



windlab
LIMITED

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ASX RELEASE

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31 March 2020

WINDLAB LIMITED – EXECUTION OF SUBORDINATED LOAN FACILITY AGREEMENT

Windlab Limited (ASX:WND) ('Windlab' or the 'Company') announced today that it has entered into a \$20m subordinated debt facility agreement with Squadron Energy Pty Ltd("Squadron") and Federation Wind Acquisition Pty Ltd("Federation"). The facility provides Windlab with access to the necessary funds to manage liquidity through any future project delays including Kennedy Energy Park ("Kennedy"). Drawdown of the loan is subject to completion of customary conditions precedent, including the granting of second ranking security across the Windlab group. A waiver to listing rule 10.1 has been granted by the ASX to allow granting of this security. The terms of this waiver are disclosed as Annexure A to this announcement.

Windlab's Board examined alternative approaches for raising capital to deal with liquidity including potential cash requirements for Kennedy and determined that this transaction was on the most favourable commercial terms and is fair and reasonable from the perspective of Windlab shareholders. The commercial terms of the subordinated debt facility were considered by the Board to be reasonable and on arm's length commercial terms.

The availability of the funding under the subordinated debt facility is not conditional on Windlab shareholders approving the proposed scheme of arrangement announced by Windlab on 4 March 2020.

Key Terms of the Subordinated Loan Facility

Limit	A\$20,000,000
Interest	15% pa until shareholders grant approval, 8% pa thereafter, payable to the extent allowed by cashflow, otherwise capitalised
Term	3 years
Security	Second ranking security across the Windlab group
Repayment	Quarterly from excess cashflow, following repayment of senior principal and interest, and after allowing 12 months' working capital. Mandatory repayment in full on change of control other than to the lenders.
Purpose	General corporate purposes of the company or allocation to an operating entity with lender consent.

Ends



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About Windlab Limited:

Windlab Limited (ASX:WND) is a publicly listed international wind energy development company initially established to commercialise world-leading atmospheric modelling and wind mapping technology (WindScape™) developed at Australia's CSIRO. Windlab uses this proprietary technology to identify and develop high quality wind farm sites reducing the risk and uncertainty associated with wind development. Windlab is headquartered in Canberra, Australia and has offices across Australia, Southern Africa and North America. More than 1,000MW of wind farm capacity, on three continents, developed by Windlab has reached financial close and is today either operating or under construction. It is developing 50 renewable energy projects, totalling over 7,500MW of potential capacity around the world.

Authorised by the Board:

For further information please contact:

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About Squadron:

Squadron Energy is an Australian based company focused on projects in the natural resources, renewable energy and infrastructure sectors. It is privately owned and part of the Minderoo Group of companies, founded and chaired by prominent West Australian businessman Andrew Forrest. For more information go to: www.minderoogroup.com.

About Federation:

Federation is a leading investor in sustainable infrastructure and renewable energy, health and education real estate, and operating companies with strong growth potential. Its mission is to produce clean energy; to improve the health, education and living conditions of future generations; and to build a better community. Federation is a signatory to the United Nations Principles for Responsible Investing and is a member of the Responsible Investment Association of Australasia. For more information go to: www.federationam.com..



ANNEXURE A: TERMS OF ASX WAIVER OF LISTING RULE 10.1

Decision

1. Based solely on the information provided, ASX Limited ('ASX') grants Windlab Limited (the 'Company') a waiver from Listing Rule 10.1 to the extent necessary to permit the Company to grant security over the assets and undertaking of the Company in favour of Federation Wind Acquisition Pty Ltd and Squadron Energy Pty Ltd (together, the 'Lenders') (the 'Security') to secure the Company's obligation under the loan facility provided by the Lenders for an amount up to \$20,000,000, with the loan term of three years, with a loan interest rate of 15% per annum and the facility held in the name of a security trustee for the benefit of the Lenders and drawn down by the Company as required (the 'Loan Facility') provided by the Lenders without obtaining shareholder approval, on the following conditions:

- 1.1 the material terms of the transaction and of the waiver are announced to the market;
- 1.2 the announcement includes a description of the reasons why the entity has chosen to obtain the financial accommodation from the Listing Rule 10.1 party rather than a lender that is not a Listing Rule 10.1 party and the steps the board of the entity has taken to satisfy itself that the transaction is being entered into on arm's length terms and is fair and reasonable from the perspective of the holders of the entity's ordinary securities;
- 1.3 the security documents expressly provide that:
 - 1.3.1 the Security is limited to the funds due under the financial accommodation;
 - 1.3.2 the Security will be discharged when the funds due under the financial accommodation have been satisfied in full;
 - 1.3.3 in the event the Security is enforced, the assets can only be disposed of to the Lenders or an associate of the Lenders if the disposal is first approved by the entity's security holders under Listing Rule 10.1; and
 - 1.3.4 otherwise, if the holder of the security exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the Security, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the Lenders in accordance with their legal entitlements;
- 1.4 any variation to the terms of the financial accommodation or the Security which:
 - 1.4.1 advantages the Lenders in a material respect;
 - 1.4.2 disadvantages the Company in a material respect; or
 - 1.4.3 is inconsistent with the terms of the waiver;
 - 1.4.4 must be subject to security holder approval under Listing Rule 10.1; and
- 1.5 for each year while they remain on foot, a summary of the material terms of the financial accommodation and the security is included in the related party disclosures in the entity's audited annual accounts.

2. ASX has considered Listing Rule 10.1 only and makes no statement as to the Company's compliance with other Listing Rules.

