



Waroona Renewable Energy Project

Near term energy solution in Western Australia's industry heartland

Non-Deal Australian Roadshow – April 2025



Artist impression of solar facility



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ACKNOWLEDGEMENT OF COUNTRY

Frontier Energy acknowledges the traditional custodians throughout Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

Near-term renewable energy production to meet Western Australia's increasing energy demand



Stage One – Ready for development
120MW solar / 80MW 4.75hr (380MWh) battery



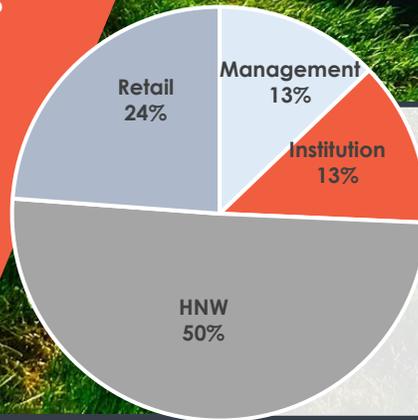
Strategically located in close proximity to grid and customers



Major potential for organic growth



Market fundamentals for electricity stronger than ever



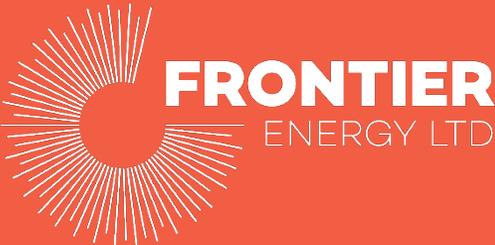
CAPITAL STRUCTURE

515m
Shares on issue

~\$14m
Dec 24
Cash

\$72m
At \$0.14 / share
Market Cap

Energy Market

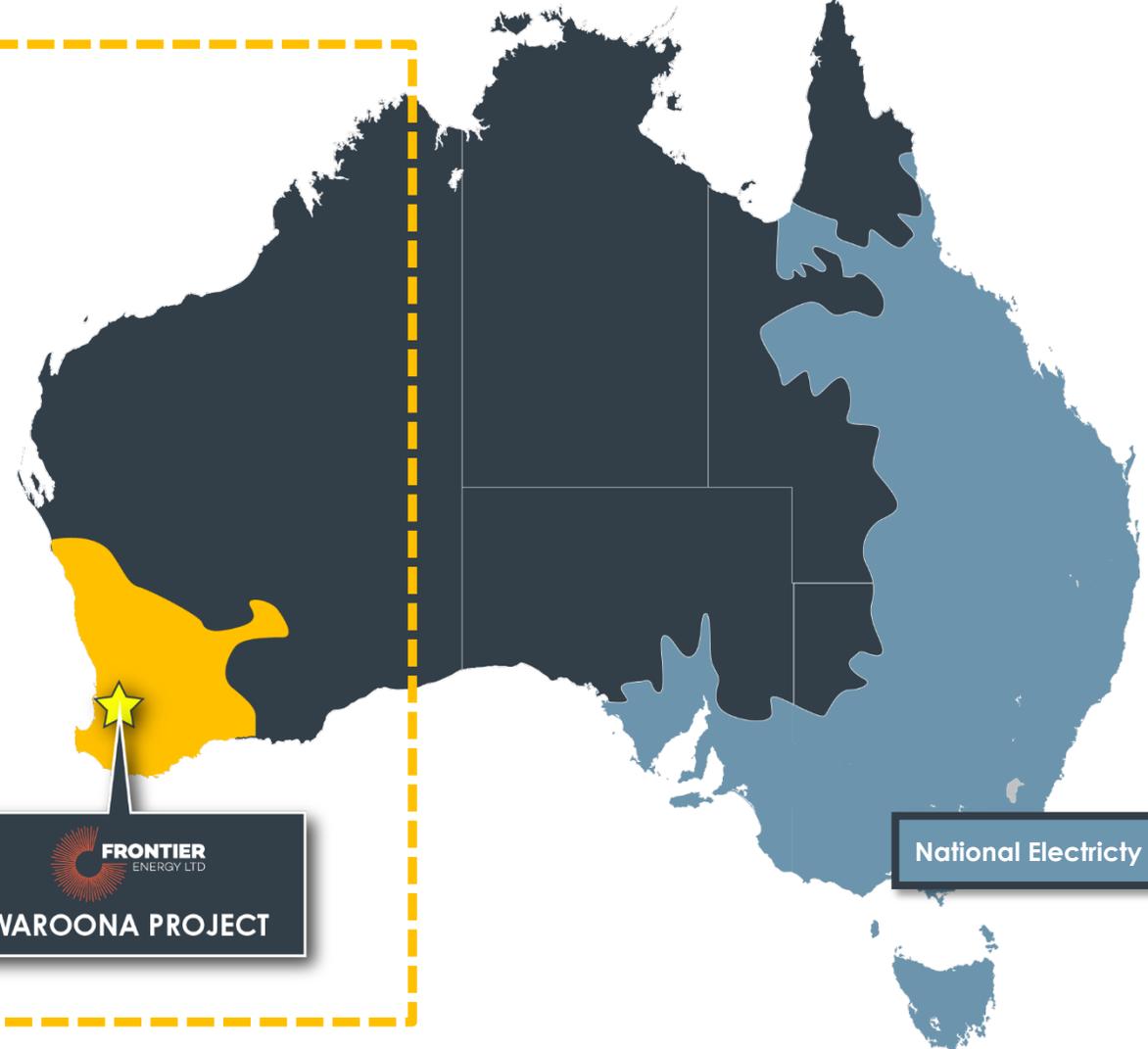




