period	Prior comparable period			
Net tangible assets per Quoted Equity Security	ROADS \$1	ROADS \$1			
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to accompanying unaudited financial statements				
		Dec-24	Dec-24	Jun-24	Jun-24
		Per Security	Net tangible assets	Per Security	Net tangible assets
		\$		\$	
	200,000,000 ROADS (Jun 2024: 200,000,000)	1	200,000,000	1	200,000,000
100 ordinary shares (Jun 2024: 100)	93,074	9,307,382	89,426	8,942,591	
	93,074	209,307,382	89,426	208,942,591	

Authority for this announcement

Name of person authorised to make this announcement	Peter Lyons
Contact person for this announcement	Peter Lyons
Contact phone number	00 61 2 9468 9700
Contact email address	info@downergroup.com
Date of release through MAP	21/02/2025

Unaudited financial statements accompany this announcement.

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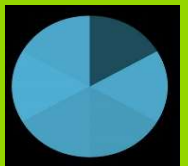



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Directors' Report

for the half-year ended 31 December 2024

The Directors of Works Finance (NZ) Limited ("the Company") submit herewith the condensed financial report of the Company for the half-year ended 31 December 2024, including the condensed financial statements on pages 4 to 13.

Directors

The names of the Directors of the Company during or since the end of the financial half-year are:

Mr E C Jensen

Mr S D Ward

Mr M E Robertson

Mr P J Tompkins

Mr M R Ashcroft

Principal activities

The Company is a subsidiary of Downer EDI Limited and was formed for the purpose of issuing Redeemable Optionally Adjustable Distributing Securities ("ROADS"). The proceeds have been advanced to Downer New Zealand Limited as disclosed in Note C1.

Downer EDI Limited elected to leave the ROADS securities on issue on the Step-up Date of 15 June 2012. The margin was stepped-up in accordance with the terms of the "Prospectus and Investment Statement" dated 7 March 2007. The dividend rate for the one year commencing 15 June 2024 is 9.43% per annum (2023: 9.81% per annum) which is equivalent to the one year swap rate on 17 June 2024 of 5.38% per annum plus the step-up margin of 4.05% per annum. The next reset date is 15 June 2025.

Review of operations

The Company reported total comprehensive income of \$7,154,392 (December 2023: \$7,432,070).

Subsequent events

There has not been any matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial half-year, that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in subsequent financial periods.

Dividends

In respect of the half-year to 31 December 2024, dividends of \$6,789,601 were paid to the holders of ROADS (December 2023: \$7,063,200). Imputation credits were attached to the dividends. No dividends have been paid to the holders of ordinary shares during the half-year to 31 December 2024 (December 2023: nil).

Interests register and other disclosures

There were no entries in the Interests register. Related party transactions are disclosed in Note C2. No Director or former Director received any remuneration or other benefits from the Company. Works Finance (NZ) Limited has no employees and accordingly no remuneration was paid. No donations were made during the half-year ended 31 December 2024 (December 2023: nil). All audit fees were paid by the Company.

Financial Statements

The Board of Directors have approved and authorised the condensed financial statements on pages 4 to 13.

On behalf of the Directors 21 February 2025.



M E Robertson
Director



E C Jensen
Director

Condensed Statement of Comprehensive Income

for the half-year ended 31 December 2024

	Unaudited 31-Dec 2024 \$	Unaudited 31-Dec 2023 \$
Interest income	9,993,312	10,377,603
Operating expenses	(56,657)	(55,283)
Profit before income tax expense	9,936,655	10,322,320
Income tax expense	(2,782,263)	(2,890,250)
Profit after income tax expense and total comprehensive income attributable to equity holders of the Company	7,154,392	7,432,070
Total comprehensive income for the period is attributable to:		
ROADS	6,789,601	7,063,200
Ordinary shareholders	364,791	368,870
Total comprehensive income for the period	7,154,392	7,432,070

These condensed financial statements should be read in conjunction with the accompanying notes on pages 8 - 13.

