



Lodestone



Product Disclosure Statement

Initial public offering of ordinary shares in Lodestone Energy Limited

28 September 2026

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on <https://disclose-register.companiesoffice.govt.nz/>. Lodestone Energy Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.



1. Key Information Summary

What is this?

This is an offer of ordinary shares in Lodestone Energy Limited. Ordinary shares give you a stake in the ownership of Lodestone. You may receive a return if Lodestone increases in value and you are able to sell your ordinary shares at a higher price than you paid for them.

If Lodestone runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

About Lodestone

Lodestone was founded in 2019 to bring utility-scale solar¹ to the New Zealand electricity market. We develop, construct and operate utility-scale solar farms across New Zealand and sell the electricity we generate directly to consumers. Our vertically integrated business model combines solar farm development, construction management, operations and maintenance, electricity generation sales and retail capability, allowing us to control more of the value chain as we scale.

Since our founding, we have commissioned five solar farms with a combined operating capacity of 169 MWdc², representing expected annual generation of 266 GWh² of first-year P50 electricity generation² and the equivalent of enough electricity to power more than 33,000 homes annually.³ We are currently constructing our sixth solar farm and plan to have 16 to 18 operating solar farms by FY32F.

For more information, see Section 2 (*Lodestone and what it does*) of this PDS.

Purpose of this Offer

The purpose of this Offer is to raise capital to facilitate Lodestone's growth through the continued construction of new solar farms within our development pipeline and the expansion of our customer base as well as general corporate purposes. In addition, some of the proceeds will be used to fund Offer costs. The Offer is seeking to raise up to \$100 million, with a minimum amount of \$75 million required to be raised for the Offer to proceed. Our growth plan through to FY32F is based on raising \$100 million, and if we raise less than that amount, we may need to source additional funding by FY30F. The Offer is not underwritten.

You can find more information about the use of the proceeds of the Offer in Section 3 (*Purpose of the Offer*) of this PDS.

Key terms of the Offer

These dates are indicative only and may change. Lodestone, with the agreement of the Joint Lead Managers, reserves the right to vary or extend these dates and to withdraw the Offer at any time before the date on which Shares are first allotted. Lodestone may also accept late Applications (either generally or in individual cases) at its discretion.

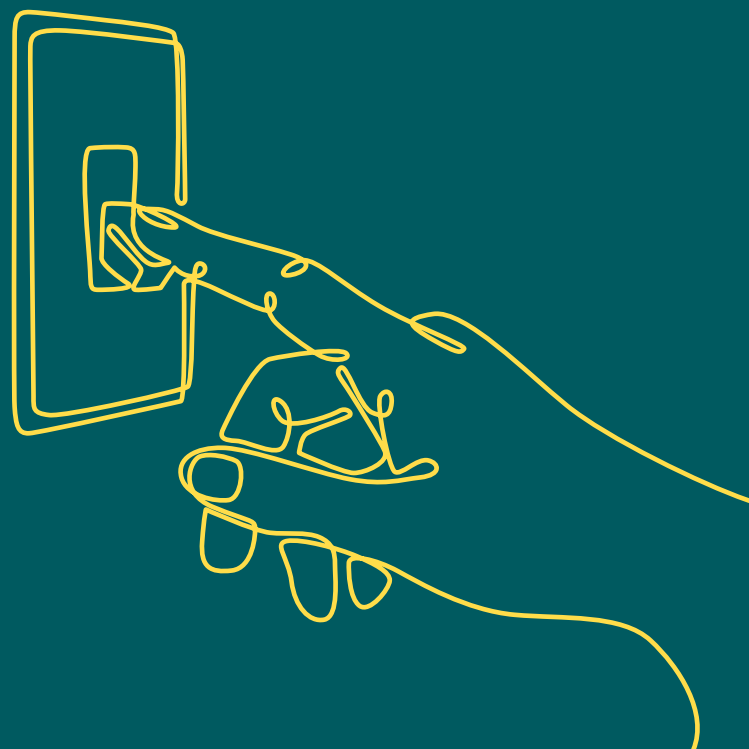
Description of the Shares	Ordinary shares
Offer Price	\$2.25 per Share
Offer opens	29 September 2026
Offer closes	14 October 2026
Bookbuild	14 October 2026
Expected commencement of trading on NZX Main Board	22 October 2026 (Shares will be allotted no later than the Business Day prior to the commencement of trading).
Total number of Shares being offered under the Offer	Up to 44,444,445 Shares (being 21.5% of the total Shares on issue immediately following the Offer ⁴), representing total Offer proceeds of up to \$100 million, with a minimum amount of \$75 million (representing 33,333,334 Shares, being 17.0% of the total Shares on issue immediately following the Offer ⁴) required to be raised for the Offer to proceed.
Liabilities, fees and charges	If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.

1. Utility-scale solar refers to the generation of electricity from a large, ground-mounted solar power plant developed on a commercial scale primarily for supply to the national electricity grid rather than for on-site consumption.

2. This PDS uses a range of technical and industry-specific terms. For an explanation of key technical terms used in this PDS, see the call-out box on page 13.

3. Based on average annual electricity consumption of 8 MWh per year per household.

4. Calculated on the basis that 233,934 Shares are issued on the Allotment Date to ESS participants who have exercised options prior to the date of this PDS.



How you can get your money out

Lodestone intends to quote these Shares on the NZX Main Board. This means you may be able to sell them on the NZX Main Board if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

Key drivers of returns

Lodestone is a growth company and does not expect to pay distributions during the Target FY32F Period. Instead, returns will depend on the execution of our growth strategy and our financial performance and how this is reflected in the value of our Shares. No returns are guaranteed.

Aspects of Lodestone's business which drive financial performance

The number of operating solar farms, generation and sales volumes

Lodestone's ability to increase its operating solar farms, electricity generation and electricity sold to customers is a key driver of revenue. Lodestone's ability to deliver this growth is supported by its development pipeline, internal delivery capabilities and electricity sales strategy.

Solar farm development and construction

Lodestone's ability to regularly develop and construct new solar farms on time and on budget is a key driver of revenue and profitability, as the addition of new operating solar farms to our portfolio expands our generation capacity and increases the electricity available for sale to consumers. The construction of new solar farms is expected to be funded through a combination of equity raised under this Offer, project-level equity financing from strategic partners, project-level debt financing, operating cash flows and cash on our balance sheet.

Key strategies and plans

- Progress Lodestone's development sites and secure new sites to refresh the pipeline as sites move through to construction and operation.
 - Continue to construct additional solar farms using Lodestone's internal development, engineering, procurement, construction ("EPC") management and operating capabilities.
 - Continue to sell generation from each solar farm to a mix of large and small commercial and industrial ("C&I") customers, whilst diversifying the customer base with mass-market consumers through the launch of our mass-market retail strategy.
 - Continue to use Firming and Shaping, electricity market trading capability and hedges to manage electricity demand matching and Wholesale Market exposure.
-
- Target construction of 2 to 3 new operating solar farms per annum to increase installed capacity and electricity generation.
 - Maintain a high-quality development pipeline to support forecast growth to 802 to 888 GWh by FY32F.
 - Leverage our repeatable site selection and development model, together with our internal development capability, to support the regular delivery of new solar farms on time and on budget.
 - Fund construction of new solar farms using Offer proceeds together with project-level debt financing, strategic partnerships and operating cash flow.



Aspects of Lodestone's business which drive financial performance

Electricity sales, customer mix and mass-market retail

Electricity sales volumes, achieved prices, and customer mix are key drivers of Lodestone's revenue. The successful launch and scaling of Lodestone's mass-market retail strategy is expected to support revenue growth and diversify customer credit exposure by increasing electricity sales volumes and broadening Lodestone's customer base. As C&I customers and mass-market retail customers have different pricing, consumption and cost to serve characteristics, any change in customer mix may also affect revenue and margins.

In-house construction management and operations and maintenance ("O&M") capabilities

Our in-house development, construction management, O&M and retail capabilities are key drivers of profitability, as they support cost control, operational efficiency and operating leverage as our solar farm portfolio and customer base grow.

Energy margin and Wholesale Market management

The strategies we use to manage energy margin, including managing the gap between customer demand and solar generation through Wholesale Market purchases, hedge settlements and third-party electricity costs, are a key driver of profitability.

Access to strategic partnerships

Strategic partnerships are a key driver of capital efficiency and profitability, as they reduce the capital we are required to contribute to develop each solar farm, support our planned build programme, and contribute to earnings through margin achieved for development and construction management and fees for O&M services at jointly owned sites.

Key strategies and plans

- Commence selling electricity to mass-market retail customers in late 2026 using a product that mimics the "virtual rooftop" contract ("VRC") offering currently provided to our C&I customers, as described in Section 2 (*Lodestone and what it does*) of this PDS.
- Expand our retail offering into each region alongside the construction of a solar farm in that location (including regions with existing solar farms), with locally sourced renewable generation notionally matched to demand as a key customer proposition.
- Continue selling generation to a mix of large and small C&I customers while diversifying our customer base with mass-market retail customers.
- Tailor VRC pricing to customer usage and solar farm output, to price customer supply based on each customer's consumption profile.
- Maintain a majority of the volume we supply to C&I customers under longer-term VRCs with terms of 5 to 20 years, to provide more revenue visibility than the 1 to 3 year industry norm for the C&I market.⁵
- Continue managing EPC functions internally, to reduce reliance on external EPC providers.
- Continue transitioning maintenance in-house to enable a more efficient and effective operating model.
- Use our Solar Operations Centre for real-time oversight, to support operating performance across our portfolio.
- Continue to use our VRC model to match 100% of a C&I customer's electricity needs to our solar generation.
- Continue to use our electricity market trading team, systems, internal models and processes to manage Wholesale Market risk by Firming and Shaping solar and customer demand.
- Contract with third parties for short and long-term hedges to manage Wholesale Market risk.
- Deliver the Ongaonga Road solar farm through the 50/50 JV with Centralines.
- Continue to establish strategic partnerships to bring further build opportunities into the Lodestone pipeline, share the equity capital requirements, and leverage partner community relationships.
- Maintain a diversified funding strategy across multiple capital sources, to support construction of future solar farms.

You should read this table in conjunction with Section 2 (*Lodestone and what it does*) of this PDS.

5. Based on C&I contract term data collected by Total Utilities, an independent energy procurement adviser, through the electricity procurement processes it runs for its clients, as at August 2026.

Key risks affecting this investment

Investments in shares are risky. You should consider if the degree of uncertainty about Lodestone's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares. Lodestone considers that the most significant risk factors that could affect the value of the Shares are:

Funding availability risk

In addition to the capital to be raised under the Offer, Lodestone requires ongoing access to debt and strategic partner funding to achieve its growth strategy of building 2 to 3 new utility-scale solar farms per year. If access to funding is not available, we may be unable to construct the planned number of new operating solar farms within expected timeframes. This could have a material adverse impact on our financial performance.

Development and construction risk

The value from Lodestone's growth strategy depends on us being able to deliver projects across our development pipeline on time and within budget. Development and construction related risks include projects failing to progress to construction, higher construction costs, schedule delays, loss or damage to major equipment that we procure directly and reliance on key specialist subcontractors. If we are unable to bring our development pipeline to a construction-ready state on time or at all, if costs materially exceed expectations or if projects are significantly delayed we may be unable to construct the planned number of new solar farms in the expected timeframes, which may adversely affect our financial performance.

Customer risk

Lodestone currently relies on a relatively concentrated number of C&I customers and plans to diversify our customer base through the launch and scale of our mass-market retail business. If our mass-market retail strategy does not achieve planned customer acquisition and retention levels we may remain more dependent on lower margin C&I contracts, which could affect our financial performance and growth trajectory. A major C&I customer failure or default could leave significant generation unmatched with demand and expose us to Wholesale Market prices.

Energy pricing risk

Lodestone's electricity revenue may be affected by declines in C&I or mass-market electricity prices which may be affected by changes in Wholesale Market prices over time. Wholesale Market prices could be affected by competitors building more renewable generation than is required by customer demand, changes in daytime prices caused by excess solar supply or changes in Loss Factors. Lower prices for sustained periods could impact the economics of building new solar farms and reduce revenue from unmatched generation. Lodestone may also be adversely affected if Wholesale Market prices are materially elevated during periods of generation shortfall, when we need to purchase electricity in the Wholesale Market to meet our contractual supply obligations which could affect our financial performance.

This summary does not cover all of the risks of investing in ordinary shares. You should also read Section 8 (*Risks to Lodestone's business and plans*) of this PDS.

Where you can find Lodestone's financial information

The financial position and performance of Lodestone are essential to an assessment of this Offer. You should also read Section 7 (*Lodestone's financial information*) of this PDS.



Whitianga Solar Farm (Pāmu Rā ki Whitianga)



Kaitaia Solar Farm (Kohirā)

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Whitianga Solar Farm (Pāmu Rā ki Whitianga)



Letter from the Chair

Dear Investor,

On behalf of the Board of Lodestone Energy Limited, it is my pleasure to invite you to become a shareholder in our Company.

Lodestone's vision for New Zealand is to have "a solar farm in every community". In the short time since Lodestone was established in 2019 we believe we have demonstrated that this vision is achievable. We have developed, built and commissioned five utility-scale solar farms with a combined operating capacity of 169 MWdc – enough to generate around 266 GWh of electricity in a typical year and the equivalent of enough electricity to power more than 33,000 homes.⁶

We have built a vertically integrated business spanning development, construction, operations and electricity retailing. This vertical integration gives us the ability to maximise value from our business model. At the heart of our offering is the "virtual rooftop" contract, which we introduced to the New Zealand market in 2022. It allows C&I customers to access the benefits of solar generation without installing solar panels on their own premises. Household names such as The Warehouse Group, Inghams, Halls, Pink Batts and Briscoes are already among our customers.

Our ambition is to keep building. We are constructing our sixth solar farm and plan to construct over 10 additional solar farms by FY32F, targeting total annual generation in excess of 800 GWh. To achieve this, we intend to bring 2 to 3 new solar farms into operation each year, drawing on an established development pipeline. We have begun selling electricity to mass-market retail customers, extending our proposition to households and small businesses in the communities where we operate.

The purpose of this Offer is to raise capital to fund the continued construction of new solar farms and the expansion of our customer base. The Offer is seeking to raise up to \$100 million, with a minimum raise of \$75 million and is not underwritten.

Our existing shareholders – including co-founder and Managing Director Gary Holden, and long-standing supporters such as Guy Haddleton, Sam Morgan and Stephen Tindall – are not selling any Shares in the Offer and will remain invested alongside you. Consistent with our focus on growth, we intend to reinvest our operating cash flows into the business.

This PDS contains detailed information about Lodestone and this investment opportunity. I encourage you to read it closely and consider in particular Section 8 (*Risks to Lodestone's business and plans*) of this PDS before making your investment decision.

On behalf of the Board, thank you for considering this opportunity to invest in Lodestone and in New Zealand's renewable energy future.

Yours sincerely,

Jack Matthews
Chair, Lodestone Energy Limited

6. Based on average annual electricity consumption of 8 MWh per year per household.



2. Lodestone and what it does



Whitianga Solar Farm (Pāmu Rā ki Whitianga)



Introduction to Lodestone

Lodestone was founded in 2019 with a vision to bring utility-scale solar to the New Zealand electricity market. Our strategy is based on our vision to have “a solar farm in every community” that is integrated into the existing electricity grid. We plan to develop a widely distributed network of solar farms and serve the electricity needs of local communities and C&I customers across New Zealand.

We have established a business model that includes an innovative “virtual rooftop” sales proposition⁷ combined with the development of internal capability and expertise to develop, construct and operate solar farms. This internal capability has enabled us to develop and refine a repeatable formula delivering solar farms at a regular cadence, while reducing our reliance on third parties for these services.

We now have five operational solar farms, are constructing our sixth, and are well-progressed in the design phase of the seventh.⁸ We plan to complete construction of an additional 9 to 11 solar farms by FY32F for a total of 16 to 18 operating solar farms. Currently we sell the generation from each solar farm to a mix of large and small C&I customers and have a plan to expand our customer base with mass-market retail consumers. Collectively, Lodestone aims to represent 2% of the electricity retailing market in New Zealand by FY32F.⁹

7. Lodestone's VRC is detailed on page 22.

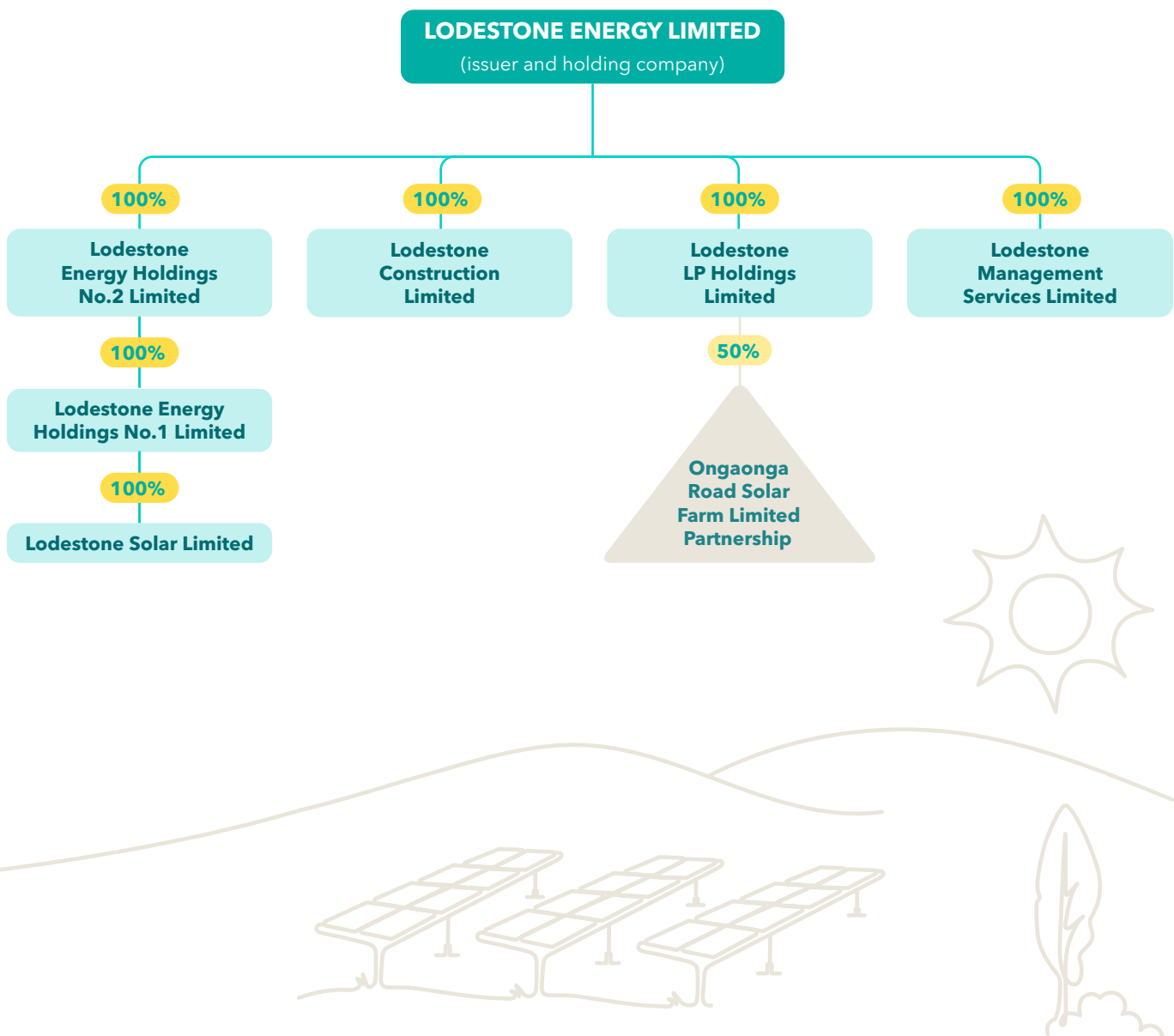
8. As at the end of FY26A, Lodestone had commissioned four solar farms at Kaitaia, Edgecumbe, Waiotape and Whitianga. Our fifth solar farm, at Clandeboyne, achieved first power in August 2026.

9. The electricity retailing market includes C&I and mass-market retail customers.



Lodestone Energy Limited is the parent company of the Lodestone Group and is expected to be listed on the NZX Main Board on completion of the Offer with the ticker code "LOD". We sell electricity to customers primarily through Lodestone Energy Limited, with Lodestone Solar Limited also holding some power purchase agreements ("PPAs") directly. Lodestone Solar Limited holds our first five solar farms, while our Ongaonga Road solar farm is held via a limited partnership with Centralines. New entities will be established for future solar farm strategic partnerships as required.

Since founding, we have completed four equity capital raises and raised approximately \$200 million in equity. Equity has been sourced from a number of institutional and private investors, including several investors that have participated in multiple capital raisings. Our investors include co-founders Gary Holden (who is our Managing Director) and Guy Haddleton and other business leaders such as Sam Morgan and Stephen Tindall. In addition, Jarden Principal Investments, Fisher Funds and Purpose Capital have supported us through our initial growth period and will remain shareholders following completion of the Offer. No existing shareholders will sell Shares in the Offer, and they will be subject to the escrow arrangements described in Section 5 (*Terms of the Offer*) of this PDS.



Key terminology used throughout this PDS

Electricity capacity is measured in megawatts direct current ("MWdc") and represents the maximum nameplate output of the solar panel arrays, under standard test conditions, of a solar farm (or portfolio of solar farms). Electricity generated by the solar panel arrays is converted to a form suitable for distribution into the electricity grid through inverters at the solar farm. The capacity of a solar farm is therefore a function of both solar panel array size and inverter and transformer capacity.

Electricity generation is measured in gigawatt hours ("GWh") and represents the total volume of electricity generated from a solar farm (or portfolio of solar farms). Transmission and distribution of electricity over long distances results in losses so the amount of electricity generated by a site may not reflect the amount of electricity available to be sold.

P50 generation refers to the median estimated annual electricity generation of a solar farm (or portfolio of solar farms), derived from probabilistic energy yield assessments conducted by independent technical advisers, and is measured in GWh.

P50 estimates are market-standard for energy modelling, as they reflect an equal likelihood of actual generation being either above or below the estimate. Unless otherwise stated, P50 reflects forecast plant and network availability and network Loss Factors. P50 estimates are typically expressed based on a first year of generation because electricity generation for solar farms is expected to reduce over time due to solar panel degradation (by no more than 2.0% in the first year following installation and by approximately 0.45% per annum from year 2 to year 30 after installation). Any degradation in excess of these levels is covered via a performance warranty with the solar panel manufacturer. In addition, the latest view of P50 generation for a given site continues to be calibrated against historical generation performance of that site. This forms the basis for all electricity generation forecasts in this PDS, including the Target Metrics.

Electricity pricing and margins are presented on a \$ per megawatt hour basis (\$ / "MWh") due to ease of readability and comparison (1,000 MWh is equivalent to 1 GWh).



Groundbreaking with partner Centralines at Ongaonga Road



Our business at a glance

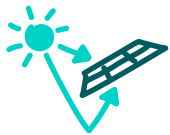
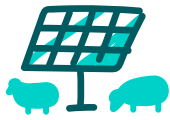
Our business is focused on constructing solar farms in communities throughout New Zealand and matching the electricity generated from our solar farms to demand from consumers in those communities.

The proceeds raised from the Offer will facilitate the continued construction of new solar farms and the expansion of our customer base and be used for general corporate purposes. We plan to have 16 to 18 operational solar farms by FY32F with expected electricity generation of 802 to 888 GWh in that period.

We have achieved many milestones in our short history. As at the date of this PDS, we have a portfolio of five operational solar farms, we are a registered electricity retailer and we have entered into national supply contracts with significant C&I customers including The Warehouse Group, Inghams, Halls, Pink Batts, Open Country Dairy and Briscoes.

We have the internal capabilities to become a vertically integrated "gentailer" with the ability to develop, construct and operate solar farms and sell electricity directly to consumers. These capabilities, combined with our development pipeline, position us well to deliver our next phase of growth.

Lodestone's future metrics



5
Farms

TODAY

266
GWh

9
Farms

TARGET FY29F

389-416
GWh

16-18
Farms

TARGET FY32F

802-888
GWh



Construction at Edgecumbe Solar Farm (Rangitaiki)

Timeline of our key milestones to date



2019

Lodestone is founded

Lodestone is founded as grid scale solar becomes cost competitive

First VRC

Our first solar farm commences construction and an MoU signed in respect of our first VRC for The Warehouse Group

2022



2023

Second solar farm underway

Our second solar farm commences construction

First generation

First two solar farms begin operations, construction underway on third and fourth solar farms and Inghams contract signed

2024



2025

First strategic partner

Fifth solar farm underway, strategic partnerships initiated, and we develop mass market retail strategy

End-to-end integration

First strategic partnership solar farm commences construction and mass market retail strategy launched

2026



The next chapter is already under construction



Our growth plans are supported by a pipeline of potential solar farm developments, and we expect to continue securing new sites to refresh our pipeline as we progress sites through to construction and operation.