Australian Energy Markets – WEM and NEM

Wholesale Electricity Market (WEM)

Network	<ul style="list-style-type: none">• Largest micro grid in the world• ~21TWh of electricity annually
Annual operational demand	<ul style="list-style-type: none">• Current ~17TWh• Growth – 4.5% pa (54% by 2033)
Capacity market?	<ul style="list-style-type: none">• Australia's only capacity market• Introduced in 2006 following backouts in WA
Reserve Capacity Price	<ul style="list-style-type: none">• A\$360,700 / MW (2027 / 2028)• Paid per firm MW in peak period
Electricity price cap	<ul style="list-style-type: none">• A\$1,100/MWh
Energy mix 2024	<ul style="list-style-type: none">• Renewables – 39%• Gas – 32%• Coal – 29%



National Electricity Market (NEM)



WA already seeing rising electricity prices prior to transition

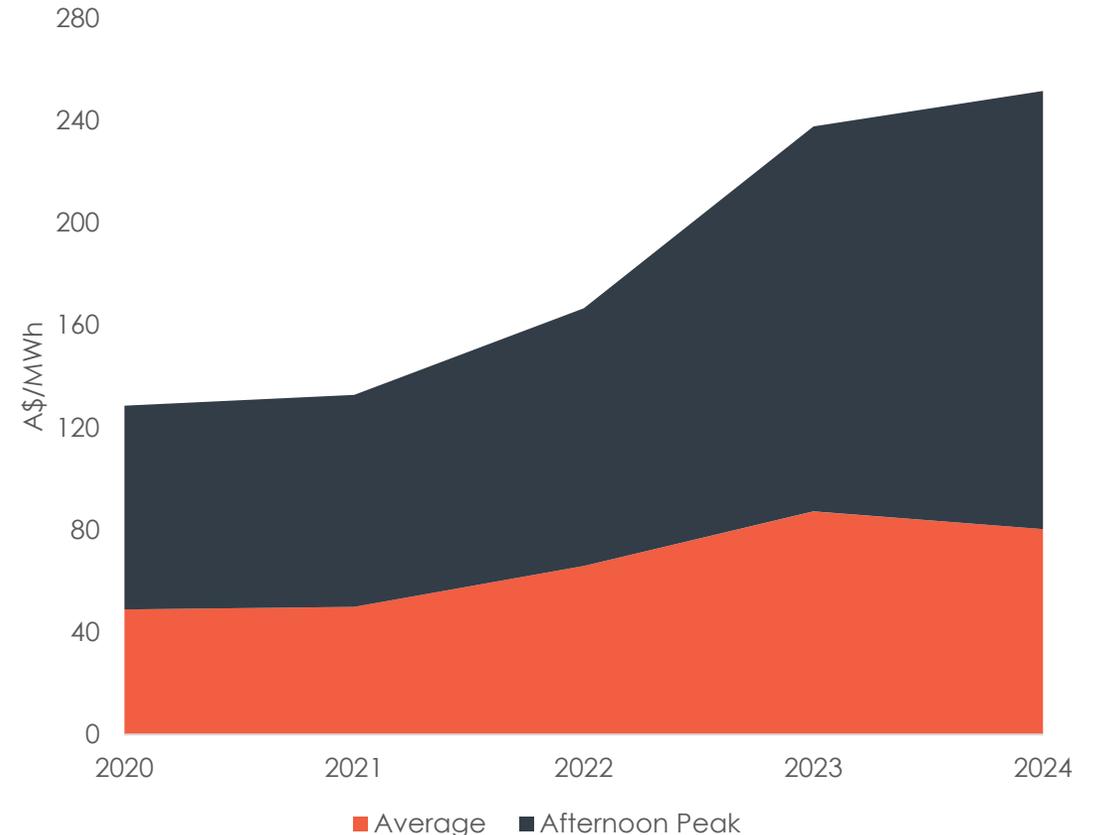
WEM electricity prices have increased consistently over the past four years