Condensed Statement of Financial Position

as at 31 December 2024

	Note	Unaudited 31-Dec 2024 \$	Audited 30-Jun 2024 \$
Current assets			
Cash and cash equivalents		98	98
Advance to related party - Downer New Zealand Limited	C1	10,493,474	12,887,982
Total current assets		10,493,572	12,888,080
Non-current assets			
Advance to related party - Downer New Zealand Limited	C1	200,000,000	200,000,000
Total non-current assets		200,000,000	200,000,000
Total assets		210,493,572	212,888,080
Current liabilities			
Trade and other payables		168,723	146,090
Income tax payable		1,017,467	3,799,399
Total current liabilities		1,186,190	3,945,489
Total liabilities		1,186,190	3,945,489
Net assets		209,307,382	208,942,591
Equity			
Issued capital	D1	100	100
ROADS	D1	200,000,000	200,000,000
Retained earnings		9,307,282	8,942,491
Total equity attributable to equity holders of the Company		209,307,382	208,942,591

The Board of Directors have approved and authorised the condensed financial statements on pages 4 to 13.

On behalf of the Directors


M E Robertson
Director


E C Jensen
Director

Dated: 21 February 2025

These condensed financial statements should be read in conjunction with the accompanying notes on pages 8 - 13.

Condensed Statement of Changes in Equity

for the half-year ended 31 December 2024

	Issued capital \$	ROADS ⁽ⁱ⁾ \$	Retained earnings ⁽ⁱ⁾ \$	Total \$
Balance at 1 July 2024	100	200,000,000	8,942,491	208,942,591
Profit for the period	-	6,789,601	364,791	7,154,392
Total comprehensive income	-	6,789,601	364,791	7,154,392
Distributions to owners				
Dividends paid - ROADS	-	(6,789,601)	-	(6,789,601)
Balance at 31 December 2024 unaudited	100	200,000,000	9,307,282	209,307,382
Balance at 1 July 2023	100	200,000,000	8,273,016	208,273,116
Profit for the period	-	7,063,200	368,870	7,432,070
Total comprehensive income	-	7,063,200	368,870	7,432,070
Distributions to owners				
Dividends paid - ROADS	-	(7,063,200)	-	(7,063,200)
Balance at 31 December 2023 unaudited	100	200,000,000	8,641,886	208,641,986

(i) Comparative balance has been reclassified for consistency with current year classifications.

These condensed financial statements should be read in conjunction with the accompanying notes on pages 8 - 13.

Condensed Statement of Cash Flows

for the half-year ended 31 December 2024

	Unaudited 31-Dec 2024 \$	Unaudited 31-Dec 2023 \$
Cash flows from operating activities		
Interest received from Downer New Zealand Limited	8,322,065	10,377,603
Net Advances from Downer New Zealand Limited	4,065,754	673,708
Income tax payments	(5,564,195)	(3,945,631)
Payments to suppliers ⁽ⁱ⁾	(34,221)	(42,479)
Net cash generated by operating activities	6,789,403	7,063,201
Cash flows from financing activities		
Dividends paid on ROADS	(6,789,403)	(7,063,200)
Net cash used in financing activities	(6,789,403)	(7,063,200)
Net increase in cash and cash equivalents	-	1
Cash and cash equivalents at the beginning of the period ⁽ⁱ⁾	98	97
Cash and cash equivalents at the end of the period ⁽ⁱ⁾	98	98

(i) Comparative balance has been reclassified for consistency with current year classifications.

These condensed financial statements should be read in conjunction with the accompanying notes on pages 8 - 13.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2024



About this report

Statement of compliance and basis of preparation

Works Finance (NZ) Limited ("the Company") is a profit-oriented entity, domiciled in New Zealand, registered under the Companies Act 1993 and listed on the NZX Debt Market (NZDX). The Company is a FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The Company prepares its condensed financial statements in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

These condensed financial statements have not been audited. The condensed financial statements comply with NZ IAS 34 Interim Financial Reporting. They also comply with IAS 34 Interim Financial Reporting.