The growth of our platform is supported by expertise that we have built across our core internal competencies including:

Solar farm development

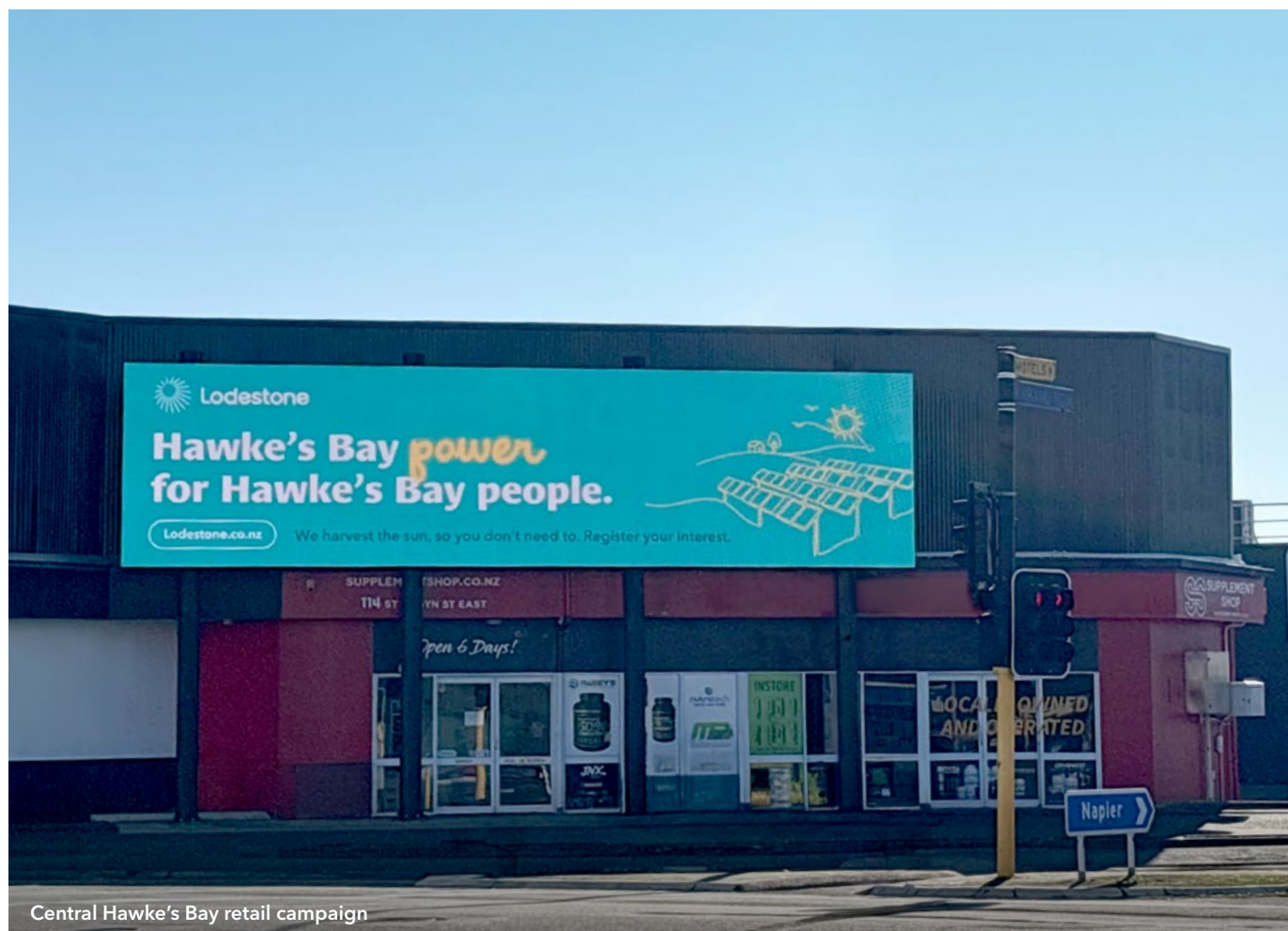
The identification of potential site locations, solar farm design, resource consenting, community engagement, and debt financing.

Solar farm construction and operations

Managing the construction of new solar farms and ongoing management and maintenance of our operational solar farms. Our internal team has managed the engineering and procurement for all solar farms to date and will manage all construction activities for future solar farms. Our internal team centrally manages the operations of all solar farms and is transitioning all maintenance work from an outsourced model to in-house.

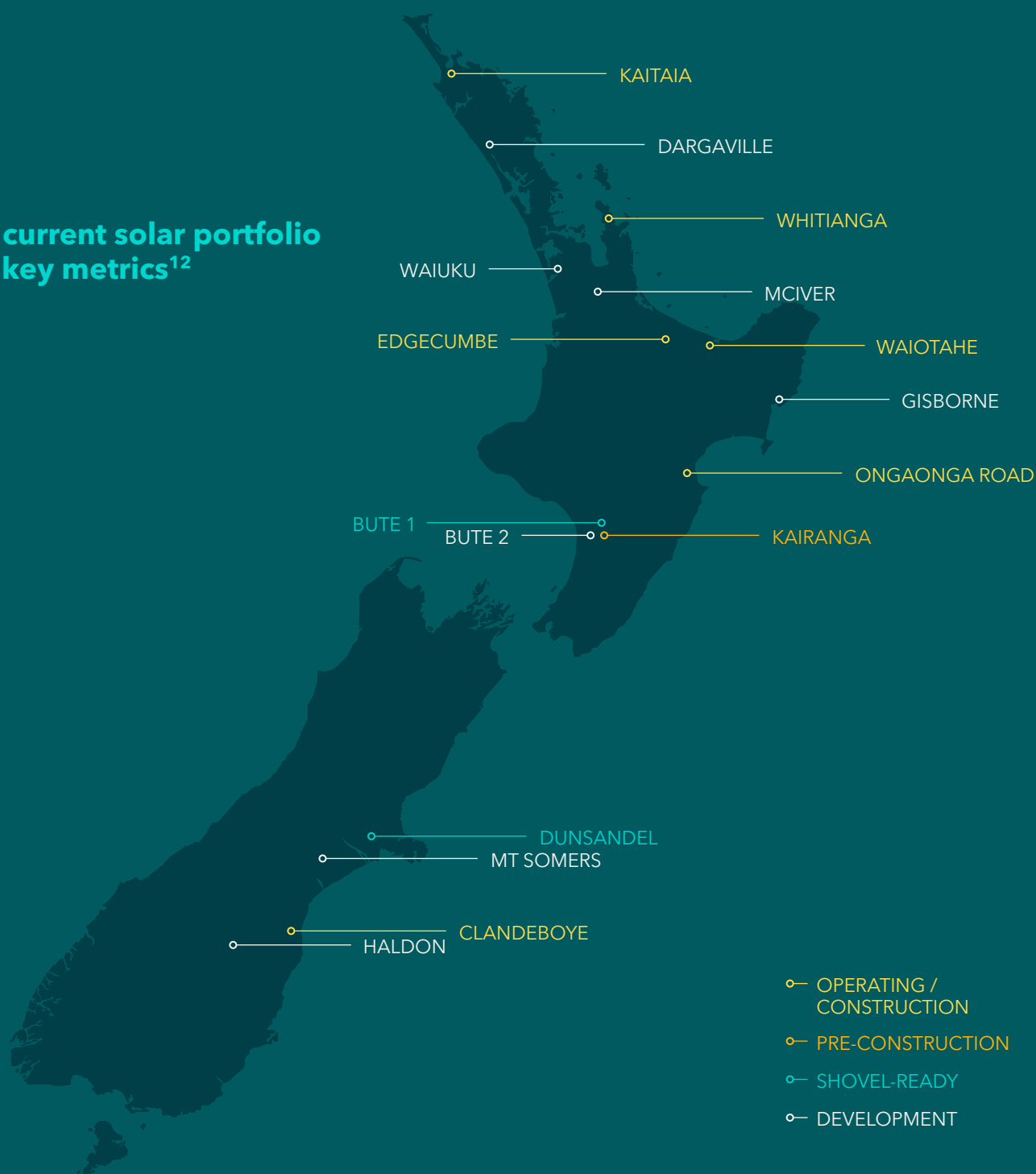
Electricity retailing and sales

The contracting of our electricity generation to C&I customers through a variety of innovative VRCs. We have the internal capabilities to be able to operate a mass-market retail business, which, when operational, will provide us with an additional source of electricity demand. We are currently testing our mass-market retail offering with a select focus group and have begun selling electricity to mass-market retail customers in Hawke's Bay. We also contract with third parties for hedges to manage our electricity demand matching and Wholesale Market exposure.



Central Hawke's Bay retail campaign

Our current solar portfolio and key metrics¹²



169

MWDC OF
ELECTRICITY CAPACITY

266

GWH OF
ELECTRICITY GENERATION

5

FARMS IN OPERATION

339

UNIQUE ICPS SERVED¹⁰

290,000

SOLAR PANELS OPERATING

+33,000

HOMES ABLE TO BE
POWERED¹¹

34

EMPLOYEES AS AT
30 JUNE 2026

10. As at 31 May 2026.

11. Represents the equivalent number of average New Zealand households that could be supplied, based on average annual electricity consumption of 8 MWh per year per household.

12. All metrics are as at the date of this PDS unless otherwise stated. Dargaville, Waiuku and Haldon are not planned to be constructed in the Target FY32F Period.



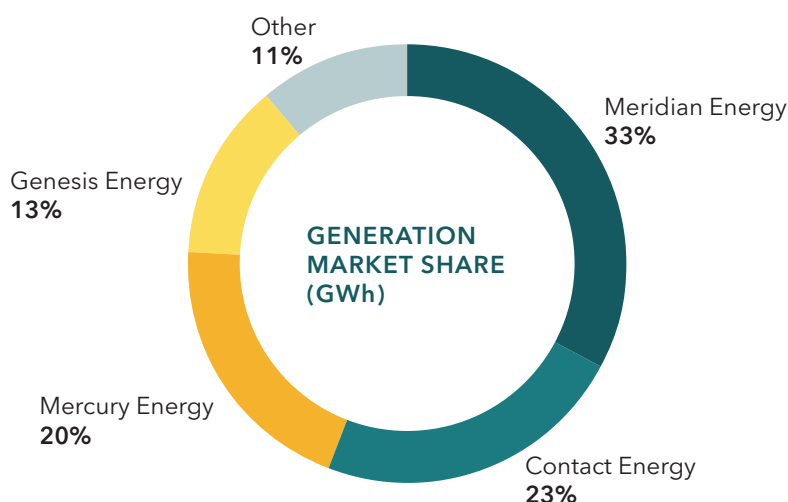
The New Zealand electricity market at a glance

We operate in the New Zealand electricity market, which is a largely vertically integrated system dominated by four major gentailers. They are Contact Energy, Genesis Energy, Mercury Energy and Meridian Energy who collectively accounted for approximately 89% of the generation market for the year ended 30 June 2026.¹³ The remaining 11% market share is split across a number of independent generators (including Lodestone).

New Zealand's electricity generation mix comprises mainly hydro, geothermal, wind, solar, and thermal generation. MBIE expects electricity demand in New Zealand to grow by 21% from 2025 to 2035, driven by population growth, increased electrification of industry and transport, and data centre growth.¹⁴ Developers are

progressing new renewable developments across the country to meet this additional demand, including gentailers as well as other independent generators.

New Zealand is well positioned for a future increasingly powered by solar energy. Extensive hydro storage allows intermittent renewable generation to be integrated at scale while maintaining system reliability and security of supply. Hydro storage can effectively act as a large-scale renewable battery. During periods of strong sunshine, hydro generators can conserve water in their reservoirs while solar energy meets current customer demand.



13. For the year ended 30 June 2026 based on generation data from MBIE and company reports.

14. MBIE, Electricity demand and generation scenarios. Reference scenario has been applied.

Generators commonly inject electricity into the national grid, which Transpower (a state-owned enterprise) owns and operates, before distributing it to the local electricity networks that electricity distribution businesses (“EDBs”) own and operate.¹⁵ Each of the EDBs is responsible for connecting the local electricity networks to end customers. The key consumers of electricity in New Zealand are residential, industrial and commercial users.

Mass-market retail customers (including small businesses and households) purchase their electricity under open plan contracts from electricity retailers. C&I customers typically purchase electricity under fixed term contracts or through PPAs entered into directly with a gentailer. To match generation supply and demand, generators, retailers and end-users enter into hedging agreements. Participants in the New Zealand electricity market employ various traded products to manage risk. This includes wholesale spot markets, futures electricity markets, over-the-counter derivatives markets, and transmission markets (collectively the “**Wholesale Market**”).

Historically, independent retailers in New Zealand have demonstrated an ability to win market share (independent retailers currently represent ~13% of market share by ICP).¹⁶ However, a competitive disadvantage has been the lack of generation to back demand and constrained liquidity in the futures market, which means that independent retailers have more direct exposure to wholesale spot prices than gentailers. During times of elevated wholesale spot prices, independent retailers can face profitability challenges given their inability to pass elevated electricity purchasing costs on to their retail customers. We believe that we will be less impacted by this challenge given our vertically integrated business model and a significant portion of our electricity sold is matched to our own generation.

Further information on the New Zealand electricity market and New Zealand’s forecast electricity demand can be found in the Other Material Information available on the Offer Register.



Managing Director Gary Holden

15. The majority of EDBs in New Zealand are owned by local councils or consumer trusts with some privately owned.

16. Independent retailers account for 13% of active ICPs based on the Electricity Authority’s market share snapshot as at 31 July 2026.



Our business highlights

01.

We have an established track record of consenting, building and contracting solar farms

We have five operational solar farms with an operating capacity of 169 MWdc (or first-year P50 generation of 266 GWh), the equivalent of enough electricity to power more than 33,000 homes annually¹⁷

- ✓ Our team has a track record of sourcing high-quality sites and successfully delivering solar farms through to operation, demonstrating significant experience and execution strength
- ✓ Our first solar farm, Kaitaia, has been operational since March 2024, and an additional four solar farms are now in operation
- ✓ Having undertaken the engineering and procurement and closely overseen construction of our first five solar farms, we are now leveraging that experience to manage construction of our sixth solar farm

17. Based on average annual electricity consumption of 8 MWh per year per household.



Operations at Whitianga Solar Farm (Pāmu Rā ki Whitianga)

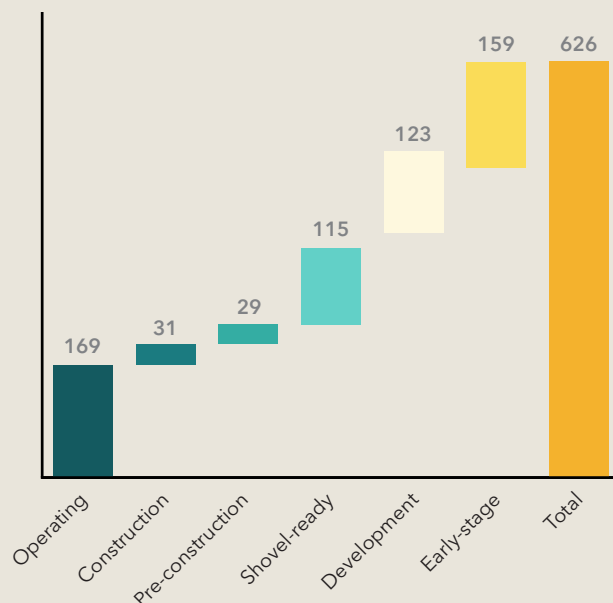
02.

Established development pipeline and capability

We have a high-quality development pipeline and forecast 402 to 457 MWdc of total new capacity to be delivered by FY32F (representing 598 to 684 GWh of first-year P50 electricity generation)

- ✓ We have a portfolio of consented and grid-approved sites that are suitable for solar electricity generation
- ✓ Sites are targeted in proximity to major load centres while diversifying geographic risk
- ✓ A diverse, flexible development approach allows us to prioritise sites to meet customer needs

BUILD TO FY32F CAPACITY (MWdc)

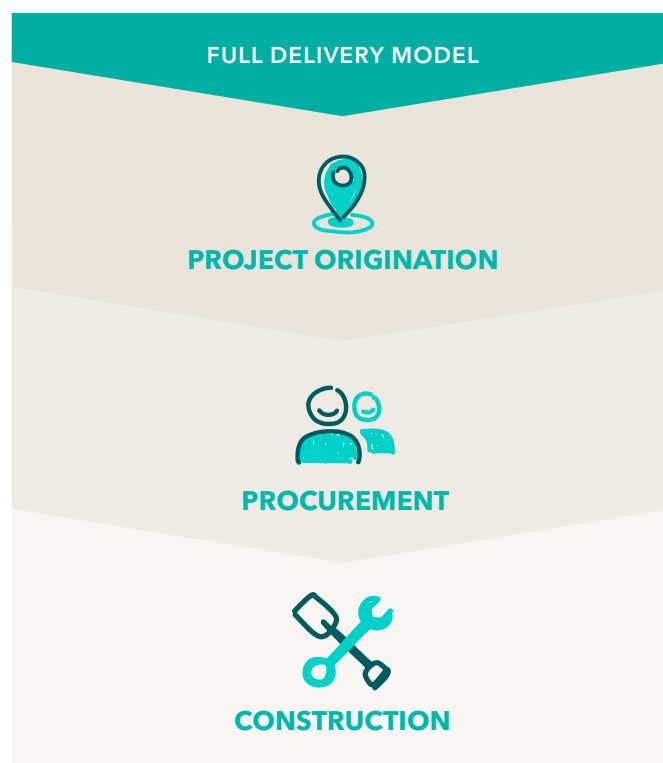


03.

In-house capabilities

Our vertically integrated model is designed to give us control over the development process and supports operational efficiency

- ✓ Over the past five years, we have built the capability to develop, design, procure and manage the construction of our own solar farms and now intend to provide all these services in-house (with less reliance on third parties). This helps ensure a low cost to build by minimising outsourcing
- ✓ We consider this a more sustainable model which improves unit economics and allows for full control over the process
- ✓ In-house capabilities simplify the contracting process and allow faster solar farm completion



04.

Attractive solar farm economics from end-to-end business model

Our proven development model delivers a low cost-to-build and attractive project economics that are enhanced through our retailing strategy

Our experience in developing solar farms combined with our in-house delivery model enables Lodestone to develop solar farms at an attractive cost-to-build relative to industry peers.

Combined with our vertically integrated business model this allows Lodestone to deliver more attractive earnings at a lower capital cost compared to the typical solar farm development model. We can generate this as a result of:

- ✓ Our solar farm delivery experience which has enabled Lodestone to reduce the cost of construction relative to earlier projects
- ✓ Margin capture of in-house construction reducing upfront capex
- ✓ Our sales model that targets both C&I and mass-market retail customers that typically deliver higher prices than traditional PPAs
- ✓ Use of strategic partnerships which reduce Lodestone's capital commitment to projects by a higher factor than the reduced EBITDAF

INDICATIVE PROJECT METRICS

METRIC	TARGET RANGE
PROJECT COST \$/ MWh	\$0.81-\$0.95 ¹⁸
PROJECT COST \$/ MWh	\$1.20-\$1.46
YEAR 1 EBITDAF YIELD OF PROJECT COST	12-20% ¹⁹

18. Project cost range is based on the estimated capital cost for projects that Lodestone intends to construct during the FY32F Target Period. GWh is based on the estimated first year P50 generation inclusive of plant and network availability and Loss Factors. Capital costs include development costs, EPC costs (but not any EPC margin for a non-JV site), transmission costs, owners costs, financing costs, contingency but exclude land costs. For JV sites, the project cost is based on Lodestone's portion of the total capital cost.

19. EBITDAF range based on a near-term Lodestone project. The lower end of the range assumes that all electricity is sold to C&I customers and that the solar farm is 100% owned by Lodestone. The upper end of the range assumes that all electricity is sold to mass-market retail customers and that the solar farm is held through a JV.



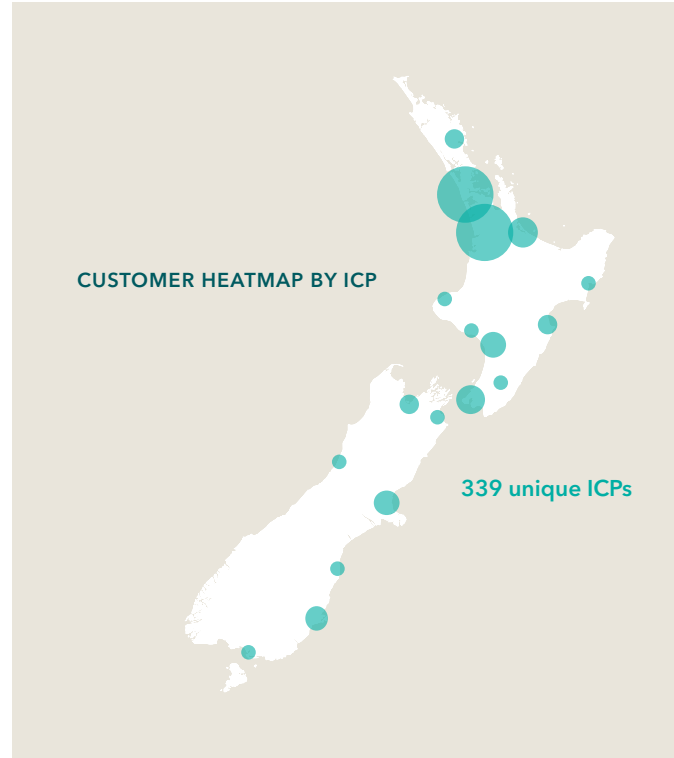
05.

Innovative Virtual Rooftop Contracts

Our innovative VRC structure helped remove the traditional barriers²⁰ to entry of serving the C&I market

- ✓ Our contracts supply all of the electricity needs of our C&I customers' contracted sites
- ✓ The VRC model simulates rooftop solar but with lower cost, no capital expense and more flexibility
- ✓ The VRC model allows us to serve C&I customers that have a national footprint, even where they are not directly connected to a solar farm
- ✓ We currently serve over 300 sites across our existing C&I customers using this model

20. Traditional solar PPA contracts, which are detailed in *The New Zealand electricity market at a glance* section on page 19, require C&I customers to purchase electricity from other sources when their contracted right to purchase electricity from a specific solar farm does not meet their electricity needs.



06.

Well-established customer base

Our customers include large corporates that have a national presence, illustrating our ability to tailor our offering to meet customer needs

- ✓ Our customers include large scale household names that often have multiple connection points and high daytime electricity demand
- ✓ We have historically matched all electricity generation from our operating and under construction solar farms to contracted customer demand, demonstrating the desirability of our offering



07.

Experienced management team, supported by high-quality governance

With extensive experience in the renewable energy sector, our management team has successfully delivered our first five solar farms and is well positioned to oversee our growth plans

- ✓ High-performing management and governance culture focused on delivering our growth plan
- ✓ Our management team has broad industry experience from development and construction through to retailing and regulation
- ✓ Our Board is comprised of members with experience in key areas of Lodestone's operations across renewable energy as well as listed issuer governance



Lodestone's management team, from left to right: Peter Apperley - General Manager Engineering, Sarah McHardy - General Manager Customer, Brendan McNamara - General Manager Legal, Viv Palmer - General Manager Human Resources, Gary Holden - Managing Director, Chris Jewell - Chief Financial Officer, Justin Holden - General Manager Wholesale and Richard Pearce - Chief Operating Officer.



We develop solar farms

We have been developing utility-scale solar farms in New Zealand since our founding in 2019. Since inception we have developed five operational solar farms and are targeting 16 to 18 solar farms by FY32F. Achieving this growth requires us to have a streamlined and effective development strategy that delivers new solar farms into operation on a regular cadence.

We plan to establish a widely distributed network of solar farms that serve local communities across New Zealand. To support this, we source sites for our solar farms near population centres or C&I customers, and target locations with high irradiation, low-cost interconnections to distribution networks, flat and geologically consistent land with a footprint of 40 to 80 ha. We typically design our solar farms to be standardised with electricity capacity of 25 to 35 MWdc and expected annual electricity generation from 45 to 55 GWh per year.

Our solar farms are built on agrivoltaic principles, allowing livestock to continue grazing on the same land occupied by the solar arrays. This dual-use approach supports ongoing agricultural productivity, reduces vegetation management and mowing costs, and provides an additional ancillary revenue stream.