- Average price – electricity prices have increased by ~61% over the past three years, from A\$50/MWh in 2021 to A\$80/MWh in 2024
- Afternoon peak (5pm-9pm) – electricity prices have increased by ~107% over the past three years, from A\$83/MWh in 2021 to A\$171/MWh in 2024

What has driven up the significant increase in energy prices?

- Demand – strong increase in demand due to increasing cooling load, electrification and demand from EVs
- Supply – minimal industrial supply introduced in recent years
- Increased costs – increase in the raw input prices of baseload energy solutions (e.g. WA domestic gas prices have increased from \$2/GJ to \$9/GJ since 2021 – Aurora forecast \$15/GJ long-term)

WA Wholesale Electricity Price¹



¹ - annual average of half-hourly prices reported by AEMO, no price cut-offs
data sources:
<https://data.wa.aemo.com.au/public/market-data/wemde/referenceTradingPrice/previous/> (post Sep 2023);
<https://aemo.com.au/energy-systems/electricity/wholesale-electricity-market-wem/data-wem/market-data-wa> (pre-Sep 2023)



The challenge facing WA's energy market

Demand

Showing no signs of slowing

AEMO forecast 57% demand growth over the next 10 years

AI and Data centres not included in demand forecast
(Microsoft plans to extend Azure to WA by mid-2025)

Supply

Coal closure

State owned coal assets closures from 2025-2029

Coal – 29% of generation

+ Delays in new generation

New generation delayed by network constraints and expansion delays

Only 2 new development generation assets planned by 2027

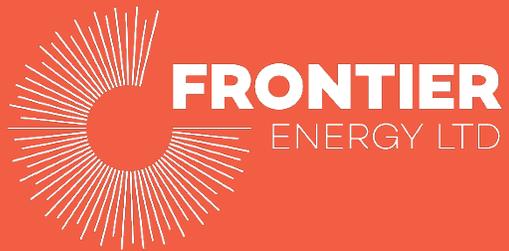


Standalone Batteries

New major load prior to discharging. May put additional pressure on the grid and drive higher prices in peak conditions