The condensed financial statements have been prepared on the basis of historical cost. Cost is based on the fair value of the consideration given in exchange of assets. The functional and presentation currency is New Zealand Dollars.

The condensed financial statements do not include notes of the type normally included in an annual financial report and should be read in conjunction with the Annual Report for the year to 30 June 2024.

The accounting policies, presentation and methods of computation followed in the condensed financial statements are the same as applied in the Company's annual audited financial statements. Certain comparative balances have been reclassified to ensure consistency with current year classifications.

These condensed financial statements were authorised by the Directors for issue on 21 February 2025.

Accounting estimates and judgements

The preparation of the condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and judgements made by management are consistent with those described in the 2024 Annual Report.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2024



B

Business performance

This section provides the information that is most relevant to understanding the financial performance of the Company during the half-year and, where relevant, the accounting policies applied and the critical judgements and estimates made.

B1. Segment information

B3. Subsequent events

B2. Taxation

B1. Segment information

The Company operates in one reportable segment. The only business of the Company is the issue of ROADS to predominantly New Zealand residents and advances to Downer New Zealand Limited. There is no seasonality in the half-year result.

B2. Taxation

Interim period tax is accrued based on the estimated annual effective income tax rate of 28% (2023: 28%). Imputation credits available at 31 December 2024 were \$2,441,869 (December 2023: \$1,287,615).

B3. Subsequent events

On 21 February 2025, the Directors approved the payment of a fully imputed dividend of \$4,715,000 comprising a cash dividend of \$3,394,800 (1.6974 cents per ROADS security) and imputation credits of \$1,320,200 (0.6601 cents per ROADS security) to be paid on 17 March 2025. There has not been any other matter or circumstance other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2024



C

Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Company.

C1. Advance - Downer New Zealand Limited

C3. Contingent liabilities

C2. Related parties

C1. Advance - Downer New Zealand Limited

	Unaudited 31-Dec 2024 \$	Audited 30-Jun 2024 \$
Downer New Zealand Limited - cash advance	10,493,474	12,887,982
Downer New Zealand Limited	200,000,000	200,000,000
	210,493,474	212,887,982

The Downer New Zealand Limited cash advance is unsecured. The Company's bank account is subject to an automatic cash sweep where the net bank balance (either debit or credit) is transferred to Downer New Zealand Limited daily. These daily transfers impact the cash advance with Downer New Zealand Limited. In the 6 months to 31 December 2024, interest has been charged at an average of 4.99% per annum (6 months to 31 December 2023: 5.66% per annum).

The Company has advanced \$200,000,000 to Downer New Zealand Limited under a loan agreement dated 21 April 2011. Under the terms of the loan agreement, the advance is repayable on demand, however it has been provided in line with the terms of ROADS.

ROADS were stepped up on 15 June 2012, keeping the existing ROADS instrument in place with revised pricing. Downer EDI Limited and the Company have provided confirmation to Downer New Zealand Limited that neither Downer EDI Limited, or its subsidiaries, will take any action to demand or effect repayment of the loan during the 12 months after the Downer New Zealand Limited 31 December 2024 Condensed Financial Statements are signed. The advance to Downer New Zealand Limited is therefore classified as non-current.

The interest rate is to be agreed in writing between the parties from time to time. The initial rate of interest was set at 10% per annum. In April 2013 it was agreed to reset this to the ROADS gross dividend rate plus a margin of 0.20%. The interest rate from 15 June 2023 to 15 June 2024 was 10.01% per annum. On 15 June 2024 it was reset to 9.63% per annum. The next reset date is 15 June 2025.

Interest is due for payment monthly in arrears.

Recognition and measurement financial assets: measured at amortised cost

The advance to Downer New Zealand Limited is a financial asset measured at amortised cost less any expected credit losses.

Impairment

The Company is required to recognise its expected credit loss ("ECL") for the advances to Downer New Zealand Limited in accordance with NZ IFRS 9.