Development pipeline

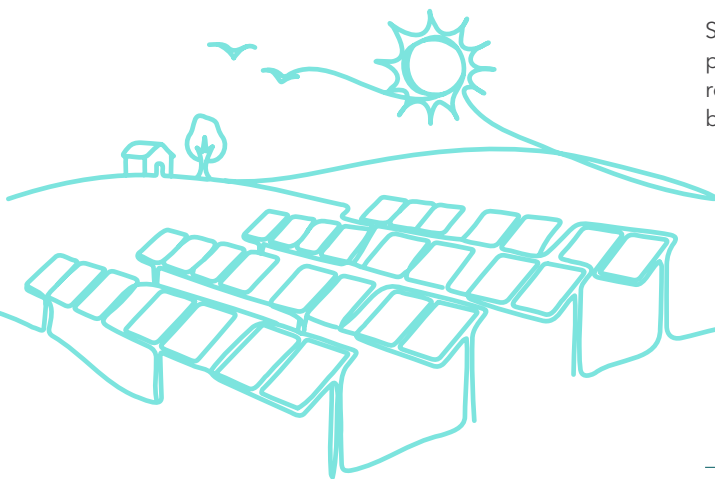
We have a development team which identifies, designs and acquires consents on solar farm opportunities. Since 2022, the development team has successfully acquired rights to land (either through ownership, leasing or options) for over 15 sites. Our development team continues to focus on identifying and securing further potential sites that are suitable for solar electricity generation and advancing our sites through design and consenting to reach shovel-ready status.²¹ At any one time we aim to maintain a sufficiently advanced development pipeline to support approximately three years of future growth.

Our development pipeline is made up of solar farms at various stages of development. The projects detailed in the table below are those currently regarded as the highest priority sites which underpin our business plan and target of having 16 to 18 operational solar farms by FY32F (representing an additional 11 to 13 solar farms beyond our current portfolio of five operational solar farms):

- **In construction:** Ongaonga Road in Hawke's Bay (our sixth solar farm)
- **Next seven sites:** following Ongaonga Road, the next seven sites expected to be constructed are Kairanga, Bute 1, Bute 2, Gisborne, Dunsandel, Mount Somers and Mclver (collectively, including Ongaonga Road, the "Named Sites").
- **Future unnamed sites:** Beyond the Named Sites, we expect to construct a further 3 to 5 solar farms by FY32F. At this stage, we have assumed that these are generic, proxy solar farms for financial forecasting purposes (based on the profile of a typical Lodestone solar farm). We expect that these generic solar farms will be sites from our full development portfolio when they have advanced to an appropriate stage of development or newly identified sites. This may include the Dargaville and Waiuku sites included in the development pipeline of highest priority sites below.

Some of the sites in our current and future development pipeline may be larger than our typical solar farms and could result in less than 16 to 18 operational solar farms by FY32F but still deliver the same target electricity capacity.

21. We define "shovel-ready" as a development site that has completed a series of internal gates (which include grid connection approvals, resource consents, geotechnical analysis, land access agreements and preliminary design) and is ready to begin the path to finalise construction planning, financing and other agreements required before construction can begin.



SITE	REGION	STATUS	CAPACITY	CONSENTS	GRID CONNECTION STATUS	NAMED SITE IN TARGET METRICS
Ongaonga Road	Hawke's Bay	Construction	31 MWdc	Consented	Contracted	Yes
Kairanga	Manawatu	Pre-construction	29 MWdc	Consented	Secured	Yes
Bute 1	Manawatu	Shovel-ready	26 MWdc	Consented	Secured	Yes
Dunsandel	Canterbury	Shovel-ready	89 MWdc	Consented	Secured	Yes
Mt Somers	Canterbury	Development	23 MWdc	Consented	Secured ²²	Yes
Bute 2	Manawatu	Development	38 MWdc	Submitted	Secured	Yes
Gisborne ²³	Gisborne	Development	28 MWdc	Preparing	Studied	Yes
Mclver	Waikato	Development	34 MWdc	Preparing	Studied	Yes
Haldon ²⁴	Canterbury	Development	220 MWdc	Consented	Studied	No
Dargaville ²⁵	Northland	Development	34 MWdc	Preparing	Pending	No
Waiuku ²³	Auckland	Development	65 MWdc	Preparing	Studied	No
TOTAL			617 MWdc			

Reviewing and assessing potential development sites is an integral part of our business model and growth strategy. In addition to the pipeline outlined above, we have identified a number of sites which are in earlier stages of development and which we will continue to investigate suitability for development. While our development sites will typically be at different stages of progress, we seek to maintain flexibility in our development pipeline and prioritise sites as required.

In addition to the value of our solar farm assets, we also own \$38 million of land across our operational solar farms and development pipeline. We may lease, acquire or dispose of interests in land for solar farm development in the future to manage our development pipeline.

22. The grid connection approval for Mt Somers will expire and be resubmitted in September 2026.

23. Lodestone has entered into conditional sale and purchase agreements to acquire the land for the Gisborne and Waiuku sites. The remaining conditions under those agreements are for the benefit, and within the control, of Lodestone. Lodestone's current intention is to sell and lease back the relevant land at these sites once acquired.

24. Haldon is not included in the Target Metrics and is not factored into the amount of equity we are seeking to raise in this Offer. The Haldon consent decision is currently subject to two High Court appeals.

25. Whilst early-stage, we already own the land at Dargaville. Consent for Dargaville is being varied to be a hybrid solar BESS model.

We manage the construction and operations of solar farms

Our existing solar farms and operational capabilities

We have five operating solar farms with generation capacity totalling 169 MWdc. Our current solar farms have a first-year P50 generation of 266 GWh. FY27 production to 31 July 2026 was 101% of the P50 generation forecast for the same period. This compares to 98.7% of the P50 generation in FY25A and 97.8% plant availability for the same period. The plant availability improvements are a result of the continual improvements in our operating and maintenance processes.

We delivered our initial solar farms using EPC contracts with specialist third-party contractors who delivered each site for an agreed fixed price. We deliberately structured the EPC contracts for those first five solar farms to require a high degree of our involvement, overseeing each contractor throughout delivery.

The hands-on approach that we took with our first five solar farms, combined with targeted recruitment of experienced personnel, has provided us with the experience and capability to now manage the construction function in-house (we have managed the engineering and procurement functions for all solar farms constructed to date) and work directly with our existing sub-contractors to effectively deliver our operating solar farms.

Kaitia

Kohirā

OPERATIONAL	March 2024	
COST ²⁶	\$55m	(\$1.05M/GWH)
LAND	52 ha	OF OWNED LAND
SIZE	33 MWdc	

26. Includes all construction-related costs but excludes financing, lease and land ownership costs (as applicable).

Edgecumbe

Rangitaiki

OPERATIONAL

May 2024

COST²⁶

\$52m

(\$1.01M/GWH)

LAND

50 ha

OF OWNED LAND

SIZE

32 MWdc



Waiotahe

Te Herenga o Te Rā

OPERATIONAL

July 2025

COST²⁶

\$65m

(\$0.93M/GWH)

LAND

64 ha

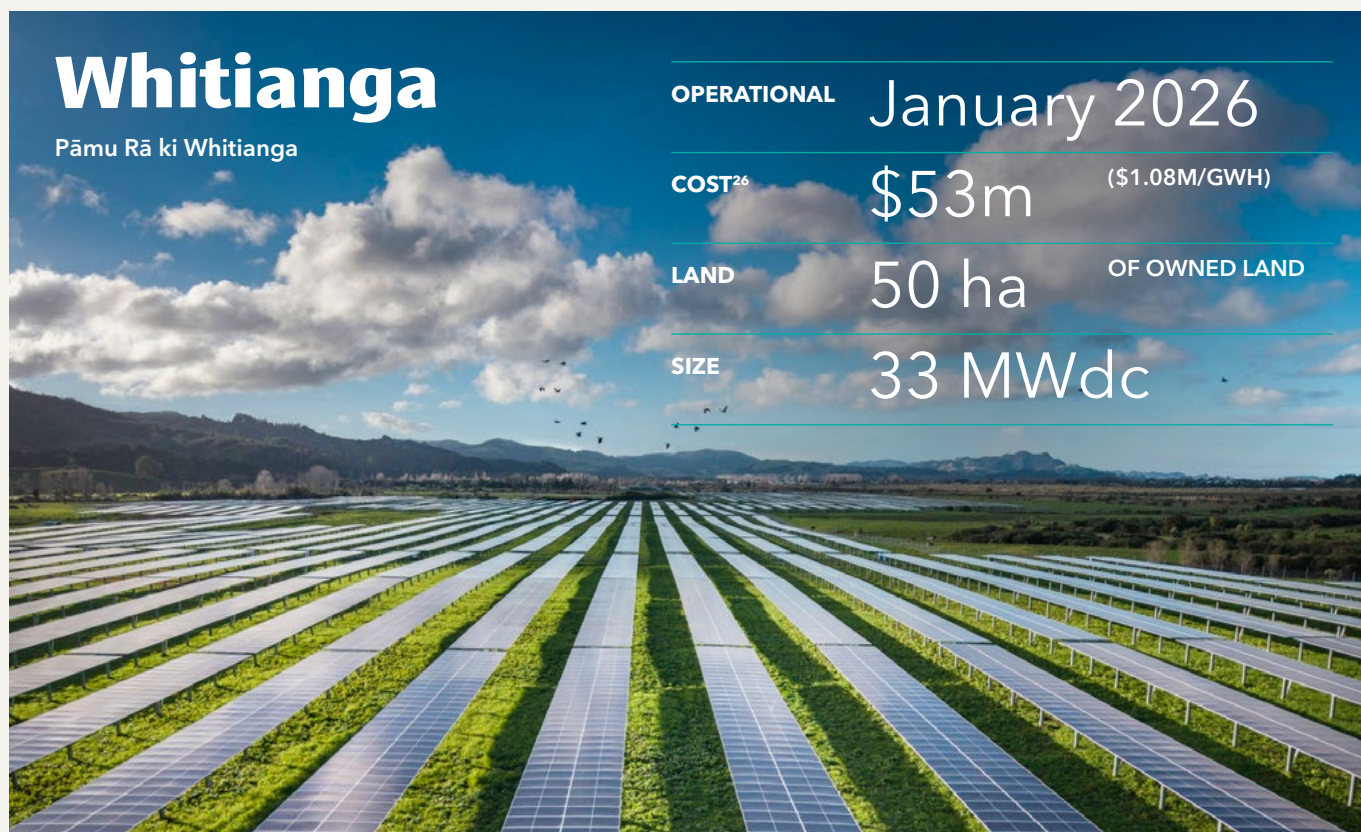
OF OWNED LAND

SIZE

43 MWdc



Our existing solar farms and operational capabilities *cont.*



Whitianga
Pāmu Rā ki Whitianga

OPERATIONAL	January 2026
COST ²⁶	\$53m (\$1.08M/GWH)
LAND	50 ha OF OWNED LAND
SIZE	33 MWdc



Clandeboye

OPERATIONAL ²⁷	August 2026
COST ²⁶	\$40m (\$0.93M/GWH)
LAND	42 ha OF LEASED LAND
SIZE	28 MWdc

27. First power.

In-housing of construction management and maintenance capabilities

During FY26A, we established Lodestone Construction Limited as our in-house EPC contracting entity, which we first deployed for the construction of the Ongaonga Road solar farm (our sixth solar farm), and we expect we will manage EPC of most solar farms in our development pipeline, with the exception of Haldon which, given its size, we intend to subcontract to a third party experienced in constructing a solar farm of such scale.

In parallel, Lodestone has transitioned to an in-house maintenance model, and we plan to complete the move from third-party operators to local Lodestone staff, with Lodestone performing the O&M function for all solar farms from the fourth quarter of 2026. This transition will be supported by our centralised management of solar operations which already provides real-time oversight across the entire solar portfolio.

Operational experience is delivering lower costs

As Lodestone has gained experience in designing, procuring and constructing solar farms, it has developed an increasingly standardised and repeatable approach to development and project delivery. We have refined our designs and use of equipment across projects, together with a small group of established, high-quality subcontractors that Lodestone has worked with repeatedly. This continuity reduces the learning curve between projects, improves construction productivity, supports consistent quality and safety standards and enables more effective early contractor engagement and design optimisation, contributing to lower build costs and improved project economics.

Lodestone has progressively brought the engineering and management of commissioning and other EPC activities in-house, allowing it to retain more of the value associated with project delivery and to apply lessons learned directly from one project to the next. Together, these factors have improved both the economics and predictability of project delivery.

Lodestone's current solar farm project, Ongaonga Road, will be constructed at a cost of approximately \$0.95m/GWh, approximately 11% lower than the average construction cost of Lodestone's first five solar farms.



Centralised management of our solar operations



We sell electricity to our customers

Virtual Rooftop Contracting

In 2022, we introduced the first VRC to the New Zealand electricity market for our C&I customers. By matching 100% of a customer's electricity needs to our solar generation it allows us to compete with other gentailers. The VRC methodology creates a price tailored to each customer based on their usage and linked to the output of a specific solar farm. This approach enables customers to access the economic benefits of solar generation while avoiding the ownership, maintenance, funding and physical requirements of a rooftop solar installation.

We currently serve our C&I customers across New Zealand at 339 installation control points ("ICP"). The typical terms of our commercial VRCs are between 5 and 20 years, providing more revenue visibility compared to the industry norm of 1 to 3 years for the C&I market.

Firming and Shaping

The underlying VRC hedging concept is to match surplus summer daytime volume periods with lower winter solar volume periods and hedge the price difference accordingly. To support our ability to offer full-service VRCs to C&I customers we have an established electricity market trading team, systems and risk controls.

Our electricity markets team balances our expected surplus and purchase requirements through the Wholesale Market. This enables us to reduce the variability of prices for mismatched forecast volumes. Depending on the type of VRC contract, the cost of matching supply and demand is either paid directly by the customer or by us (and paid indirectly through a higher contract price).

Our C&I customer strategy

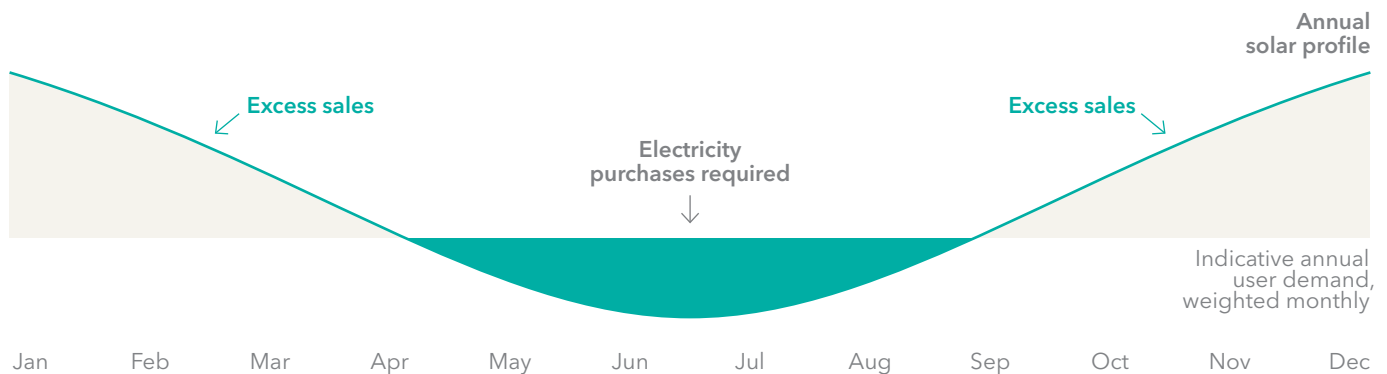
We entered the New Zealand electricity market with a focus on C&I customers. They provided a fast path to the market and a way for us to develop our solar farm portfolio and operational capabilities. Our customers include a cross section of industries but have tended to be those that were contemplating rooftop solar as an alternative to rising market prices. These customers include some household names, such as The Warehouse Group, Halls, Pink Batts, Inghams and Briscoes.

Our current customers



We have currently matched generation from our solar farms to contracted demand from a mix of C&I, small commercial and residential customers. We have a track record of our contracts operating effectively through different seasons and hydrology conditions, thereby demonstrating an ability to operate across a range of market conditions. As we develop our sales model with the inclusion of mass-market retail, we will become less reliant on C&I customers for the offtake from our solar farms.

INDICATIVE ANNUAL SUPPLY/DEMAND PROFILE



Our mass-market retail strategy

Historically we have focused on serving C&I customers, however, we have the capability to now also serve mass-market retail customers. We became a registered electricity retailer in 2025 and as at 31 July 2026, are providing retail services to four of our key C&I customers, along with small business customers for 158 unique ICPs.

We have developed a mass-market retail offering that mimics the VRC offering we currently provide to C&I customers. Based on historical customer electricity consumption, we offer a personalised price offering based on a daily charge with incentives to minimise electricity consumption during peak evening periods. This incentivises mass-market retail customers to match energy usage to generation at our solar farms, simulating the outcome associated with having a solar array on their rooftop.

We have prioritised the implementation and testing of our systems, development of our product offering, and refinement of the marketing strategy. Having tested our mass-market retail offering with a select focus group, we have now opened pre-registration for potential customers in Hawke's Bay ahead of a larger community-scale launch scheduled for later in the year, to align with the construction of the Ongaonga Road solar farm. We have begun selling electricity to our first mass-market retail customers.

We plan to launch targeted mass-market retail campaigns in regions where we develop solar farms with the intention of allocating most of our electricity generation to local mass-market retail customers. Lodestone intends to onboard mass-market retail customers once construction of a new solar farm commences to leverage the associated publicity and project milestones. The goal is to contract the expected generation from a solar farm prior to it being operational. In addition, Lodestone plans to target mass-market customers in regions that currently have a Lodestone solar farm. Lodestone intends to use Wholesale Market hedges to manage this customer demand prior to the solar farm becoming operational.

One easy plan



The perks of solar, without rooftop panels



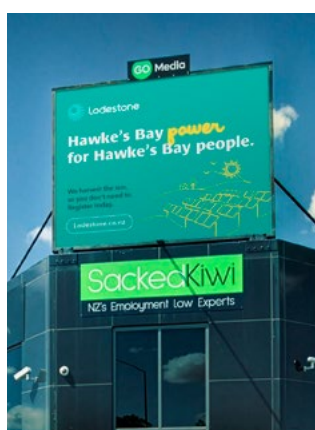
Pay the same each day for your daily power allocation



Be rewarded for using energy at smarter times

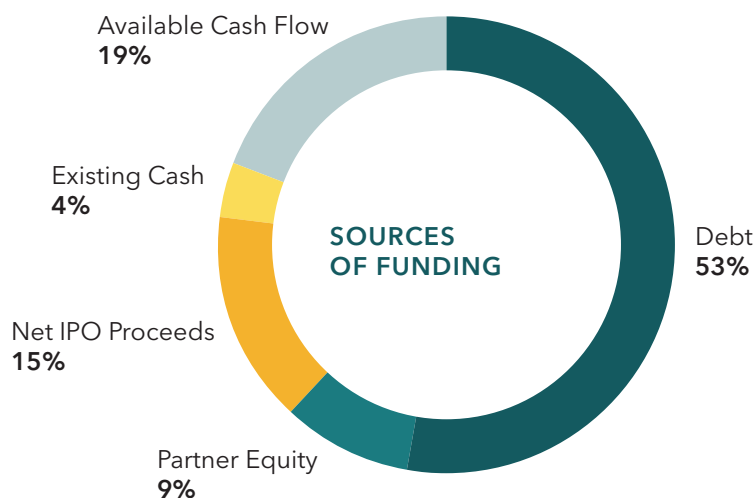


Soon to be backed by locally farmed sunshine





SOURCES OF FUNDING IN THE TARGET FY32F PERIOD



Our capital and financing strategy

Capital runway and planning

We expect to develop and construct 11 to 13 solar farms from FY27F through to the end of FY32F requiring \$608 million of funding.²⁸ This will be funded with a combination of equity raised from this Offer, project-level equity financing from strategic partnerships, project level debt financing, available cash flow²⁹ from operational solar farms, and cash currently on Lodestone's balance sheet.

We forecast that if we raise \$100 million in this Offer then we will have sufficient capital to deliver our growth plan through to FY32F (as presented in the Target Metrics outlined in Section 7 of this PDS) at which point Lodestone expects to be generating free cash flow (after all solar capital expenditure and debt servicing cash flows) on a sustainable basis.

If we raise less than \$100 million in the Offer we may need additional funding by FY30F which we would look to source through a mixture of additional short term working capital, long term debt, strategic partnership equity or ordinary equity.

The Target Metrics presented in this PDS are inherently uncertain and are based on the Board's assessment of events and conditions existing at the date of this PDS. They remain subject to material adverse events, one-off costs or other unforeseen circumstances. Actual results are likely to vary from the information presented and variances may be material.

Lodestone has a range of additional development opportunities beyond the 13 sites currently identified for development and construction, including sites that are at earlier stages of assessment and the solar farm site at Haldon Station. These opportunities are not included in the Target Metrics.

Strategic partnerships

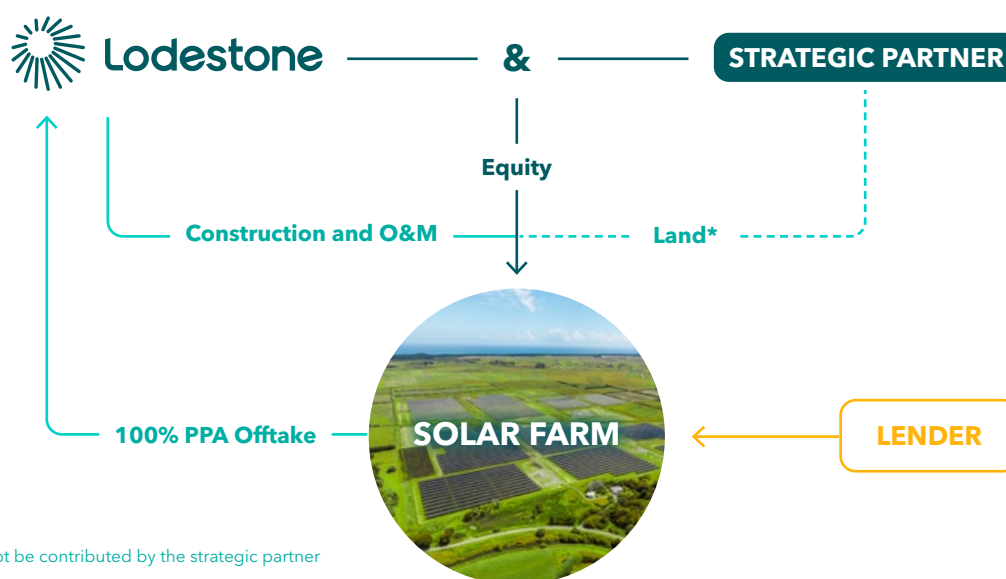
We intend to form strategic partnerships in relation to selected solar farms that will reduce the Lodestone capital required to fund the development of those solar farms, which will support delivery of our target project cadence. Partnership opportunities explored to date have been with EDBs. Potential future partners include EDBs, iwi, institutional investors and landowners. From Lodestone's perspective, the advantages to bringing in strategic partners include access to partner-owned land, contribution of equity capital and community relationships. While the current intention is to form strategic partnerships prior to construction commencing, we may also form strategic partnerships once solar farms are operating to release capital from operational assets.

Our first and most advanced partnership is with Centralines to build the Ongaonga Road solar farm in Hawke's Bay (31 MWdc electricity capacity or 49 GWh first year P50 generation) via a 50/50 JV. Centralines is a 100% consumer-owned EDB serving over 9,000 C&I and mass-market retail customers across Central Hawke's Bay. The site was initially consented by Centralines, and in mid-2025, Lodestone was selected to be Centralines' partner in the development of the solar farm. Construction commenced in June 2026 and first power is expected by mid-2027.

28. Funding required for the cash cost of developing the 13 solar farms (excluding capitalised interest and financing fees and any incremental capital expenditure for Clandeboye incurred in FY27F but including any strategic partner portion of capital expenditure) assumed in the upper case per Section 7 (Lodestone's financial information) of this PDS.

29. Based on the upper case, available cash flow is defined as EBITDAF less cash interest, cash tax (if any), proceeds from sale of excess land and debt amortisation.

BLUEPRINT FOR A STRATEGIC PARTNERSHIP



*Land may or may not be contributed by the strategic partner

In future strategic partnerships, we would expect our role to include the following:

- ✓ **Identify and develop solar farms through to shovel-ready status**
- ✓ **Build the solar farm using our in-house EPC management functionality**
- ✓ **Purchase 100% of the solar generation from the strategic partnership which we will match to sales to local small C&I and mass-market retail customers**
- ✓ **Operate and maintain the solar farm under a long-term O&M contract.**

Of the 11 to 13 solar farms that we plan to complete construction of in the Target FY32F Period, 4 to 5 solar farms are expected to be strategic partnerships whereby Lodestone will typically have a 50% interest in the solar farm through a JV structure.

If we are unable to successfully find partners for one or more of these sites, then we may need to raise additional capital, potentially from public equity markets, to maintain the target project cadence. We may also slow our project cadence instead of raising additional capital. This would result in fewer operational solar farms being constructed, but the level of Lodestone capital invested in solar generation would be similar (given there will be relatively less investment in strategic partnership-owned solar farms).

If we were to raise additional capital to build the same number of projects without strategic partnerships, this would result in future earnings uplift in excess of the presented Target Metrics given Lodestone will have a greater share in the generation from solar farms from its increased invested capital, offsetting the dilutive impact on shareholders from raising equity capital.