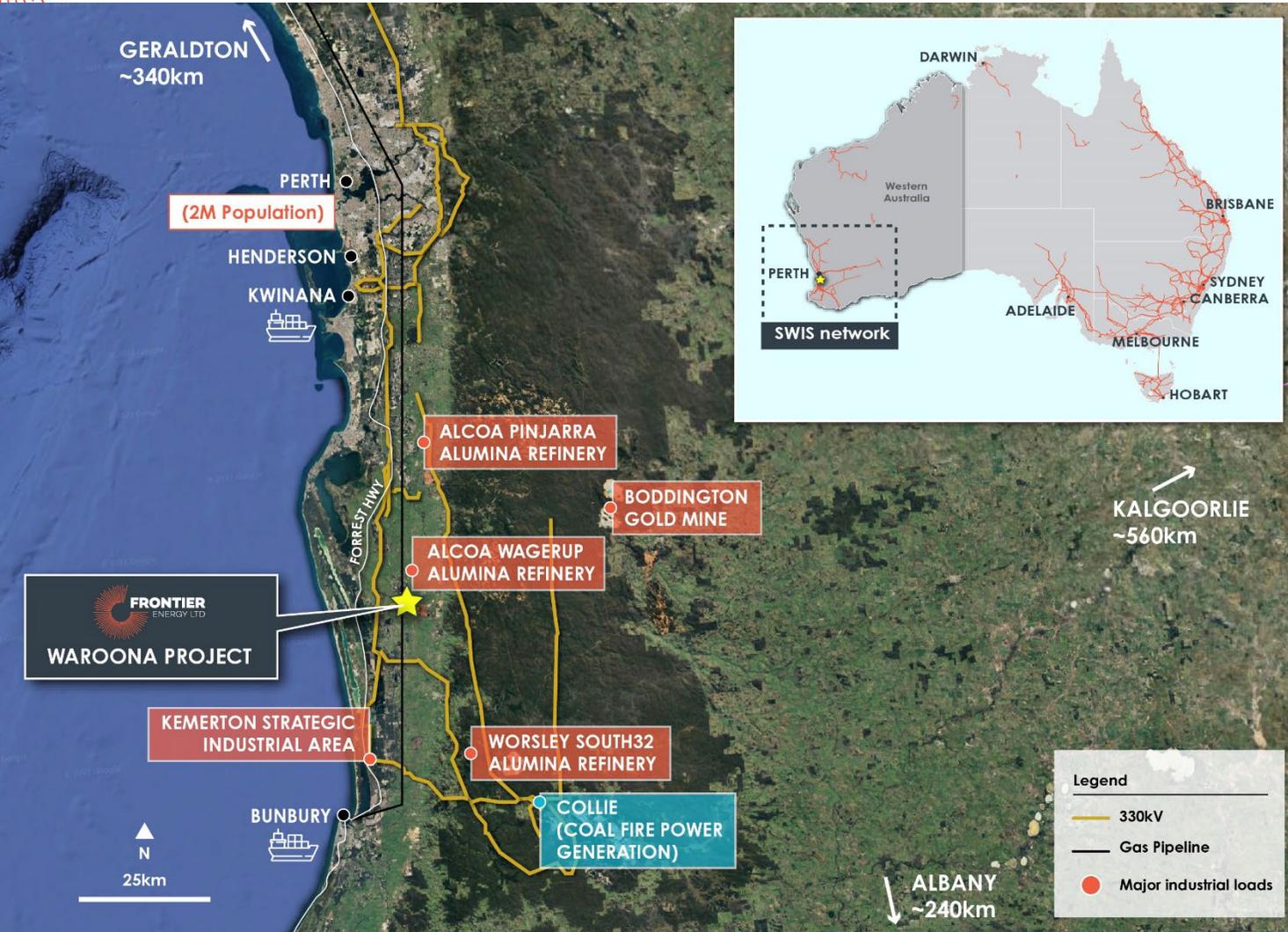
Will help flatten the “duck curve” but will also increase the water below the duck (increased average price)

Waroona Renewable Energy Project





Waroona Renewable Project – In the heart of Industrial WA



Ideally located

- ~120km south of Perth in the Shire of Waroona
- Approved connection point – ETAC
 - Connection to 330kV transmission line
 - Exceptionally high Marginal Loss Factor
- Surrounded by major loads with limited new supply