There is consideration around the probability of default upon initial recognition and subsequent assessment as to whether there has been a significant increase in credit risk at each reporting period. The Company exercises judgement about how economic factors affect this ECL and makes adjustments as deemed appropriate to the expected credit loss.

No adjustment has been made for potential future credit losses.

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2024

C2. Related parties

The Company's ordinary shares are wholly owned by DGL Investments Limited. The ultimate parent company is Downer EDI Limited, a company listed on the Australian Stock Exchange (ASX) with a secondary listing on the New Zealand's Stock Exchange (NZX).

The Company has advanced a loan and cash advance to Downer New Zealand Limited, a fellow subsidiary, and receives interest as described in Note C1 to these financial statements and receives/provides further advances as set out in the Condensed Statement of Cash Flows. Transaction costs associated with the issue of ROADS were met by Downer EDI Limited. Under a Deed Poll entered into, Downer EDI Limited guarantees the payment by the Company of dividends on ROADS and of amounts payable on redemption of ROADS on an unsecured and subordinated basis.

The Directors of the Company or Downer EDI Limited may at any time determine that a dividend is not payable. If the Directors of the Company or Downer EDI Limited determine that a dividend is not payable, the relevant amount will not become payable by the Company and the guarantee by Downer EDI Limited will not apply. Accordingly, the guarantee will be effective only if the Directors of the Company (and in the case of a dividend, Downer EDI Limited) at their discretion, determine that payment should be made, but payment is not then made by the Company. As the guarantee is subordinated, the claims of holders under the guarantee rank behind the claims of all creditors of Downer EDI Limited.

For more information refer to the Annual Report for the year ending 30 June 2024.

C3. Contingent liabilities

The Company has no contingent liabilities (December 2023: nil).

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2024



D

Capital structure

This section provides information relating to the Company's capital structure. The capital structure of the Company consists of ROADS and ordinary shares.

D1. Issued capital

D2. Net tangible assets per security

D1. Issued capital

	Unaudited 31-Dec 2024 \$	Audited 30-Jun 2024 \$
100 ordinary shares	100	100
200,000,000 ROADS	200,000,000	200,000,000
	200,000,100	200,000,100

The gross dividend rate from 15 June 2024 to the next reset date on 15 June 2025 is 9.43% per annum.

During the half-year to 31 December 2024, dividends paid, gross of imputation credits, totalled \$9.43 million (December 2023: \$9.81 million), being 4.715c per security (December 2023: 4.905c per security).

D2. Net tangible assets per security

	Unaudited 31-Dec 2024 \$	Audited 30-Jun 2024 \$
ROADS	1	1
Ordinary shares	93,074	89,426

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2024



E

Other

This section provides details on other required disclosures relating to the Company to comply with the accounting standards and other pronouncements including the Company's capital and financial risk management disclosure.

E1. New accounting standards

E3. Financial instruments risk management

E2. Financial instruments

E1. New accounting standards

a) New and amended accounting standards adopted by the Company

During the year, the Company has applied a number of new and revised accounting standards issued by the New Zealand Accounting Standards Board (NZASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2024, as follows:

- Amendments to NZ IAS 1 Classification of liabilities as current or non-current
- Amendments to NZ IFRS 16 Leases - Lease Liability in a Sale and Leaseback
- Amendments to NZ IAS 7 and NZ IFRS 7 - Supplier Finance Arrangements.
- Amendments to FRS-44 - Disclosure of Fees for Audit Firms' Services

b) New accounting standards and interpretations not yet adopted

The following new or amended Accounting Standards or Interpretations that are not yet mandatory and have not been early adopted. Management is still in the process of determining the impact of the following, which will be applicable to the annual report for the year ending on 30 June 2025:

- NZ IFRS 18 Presentation and Disclosure in Financial Statements
- Amendments to NZ IFRS 10 and NZ IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to NZ IFRS 9 and NZ IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
- 2024 Annual Improvements to NZ IFRS Accounting Standards
- Amendments to Adoption of Aotearoa New Zealand Climate Standards 2024

E2. Financial instruments

Financial assets and liabilities included in the statement of financial position are carried at amortised cost in line with NZ IFRS 9. Financial assets include cash and cash equivalents and advances to related parties and financial liabilities include trade and other payables.