Debt funding

Our development to date has been supported by our proven track record of securing debt finance facilities to assist with the funding of the construction of solar farms. We have supportive relationships with a number of debt providers who have contributed funds to the first five solar farms and have committed capital for solar farms under construction.

We have drawn facilities with Westpac and IFM which were used to fund our first five solar farms, each with different terms and levels of subordination.³⁰ We also have committed funds from ASB to fund the Ongaonga Road solar farm strategic partnership in addition to working capital facilities.³¹ ASB benefits from a cross guarantee granted by the relevant strategic partnership parties.³²

No change is expected to our existing debt facilities as a result of the Offer, and we expect to continue funding the construction of new solar farms through project finance facilities as we have in the past. Our expectation is that debt capital required for JV sites will be raised by project finance facilities at the JV level (likely with cross guarantee protections).

We evaluate our financial position regularly and undertake internal forecasting to ensure that we remain within our debt covenants. Lodestone has complied with all of its financial covenants under its debt facilities as at 31 March 2026. Further information about our debt funding is included in the Supplementary Financial Information available on the Offer Register.

We expect our access to funding to expand as the business scales given our track record, development pipeline, and our growing earnings base attracting interest from debt and working capital providers. We will continue to maintain a diversified funding strategy across multiple capital sources and maintain flexibility when considering the relative advantages of different sources.

30. The lending entity for Westpac is Westpac New Zealand Limited and the lending entities for IFM are funds managed or advised by IFM Investors Pty Ltd.

31. The lending entity for ASB is ASB Bank Limited.

32. The cross guarantee is given by Ongaonga Road Solar Farm Limited Partnership, Ongaonga Road Solar Farm GP Limited, Lodestone LP Holdings Limited and Ruahine Energy Group Limited.

Our future opportunities

Haldon

In 2023, we were awarded the rights to develop a solar farm at Haldon Station by the landowners. The designed approximately 320 ha solar farm near Lake Benmore in New Zealand's South Island has flat land close to transmission lines, which along with the high-quality solar resource makes it a location with strong potential for a solar farm. Initial designs for the solar farm are for an approximate 220 MWdc capacity asset representing an exciting future growth opportunity.

Haldon was granted fast-track consent approval on 10 August 2026, making it the first solar project in the Mackenzie Basin to receive approval with this decision currently subject to two High Court appeals.

Haldon is the largest site in our development pipeline. The estimated total capital expenditure cost of Haldon is approximately \$300 million while a typical Lodestone site is approximately \$50 million. However, it is a meaningful opportunity to create value for shareholders. We estimate that first year P50 generation will be approximately 370 to 390 GWh with electricity generation likely sold to a mix of large C&I, gentailer and mass-market retail customers.

Given its size, we intend to subcontract the construction to a third-party that is experienced in constructing a solar farm of such scale. Lodestone has had early contractor engagement with potential third parties and continues to progress discussions with Transpower regarding connection to the transmission grid as it continues to advance development of the project.

Haldon is not factored into the amount of equity we are seeking to raise in this Offer. At present, Lodestone does not intend to use Offer proceeds to fund the construction of Haldon.

Offer proceeds may, however, be used for development and pre-construction activities, including early contractor engagement and other work required to advance the project to a shovel-ready stage. Additional funding will be required to complete construction of Haldon. For Haldon to advance to final investment decision phase, we would need to consider our funding options, including whether Haldon is prioritised ahead of other projects to deliver a similar amount of GWh for a similar amount of capital. Potential alternative funding options would likely include selling a stake in the project, finding a strategic or financial partner, or raising equity from public capital markets.

Our BESS strategy

New Zealand's hydro reservoirs act as a large system capable of storing water when demand is low and releasing to generate electricity when demand is high (Firming and Shaping). As the market transitions towards more intermittent renewable generation (wind and solar), the requirement for Firming and Shaping capacity is expected to increase and this will increase demand for battery energy storage systems ("BESS"). Combined with the recent fall in battery costs, the economics of BESS are improving, and we expect it to form a larger part of our strategy going forward.

Whilst we are not currently developing BESS assets at any of our solar farms, we have designed our portfolio to enable BESS. Our decision to invest in BESS assets will be a function of our portfolio needs, the cost of the alternative options to support the portfolio as the "peaking market"³³ evolves, and the incremental value from additional solar capture.

TOTAL INSTALLED PROJECT COST OF BESS (US\$M / MWH)³⁴



33. The "peaking market" refers to the market for electricity generation or storage assets, such as BESS, that are dispatched during short periods of high electricity demand, when Wholesale Market prices are typically at their highest, and are idle or charging at other times.

34. International Renewable Energy Agency. Costs of a fully installed and commissioned BESS project, 2024 prices in US\$ million per MWh of usable capacity.

Directors and senior managers

Board of directors

The directors of Lodestone are:

JACK MATTHEWS		INDEPENDENT CHAIR
Qualifications and experience	Jack is a professional director who has held senior leadership positions within media, telecommunications and technology industries across Australasia. He is currently a director at Chorus and was previously chair of Mediaworks NZ, as well as a director at Plexure, Network for Learning, Crown Fibre Holdings, APN Outdoor, and Trilogy Natural Products. Jack holds a Bachelor of Arts in Philosophy from the College of William and Mary and is a chartered member of the New Zealand Institute of Directors.	
Date appointed to the Lodestone Board	19 August 2021	
Special responsibilities	Chair of the Board. Member of the People and Culture Committee.	
GARY HOLDEN		MANAGING DIRECTOR
Qualifications and experience	Gary's governance and leadership experiences include CEO of Pulse Energy, CEO of TransAlta New Zealand, Executive Chair of EnSource Energy Corporation, President of AltaGas Income Trust, and CEO of ENMAX Corporation. Gary led TransAlta's development and construction role of the first two non-government electricity generation projects (Southdown, TCC). Gary holds a Bachelor of Science in Mechanical Engineering from the University of Calgary.	
Date appointed to the Lodestone Board	19 December 2019	
Special responsibilities	Managing Director. Interim Chief Customer Officer.	
JOANNA PERRY		NON-EXECUTIVE INDEPENDENT DIRECTOR
Qualifications and experience	Joanna has been a professional independent director since 2007 and has been the lead director in relation to audit and risk for most governance roles. Joanna was appointed a Member of the New Zealand Order of Merit in recognition of her services to accounting in 2010. Joanna's governance experiences include roles at Genesis Energy, Trade Me, Oyster Property, Partners Life, Nyriad, Kiwi Property Group and the IFRS Foundation. Joanna is also a director of EX-HTL Limited which was placed into voluntary administration on 11 March 2026. Joanna holds a Bachelor of Arts from the University of Cambridge and qualified as a member of the Institute of Chartered Accountants in England and Wales and is a life member of Chartered Accountants Australia and New Zealand and a chartered fellow of the New Zealand Institute of Directors.	
Date appointed to the Lodestone Board	22 March 2021	
Special responsibilities	Chair of the Audit and Risk Committee.	



SUSAN PATERSON	
NON-EXECUTIVE INDEPENDENT DIRECTOR	
Qualifications and experience	Susan has been a professional independent director since 1996 and was appointed an Officer of the New Zealand Order of Merit in recognition of her services to corporate governance in 2016. Susan is currently Chair of Steel and Tube and Theta, and a director of Reserve Bank of New Zealand, EROAD and Les Mills Holdings. Her former directorships include Arvida Group, Goodman Property, Electricity Authority, Sky TV, Transpower, St Cuthbert's College, the NZ Eco Labelling Trust, Energy Efficiency and Conservation Authority, Housing New Zealand and Ports of Auckland. Susan holds a Bachelor of Pharmacy from the University of Otago and a Master of Science in Business Studies from London Business School and is a chartered fellow of the New Zealand Institute of Directors.
Date appointed to the Lodestone Board	8 July 2021
Special responsibilities	Chair of the People and Culture Committee
ANDREW PARSONAGE	
NON-EXECUTIVE DIRECTOR	
Qualifications and experience	Andrew is a director in the Investment Banking team at Jarden. He has over 20 years of experience in capital markets, mergers and acquisitions. Andrew specialises in the energy and infrastructure sector, as well as assisting with raising and structuring debt financing. Andrew has been associated with Lodestone almost from its inception, as an adviser, investor and director. Andrew is also a director of Hellers Group. Andrew holds a Bachelor of Management Studies with Honours and a Master of Management Studies from the University of Waikato.
Date appointed to the Lodestone Board	9 April 2025
Special responsibilities	Member of the Audit and Risk Committee
MARY DEVINE	
NON-EXECUTIVE INDEPENDENT DIRECTOR	
Qualifications and experience	Mary is an experienced chief executive and director with deep expertise in customer and transformation. Currently she is CEO of Foodstuffs South Island and a director of ChristchurchNZ and is transitioning to a governance portfolio later in the year. Mary's previous directorships include Meridian Energy, IAG, Briscoes, Hallenstein Glassons, and Christchurch City Holdings. Mary was appointed an Officer of the New Zealand Order of Merit for services to business. Mary holds a Bachelor of Commerce from the University of Otago, a Master of Business Administration from the University of Canterbury and is a chartered fellow of the New Zealand Institute of Directors.
Date appointed to the Lodestone Board	24 September 2026. Mary was engaged in July 2026 as a "director designate" to participate in Lodestone's preparation for the Offer.
Special responsibilities	Member of the People and Culture Committee.

MICHAEL CUMMINGS	NON-EXECUTIVE INDEPENDENT DIRECTOR
Qualifications and experience	Michael Cummings is an experienced director and former energy executive with more than 35 years' experience across New Zealand, Australian and UK energy and infrastructure markets. He has held senior roles with Vector, Brookfield Infrastructure and AMP Capital, with deep experience in capital allocation and institutional investment. Michael was a director of Powerco for over 15 years, chairing its Regulatory and Asset Management Committee, and also served as a director of Endeavour Energy, Melbourne Airport, and chair of Evergen. His expertise spans electricity networks, renewable energy, capital markets, governance and large-scale infrastructure operational leadership. Michael holds a Bachelor of Mechanical Engineering (Honours) from the University of Edinburgh and is a Fellow of the Australian Institute of Company Directors and a Chartered Member of Engineering New Zealand.
Date appointed to the Lodestone Board	24 September 2026. Michael was engaged in July 2026 as a "director designate" to participate in Lodestone's preparation for the Offer.
Special responsibilities	Member of the Audit and Risk Committee.

Senior managers

The senior managers of Lodestone are:

NAME AND ROLE	BIOGRAPHY
Chris Jewell Chief Financial Officer	Chris brings significant leadership experience in the New Zealand and UK energy industries across financing, markets, infrastructure investment and asset operations. Chris has led Lodestone's equity rounds and arranged its debt facilities, bringing vast experience from his most recent role as CFO and Executive General Manager Strategy, General Manager Portfolio at Genesis Energy and operational management roles at Mercury Energy. Chris holds a Bachelor of Engineering and Masters in Engineering Management from the University of Canterbury and is a member of the Chartered Institute of Management Accountants (UK) and is an alumnus of Stanford University.
Richard Pearce Chief Operating Officer	Richard has more than 20 years' experience in generation and utility management, including as project manager of the largest generation build in New Zealand (Huntly Unit 5). He brings the ability to deliver across a wide range of functional areas, drawing on experience from Genesis Energy, Northpower and Vector to manage EPC and O&M operation. Richard holds a Bachelor of Electrical and Electronic Engineering from the University of Canterbury, a Master of Business Administration from the University of Otago and is a chartered member of the New Zealand Institute of Directors and is an alumnus of Stanford University.



Substantial shareholders and relevant interests held by directors and senior managers

Substantial shareholders

The table below sets out the shareholders that as at the date of the PDS, or immediately following completion of the Offer are likely to, have a relevant interest in 5% or more of the Shares in Lodestone:³⁵

SHAREHOLDER	NATURE OF RELEVANT INTEREST	PRIOR TO THE OFFER		IMMEDIATELY AFTER THE OFFER	
		NUMBER OF SHARES	% OF SHARES	NUMBER OF SHARES	% OF SHARES ³⁶
Jarden Principal Investments Picasso GP Limited	The power to control the acquisition and disposition of, and the exercise of the right to vote attached to, the Shares held by the Jarden LPs as the General Partner of the Jarden LPs and therefore it has a relevant interest in the Shares held by the Jarden LPs.	51,542,924	31.82%	51,542,924	24.94%
Jarden Principal Investments Lodestone 3 LP	Registered holder and beneficial owner of Shares.	27,046,766	16.70%	27,046,766	13.09%
JIT Hillend Investment Limited	Registered holder and beneficial owner of Shares.	19,787,385	12.22%	19,787,385	9.57%
Jarden Principal Investments Lodestone LP	Registered holder and beneficial owner of Shares.	17,557,559	10.84%	17,557,559	8.50%
EA Nominee Limited	Registered holder and beneficial owner of Shares.	13,957,048	8.62%	13,957,048	6.75%
Magnetite Energy Investments Limited	Registered holder and beneficial owner of Shares.	12,711,117	7.85%	12,711,117	6.15%
John David Guy Haddleton	Registered holder and beneficial owner of Shares.	11,806,870	7.29%	11,806,870	5.71%
Stephen Tindall	20% or more interest in both K One W One (No 7) Limited and K One W One (No 5) Limited, resulting in Stephen being deemed to have the same relevant interests in the Shares held by those entities.	10,602,463	6.55%	10,602,463	5.13%

35. See also the relevant interests in 5% or more of each grant of options as set out on page 43.

36. Calculated on the assumption that 206,666,692 Shares will be on issue immediately following completion of the Offer, which assumes the \$100 million Offer is fully subscribed and 233,934 Shares are issued on the Allotment Date to ESS participants who have exercised options prior to the date of this PDS.

Shareholdings held by directors and senior managers

The table below sets out the Shares that the directors and senior managers of Lodestone have an interest in prior to the Offer (at the date of this PDS) and will likely have an interest in immediately following completion of the Offer. See also the interests that senior managers and certain directors will have in options issued to them under the ESS prior to the Offer and immediately following completion of the Offer on page 43.

INTEREST HOLDER	NATURE OF RELEVANT INTEREST	PRIOR TO THE OFFER		IMMEDIATELY AFTER THE OFFER	
		NUMBER OF SHARES	% OF SHARES	NUMBER OF SHARES	% OF SHARES ³⁶
Gary Holden	20% or more interest in Magnetite Energy Investments Limited, resulting in Gary being deemed to have the same relevant interests in the Shares as Magnetite Energy Investments Limited described in the substantial shareholders table above.	12,711,117	7.85%	12,711,117	6.15%
Jack Matthews	Beneficial owner of Shares held by Lodestone Nominee Limited ³⁷	200,776	0.12%	208,176	0.10%
Joanna Perry	Beneficial owner of Shares held by Lodestone Nominee Limited ³⁷	352,465	0.22%	352,465	0.17%
Susan Paterson	Beneficial owner of Shares held for the S M Taylor Family Trust by Lodestone Nominee Limited ³⁷	434,844	0.27%	442,244	0.21%
Chris Jewell	Beneficial owner of Shares held by Lodestone Nominee Limited ³⁷	1,162,318	0.72%	1,328,653	0.64%

Other equity securities of Lodestone

Under the Constitution, any other class of equity securities of Lodestone that ranks equally with, or in priority to, the Shares may be issued without a special resolution of the holders of the Shares. However, the issue of new equity securities in Lodestone is governed by the NZX Listing Rules, which require the approval by ordinary resolution of the holders of the Shares to the issue of new equity securities, except in certain circumstances set out in the NZX Listing Rules.

37. Lodestone Nominee Limited has given notice to all beneficial owners on whose behalf it holds Shares that the nominee arrangements will be terminated and legal ownership of all Shares it holds will be transferred to the relevant beneficial owners at or about the same time as allotment of the Shares under the Offer.



Directors' remuneration and other benefits

The table below sets out the total remuneration and value of other benefits received by each director of Lodestone during FY26A and expected to be received in FY27F in respect of the Lodestone Group, as well as the nature of the services to which that remuneration, or those benefits relate (other than services provided in that person's capacity as a director).

DIRECTOR OR PROPOSED DIRECTOR	VALUE OF OPTIONS RECEIVED UNDER THE EMPLOYEE SHARE SCHEME ("ESS") IN FY26A	TOTAL CASH REMUNERATION AND VALUE OF OTHER BENEFITS (EXCLUDING OPTIONS) RECEIVED IN FY26A	NATURE OF SERVICES PROVIDED	EXPECTED TOTAL REMUNERATION AND VALUE OF OTHER BENEFITS TO BE RECEIVED IN FY27F
Gary Holden	\$0 ^{38, 39}	\$861,646	Employee remuneration	\$891,786
Jack Matthews	\$150,000 ³⁹	\$120,000	Chair of the Board	\$153,082
Joanna Perry	\$75,000 ³⁹	\$88,692	Independent Director, Chair of the Audit and Risk Committee	\$120,468
Susan Paterson	\$75,000 ³⁹	\$85,010	Independent Director, Chair of the People & Culture Committee	\$104,849
Andrew Parsonage⁴⁰	\$0	\$60,000	Non-Executive Director	\$87,348
Mary Devine	Not applicable	Not applicable	Independent Director	\$100,438
Michael Cummings	Not applicable	Not applicable	Independent Director	\$101,321

The remuneration paid to the directors of Lodestone in FY27F will be higher than that paid in FY26A. This reflects that, as a result of the Listing of Lodestone on the NZX Main Board, the directors have increased responsibilities and will be required to devote more time to the performance of their duties as directors. The fees for non-executive directors of Lodestone that will apply from Listing have been fixed as a total pool of \$934,000 per annum, with individual director fees to be determined by the Board from time to time and initially set at \$195,000 per annum for the Chair of the Board, \$110,000 per annum for non-executive directors, \$25,000 for the Chair of the Audit and Risk Committee, \$20,000 for the Chair of the People and Culture Committee, \$10,000 for members of the People and Culture Committee and \$12,000 for members of the Audit and Risk Committee.

The directors are entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with Lodestone's business.

Lodestone has granted indemnities, as permitted by the Companies Act and the FMC Act, in favour of each of its directors. Lodestone also maintains insurance for its directors and officers.

38. The value of each option issued to Gary under the ESS in FY25A was recognised in note D7 to the FY26A Financial Statements. The total value of options issued to Gary in FY25A was \$2,129,964.

39. The value of options received or recognised during FY26A under the ESS is based on the Black-Scholes valuation included in the FY26A financial statements.

40. Jarden Principal Investments Limited, with which Andrew Parsonage is associated, received in FY26A all of the remuneration he was entitled to receive from Lodestone in his capacity as the appointed director of Jarden Principal Investments Lodestone LP, Jarden Principal Investments Lodestone 2 LP and Jarden Principal Investments Lodestone 4 LP.

Employee remuneration over \$100,000 per annum

During FY26A, 23 employees or former employees, not being directors of Lodestone, received remuneration and other benefits in their capacity as employees, that in value was or exceeded \$100,000 per annum. Other benefits received⁴¹ includes the value of options received or recognised during FY26A. The value of these options was recorded in note D7 to the FY26A Financial Statements.

The table below sets out the number of such employees or former employees in brackets of \$10,000, and includes a supplementary column to show the figures based on remuneration and other benefits received excluding the value of options received or recognised during FY26A:

REMUNERATION	NO. OF EMPLOYEES (ON A STATUTORY BASIS INCLUDING THE VALUE OF OPTIONS)	NO. OF EMPLOYEES (EXCLUDING THE VALUE OF OPTIONS)
\$100,000 - \$109,999	3	3
\$110,000 - \$119,999	1	1
\$130,000 - \$139,999	1	1
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	2	2
\$160,000 - \$169,999	2	2
\$210,000 - \$219,999	1	2
\$220,000 - \$229,999	-	2
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	-	1
\$280,000 - \$289,999	-	2
\$300,000 - \$309,999	-	2
\$310,000 - \$319,999	1	1
\$320,000 - \$329,999	2	-
\$330,000 - \$339,999	1	-
\$340,000 - \$349,999	1	-
\$380,000 - \$389,999	1	-
\$470,000 - \$479,999	1	-
\$500,000 - \$509,999	2	-
\$510,000 - \$519,999	1	-
\$520,000 - \$529,999	-	1
\$690,000 - \$699,999	-	1
\$920,000 - \$929,999	1	-
\$1,080,000 - \$1,089,999	1	-

FY27F total employee remuneration is expected to exceed FY26A as a result of Lodestone hiring additional employees to support the growth of Lodestone's mass-market retail strategy and the in-housing of EPC management functions. Remuneration has also increased for some employees following a remuneration review completed at the end of FY26A. The value of options received or recognised during FY27F may vary significantly from the equivalent figures during FY26A.

41. Other benefits received also includes the value of short term incentive payments, KiwiSaver contributions and health insurance.



Options to acquire Shares

Employee share scheme

Certain senior employees and directors of Lodestone participate in an ESS, which has been in place since December 2021. Pursuant to the ESS, participants are granted options to acquire Shares on the terms set out in the ESS rules and each participant's option agreement.

Each option gives the participant the right to acquire one Share at the applicable exercise price, subject to the participant remaining employed or engaged as a director by Lodestone at the relevant vesting date (although vesting may also occur when a participant is a "good leaver"). Vested options may only be exercised during an exercise period, being the exercise window that occurs from 1 June to 30 June in each calendar year, the 30-day period before the expiry date of the options or any other period determined by the Board. The Board may in its discretion offer participants the ability to net settle their options in any exercise window resulting in the participant receiving a net number of Shares, which reflects the market value of the Shares that would otherwise have been issued less the exercise price payable for those Shares.

In connection with the Offer and Listing, the ESS rules were amended and the Board opened an exercise window as a result of which:

- certain eligible participants who chose not to exercise relevant options will receive a top-up grant of options with an exercise price of \$2.2550 and vesting on 1 April 2028, totalling 197,842 options to be issued on the Allotment Date; and
- certain eligible participants who have elected to exercise relevant options will be issued a total of 233,934 Shares on the Allotment Date (with certain participants having been offered the ability to net settle their options).

All Shares issued to participants who validly exercise their options during the relevant escrow period for that participant are subject to the escrow arrangements for directors and employees described in Section 5 (*Terms of the Offer*) of this PDS.

Following Listing, Shares may be issued on the exercise of vested options under the ESS which were issued prior to Listing without shareholder approval. In accordance with the NZX Listing Rules, further options or other financial products convertible into Shares may be issued to employees and directors under employee incentive arrangements provided they do not exceed 3% of the total number of Shares on issue and issued in any 12 month period.

The existing ESS will continue following Listing, however, it is not currently anticipated that further grants of options will be made to non-executive directors. The table below sets out details of the options under the ESS that will remain on issue following the Offer (which reflects the elections made by ESS participants in the exercise window preceding the date of this PDS).

GRANT	TOTAL GRANTED	UNVESTED OPTIONS	VESTING DATE FOR UNVESTED OPTIONS	VESTED BUT UNEXERCISED OPTIONS	EXERCISE PRICE	EXPIRY DATE OF OPTIONS
Grant 1A	578,036	0	Not applicable	46,031	\$0.9435	18.04.2033
Grant 1B	586,719	0	Not applicable	102,177	\$1.6848	18.04.2033
Grant 2A	69,147	17,287	31.03.2027	0	\$1.6848	26.07.2033
Grant 2B	64,918	0	31.03.2027	12,984	\$1.6848	06.11.2033
Grant 2C	74,192	0	31.03.2027	0	\$1.6848	01.02.2034
Grant 2D	14,838	0	Not applicable	0	\$1.6848	01.04.2034
Grant 3A	415,475	0	Not applicable	415,475	\$2.2550	01.04.2034
Grant 3B	3,224,981	2,149,987	50%: 1.04.2027 50%: 1.04.2028	1,074,994	\$2.2550	21.03.2035
Grant 3C	3,511,740	2,275,212	50%: 1.04.2027 50%: 1.04.2028	1,236,528	\$2.2550	02.04.2035
Grant 4	197,842	197,842	1.04.2028	0	\$2.2550	29.09.2036
Total	8,737,888	4,640,328		2,888,189		

The table below sets out details of the options granted to, and held by, Lodestone's directors and senior managers under the ESS prior to the Offer (as at the date of this PDS) and that will be on issue immediately following the Offer (which reflects the elections made by those directors and senior managers in the exercise window preceding the date of this PDS).