Stage One is development-ready

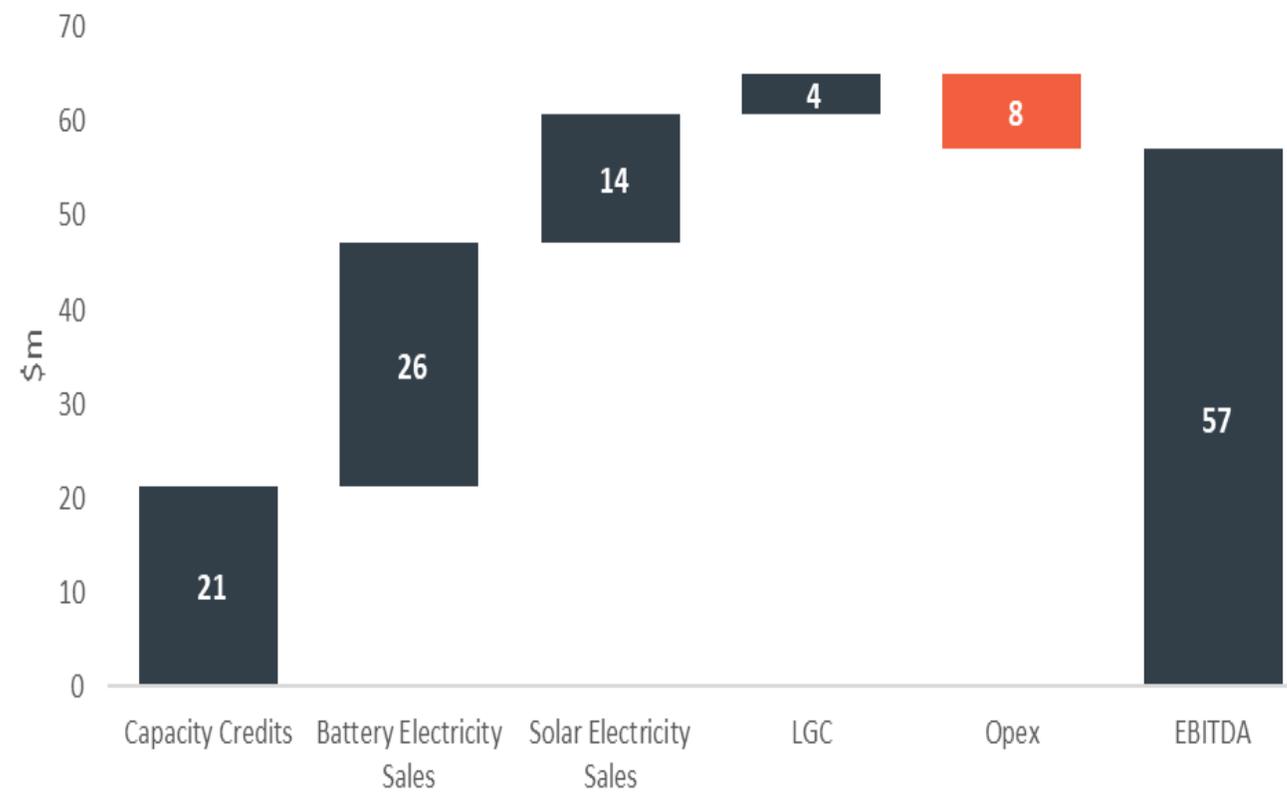
- Stage One – 120MWdc solar / 80MW (4.75 hour / 380MWh) DC coupled battery
 - Updated DFS completed in late 2024
- All key permits and approvals in place
 - Targeting commercial operation late 2027

Major expansion at Project location

- Two connections – potential of up to >840MW
 - One approved / One under application
- Total land owned – 820 hectares of freehold land
 - Sufficient for +400MW solar generation
 - Rapid expansion post FID Stage One



DFS confirms Stage One is a long-life, profitable Project



Stage One – 120MW solar / 80MW 4.75hr battery (380MWh)

- DFS confirms the Project as a highly profitable renewable energy project, with long life (30 years) and low operating costs, providing strong returns on all key metrics

Key Inputs	Units	Base Case
Operation Life	Yrs	30
Capex	A\$ m	\$282
Battery sales / output (Yr 1)	GWh	134
Excess solar sales / output (Yr 1)	GWh	99
Key Financial Returns (10 Yr Average)	Units	Base Case
Revenue	A\$ m	\$65
Operating Costs (real)	A\$ m	\$6.8
EBITDA	A\$ m	\$58
NPV _{7%}	A\$ m	\$243
IRR – Ungeared (100% equity)	%	15.4%
Payback (post-tax)	Years	6.1
Payback (pre-tax)	Years	5.0



Reserve Capacity provides additional financial support

Reserve Capacity Mechanism

- The Reserve Capacity Mechanism (RCM) is only in WA and designed to ensure adequate generation capacity is available to meet forecast peak electricity demand
 - RCM introduced to WA in 2006 following blackouts/power outages in 2004
- Facilities are paid a per MW based on install capacity capable of supplying power at peak demand periods