As at 31 December 2024, the carrying amounts and fair values of cash and cash equivalents, advances to related parties and trade and other payables approximated fair value.

E3. Financial instruments risk management

The Company was established by Downer EDI Limited for the purpose of issuing ROADS, and as such its exposure to liquidity risk and interest rate risk is managed by being passed back to other Group companies through issuing intra-group loan advances with similar terms to those issued by the Company.

Credit risk management

The most significant concentration of credit risk of the Company as at 31 December 2024 comprises the advances to Downer New Zealand Limited of \$200,000,000. This is expected to have a similar credit risk profile as Downer EDI Limited. Downer has a long-term issuer default rating of BBB (Outlook Stable) issued by Fitch Ratings. This rating was affirmed on 10 May 2024. Issuers rated BBB- or above (or the equivalent by other rating agencies) are described as "Investment Grade".

The maximum exposure to credit risk is the carrying value of the Company's financial assets. The Company is not directly exposed to foreign currency risk. 99.0% of ROADS holders are domiciled in New Zealand.

Information for Investors

for the half-year ended 31 December 2024

Securities exchange listing

Works Finance (NZ) Limited (Company Number 1909583) is listed on the NZX Debt Market (NZDX) under code WKSHA.

Company information

The website of the Company's ultimate parent company Downer EDI Limited, www.downergroup.com, offers comprehensive information about Downer and its services. The site also contains news releases and announcements to the ASX and NZX, financial presentations, Annual Reports, Half Year Reports and company newsletters.

Auditor

PricewaterhouseCoopers
15 Customs Street West
Auckland 1010
New Zealand

Waivers

The NZX has ruled that the ROADS are not Equity Securities as defined in, and for the purpose of, the NZDX Listing Rules. The NZX granted a waiver on 7 March 2007 relating to the minimum subscription amount for applications in respect of the offer of ROADS.

Climate-related disclosures exemption

The Company is a climate reporting entity and is relying on the Financial Markets Conduct (Climate-related Disclosures – Works Finance (NZ) Limited) Exemption Notice 2024 (Exemption) in respect of its accounting period ending on 30 June 2024. The Company intends to rely on this exemption for the accounting period ending 30 June 2025.

The effect of relying on the Exemption is to exempt Works Finance from Part 7A of the Financial Markets Conduct Act 2013, so that the Company is not required to comply with its climate-related disclosure obligations, including the requirement to prepare and lodge a climate statement and associated assurance and record keeping requirements, provided that certain conditions specified in the Exemption are met. Those include that Downer EDI Limited, the ultimate parent company, will prepare and lodge group climate statements (including Works Finance (NZ) Limited).

A copy of Downer EDI Limited Group climate statements are published on its website and can be found at www.downergroup.com/annual-sustainability-reports

Corporate governance

Works Finance (NZ) Limited does not have any specific policies, practices or processes in respect of its corporate governance. However, where relevant, Works Finance (NZ) Limited, as a member of the Downer Group, is subject to the corporate governance policies of Downer EDI Limited.

The corporate governance policies of Downer EDI Limited are set out in its Annual Report, which is prepared in accordance with the requirements of ASX Listing Rules. The corporate governance policies and annual report are available on the Downer EDI Limited website at www.downergroup.com

The corporate governance policies of Downer EDI Limited, as set out in its Annual Report dated 30 June 2024, do not materially differ from the Corporate Governance Best Practice Code.

Registered office

130 Kerrs Road, Wiri, Auckland, 2104

Share registry

ROADS holders seeking information about holdings or dividends should contact the Company's share registry, Computershare Investor Services Limited (Computershare):

Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622
Email: enquiry@computershare.co.nz
Tel: +64 9 488 8777

Updating your holder details

ROADS holders can update their details, including bank accounts, payment instructions and view their investment portfolio and transactions at: www.investorcentre.com/nz