LEGAL AND BENEFICIAL OWNER	UNVESTED OPTIONS		VESTING DATE FOR UNVESTED OPTIONS	VESTED BUT UNEXERCISED OPTIONS		% OF RELEVANT GRANT OF OPTIONS		EXERCISE PRICE	EXPIRY DATE
	PRIOR TO OFFER	IMMEDIATELY AFTER OFFER		PRIOR TO OFFER	IMMEDIATELY AFTER OFFER	PRIOR TO OFFER	IMMEDIATELY AFTER OFFER		
Gary Holden	2,149,987	2,149,987	50%: 01.04.2027 50%: 01.04.2028	1,074,994	1,074,994	100%	100%	\$2.2550	21.03.2035
Jack Matthews	0	0	Not applicable	7,400	0	1.28%	0%	\$0.9435	18.04.2033
	0	0	Not applicable	37,096	37,096	8.93%	8.93%	\$2.2550	01.04.2034
	148,383	148,383	50%: 01.04.2027 50%: 01.04.2028	74,192	74,192	6.34%	6.34%	\$2.2550	02.04.2035
Joanna Perry	0	0	Not applicable	7,400	7,400	1.28%	1.28%	\$0.9435	18.04.2033
	0	0	Not applicable	37,096	37,096	8.93%	8.93%	\$2.2550	01.04.2034
	74,192	74,192	50%: 01.04.2027 50%: 01.04.2028	37,096	37,096	3.17%	3.17%	\$2.2550	02.04.2035
Susan Paterson	0	0	Not applicable	7,400	0	1.28%	0%	\$0.9435	18.04.2033
	0	0	Not applicable	37,096	37,096	8.93%	8.93%	\$2.2550	01.04.2034
	74,192	74,192	50%: 01.04.2027 50%: 01.04.2028	37,096	37,096	3.17%	3.17%	\$2.2550	02.04.2035
Chris Jewell	0	0	Not applicable	286,157	0	49.51%	0%	\$0.9435	18.04.2033
	0	0	Not applicable	148,383	148,383	35.71%	35.71%	\$2.2550	01.04.2034
	395,689	395,689	50%: 01.04.2027 50%: 01.04.2028	197,845	197,845	16.90%	16.90%	\$2.2550	02.04.2035
	0	39,569	01.04.2028	0	0	0%	20.00%	\$2.2550	29.09.2036
Richard Pearce	18,548	0	31.03.2027	55,644	0	100%	0%	\$1.6848	01.02.2034
	0	0	Not applicable	37,096	37,096	8.93%	8.93%	\$2.2550	01.04.2034
	395,689	395,689	50%: 01.04.2027 50%: 01.04.2028	197,845	197,845	16.90%	16.90%	\$2.2550	02.04.2035
	0	39,569	01.04.2028	0	0	0%	20.00%	\$2.2550	29.09.2036

Other governance disclosures

The Board intends to adopt, from Listing, various Board policies and charters that are typical for a company listed on the NZX Main Board. Following listing, the Board will have the power to appoint additional directors to the Board from time to time, in accordance with the NZX Listing Rules. Any director appointed by the Board must retire and seek re-appointment at the next Annual Shareholders' Meeting of Lodestone in accordance with the NZX Listing Rules.

3. Purpose of the Offer

The primary purpose of the Offer is to raise capital for Lodestone to facilitate our continued construction of new solar farms and the expansion of our customer base as well as general corporate purposes. We plan to have 16 to 18 operational solar farms by FY32F, targeting annual electricity generation of 802 to 888 GWh. In addition, some of the proceeds will be used to fund Offer costs.

The proceeds from the Offer will be used, and relate to our strategy as follows:

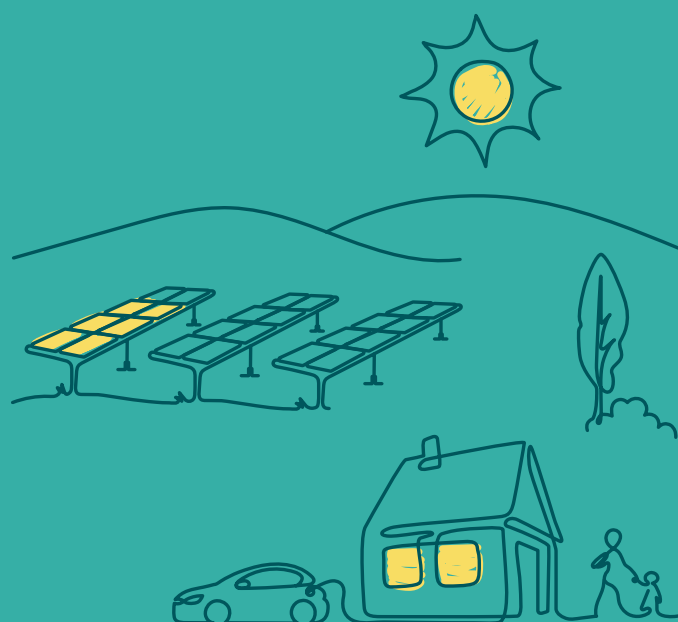
AMOUNT	USE OF PROCEEDS
\$68.9 million to \$92.6 million	The primary purpose of the Offer is for Lodestone to raise capital to facilitate our continued construction of new solar farms and the expansion of our customer base as well as general corporate purposes.
\$6.1 million to \$7.4 million	To fund Offer costs
\$75 million to \$100 million	Total gross proceeds from the Offer

The minimum amount that must be raised before the Shares are issued is \$75 million.

The amount of money that is available to be used to facilitate the construction of new solar farms and the expansion of our customer base will differ depending on the total amount that is raised. The Offer is seeking to raise up to \$100 million, with a minimum amount of \$75 million required to be raised for the Offer to proceed. Our growth plan through to FY32F is based on raising \$100 million, and if we raise less than that amount, we may need to source additional funding by FY30F. The Offer is not underwritten.

We *harvest*
the sun, so you
don't need to.

No rooftop panels
No upfront costs
No lock-ins



4. Key dates and Offer process

The intended key dates for the Offer are:

General Offer and Broker Firm Offer opens	29 September 2026
General Offer and Broker Firm Offer closes	14 October 2026
Bookbuild	14 October 2026
Shares are issued	21 October 2026
Shares are quoted	22 October 2026
Expected commencement of trading on the NZX Main Board	22 October 2026

This timetable is indicative only and the dates may change. Lodestone, with the agreement of the Joint Lead Managers, reserves the right to vary or extend these dates. Under section 65 of the FMC Act, a regulated offer of this kind would ordinarily be subject to a five working day waiting period after lodgement of the PDS, during which applications cannot be accepted. The FMA has given notice under section 68 of the FMC Act that no waiting period applies to this Offer. Accordingly, Lodestone may open the Offer and accept Applications from lodgement of this PDS.



5. Terms of the Offer

The table below sets out the terms of the Offer. All Shares are issued on the terms set out in the Constitution (a copy of which is available on the Offer Register).

Description of the Shares	Ordinary shares
Key dates	See Section 4 (<i>Key dates and Offer process</i>) of this PDS
Structure of the Offer	The Offer comprises: - the General Offer; - the Broker Firm Offer; and - an Institutional Offer, which will be an invitation to bid for Shares made to selected Brokers and Institutional Investors in New Zealand, Australia, Hong Kong and Singapore. The General Offer is a general public offer under which you may subscribe for Shares.
Offer Price	The Offer Price is \$2.25 per Share. In determining the Offer Price, consideration was given to the following factors: - the level of interest for participation in the General Offer received by Lodestone in the priority registration process conducted before the date of this PDS; - pricing indications from Institutional Investors and Brokers; and - Lodestone's desire for an active trading market for the Shares on the NZX Main Board.
Offer size	Up to 44,444,445 Shares (being 21.5% of the total Shares on issue immediately following the Offer ⁴²), representing total Offer proceeds of up to \$100 million, with a minimum amount of \$75 million (representing 33,333,334 Shares, being 17.0% of the total Shares on issue immediately following the Offer ⁴²) required to be raised for the Offer to proceed.
Escrow arrangements	Each existing shareholder has entered into escrow arrangements under which they have agreed not to sell or otherwise dispose of any of the Shares held by, or on behalf of, them prior to the Offer, subject to limited exceptions set out on the Offer Register. Existing shareholders or option holders who are directors or employees of Lodestone (and their personal affiliated entities) who hold 67,382,470 Shares immediately prior to the Offer have agreed to escrow arrangements in respect of those Shares and any Shares issued to them or associated persons upon the exercise of options prior to and until the commencement of trading on the NZX Main Board on the first Business Day after the Business Day on which Lodestone's results for the six months ending 30 September 2027 are released to NZX. Immediately following the Offer those escrowed Shares will represent 32.7% of the total Shares on issue where the \$100 million Offer is fully subscribed. Existing shareholders who hold 94,075,450 Shares immediately prior to the Offer have agreed to escrow arrangements in respect of those Shares until the commencement of trading on the NZX Main Board on the first Business Day after the Business Day on which Lodestone's results for the year ending 31 March 2027 are released to NZX. Immediately following the Offer those escrowed Shares will represent 45.5% of the total Shares on issue where the \$100 million Offer is fully subscribed. Existing shareholders who hold 530,396 Shares immediately prior to the Offer are subject to escrow arrangements until 22 April 2027, being the date that is six months from the date of Listing. Immediately following the Offer those escrowed Shares will represent 0.3% of the total Shares on issue where the \$100 million Offer is fully subscribed.

42. Calculated on the basis that 233,934 Shares are issued on the Allotment Date to ESS participants who have exercised options prior to the date of this PDS.

Discretion regarding the Offer	Lodestone may withdraw the Offer, or any part of it, at any time before the allotment of Shares. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) no later than five Business Days after the announcement of the decision to withdraw the Offer or any part of it. Lodestone reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications, settlements or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or any bidder fewer Shares than applied or bid for at its discretion. If Lodestone refuses an Application or accepts an Application in part (including due to scaling), the relevant Application Monies will be refunded no later than five Business Days after the last date on which Shares are allotted under the Offer. No interest will be paid on any Application Monies that are refunded. Refunds will be paid by direct credit to the bank account supplied in the "Dividends" section of your Application Form. For more information see Section 11 (<i>How to apply</i>) of this PDS
Allotment	Any Applicant with a CSN will have their Shares allotted under their CSN, if the CSN was provided as part of their Application. The CSN provided must be in exactly the same name(s) as provided in their Application, otherwise a new CSN will be allocated. Applicants who do not have a CSN, or who do not provide a CSN, will be allocated a CSN at the time of Application. The CSN will be advised at the time the allotment of Shares is confirmed and the associated Authorisation Code (FIN) will be sent as a separate communication by mail on the first Business Day after the Allotment Date. Shares allocated under the Offer are expected to be allotted on 21 October 2026. If a mobile number is supplied on your Application Form, a text message will be sent to that number confirming your Shares have allotted on the Allotment Date. All applicants will be required to provide an email address via their Application Form. An allotment notice including your allocation of Shares and details of any scaling information (if applicable) will be emailed to you by close of business on the Allotment Date. Holding transaction statements are expected to be sent to all successful Applicants within five Business Days of the Allotment Date. No person accepts any liability should any person attempt to sell or otherwise deal with Shares before a communication confirming allotment is received.
What you need to do to sell your Shares	If you wish to sell Shares you hold directly on the NZX Main Board, after confirming your allocation, you must contact a Broker and have a CSN and an Authorisation Code (FIN). Opening a new broker account can take a number of days depending on the Broker's new client procedures. If you do not have a CSN, you will be assigned one when you set up an account with a Broker or receive one from the Share Registrar. If you do not have a FIN, it is expected that you will be sent one as a separate communication by the Share Registrar. If you have a Broker and have not received a FIN by the date you want to trade your Shares, your Broker can obtain one but may pass the cost for doing so on to you. If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.
No guarantee	No person guarantees the Shares affected under this PDS. No person warrants or guarantees the performance of the Shares or any return on any investments made pursuant to this PDS.



Components of the Offer

	GENERAL OFFER	BROKER FIRM OFFER
Who can apply?	The General Offer is open to all persons in New Zealand and Australia.	The Broker Firm Offer is open to clients in New Zealand and Australia of selected Brokers who are offered a firm allocation by a Broker.
How do you apply?	See Section 11 (<i>How to apply</i>) of this PDS	
How many Shares can you apply for?	The minimum Application size is \$1,000 and multiples of \$100 thereafter.	The minimum Application amount is \$2,000. Brokers will determine the number of Shares their clients will be allocated.
Will you be allocated all the Shares for which you apply?	Applications up to \$2,000 will not be scaled. Applications in excess of \$2,000 will not receive less than \$2,000 worth of Shares. Persons who pre-registered their interest in the Offer will receive a priority allocation of up to \$4,000 worth of Shares. If the Offer is over-subscribed, your Application may be scaled back.	It will be a matter for your Broker to decide how they make allocations amongst their eligible clients and whether your Application will be scaled back.
How do you pay for your Shares?	See Section 11 (<i>How to apply</i>) of this PDS	
When do you need to apply?	The General Offer opens on 29 September 2026. Applications may be made online only. You need to complete the Application Form and provide a New Zealand direct debit bank account from which your Application Monies will be direct debited. The direct debit will be made on the day of Application or the next Business Day. Australian Applicants without a New Zealand bank account may instead pay by direct credit.	The Broker Firm Offer opens on 29 September 2026. You should make your Application in accordance with the instructions of your Broker.
Allocation policy	The number of Shares to be allocated to the General Offer, and among participants in the General Offer, will be determined following the Bookbuild by Lodestone. If the value of Applications received under the General Offer is greater than the value of Shares available under the General Offer (as determined by Lodestone) Applications will be scaled back in such a manner as Lodestone may determine, which may differ as between individual Applicants. On the Allotment Date, Applicants in the General Offer will receive correspondence from the Share Registrar advising whether their Application has been successful.	The number of Shares to be offered under the Broker Firm Offer will be determined following the Bookbuild by Lodestone. Allocations by Brokers to their clients will be determined by those Brokers. It will be a matter for Brokers to ensure that their clients who have received an allocation from them receive their Shares. Applicants in the Broker Firm Offer should contact the Broker from whom they received their allocation to find out if their Application was successful.

Institutional Offer

The Institutional Offer will be conducted through the Bookbuild. The Joint Lead Managers will invite selected Institutional Investors along with Brokers to bid for Shares in the Bookbuild to be undertaken by the Joint Lead Managers on 14 October 2026.

All successful participants in the Institutional Offer will pay the Offer Price for each Share allocated to them. The information collated in the Bookbuild will then be used to assist with the allocation of Shares. The number of Shares to be offered under the Institutional Offer, and the allocation of Shares among Institutional Investors and Brokers that have bid for Shares in the Bookbuild, will be determined jointly by the Joint Lead Managers and Lodestone.

There is no assurance that any participant in the Bookbuild will be allocated any Shares or the number of Shares for which it has bid. The allocation policy will be influenced by a number of factors which may include the timeliness of the bid by particular bidders.

Full details of how to participate, including bidding instructions, will be provided by the Joint Lead Managers to invited participants in due course. Participants can only bid into the Bookbuild for Shares through the Joint Lead Managers.

Listing

Lodestone expects that trading of the Shares on the NZX Main Board will commence on 22 October 2026. If admission to list on the NZX Main Board is denied, the Offer will not proceed.

NZX Main Board listing

An application has been made to NZX for permission to list Lodestone and to quote the Shares on the NZX Main Board and all the requirements of NZX relating to the application that can be complied with on or before the date of this PDS have been duly complied with. However, NZX accepts no responsibility for any statement in this PDS. The NZX Main Board is a licensed market operated by NZX, which is a licensed market operator, regulated under the FMC Act.

Selling restrictions and further information

The Offer is only being made to persons in New Zealand and Australia under the General Offer, clients in New Zealand and Australia of Brokers who receive a firm allocation of Shares and selected Brokers and Institutional Investors in certain jurisdictions including New Zealand, Australia, Hong Kong and Singapore. The Offer is being made in Australia in reliance on the trans-Tasman mutual recognition scheme under Chapter 8 of the Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth). The PDS is intended for use solely in connection with the Offer. You can find further information on the Offer Register in relation to the terms of the Offer and the Shares, including the Constitution and additional selling restrictions.



6. Key features of the Shares

All Shares issued under the Offer will be fully paid ordinary shares in Lodestone which rank equally with each other and all other ordinary shares in Lodestone on issue at that time. The key features of the Shares do not differ from those that apply to other ordinary shares in a company generally.

Dividend Policy

Lodestone does not intend to declare any dividends prior to FY32F and therefore does not have a dividend policy. Any future dividends would be declared at the discretion of the Board, are not guaranteed and would be considered in relation to the current cash position, operating cash flow of the business and future capital needs for the development and construction of solar farms and will be subject to the solvency test under the Companies Act.



Waioatahe Solar Farm (Te Herenga o Te Rā)

7. Lodestone's financial information

These tables provide key financial information about Lodestone. Full financial statements are available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/>. If you do not understand this financial information, you can seek advice from a financial advice provider or an accountant.

This section contains historical financial information for the financial years ended 31 March 2024 ("FY24A"), 31 March 2025 ("FY25A"), and 31 March 2026 ("FY26A"). Lodestone has elected to provide selected forward-looking target metrics (in ranges) for the financial years ending 31 March 2029 ("FY29F" or "Target FY29F") and 31 March 2032 ("FY32F" or "Target FY32F") (together, the "Target Metrics"), because the Board believes presenting these metrics over a three year and six year timeframe provides investors with meaningful context for assessing Lodestone's business plan and growth trajectory.

Given Lodestone is still in the early stages of its growth, with significant amounts of capital deployed in building out its solar farm development pipeline, the Board considers that near-term earnings and cashflow forecasts are not the most meaningful basis for investors to make an assessment of Lodestone's longer-term prospects.

The period from FY26A to FY29F ("Target FY29F Period") covers the more proximate phase of Lodestone's development pipeline. The assumptions underpinning this period are comparatively more probable, based on development of identified sites and existing consents.

The period from FY26A to FY32F ("Target FY32F Period") illustrates Lodestone's business at a more mature operating scale, enabling investors to assess the financial profile that Lodestone is targeting once its strategy is substantially implemented. In addition, there is a delay between the deployment of capital and revenue being realised in Lodestone's financial statements i.e. a full year of revenue from a given project is not typically recognised until 24 months after the first dollar of capital is invested in constructing a project.

In most cases, the Board believes it is appropriate to provide a range for the Target Metrics. This is primarily due to the duration from the date of this PDS until FY29F and FY32F, but also due to the dynamic nature of the market that Lodestone operates in and the number of assumptions that underpin the Target Metrics. The range is predicated on a "lower case" and "upper case", whereby key drivers underpinning Lodestone's business plan are sensitised, which allows investors to assess the impact of potential business plan outcomes on financial performance. Further detail is available in the *Supplementary Financial Information* on the Offer Register.

A summary of the principal assumptions on which the Target Metrics are based are set out under the heading "Overview of forward-looking financial information" in this section.

The Investigating Accountant's Report on the Offer Register addresses the historical financial information presented in this PDS but does not address the Target Metrics.

Further financial-related documents are also available on the Offer Register:

- Statutory Historical Financial Information: audited financial statements for the past three financial years (FY24A, FY25A and FY26A), including supplementary information and financial commentary in relation to FY26A; and
- Supplementary Financial Information: further detail and explanation of the assumptions underlying the Target Metrics, including the range of assumptions that have been used, along with commentary on historical data and trends as well as reconciliations of the non-GAAP financial information presented in this PDS to NZ GAAP.

Following the Listing, Lodestone intends to keep investors updated as to its expected performance against the Target Metrics and may update or revise the Target Metrics to reflect its actual performance and any changes in expected performance but does not intend to provide rolling target three year and six year metrics going forward.

The Target Metrics are inherently uncertain and are based on the Board's assessment of events and conditions existing at the date of this PDS. Actual results are likely to vary from the information presented and variances may be material. Accordingly, neither the Board nor any other person can provide any assurance that the Target Metrics will be achieved, and investors are cautioned not to place undue reliance on the Target Metrics. You should assess the Target Metrics in this PDS in light of the assumptions, and in conjunction with the other information in this PDS (including in particular the information in Section 8 of this PDS (*Risks to Lodestone's business and plans*)) and on the Offer Register. The financial information in this PDS is presented in New Zealand dollars and is rounded to the nearest one hundred thousand dollars (for historical periods) or nearest one million (for the Target Period) (unless otherwise stated), which may result in some discrepancies between the sum of the components and totals within tables, and also certain percentage calculations (which are based on unrounded values).



Selected financial information

The below table of selected financial information contains the following types of financial information:

- **Statutory historical financial information:** as reported in Lodestone's financial statements for FY24A, FY25A and FY26A prepared under NZ GAAP. These statements have been audited by KPMG (registered under the Auditor Regulation Act 2011) and are available on the Offer Register.
- **Target Metrics:** being selected financial measures for FY29F and FY32F that Lodestone views as the most appropriate metrics to assess the performance of the business.

NZ\$ MILLIONS	FY24A	FY25A	FY26A	TARGET FY29F	TARGET FY32F
FINANCIAL PERIOD	12 MONTHS ENDED 31 MARCH 2024	12 MONTHS ENDED 31 MARCH 2025	12 MONTHS ENDED 31 MARCH 2026	12 MONTHS ENDING 31 MARCH 2029	12 MONTHS ENDING 31 MARCH 2032
Financial Performance					
Statutory measures:					
Revenue	3.9	22.5	24.5		
NPAT	(10.1)	(35.8)	(0.9)		
Net cashflows from operating activities	(4.6)	2.8	3.3		
Dividends paid	-	-	-		
Total assets	264.6	351.5	371.5		
Total cash and cash equivalents	44.0	66.1	26.8		
Total liabilities	135.3	209.5	226.0		
Management financial measures (non-NZ GAAP)					
Energy revenue	1.3	12.2	25.1 ⁴³	67-74 ⁴⁴	169-195 ⁴⁴
Energy margin	2.6 ⁴⁵	14.5 ⁴⁵	19.5	52-58	118-144
Energy services margin	-	(2.6)	(3.0)	4	4-5
Operating costs	(8.4)	(10.3)	(13.7) ⁴⁶	(23)-(24) ⁴⁷	(37)-(41) ⁴⁸
Proportionate operational EBITDAF	(5.8)	1.6	2.8	32-38	85-108
Solar capital expenditure	105.9	81.7	54.4	96-104	111
Total debt (excluding lease liabilities) ⁴⁹	109.6	161.5	185.3	282-283	425-469
Net debt	65.6	95.4	158.5	212-220	353-389

As at 31 March 2026, the Lodestone Group has \$69.7 million of tax losses and an associated deferred tax asset of \$15.1 million that has not been recognised in the statement of financial position. In accordance with accounting standards, the deferred tax asset has not been recognised given the Lodestone Group is yet to report a taxable profit. Tax losses are available for carry forward, subject to shareholder or business continuity rules. These losses do not expire under current tax legislation.

43. FY26A energy revenue includes \$1.6m of revenue relating to lines company charges that are on-charged to our customers.

44. FY29F and FY32F energy revenue excludes all on-charged lines charges and levies. For the purpose of forecasting, Lodestone assumes that lines company charges are recovered through customer invoicing.

45. FY24A and FY25A energy margin is higher than energy revenue due to electricity spot market sales, which is a contra-expense item included in cost of sales.

46. FY26A operating costs excludes \$6.2 million of non-recurring items related to a one-off employee share scheme adjustment (\$2.8 million one-off excluded from operating costs, but \$1.0m recurring is included), repair costs that will be recovered via an insurance claim under warranty for equipment that failed upon commissioning (\$1.5 million), development asset impairment primarily related to an owned site in Northland that is not being pursued any further due to a nearby owned site being prioritised (\$1.2 million), Offer and transaction expenses (\$0.5 million), and mass-market retail launch (\$0.3 million).

47. FY29F operating costs includes \$1.1 million of expected public company costs and \$1.0 million of non-cash employee share scheme costs.

48. FY32F operating costs includes \$1.2 million of expected public company costs and \$1.0 million of non-cash employee share scheme costs.

49. Total debt includes working capital facilities, but these are assumed to be undrawn as at end of FY29F and FY32F.

The table below includes key operational and financial metrics for historical periods, FY29F and FY32F that Lodestone views as the most appropriate metrics to assess the performance of the business.

	FY24A	FY25A	FY26A	TARGET FY29F	TARGET FY32F
FINANCIAL PERIOD	12 MONTHS ENDED 31 MARCH 2024	12 MONTHS ENDED 31 MARCH 2025	12 MONTHS ENDED 31 MARCH 2026	12 MONTHS ENDING 31 MARCH 2029	12 MONTHS ENDING 31 MARCH 2032
Operating Performance					
Number of operating solar farms ⁵⁰ (#)	1	3	4	9	16-18
Electricity capacity ⁵¹ (MWdc)	33	109	141	294	571-626
Non-Lodestone owned electricity capacity ⁵² (MWdc)	0	0	0	35	89-95
Electricity generation (GWh)	17	117	178	389-416	802-888
Non-Lodestone owned electricity generation ⁵³ (GWh)	0	0	0	30-36	128-131
Electricity sold to customers (GWh)	9	107	184	428-457	883-977
Financial metrics					
Average electricity sales price to customers (\$ / MWh)	144	114	136	157-162	192-200
Energy margin per MWh of generation (\$ / MWh)	151	124	110	122-127	134-148

Key operational metrics

The following table defines the key operational metrics used by Lodestone to assess and analyse its operational and financial performance and which are set out in the selected financial information table above. These metrics are specific to Lodestone's business model as a solar gentailer.