Upward trend in BRCP accelerated due to technology change

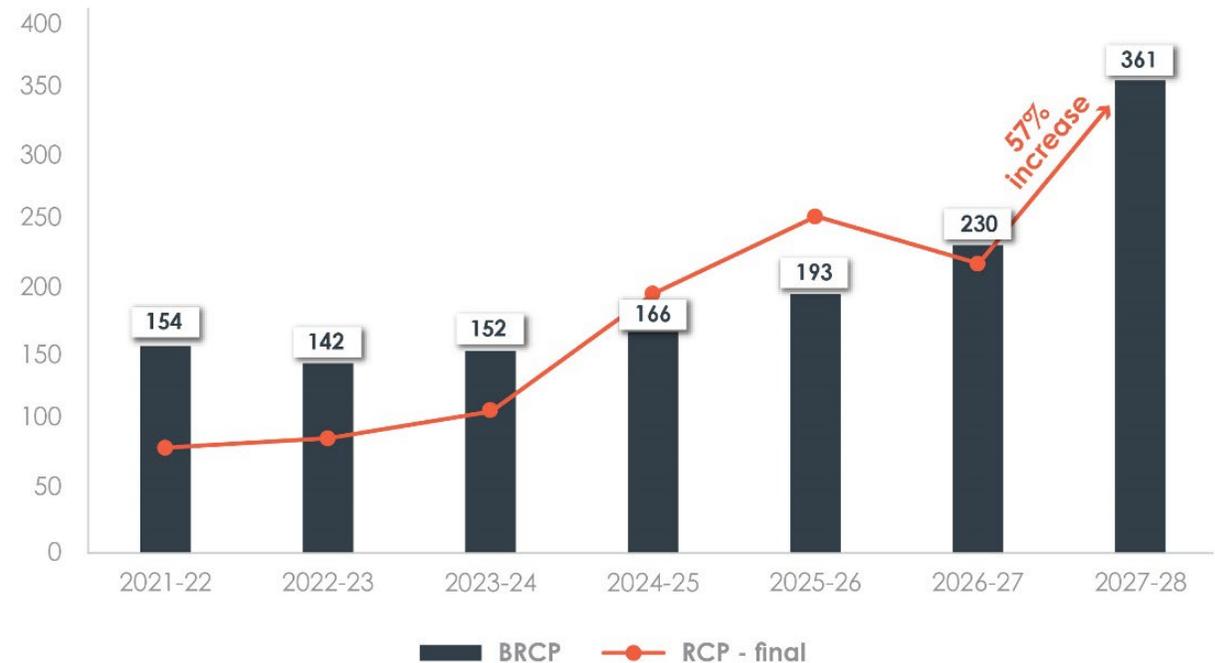
- Benchmark Reserve Capacity Price has steadily increased, to \$360,700/MW in 2027/28, reflecting increased costs to install new generating capacity
 - In 2027/28, the reference technology changed to a 200MW / 800MWh lithium-ion four-hour battery

Proposed rule changes further strengthen Reserve Capacity Prices (RCP) for the long-term

- Subsequent to the DFS, Energy Policy WA released rule changes including a revised RCP curve:
 - The proposed curve provides a minimum capacity price floor at 50% of the BRCP (as opposed to the current zero price floor)
 - There is also up to 50% upside if the capacity deficit exceeds 5%
- An RCP floor enhances bankability, especially in light of the increased BRCP of \$361k/MW set for 2027/28
 - A 50% floor would imply a minimum RCP of \$180k/MW