METRIC	DESCRIPTION
Operating solar farms	The number of utility-scale solar generation assets that have reached commercial operations and are actively generating electricity at the end of the period. A solar farm is considered operational from its substantial completion, being the point at which the solar farm has been connected to the relevant electricity distribution or transmission network and is generating electricity available for sale.
Electricity capacity	The total installed direct current generation capacity across all operating solar farms (including 100% of the electricity capacity of any JV-owned solar farms), measured in MWdc, at the end of each period and represents the maximum nameplate output of the solar panel arrays at each solar farm under standard test conditions.
Electricity generation	The total volume of electricity generated across all operating solar farms during a period (including 100% of any JV-owned solar farms), measured on an actual basis in GWh for historical periods or on a P50 basis in GWh for future periods. P50 generation refers to the median estimated annual electricity output of a solar farm derived from probabilistic energy yield assessments conducted by independent technical advisers. P50 estimates are market-standard for energy modelling, as they reflect an equal likelihood of actual generation being either above or below the estimate. Output is subject to seasonal variation, with generation materially higher during the summer months (October to March) reflecting New Zealand's solar irradiance profile, and lower during winter months (June to August). Generation is also subject to weather variability, equipment availability and, where applicable, the timing of new site commissioning within a given reporting period.
Electricity sold to customers	The total volume of electricity, measured in GWh, sold to all customers during the period.

50. Number of operating solar farms as at the end of the period.

51. Electricity capacity is as at the end of the period and includes 100% of the capacity of any JV-owned solar farms.

52. Non-Lodestone owned electricity capacity represents the electricity capacity of the portion of JV solar farms that Lodestone does not own, as at the end of the period.

53. Non-Lodestone owned electricity generation represents electricity generated during the period from the portion of JV solar farms that Lodestone does not own.



Key financial performance metrics (non-NZ GAAP)

Lodestone uses certain financial measures that are not defined under NZ GAAP, that it believes are the most appropriate metrics to assess the performance of the business. These metrics should not be considered in isolation from, or as a substitute for, financial information prepared under NZ GAAP. The key financial performance metrics used by Lodestone and presented in this PDS are set out below.

METRIC	DESCRIPTION
Energy revenue	Energy revenue represents revenue generated from the sale of electricity to Lodestone's customers on a contracted price basis. This is the primary revenue benchmark used to measure performance by Lodestone and differs from the statutory definition of revenue. ⁵⁴
Energy margin	Energy margin represents the net earnings generated from Lodestone's electricity generation and retail activities before site operating costs, retail costs and corporate overheads. It is calculated as energy revenue less the direct costs of selling electricity to customers, comprising the net impact of Wholesale Market sales and purchases, net hedge settlements, fixed-price electricity purchases under third-party PPAs, network charges and metering fees. This also includes Lodestone's ownership share of energy margin earned by investee entities, including JVs.
Energy services margin	Energy services margin comprises revenue from site development, construction and JV management services, less associated non-capitalised development and construction costs. JV management costs are included in operating costs.
Operating costs	Operating costs includes site, retail and corporate costs and directly attributable overhead costs related to managing the operational solar farms, serving Lodestone's customer base and supporting Lodestone's business activities. The costs include Lodestone's ownership share of site costs incurred by investee entities, including for JVs, but exclude any one-off, non-recurring items.
Proportionate operational EBITDAF	Proportionate operational EBITDAF is defined as earnings before net interest expense and other financing costs, income tax, depreciation and amortisation, and fair-value movements on financial instruments, but excluding non-recurring expenses. Fair-value movements excluded from Proportionate operational EBITDAF comprise unrealised gains and losses on electricity hedge contracts, power purchase agreement derivatives and interest rate swaps, which are marked to market each period in accordance with NZ IFRS and can give rise to material non-cash gains or losses that are not reflective of Lodestone's underlying cash operating performance. Proportionate operational EBITDAF for FY29F and FY32F also includes Lodestone's proportionate share of EBITDAF from JVs and associates.
Solar capital expenditure	Solar capital expenditure represents property, plant and equipment additions including capitalised interest, financing fees, and commitment fees but excluding right-of-use assets and land. This is equivalent to the aggregate capital investment incurred by Lodestone in the development and construction of its sites (and associated equipment) during the period. This also includes Lodestone's ownership share of capital expenditure incurred by investee entities, including JVs.
Total debt (excluding lease liabilities)	Total debt represents the total borrowings, excluding lease liabilities recognised under NZ IFRS 16 in respect of land and office leases. This is the equivalent of the aggregate principal amount of Lodestone's drawn interest-bearing borrowings as at the balance date, including both senior and junior debt. ⁵⁵ FY29F and FY32F also includes Lodestone's ownership share of total debt (excluding lease liabilities) incurred by investee entities, including JVs.
Net debt	Net debt represents total debt (excluding lease liabilities) less total cash and cash equivalents (as defined by NZ GAAP).
Average electricity sales price to customers	The average energy revenue earned per MWh of electricity sold to customers during the period. Calculated as energy revenue divided by electricity sold to customers. The sales price has been presented net of lines charges and other fees as these are assumed to be passed through to customers.
Energy margin per MWh of generation	Energy margin per MWh represents the energy margin earned per MWh of electricity generated (including third-party generation purchased) during the period (expressed as \$ / MWh). It is calculated as energy margin divided by total electricity generation, including third-party generation purchases.

54. Reconciliation of energy revenue to statutory revenue for FY24A, FY25A and FY26A is included in Part B of the Supplementary Financial Information on the Offer Register.

55. Lodestone refers to its facilities with IFM as "junior debt" because it is structurally subordinated to the Westpac project finance debt and has some flexible characteristics such as the ability to capitalise interest. The security for the junior debt is limited to the assets of the relevant borrower in the Lodestone Group and there are no guarantees in relation to that debt.

Key components of Lodestone earnings

Energy margin

Lodestone's principal earnings stream is through the sale of electricity directly to customers:

- **C&I customers:** Lodestone sells electricity directly to C&I customers under individually negotiated supply agreements. Current customers are sold electricity under Corporate Renewable Energy Master Agreements or Corporate Renewable Energy Supply Agreements, supported by site-specific PPAs. The majority of the volume supplied under these arrangements is contracted on longer-term agreements with terms ranging from 5 to 20 years. Lodestone offers C&I customers a range of VRC structures depending on their electricity consumption profile and risk appetite for exposure to movement in Wholesale Market prices, ranging from fixed-price, variable-production ("FPVP") arrangements that provide customers with price certainty, to virtual rooftop structures under which customers receive an allocation of Lodestone's solar generation on a half-hourly basis and bear a degree of exposure to Wholesale Market price movements.
- **Mass-market retail customers:** Lodestone has launched a mass-market retail electricity offering targeting residential and small business customers. Under our mass-market retail model, customer pricing comprises fixed daily charges based on estimates of electricity consumption with an annual wash-up adjustment for actual volume consumed.

Lodestone's energy margin is influenced by the following principal drivers that reflect the fundamental economics of a solar gentailer:

- **Price of electricity sold to C&I customers:** the average price of electricity sold across Lodestone's generation is a blend of contracted pricing across the C&I customer portfolio.
- **Price of electricity sold to mass-market retail customers:** Lodestone's mass-market retail offer includes "time of use" retail pricing structure which incentivises electricity consumption during off-peak periods such as during the day (when solar is generating electricity) and night (when market electricity demand is low). Customers receive account credits where their peak-period consumption is below set monthly targets. Electricity will be priced competitively relative to gentailer and independent competitors.
- **Volume of electricity sold:** the volume of electricity sold is primarily driven by the electricity demand of its customers. During the winter months, Lodestone will typically be in a net short electricity position as generation from its portfolio will be less than customer demand. This mismatch is actively managed via its hedge portfolio or by purchasing in the Wholesale Market. In the summer months, Lodestone may be in a net long electricity position and will sell excess electricity generated into the Wholesale Market with hedges used to manage this exposure.
- **Customer mix of volume sold:** Lodestone launched its mass-market retail strategy in late 2026 with mass-market retail customers being the primary sales focus in the future as more solar farms become operational i.e. the majority of new incremental electricity generation will be sold to mass-market retail customers. If the uptake of mass-market retail customers is less than expected then Lodestone will need to sell excess generation to C&I customers or the Wholesale Market, which would likely have a negative impact on the Target Metrics.
- **Cost of electricity sold:** the cost to Lodestone of meeting its customer electricity demand. This is primarily driven by the difference in actual generation of Lodestone solar farms relative to actual customer demand, the difference in actual customer demand relative to expected customer demand, Wholesale Market spot prices and volatility, hedge settlements and the cost of third-party power purchase agreements (including the cost of purchasing the portion of electricity from JV-sites that Lodestone does not own). Hedge settlements have a direct impact on Lodestone's energy margin. If Lodestone is net short, hedge prices that are lower than prevailing Wholesale Market spot prices will improve the energy margin, while hedge prices that are higher than spot prices will reduce it. If Lodestone is net long, the opposite applies. See "Wholesale Market Hedging Risk" in Section 8 of this PDS (*Risks to Lodestone's business and plans*) for further information.
- **Seasonality:** Lodestone will typically generate higher energy margin in the summer months relative to the winter months given more electricity is generated from Lodestone's solar farms and less electricity needs to be purchased in the Wholesale Market.



Energy services margin

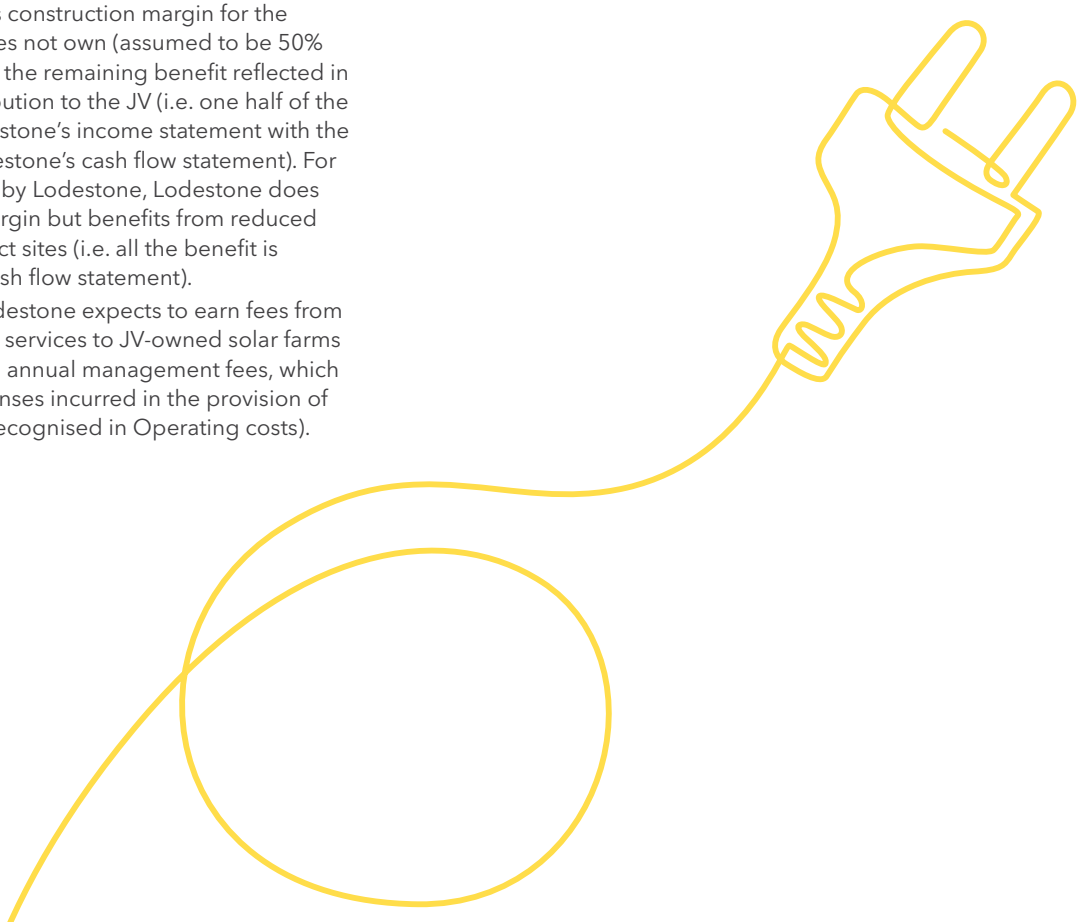
Lodestone expects to generate earnings through the development of sites and the construction and management of solar farms.

- **Development:** Lodestone develops solar projects and capitalises some of the associated costs to its balance sheet. If a developed site is sold to a strategic partnership at a price above the cost to develop, Lodestone will recognise a gain on asset sale expressed as development revenue in its income statement, although the Target Metrics do not assume any gain on sale of developed assets is recognised in any period. If the developed site is kept on Lodestone's balance sheet, the asset will be held at cost. Development-related operating expenses that cannot be capitalised are included in energy services margin.
- **Construction:** Lodestone has historically engaged a third party for the EPC management required to build operational solar farms (with Lodestone responsible for engineering and procurement and overseeing the construction services provided by the third party). Lodestone has developed the construction capability and expertise in-house and now intends to manage EPC for all future solar farm builds. For JV-owned sites, Lodestone expects to deliver the construction management services and charge on an arm's-length basis and subsequently recognise construction margin. The target margin is a fixed dollar amount and is based on the target construction cost. If the actual construction costs differ to the target construction cost, then the realised margin may differ to the target margin. Lodestone only recognises construction margin for the portion of the JV that it does not own (assumed to be 50% for all JV-owned sites) with the remaining benefit reflected in a lower capital cost contribution to the JV (i.e. one half of the margin is reflected in Lodestone's income statement with the other half reflected in Lodestone's cash flow statement). For sites that are 100% owned by Lodestone, Lodestone does not earn a construction margin but benefits from reduced capital required to construct sites (i.e. all the benefit is reflected in Lodestone's cash flow statement).
- **Management services:** Lodestone expects to earn fees from providing JV management services to JV-owned solar farms in the future via contracted annual management fees, which is offset by operating expenses incurred in the provision of these services (which are recognised in Operating costs).

Operating costs

Lodestone's core operating expenditure covers the cost of operating its solar farms and servicing its customer base, and corporate functions to service all parts of the business:

- **Site costs:** Lodestone is highly experienced at operating solar farms and there is good visibility into the operating cost base. Site costs include insurance and overheads to oversee the solar farms, both of which are expected to improve on a relative basis over time as these are spread across more solar farms. Factors that can lead to increased costs are primarily related to disruptions from adverse weather events, equipment malfunctions or unexpected increases in transmission or distribution charges due to transmission pricing methodology ("TPM").
- **Retail costs:** Lodestone is in the early stages of its mass-market retail strategy which means that the current cost base is high (relative to energy margin) as Lodestone has invested in the technology, systems and people required to service a large mass-market retail customer base. As the customer base scales, Lodestone expects it will not need to increase its operating cost base proportionally, resulting in a reduced cost to serve over time.
- **Corporate overheads:** Lodestone has invested in its people, infrastructure, systems and technology to support its end-to-end solar gentailer business model. As the business scales, the increase in corporate overheads will be proportionately less than the increase in other operating costs.



Overview of historical financial performance

FY26A financial performance relative to FY25A

Lodestone's proportionate operational EBITDAF for FY26A was \$2.8 million (excluding \$6.2 million of one-off adjustments) compared to \$1.6 million in FY25A. This reflected higher energy margin from increased Lodestone electricity generation but was partially offset by increasing corporate costs as Lodestone continued to invest in its end-to-end business model to support future growth.

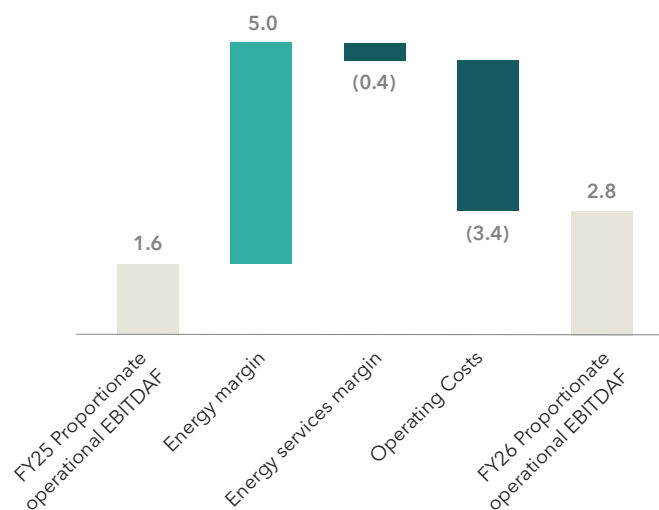
The key drivers of proportionate operational EBITDAF growth were:

- The increase in generation from 117 GWh to 178 GWh reflecting a full year of operations from Edgecumbe and Waioatahe together with a partial year contribution from Whitianga
- This led to an increase in sales volume from 107 GWh to 184 GWh reflecting strong growth in underlying customer contracts
- The increase in electricity sales price from \$114/MWh to \$136/MWh due to a combination of higher contracted C&I pricing and higher Wholesale Market spot prices

This growth was offset by:

- The increase in construction and development expenses attributed to establishing Lodestone's construction division and advancing the development programme
- Higher operating costs (excluding one-off adjustments) driven by higher site costs attributable to full year operations of Edgecumbe and Waioatahe and partial year contribution from Whitianga, increased investment in headcount to support Lodestone's growing business and establishing the mass-market retail operations platform

Statutory NPAT improved from \$(35.8) million in FY25A to \$(0.9) million in FY26A, primarily due to a \$19.0 million net increase in the fair value of energy derivatives in FY26A, compared to a \$27.7 million net decrease in FY25A. This improvement was partially offset by higher finance expenses (which increased from \$7.7 million in FY25A to \$13.3 million in FY26A), higher depreciation and amortisation expense (which increased from \$3.3 million in FY25A to \$6.7 million in FY26A), and a \$6.2 million one-off, non-recurring expense recognised in FY26A (nil in FY25A). This was partially offset by improved underlying operating performance, with Proportionate operational EBITDAF improving from \$1.6 million in FY25A to \$2.8 million in FY26A.





FY25A financial performance relative to FY24A

Lodestone's proportionate operational EBITDAF for FY25A was \$1.6 million compared to \$(5.8) million in FY24A. This reflected higher energy margin from increased Lodestone electricity generation but was partially offset by increasing corporate costs as Lodestone continued to invest in its end-to-end business model to support future growth.

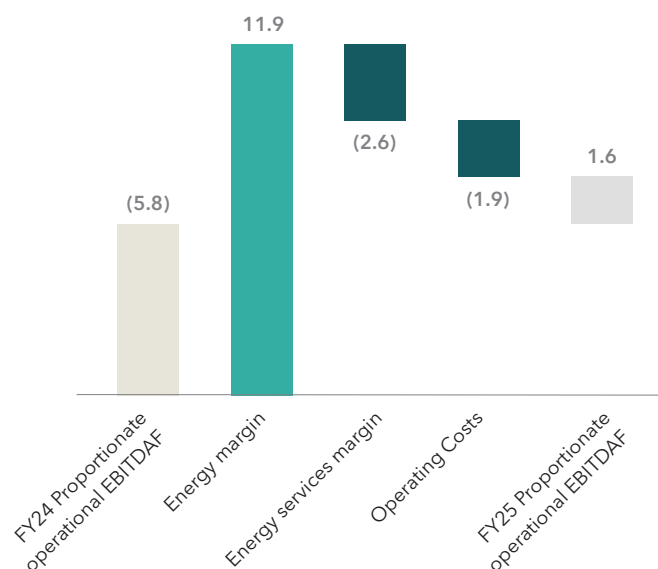
The key drivers of proportionate operational EBITDAF growth were:

- The increase in generation from 17 GWh to 117 GWh reflecting the first full year of operations of Kaitaia, and Waitahe and Edgecumbe becoming operational
- This supported an increase in sales volume from 9 GWh to 107 GWh reflecting growth in customer contracts and the expanding portfolio of operating solar farms

This growth was marginally offset by:

- The decrease in average electricity sales price to customers from \$144/MWh to \$114/MWh reflecting lower priced C&I customer contracts
- Higher operating expenses as a result of higher site costs attributable to Edgecumbe and Waitahe and higher corporate costs attributed to expansion in Lodestone's operations

Statutory NPAT declined from \$(10.1) million in FY24A to \$(35.8) million in FY25A, primarily due to a \$27.7 million net decrease in the fair value of energy derivatives in FY25A, compared to a \$5.0 million net decrease in FY24A. This decline was also driven by a \$1.8 million net decrease in the fair value of treasury derivatives in FY25A (nil in FY24A), higher finance expenses (which increased from \$3.0 million in FY24A to \$7.7 million in FY25A), and higher depreciation and amortisation expense (which increased from \$0.4 million in FY24A to \$3.3 million in FY25A). This was partially offset by improved underlying operating performance, with Proportionate operational EBITDAF improving from \$(5.8) million in FY24A to \$1.6 million in FY25A.



Overview of forward-looking financial information

Key assumptions underpinning Target Metrics

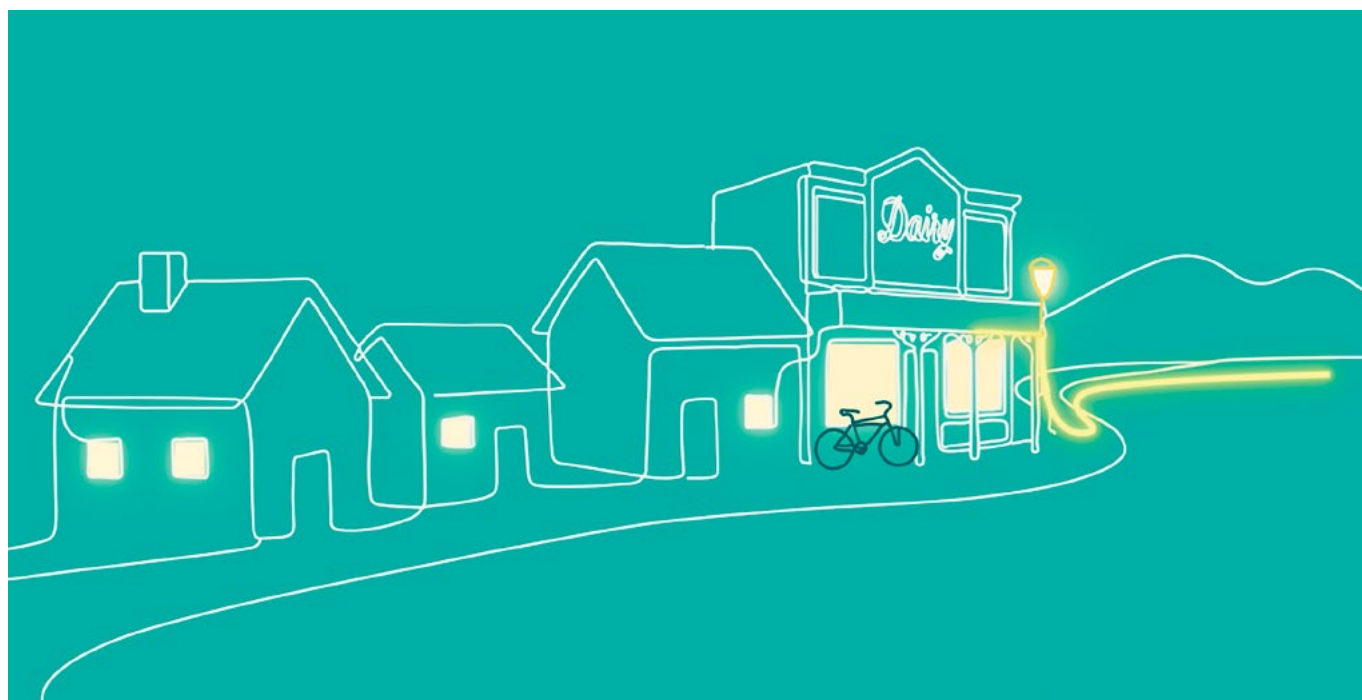
The table below outlines a summary of the principal assumptions underlying the Target Metrics. A full description of the assumptions with further details is available in the Supplementary Financial Information on the Offer Register.

TARGET METRIC	KEY ASSUMPTIONS
Operating solar farms	Lodestone commences construction of 2 to 3 solar farms per annum through to the end of FY32F while continuously maintaining an approximate three-year pipeline of developed sites. By the end of FY32F, Lodestone expects to have 16 to 18 operational solar farms, of which 4 to 5 are JV-owned sites. Some of the sites in our current and future development pipeline may be larger than our typical solar farms and could result in less than 16 to 18 operational solar farms by FY32F but still deliver the same target electricity capacity.
Electricity capacity	The total electricity capacity of the next eight planned sites ⁵⁶ that are expected to be constructed is 296 MWdc (or average 37 MWdc). Beyond this, Lodestone assumes that each future solar farm will have average electricity capacity of 32 MWdc per solar farm.
Electricity generation	Future generation for each solar farm is based on the latest first year P50 generation estimate for that solar farm. The total P50 electricity generation for the next eight planned solar farms expected in the first operating year of each solar farm is 433 GWh (or 54 GWh per solar farm). Beyond this, Lodestone assumes each future solar farm will have average first year P50 electricity generation of 50 GWh.
Electricity sold to customers	Lodestone will sell all the generation from its operating solar farms and purchase an additional 10% of generation from third parties to meet customer demand in FY29F and FY32F. Lodestone currently purchases third-party solar generation from NewPower Energy Limited's Taiohi solar farm.
Average electricity sales price to customers	Lodestone has modelled C&I and mass-market retail prices through FY32F. - Current C&I pricing is based on the actual contracted pricing profile with future pricing estimates driven by ASX wholesale futures market, Wholesale Market price forecasts and Lodestone's market insights and commercial experience with C&I customers. - Current mass-market retail pricing is based on the discounted pricing that is currently being offered in the launch phase with annual market price escalations assumed to be 2 to 3% per annum and Lodestone's mass-market retail price trending to market average pricing over time. The range in the Target Metrics sensitises both mass-market retail pricing and annual escalation. The electricity sales price for mass-market retail is higher than C&I. The Target Metrics are predicated on the successful launch of the mass-market retail strategy in late 2026 with continued growth in mass-market retail customers through to FY32F such that mass-market retail accounts for 36 to 39% of total electricity sold in FY29F and 65 to 67% of total electricity sold in FY32F. This is predicated on the assumption that Lodestone sells 81% of incremental generation from future sites to mass-market retail customers.

56. Planned sites are Ongaonga Road, Kairanga, Bute 1, Bute 2, Gisborne, Dunsandel, Mount Somers and Mclver, which are all expected to have commenced construction by FY31F.

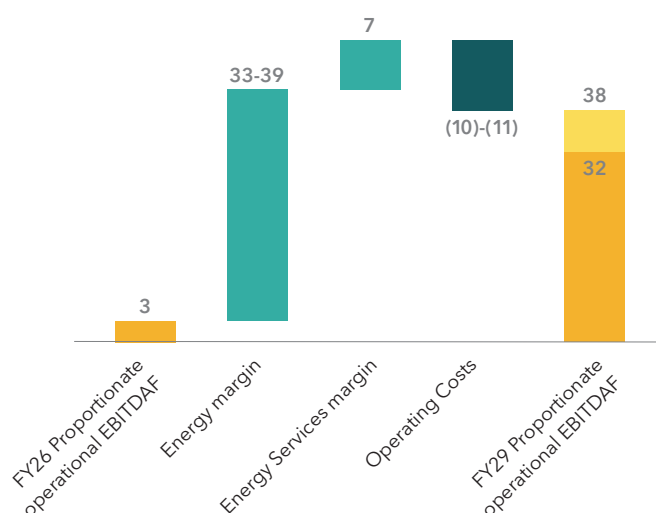


TARGET METRIC	KEY ASSUMPTIONS
Energy services margin	Lodestone will develop and construct all future planned sites (both named and unnamed) through to FY32F. The economic assumptions are detailed below for JV-sites: Development: Lodestone may earn a development margin if a developed asset is sold to the JV at a higher value than the total capitalised costs to develop the asset. The Target Metrics assume that the developed asset is sold at a price equal to the costs to develop the asset i.e. no margin earned. Construction: Lodestone earns construction margin on JV solar farms it manages construction of as the solar farm progresses to becoming operational. Future construction margin is based on a 10% margin earned on the target cost of constructing the operational solar farm, which is based on rates that Lodestone has historically paid to third parties for the management of construction of its current solar farms and market evidence for margins earned on similar risk profile construction projects. JV management services: Lodestone also earns annual contracted management fees from operating and maintaining JV-owned solar farms. It is expected that these fees will offset the cost Lodestone incurs to provide the contracted services (in addition to Lodestone's 50% portion of the JV fee) and minimal margin will be recognised.
Operating costs	Lodestone's operating costs comprise of the following: Site and retail costs: The forecast site operating costs are based on Lodestone's operational experience to date, adjusted for anticipated inflationary pressures in maintenance, wages and transmission charges. The costs will also be influenced by bringing O&M services in-house, ongoing efficiencies that result from the introduction of new technologies and having multiple sites. Retail operating costs are modelled on a per customer basis with metrics based on Lodestone's scale and mass-market retail strategy and referenced against publicly listed competitors. Corporate costs: Lodestone has invested in its operating platform (workforce, technology, systems and infrastructure) to support future generation, development, sales and retailing operations. As such, Lodestone assumes its overhead cost base will increase modestly in the future.



Bridge to Target FY29F proportionate operational EBITDAF from FY26A proportionate operational EBITDAF

Lodestone's Target FY29F proportionate operational EBITDAF is \$32 to \$38 million compared to \$2.8 million in FY26A. The drivers of the uplift are detailed below:



The key drivers are:

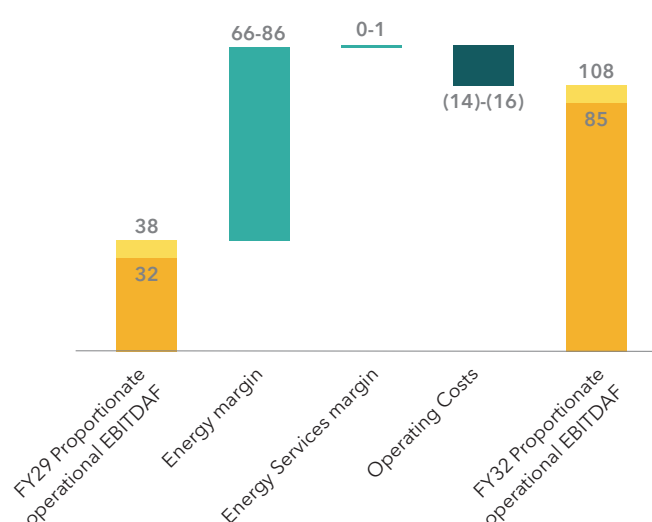
- The increase in generation from 178 GWh to 389 to 416 GWh reflecting the successful completion of five additional solar farms: Clandeboye, Kairanga, Bute 1, Ongaonga Road and Bute 2;
- The increase in sales volume from 184 GWh to 428 to 457 GWh reflecting the successful addition of mass-market retail customers whilst maintaining existing customer contracts;
- The increase in average electricity sales price from \$136/MWh to \$157 to 162/MWh reflecting the introduction of mass-market retail pricing and decreased weighting of FPVP contracts relative to the total electricity sold; and
- The increase in energy services margin as Lodestone commenced construction of JV-owned sites in FY27F. Lodestone expects to be constructing one JV site in FY29F and have two JV-solar farms under management.

Revenue growth is offset by an increase in operating costs:

- Higher site costs attributable to full year operations of Clandeboye, Kairanga and Ongaonga Road and partial year impact from Bute 1 and Bute 2;
- An increase in retail costs including cost to serve, acquisition costs, and churn costs incurred as a result of the commencement and growth of the mass-market retail offering; and
- Higher corporate costs as Lodestone becomes a public company that incurs public company costs and continues to invest in the platform to support enhanced scale.

Bridge to Target FY32F proportionate operational EBITDAF from Target FY29F proportionate operational EBITDAF

Lodestone's Target FY32F proportionate operational EBITDAF is \$85 to \$108 million compared to \$32 to \$38 million in FY29F. The drivers of the uplift are detailed below:



The key drivers are:

- The increase in generation from 389 to 416 GWh to 802 to 888 GWh reflecting the successful completion of 7 to 9 additional solar farms;
- The increase in sales volume from 428 to 457 GWh to 883 to 977 GWh reflecting growth in mass-market retail demand as Lodestone begins to increase its market share; and
- The increase in average electricity sales price from \$157 to \$162/MWh to \$192 to \$200/MWh reflecting the higher weighting of high-margin mass-market volumes within the electricity sales.

This growth is marginally offset by higher operating costs:

- higher site costs attributable to operations from new solar farms;
- an increase in retail operating costs as a result of increased growth of the mass-market retail offering from Lodestone acquiring greater market share; and
- an increase in corporate costs attributed to inflationary growth.



Capitalisation

CAPITALISATION TABLE	
Number of Shares being offered	33,333,334 to 44,444,445
Offer Price	\$2.25
Implied market capitalisation	\$440 million to \$465 million
Net Debt (including lease liabilities) / (Cash) on completion of the Offer	\$49.9 million to \$73.6 million
Implied enterprise value	\$513.6 million to \$514.9 million

Explanation of implied market capitalisation and implied enterprise value

Implied market capitalisation is the value of all of the issuer's equity securities, as implied by the price of the Shares being offered. It tells you what Lodestone is proposing that Lodestone's equity is worth.

Implied enterprise value ("EV") is a measure of the total value of the business of Lodestone, as implied by the price of the Shares being offered. Implied enterprise value is the amount that a person would need to pay to acquire all of Lodestone's equity securities and to settle Lodestone's net borrowings. It is a measure of what Lodestone is proposing the business of Lodestone as a whole is worth.

Lodestone's EV and implied market capitalisation have been calculated on the basis that 206,666,692 Shares will be on issue immediately following completion of the Offer, which assumes the \$100 million Offer is fully subscribed and 233,934 Shares will be issued on the Allotment Date to ESS participants who have exercised options prior to the date of this PDS, as described in Section 2 (*Lodestone and what it does*) of this PDS. If the number of Shares on issue immediately following completion of the Offer is less than 206,666,692 Shares, due to less Shares being issued under the Offer, Lodestone's implied market capitalisation immediately following the completion of the Offer will be lower, and its EV will be marginally lower. Implied market capitalisation excludes any value for options remaining on issue in Lodestone immediately following completion of the Offer. Immediately following completion of the Offer there will be 7,528,518 options to acquire Shares on issue in Lodestone with an average exercise price of \$2.2369.



8. Risks to Lodestone's business and plans

This section describes the circumstances that Lodestone is aware of that exist or are likely to arise that significantly increase the risk to Lodestone's financial position, financial performance or stated plans. We have outlined our assessment of the likelihood, nature and potential magnitude of the impact of these circumstances. These risks are based on the knowledge and assessment of the Board as at the date of the PDS and it is possible that the importance of each risk may change or other risks may emerge over time.

Funding Availability Risk	
What is it?	In addition to the capital to be raised under the Offer, we will require ongoing access to key sources of funding to achieve our growth strategy of building 2 to 3 new utility-scale solar farms per year. There is a risk that access to funding is not available, including because we are unable to successfully refinance our debt facilities on or before maturity on acceptable terms, we are unable to obtain debt facilities or short term funding loans for new projects, we fail to comply with the conditions and covenants in our debt facilities, our ability to access operating cash flow from existing operations is constrained or strategic partnerships are not available for future solar farm developments.
Why is it significant?	If funding sources are not available, we would be unable to develop the planned number of new solar farms within the expected timeframes, which may have a material adverse impact on our financial performance. Our existing Westpac debt facility is maturing in 2027. Failure to refinance our debt facilities on or before their maturity dates, or refinancing on materially worse terms, could have a significant impact on the business, including our solvency, increased costs of capital and lower projected returns to equity. If we were unable to refinance the Westpac facility on maturity, we would likely also be in default under our other debt facilities. Our current facilities contain a range of conditions and covenants, including interest coverage ratios, restrictions on distributions, requirements relating to the funding of capitalised interest and electricity hedging obligations that must be satisfied as a condition to continued access to those facilities. Any future facilities are expected to be subject to similar restrictions. If our banking covenants are breached, or we fail to meet distribution conditions, this may operate as a block on the flow of cash from operating solar farms to Lodestone, trigger an event of review or an event of default. Our Target Metrics assume that 4 to 5 of our 16 to 18 operating solar farms by FY32F are strategic partnerships. Further funding would be required to develop wholly-owned sites to meet Lodestone's planned development cadence, or the timing of development of new sites would need to slow if strategic partnerships cannot be secured.
Our assessment of the likelihood, nature and potential magnitude of any impact	Lodestone has had good access to debt finance to date. Subject to future market conditions, we consider the likelihood that we would be unable to obtain additional debt finance for future projects, refinance existing facilities on acceptable terms or maintain compliance with covenants to be low, although the potential magnitude of any impact on our business could be significant if it were to occur. Our assessment of this risk is consistent with the assumptions underpinning the Target Metrics, including that we expect our implied cost of debt to reduce over the Target FY32F Period. Further information about Lodestone's implied cost of debt over the Target FY32F Period can be found in the Supplementary Financial Information available on the Offer Register. We mitigate this risk by engaging with lenders well in advance of any refinancing date, maintaining strong relationships with our banking partners, and developing detailed refinancing plans ahead of facility maturity dates. We also seek to maintain compliance with all financial and operational covenants and to demonstrate strong asset performance and revenue visibility to our lenders. In terms of the availability of strategic partners, we consider the likelihood that we would be unable to enter into acceptable JV arrangements for future projects to be possible. The potential impact on our business could be moderate if it were to occur as alternative sources of capital would need to be sourced to fund future projects to achieve our target electricity generation. Lodestone has already entered into a JV in relation to the Ongaonga Road solar farm and is engaging with a number of other potential strategic partners. However, further relationships will need to be developed in coming years.



Development and Construction Risk

What is it?

We need to deliver projects across our development pipeline on time and within budget. This exposes us to a number of development and construction related risks, including:

- **Development risk:** Projects in our pipeline may fail to progress to construction for a range of reasons, including difficulty obtaining resource consents or approvals, unfavourable grid connection outcomes, site-specific issues such as flood risk or poor ground conditions, community opposition, problems securing land access or project economics that are not commercially viable.
- **Higher costs:** Construction costs may increase, including due to higher prices for solar photovoltaic modules ("**PV modules**"), unfavourable exchange rate movements, higher shipping costs, labour cost inflation, transmission connection costs or unexpected geotechnical conditions. Where we construct JV-owned solar farms, increases in construction cost above budget, or delays, may also reduce the energy services margin we realise on those activities.
- **Schedule delays:** Projects may be delayed by grid connection uncertainty, consenting delays, contractor availability, internal resource constraints, shipping delays for long-lead items, or weather-related disruption.
- **Delivery risk:** Certain major equipment that we procure directly and supply for installation at our solar farms may be lost or damaged during delivery or storage.
- **Subcontractor concentration:** We rely on key specialist subcontractors. There is a risk that a key subcontractor becomes unavailable due to capacity constraints, financial difficulty, or relationship breakdown.

Why is it significant?

Our growth strategy is based on a consistent build cadence of 2 to 3 new utility-scale solar farms per year. If we are unable to bring our development pipeline to a construction ready state on time or at all, it may reduce this cadence and have a material adverse impact on our financial performance. In some cases, if a project does not proceed to construction, the development costs already incurred may need to be written off, resulting in a loss on that development.

Higher costs would increase the amount of capital required to deliver our build programme, potentially resulting in additional funding requirements, fewer projects and a reduction in the future uplift in value from constructing our pipeline. We procure key equipment in foreign currency, with approximately 40% of our equipment costs exposed to prevailing exchange rates. Accordingly, a depreciation of the New Zealand dollar would increase our equipment cost and the cost of constructing each solar farm. As we develop our pipeline, we are able to capitalise a portion of the associated development costs to our balance sheet, where the relevant accounting criteria are met. Our ability to capitalise development costs is discussed further in Section 7 (*Lodestone's financial information*) of this PDS. Our Target Metrics assume a 10.0% construction margin on the target cost of each JV-owned solar farm, plus contracted fees for operating and maintaining JV sites. Because this margin is fixed by reference to the target cost, any cost overruns, including those arising from exchange rate movements, may reduce the margin actually realised.

Construction delays on a single solar farm could cause us to materially miss in-year revenue targets, or incur additional hedging costs as a result of a timing mismatch with our customer contracts or hedges.

Consistent delays across our project portfolio could impact our overall build programme, meaning we are unable to construct the planned number of new solar farms in the expected timeframes.

Under our in-house EPC management model we procure certain major equipment directly and supply it for installation. Under this model, we bear the risk of loss or damage to equipment during delivery and storage. If equipment is damaged or lost in transit, we may incur replacement costs and experience construction delays.

If a key subcontractor becomes unavailable, it may be difficult to source a suitably qualified substitute at equivalent cost and quality, which could cause construction delays.

Development and Construction Risk	
Our assessment of the likelihood, nature and potential magnitude of any impact	Lodestone manages development risk through careful site selection, staged investment, a diversified and growing pipeline and early stakeholder engagement. While our pipeline is well advanced, it remains possible that one or more of our projects may not proceed to construction. If this occurs, it could delay us achieving our Target generation capacity and delay the receipt of revenue we expect to earn from that additional capacity. It could also mean that we have to write off development costs already incurred on the affected projects. While we consider the likelihood of a material impact to our target generation capacity and revenue to be low, the impact could be moderate to significant if multiple projects are delayed or discontinued at the same time. We consider it possible that higher costs and schedule delays may arise during the construction of our development pipeline, and that the construction margin realised on JV sites may differ from the 10.0% assumed in our Target Metrics as a result. Our Target Metrics include allowances for inflation and we manage delays through early procurement, active project oversight, diversification of project pipeline, and flexible project sequencing. Our experience delivering five solar farms also supports effective in-house project execution. For projects developed through JVs, Lodestone's exposure to development and construction costs will generally reflect its ownership interest in the relevant JV, with the balance borne by the strategic partner. However, Lodestone may also incur development costs before a strategic partner is brought on and may bear construction-related risk where it provides construction management services to the JV. While individual projects may from time to time be delayed or exceed budget, the diversified nature of our pipeline helps to limit the extent to which the performance of any one project affects the timing and level of the Lodestone Group's overall EBITDAF. However, if costs materially exceeded our expectations across our build programme or a series of projects are significantly delayed, this could adversely affect Lodestone's financial performance. The magnitude of any impact will depend on how many projects are affected and the scale of the overrun or delay. Although it is possible that equipment we procure and supply directly will be lost or damaged, we consider the potential impact of a loss or delay arising from this to be minor. This risk is managed through marine cargo and construction works insurance covering equipment in transit and while stored on site, as well as contractual protections in our supplier agreements, including liquidated damages for late delivery and retentions withheld from supplier payments until equipment is accepted. We consider it possible that a key contractor may become unavailable and expect the potential impact of this to be moderate. We try to mitigate this risk by careful selection of subcontractors, milestone payments, broadening our supplier base and maintaining the capability to engage alternative subcontractors if required. However, a failure of a key subcontractor during project construction would be likely to have a negative financial impact on the cost of that project. An EPC contractor has not yet provided a replacement bond within the prescribed timeframe. If that replacement bond is not provided prior to expiry of the existing bond, we intend to call upon the bond. We believe that the funds received will enable us to mitigate any negative impacts that may arise from any contractual default by that contractor.



Customer Risk	
What is it?	A key element of our growth strategy is the successful launch and scaling of our mass-market retail business to diversify our customer base, which we plan to commence in the second half of 2026. Achieving our mass-market growth targets will depend on the successful deployment of our retail technology systems, our ability to acquire customers and competitive dynamics in the retail electricity market and the margins we are able to achieve on mass-market retail customers. There is a risk that we do not achieve these things, or that we are otherwise unable to successfully launch and scale a mass-market retail business. There is also a risk that a major C&I customer could fail or default in its obligations or may seek to terminate its contract or not renew it at the end of its term.
Why is it significant?	Our mass-market retail business is expected to progressively diversify our customer base, reduce our reliance on C&I offtake and generate higher margins than our C&I contracts. If our mass-market retail business does not achieve the expected customer acquisition and retention levels, or if the margins realised on mass-market retail customers are lower than anticipated, we would remain more heavily dependent on lower margin C&I contracts and Wholesale Market revenues, which could impact our financial performance and growth trajectory. We currently have a relatively concentrated number of C&I customers representing a significant proportion of our contracted revenue. The failure, default, termination or non-renewal of a major C&I customer could result in a significant volume of our generation becoming unmatched with contracted demand and exposed to Wholesale Market prices and could impact financial performance.
Our assessment of the likelihood, nature and potential magnitude of any impact	We consider it possible that our mass-market retail business may not achieve the expected customer acquisition and retention levels, or that the margins we realise on mass-market retail customers may be lower than anticipated due to competitive pricing pressure or higher customer acquisition costs. If this were to occur, the potential magnitude of any impact would be moderate, as Lodestone would sell any excess electricity generation to its lower margin C&I customers and potentially the Wholesale Market, resulting in lower revenues. We will manage this risk through phased market rollout, investment in customer systems and service capability and disciplined customer acquisition strategies and active monitoring of mass-market pricing and margin performance. We consider the likelihood of the failure or default of a material C&I customer to be possible. The nature of the impact would be that a volume of our generation becomes unmatched with contracted demand and exposed to Wholesale Market prices, potentially resulting in a loss of revenue and margin, which we expect would have a moderate impact on our financial performance. We manage this risk through customer diversification across industries and segments, with our current C&I customer base spanning food manufacturing, construction products, big box retail, and trucking and distribution, and through disciplined contract management and a credit assessment process that we undertake for each new customer. We consider the likelihood of a major C&I customer terminating or not renewing its contract to be low. The majority of the volume supplied under our C&I contracts is contracted on longer-term agreements with terms ranging from 5 to 20 years, compared with an industry norm of 1 to 3 years, and any termination for convenience right is generally only available after an initial period of at least five years and on extended notice. Contract expiries are therefore infrequent and staggered across our customer base, and we will engage with customers well ahead of expiry to seek renewal, reducing the risk of a material volume falling away at any one time. If this did occur, the impact would be similar to a customer failure or default, although the extended notice period or advance visibility of expiry would give us time to re-contract the affected volume or sell it into the Wholesale Market in the interim.

Energy Pricing Risk	
What is it?	Lodestone's electricity revenue may be affected by declines in Wholesale Market, C&I or mass-market retail electricity prices. This pricing risk could arise from several sources, including the inherent difficulty of predicting Wholesale Market outcomes, an overbuild of renewable generation, lower than expected demand growth, the need to offer greater than expected pricing discounts to acquire and retain mass-market retail customers, a daytime price reduction caused by excess solar supply or deterioration in Loss Factors as more solar farms are built in concentrated network areas, reducing the effective revenue we receive for each unit of generation.
Why is it significant?	The volumes and prices at which we are able to sell electricity directly influence our financial performance. Lower Wholesale Market prices for sustained periods could impact the economics of building new solar farms and reduce revenue from production that is not matched to contracted demand. Over the longer term, our C&I prices are also linked to Wholesale Market prices. Accordingly, a sustained decline in Wholesale Market prices, would be expected to flow through to the C&I prices we are able to achieve. Lower mass-market prices, including as a result of discounting to acquire and retain mass-market retail customers, would reduce the revenue and margin we earn from those customers. Loss factor deterioration reduces the effective revenue we receive for each unit of generation, and this impact is difficult to forecast and hedge. If prices remain lower than expected for a sustained period, the profitability and valuation of our business could be materially and adversely affected.
Our assessment of the likelihood, nature and potential magnitude of any impact	We consider it almost certain that day time prices will fall as a result of renewable generation build and thermal reduction. We expect the potential magnitude of the impact on Lodestone to be minor because of our vertically integrated business model, diversified customer contracting structure across multiple customer segments and our rigorous considered approach to each new solar farm investment decision. Our long-term agreements with C&I customers provide a partial natural hedge against Wholesale Market price movements while establishing our mass-market retail strategy will reduce our exposure to Wholesale Market prices. We consider it possible that we may need to offer greater discounts on our mass-market pricing than currently assumed to acquire and retain mass-market retail customers, which could have a moderate impact on our financial performance. We expect any such discounts to be a temporary feature of our mass-market pricing strategy during the initial customer acquisition phase, with the intention of moving mass-market pricing back towards market prices over time. We are managing this mass-market pricing risk through disciplined pricing and customer acquisition strategies, as well as a phased regional roll out of our mass-market retail offering. We also have the option to co-locate BESS with solar assets, allowing excess midday generation to be shifted into higher-value evening peak periods. Taking these measures into account, we do not currently expect that this risk will have a significant adverse impact on our financial performance over the medium term. However, there can be no assurance that Wholesale Market price movements will not be more severe or prolonged than currently anticipated.



Operational Risk

What is it?

Lodestone is exposed to a number of operational risks, all of which also apply to our third-party suppliers from whom we purchase generation volumes:

- **Solar generation underperformance:** Adverse short term weather conditions (cloud cover, rain) or longer-term climate change impacts can reduce solar generation below forecast levels.
- **Equipment performance and network availability issues:** We rely on stable connections to the electricity distribution network and specialist equipment at each of our solar farms. There is a risk that our equipment performs worse than expected or that our connection to the network, the network itself, or any pieces of material equipment, including inverters, transformers and tracking systems, could suffer failures requiring unplanned plant outages, replacement or repair. We also rely upon third parties for O&M at certain solar farms.
- **Cybersecurity and operational technology failure:** Our solar farm control systems are network-connected and, as critical infrastructure, are subject to cybersecurity threats. We also hold personal customer data and are exposed to data breach risks.
- **Catastrophic events:** A major earthquake, fire, flood, explosion or extreme weather (including high winds and hail), the frequency and severity of which may increase due to climate change, could adversely affect our major customers or cause a failure of any or all of our solar farms or other network infrastructure.
- **Curtailement:** The generation volumes and revenue of our solar farms depend on the ability of each solar farm to export electricity into local distribution and transmission networks. If the network in a region where we operate does not have sufficient capacity to transport all electricity generated, the network operator may require us to reduce or stop exports from the affected solar farm. This is known as "curtailment" and is most likely to occur where generation capacity in a region exceeds available network infrastructure, or where planned transmission upgrades are delayed.