\$'000/MW

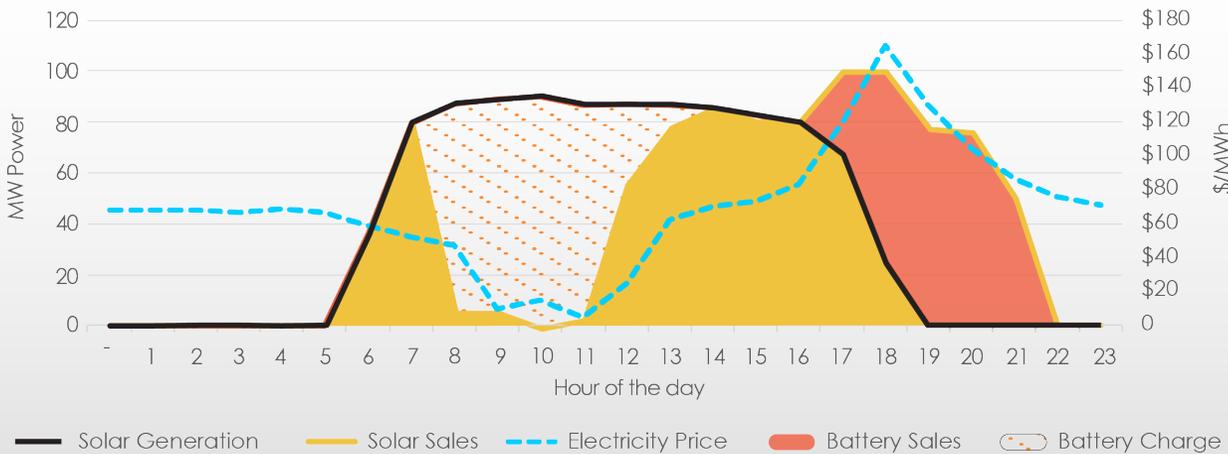
2027/28 BRCP and historical BRCPs/RCPs





Energy strategy – Creating our own arbitrage opportunity

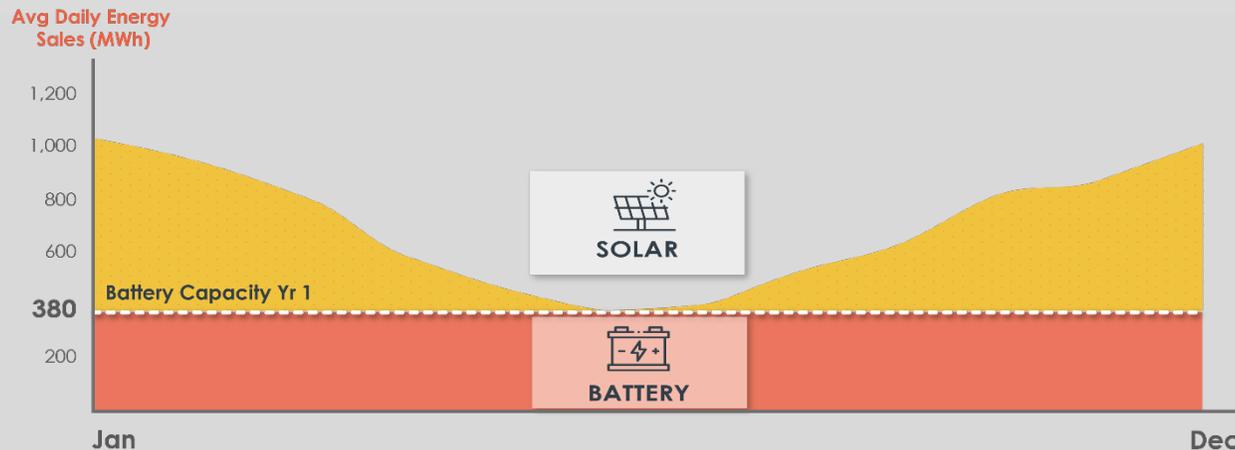
Energy sales (battery charging / battery and excess solar sales)



Creating our own arbitrage whilst minimising curtailment

- Battery was sized (80MW / 380MWh) to match the lowest generation periods (June/July)
- Integrating strategy allows for solar to be stored and sold during peak demand and high price periods
 - *Summer charging* – charge battery during midday peak; excess solar sales in shoulders
 - *Winter charging* – solar charges battery as a priority
- Excess solar sold in “shoulder periods”, reduces the risk of curtailment (<1%) and creates an arbitrage from low to high price periods

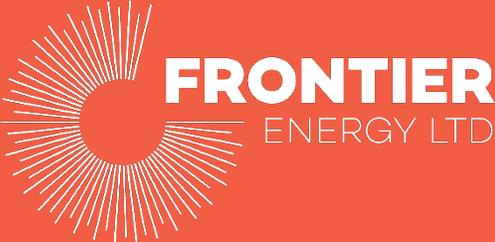
Energy sales on a seasonal basis (battery and excess solar)



Energy generation and sales by category

- Battery sales – 134GWh (Year One)
- Excess solar – 99GWh (Year One)

Financing Update





Strategic investor process moves into next phase

Strategic Partnership – Multiple offers reviewed

- Received multiple Non-Binding Indicative Offers – encouraged by the number and calibre of interested parties¹
 - NBIOs were received prior to the Project being selected for CIS
 - Strong support for Project expansion
- Partnering at the Project level to reduce dilution for FHE shareholders
- Stage Two – select number of parties invited to participate in the next phase of the process

Why the strategic investor process is the first step in financing

- Securing a strategic investor at the Project level is the first critical step in financing
- The benefits of a strategic investor
 - Reduces Frontier's equity requirement – Project buy in and contribution
 - Provides additional skills and expertise for the Project's development
 - Established relationships with project financiers and equipment suppliers – potential for more favorable terms to be achieved in debt finance and procurement



1 - The NBIOs are non-binding and indicative, and accordingly, investors are cautioned that there is no certainty that a transaction will be finalised



Waroona selected for Capacity Investment Scheme

What is CIS?