Why is it significant?

Solar generation or equipment underperformance reduces generation output, and curtailment reduces the volume of electricity we can sell, each of which directly reduces our generation revenue. Equipment failures can result in prolonged solar farm outages while replacement equipment is sourced and installed, which can take extended periods if replacement equipment has long lead times. Network outages are outside our control and may persist until the network operator completes repairs.

A material cybersecurity incident or operational technology failure could disrupt our ability to operate solar farms or service retail customers, and could result in regulatory consequences, reputational damage or loss of customers. The significance of a potential data breach will increase as our transition to mass-market retail results in us holding a significantly greater volume of personal customer data.

A catastrophic event could damage or destroy one or more solar farms. The impact could be more severe if multiple solar farms are affected simultaneously, which we consider possible given the locations of our current portfolio. In addition, some of our key customer contracts contain force majeure provisions that may, if certain circumstances arise, relieve customers of their performance obligations. If a catastrophic event occurs which is a force majeure event under such contracts, a customer may no longer be required to perform under its contract. In such circumstances, volumes that were previously contracted at fixed prices may become exposed to Wholesale Market price fluctuations when plant performance is restored.

Our assessment of the likelihood, nature and potential magnitude of any impact

We consider solar generation underperformance due to adverse weather conditions or longer-term climate impacts to be likely, but with a low expected impact.

Minor equipment failures and network availability interruptions occur regularly but are typically low impact events. The likelihood of a major failure is considered low but could have a significant impact. We manage these risks through rigorous equipment selection processes, preventative maintenance and spare parts programmes, operational monitoring systems and planning for network outages, comprehensive insurance arrangements (including business interruption cover), contractual warranty and recourse protections with equipment providers, and regular reviews of operational and insurance learnings from prior incidents.

We consider the likelihood of a material cybersecurity or operational technology incident occurring to be possible with a minor potential impact. We manage this risk through phased rollout planning for retail systems, extensive pre-launch systems testing, operational contingency processes, ongoing investment in cybersecurity monitoring and protection, and cybersecurity insurance cover as required under our lending arrangements.

The EPC contractor that has not yet provided a replacement bond is also contracted to provide O&M services for a solar farm. There is a risk that if the bond is called, we may terminate the O&M contract or that the contractor fails to perform its obligations under the O&M contract. As we are planning to transition operation and maintenance in-house, the impact of any such termination or failure is not expected to be material.

We consider the likelihood of a catastrophic event as possible, with a moderate potential impact. We manage this risk through resilient asset design standards, diversified geographic exposure, and comprehensive insurance arrangements (including business interruption cover). However, our insurance cover remains subject to sub-limits for natural peril events and significant deductibles, and a single event affecting multiple solar farms simultaneously could result in losses that exceed available cover.

The risk of curtailment is considered possible, with a moderate potential impact, as it directly reduces generation volumes and therefore revenue. We manage this risk with optionality for co-location of BESS with solar assets, disciplined site assessment, and co-ordination with network companies.

Supply Chain Risk	
What is it?	Lodestone sources key equipment and components for the development of its sites from third party suppliers, including from offshore jurisdictions (predominantly China). This exposes us to risks associated with adverse foreign exchange movements, trade and geopolitical risks affecting international shipping routes, potential forced labour allegations linked to our supply chain, and policy changes affecting exports from China. Key equipment suppliers may also be relieved of their contractual supply obligations if certain circumstances arise which trigger force majeure provisions in their contracts with us.
Why is it significant?	100% of our PV modules, pilings and trackers are sourced from China. A deterioration in trade relationships, disruption to shipping routes, adverse foreign exchange movements or the exercise of force majeure rights by our key suppliers could delay delivery of critical equipment, disrupt construction schedules, and increase costs. Forced labour allegations, even if unsubstantiated, could cause reputational damage, regulatory scrutiny, or restrictions on imports from certain suppliers. Some of our key equipment supply contracts contain force majeure and other similar provisions that may, if certain circumstances arise, relieve suppliers of their obligations to deliver equipment or permit the suspension or termination of supply. Any of these factors could adversely affect our operations and financial performance.
Our assessment of the likelihood, nature and potential magnitude of any impact	We consider the likelihood of supply chain disruption to be low. We manage this risk through early procurement to de-risk timelines and lock in pricing, foreign exchange hedging on committed equipment purchases, regular monitoring of global market conditions, responsible procurement practices and regular supplier engagement, and sharing material equipment price fluctuation risk with our strategic partners. At the date of this PDS, we have not received any force majeure notices from our key equipment suppliers. There are alternative suppliers we could engage for supply of key equipment and components if existing suppliers invoked force majeure or similar rights to terminate or delay supply. The potential magnitude of any impact would depend on the duration and severity of any disruption, but the impact on our development pipeline could be significant if delivery timeframes were significantly extended or if products could not be readily sourced from alternative suppliers on acceptable terms.



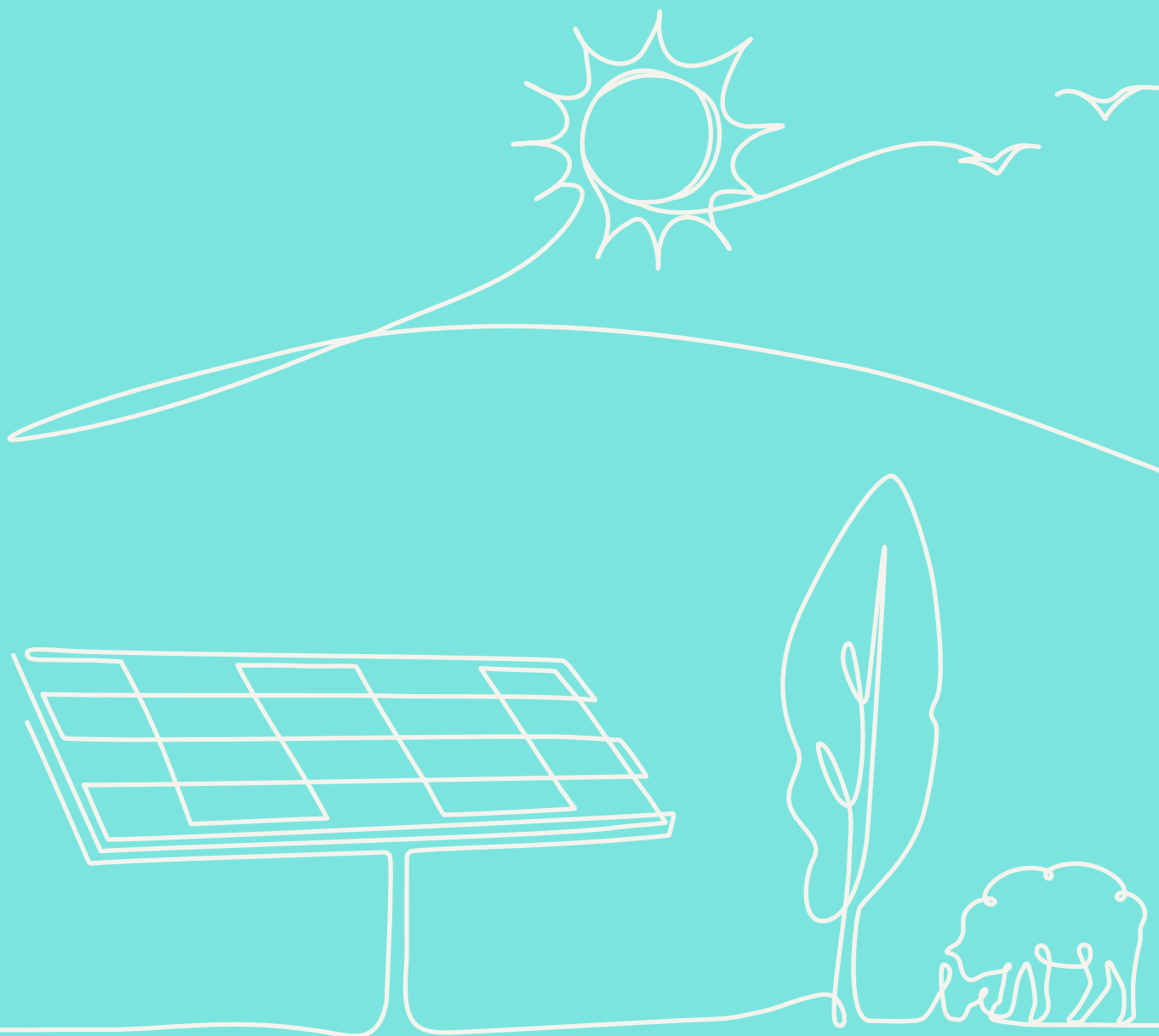
Wholesale Market Hedging Risk	
What is it?	Solar farms only generate electricity during daylight hours, and output varies depending on weather conditions and seasonal daylight patterns. To meet our contractual supply obligations during periods of insufficient or no output, we procure electricity from the wholesale spot market or through financial hedge instruments such as CFDs, swaps and futures contracts based on our expectations of supply and demand. Our use of these instruments exposes us to the risk that a hedge counterparty does not perform its obligations. To the extent actual supply or demand differs from our expectations there is a risk that we are left with residual unhedged exposure or over-hedging in certain trading periods.
Why is it significant?	New Zealand's wholesale electricity derivatives market is relatively illiquid compared with larger international energy markets, and the range of hedge instruments available to us is limited. In particular, the instruments available tend to be imprecise, meaning they do not closely match the shape of our half-hourly demand and generation profile, increasing the likelihood of a mismatch. Adverse hedging outcomes directly reduce our energy margin. In periods where our solar generation is below customer demand, such as during winter months or extended periods of adverse weather, we will need to purchase significant volumes of electricity on the spot market at potentially elevated prices. This is significant for Lodestone because, unlike other gentailers, our generation is exclusively solar-based and therefore provides no natural hedge during non-solar hours. As we expand our mass-market retail customer base, the mismatch between our generation output and total customer demand is expected to widen during non-solar hours, increasing our reliance on Wholesale Market instruments and amplifying the potential impact of adverse hedging outcomes on our profitability. We are also exposed to counterparty credit risk when transacting in the Wholesale Market. If a counterparty defaults or fails to perform its obligations, we may incur losses or additional hedging costs. Equally, in periods where our solar generation exceeds customer demand, such as during peak daytime production, we may need to sell excess electricity into the wholesale spot market at depressed prices. Because our generation output is concentrated during daylight hours, a sustained decline in midday Wholesale Market prices, including as a result of an oversupply of solar generation in the market, would reduce the revenue we earn on a significant proportion of our total output and compress our energy margin if we did not change our hedging strategy.
Our assessment of the likelihood, nature and potential magnitude of any impact	We consider it possible to have adverse hedging outcomes that materially affect our financial performance, given the structural mismatch between our solar generation profile and customer demand, and the limited liquidity of hedge instruments in the New Zealand market. Our long-dated hedge commitments provide price certainty but carry mark-to-market risk and may require us to post cash collateral if market prices move materially. If Wholesale Market prices fall significantly below our contracted strike prices, we will bear an above-market cost of supply that cannot readily be unwound without crystallising a loss. We manage this risk through disciplined energy risk management policies, selecting C&I customers whose consumption patterns align well with solar generation, portfolio diversification and advocating to regulators for additional hedge products to be made available. If we are unable to effectively hedge our Wholesale Market exposures, including because a hedge counterparty does not perform its obligations, or if spot prices are materially elevated during periods of generation shortfall, this could have a significant adverse impact on our gross margins, cash flows and financial performance. We also have the option for a wider-scale deployment of batteries (or purchase of third-party battery output) as a physical alternative to hedging to support and de-risk the daily mismatches.

Regulatory Risk	
What is it?	We are subject to the risk that changes to legislation or regulation (including electricity regulation, and new or changed environmental regulation) may adversely affect our sales, costs, relative competitive position, development initiatives or other aspects of our financial or operational performance or force other undesired changes to our business model.
Why is it significant?	Lodestone operates in an industry which is heavily regulated, publicly scrutinised and exposed to a number of specific areas of potential legislative or regulatory change that could materially impact our business model, cost structure or ability to operate. These include in particular: - the possibility that the government mandates structural separation of electricity generation and retail activities, which could require us to fundamentally restructure our business by separating our generation assets from our retail operations and could undermine a core element of our business strategy; - recalculation of TPM charges each year by Transpower. TPM charges are passed on to lines companies, creating unpredictability in our interconnection costs year to year and making it difficult to forecast operating costs for our solar farms; and - our expansion into mass-market retail, which brings us within the scope of consumer care obligations under Part 11A of the Electricity Industry Participation Code, including obligations relating to vulnerable consumers and disconnection restrictions, where non-compliance could result in regulatory enforcement action, fines, reputational damage, and restrictions on our ability to operate in the retail market.
Our assessment of the likelihood, nature and potential magnitude of any impact	We consider the likelihood of a material regulatory change to be possible and the impact to be moderate. We manage this risk by actively monitoring the regulatory environment, engaging with policymakers and industry bodies, building consumer care compliance systems ahead of our mass-market retail launch, and maintaining operational flexibility to adapt our business model if required. We have a consumer care policy, together with supporting systems and processes, in place to support consumer care compliance, and we assess the likelihood of failing to comply with the associated regulatory obligations to be low. However, depending on the scale and nature of any non-compliance this could have a moderate impact on our success in attracting retail customers and our licence to operate in the communities where we operate or wish to develop solar farms, which would in turn adversely affect our financial performance.



9. Tax

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of investing in ordinary shares, you should obtain professional advice on those consequences.



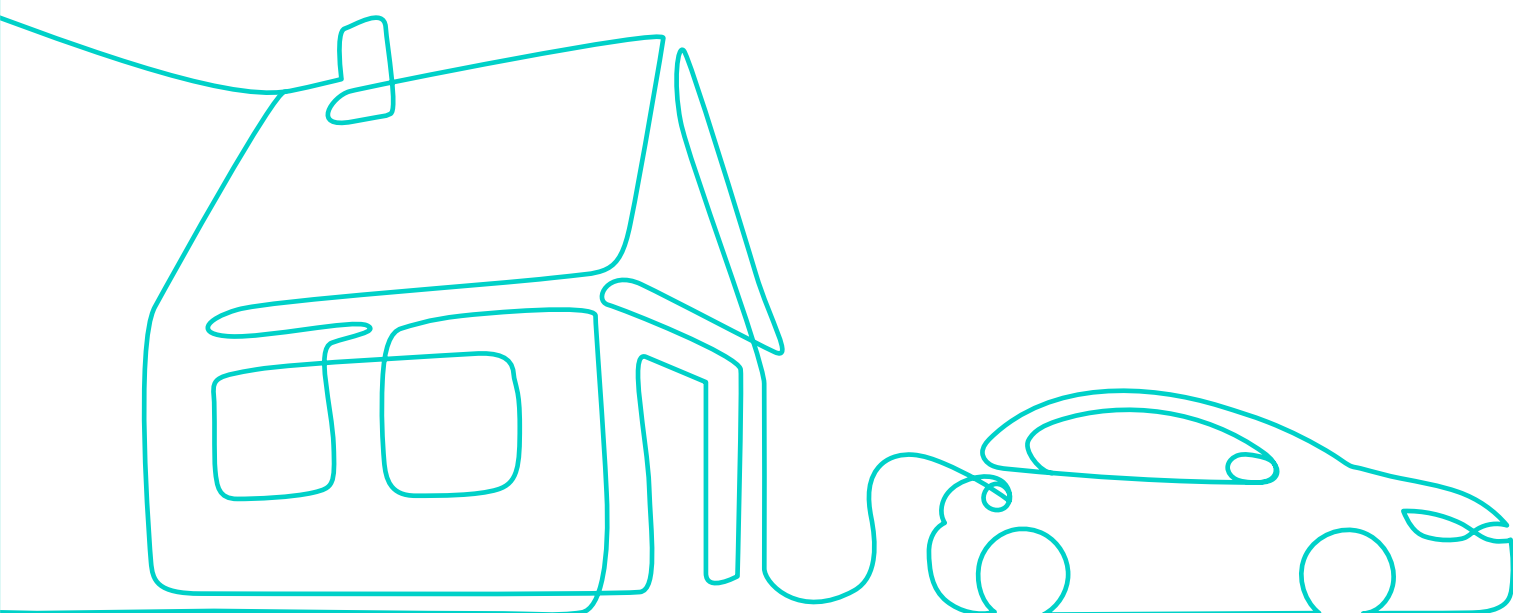
10. Where you can find more information

Further information relating to Lodestone and the Shares is available on the Offer Register which can be found at <https://disclose-register.companiesoffice.govt.nz> (for example, Lodestone's Constitution and financial statements).

A copy of the information on the Offer register is available on request to the Registrar of Financial Service Providers (email: registrar@fspr.govt.nz).

Further information relating to Lodestone is also available on the public register at the Companies Office. This information can be accessed on the Companies Office website at <https://companies-register.companiesoffice.govt.nz/>.

Once Lodestone is Listed, it will be required to make half yearly and annual announcements to NZX and such other announcements required by the listing rules from time to time. You will be able to obtain this information free of charge by searching under ticker code "LOD" on NZX's website at www.nzx.com.





11. How to apply

You should read this PDS and other available information carefully before applying for Shares. You can apply for Shares as follows:

General Offer

You must make your Application at <https://ipo.lodestone.co.nz/>. If you pre-registered your interest in the Offer, please use the same email address when applying to ensure your Application can be processed efficiently.

Broker Firm Offer

You must make your Application in accordance with the instructions of your Broker.

Institutional Offer

You must make your Application by bidding into the Bookbuild if invited by, and in accordance with the instructions of, the Joint Lead Managers.



Whitianga Solar Farm (Pāmu Rā ki Whitianga)

Warning statement - issued to Australian investors

If you are an Australian investor, we are required to provide the following warning statement to you under Australian law.

This Offer to Australian investors is a recognised offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Cth) and Corporations Regulations 2001 (Cth). In New Zealand, this is Subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 of New Zealand and the Financial Markets Conduct Regulations 2014 of New Zealand.

This Offer and the content of this PDS are principally governed by New Zealand, rather than Australian, law. In the main, the Financial Markets Conduct Act 2013 of New Zealand and the Financial Markets Conduct Regulations 2014 of New Zealand set out how the Offer must be made.

There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian, law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.

The rights, remedies and arrangements for compensation available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and arrangements for compensation for Australian securities and financial products.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Australian Securities and Investments Commission (ASIC). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Shares is in dollars that are not Australian dollars. The value of the Shares will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant.

If you receive any payments in relation to Shares that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

If the Shares are able to be traded on a financial market and you wish to trade the Shares through that market, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. If the financial market is a foreign market that is not licensed in Australia (such as a securities market operated by the New Zealand Exchange Limited (NZX)) the way in which the market operates, the regulation of participants in that market and the information available to you about the Shares and trading may differ from Australian licensed markets.

ASIC relief

In accordance with its power under section 1200B(3) of the Corporations Act 2001, ASIC has declared the Offer to be a recognised offer within the meaning of subsection 1200B(1) of the Corporations Act 2001, notwithstanding that Lodestone Energy Limited did not give the documents and information referred to in section 1200C(5) and section 1200D(1) of the Corporations Act 2001 at least 14 days before the Offer was first made in Australia.



12. Contact information



Issuer	Lodestone Energy Limited Level 1, 111 Hurstmere Road, Takapuna, Auckland 0800 810 800
Share Registrar	MUFG Pension & Market Services Level 30, PwC Tower, 15 Customs Street West, Auckland Toll-free number: 0800 650 004 Phone number: 09 940 9324 lodestone@cm.mpms.mufg.com
Joint Lead Managers	Jarden Securities Limited Level 32, PwC Tower, 15 Customs Street West, Auckland Forsyth Barr Capital Markets Limited Level 23, Shortland & Fort, 88 Shortland Street, Auckland
Co-Managers	Sharesies Limited Level 6, 111 Customhouse Quay, Wellington Central, Wellington help@sharesies.co.nz Shaw and Partners Limited Level 7, Chifley Tower, 2 Chifley Square, Sydney, NSW, Australia
Legal Adviser to Lodestone	Chapman Tripp Level 34, PwC Tower, 15 Customs Street West, Auckland
Investigating Accountant	KPMG 18 Viaduct Harbour Avenue, Auckland



Glossary

Allotment Date	21 October 2026, unless brought forward or extended by Lodestone
Applicant	an investor who makes an Application
Application	an application to subscribe for Shares under the Offer
Application Form	the online application form available at https://ipo.lodestone.co.nz/
BESS	battery energy storage systems
Board	the board of directors of Lodestone
Bookbuild	the process arranged by the Joint Lead Managers through which Institutional Investors, and selected Brokers, will submit for the number of Shares they wish to purchase at the Offer Price
Broker	an entity designated as an NZX Firm under the Participant Rules of NZX or an appropriately authorised Australian entity
Broker Firm Offer	the portion of the Offer that is open to New Zealand and Australian clients of Brokers, who have received an allocation from a Broker
Business Day	a day on which the NZX Main Board is open for trading
C&I	commercial and industrial
Centralines	Centralines Limited (Company number: 580455)
CFD	contracts for difference
Companies Act	Companies Act 1993
Constitution	the constitution of Lodestone
CSN	Common Shareholder Number
EBITDAF	earnings before interest, tax, depreciation, amortisation and fair value adjustments
EDB	electricity distribution business
EPC	engineering, procurement and construction
ESS	employee share scheme
EV	enterprise value
Firming and Shaping	the use of storage, contracted electricity or other sources of supply to manage differences between the timing of intermittent generation and customer demand
FMA	Financial Markets Authority
FMC Act	Financial Markets Conduct Act 2013
FPVP	fixed-price, variable-production
FY	a financial year ended 31 March, if followed by: – F, this indicates prospective or forecast information; and – A, this indicates actual historical information
GAAP	Generally Accepted Accounting Practice
Gentailers or gentailers	generator-retailers
General Offer	the portion of the Offer that is open to all persons in New Zealand and Australia
GWh	gigawatt hour
Ha	hectare
ICP	installation control point
Institutional Investor	investors who the Joint Lead Managers reasonably believe to be a person to whom an offer or invitation in respect of Shares may be made without the need for a PDS or other formality, other than a formality with which Lodestone is willing to comply

Institutional Offer	the invitation to selected Brokers and Institutional Investors in New Zealand, Australia, Hong Kong and Singapore to participate in the Bookbuild
Jarden LPs	Jarden Principal Investments Lodestone LP, Jarden Principal Investments Lodestone 2 LP, Jarden Principal Investments Lodestone 3 LP and Jarden Principal Investments Lodestone 4 LP
Joint Lead Managers (JLMs)	Jarden Securities Limited and Forsyth Barr Capital Markets Limited
JV	joint venture
Listing	admission of Lodestone to listing on the NZX Main Board and of the Shares to quotation on the NZX Main Board
Lodestone	Lodestone Energy Limited (Company number: 7860596) or the Lodestone Group, as the context requires
Lodestone Group	Lodestone and each of its subsidiaries
Loss Factors	are a multiplier applied by EDBs, reflecting the electricity lost in transporting generation across electricity networks, reducing or increasing the effective revenue we receive for each unit of generation and are recalculated annually by lines companies
MBIE	Ministry of Business, Innovation and Employment
MWdc	megawatt direct current
MWh	megawatt-hour
NZD or NZ\$ or \$	New Zealand Dollar
NZX	NZX Limited
NZX Listing Rules	the listing rules of the NZX Main Board, in force from time to time
NZX Main Board	the main board financial product market operated by NZX
O&M	operations and maintenance
Offer	the offer of Shares under this PDS
Offer Price	\$2.25
Offer Register	the register entry for this Offer, that forms part of the Disclose Register that is available at https://disclose-register.companiesoffice.govt.nz
PDS	this document
PPA	power purchase agreement
PV module	photovoltaic module
Shares	fully paid ordinary shares in Lodestone
Share Registrar	MUFG Pension & Market Services
Supplementary Financial Information	the document entitled "Lodestone Energy Limited Supplementary Financial Information" on the Offer Register
Target Metrics	Forward looking metrics for the Target FY29F and Target FY32F
Target FY29F Period	Period from FY26A to the financial year ending FY29F
Target FY32F Period	Period from FY26A to the financial year ending FY32F
TPM	Transmission Pricing Methodology
VRC	"Virtual rooftop" contract
We, our, us	as the context requires, either Lodestone or the Lodestone Group
Wholesale Market	spot markets, New Zealand futures electricity markets, OTC derivatives markets, and transmission markets