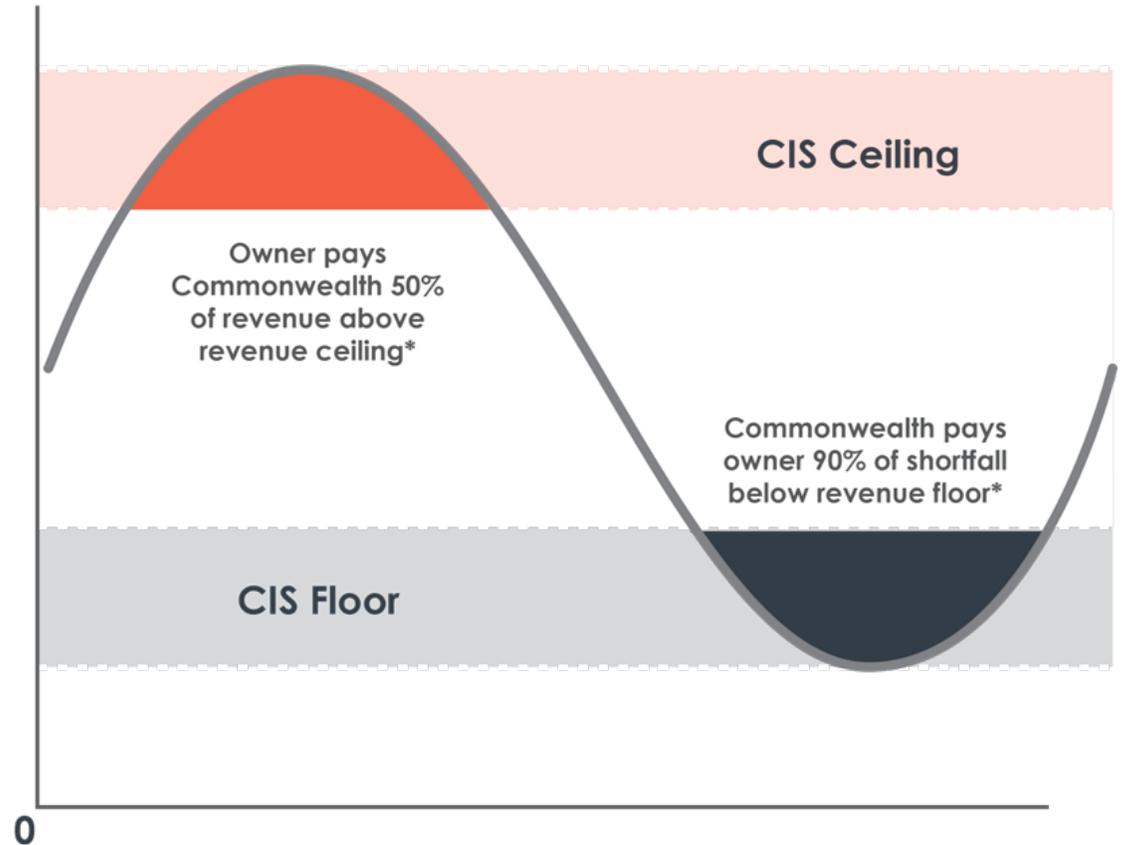
- An Australian Government initiative aimed at accelerating the transition towards renewable energy and storage
- This is the first tender for the CIS in Western Australia
- Waroona is one of only four Projects in WA selected
 - *More than 13.5GWh of applications submitted, more than five times the final allocation of 2.6GWh*
- Two future rounds to run in WA – focused only on hybrid projects
 - *Frontier is well placed for future rounds to align with its expansion strategy*

What does CIS provide?

- A long-term revenue safety net for up to 15 years, that substantially decreases financial risk for investors
- A revenue 'floor' and 'ceiling', both of which are subject to an annual payment cap
- CIS doesn't replace any revenue (ie: reserve capacity) just provides a "top up" or "share" under certain conditions
 - *The Project still receives all revenues including reserve capacity*

How CIS works

Project Revenue



*Subject to annual payment cap



Why are there only a limited number of listed pure-play renewables? They have all been taken over

- Listed renewable energy companies in Australia are typically subject to competitive takeovers, resulting in generous premiums
- Frontier offers unique exposure to returns from a renewable energy development

Current listed pure-play renewables



Acquirer	N/A	N/A
Acquisition date	N/A	N/A
Enterprise value	\$58M	\$270M
EV / EBITDA (actuals)	N/A	18x
EV / EBITDA (forecast)	1x	N/A

Transactions – Takeovers



Infigen



J-Power	Iberdrola	PowAR / Mercury	KKR-led consortium
2024	2020	2021	2021
\$1,077M	\$1,331M	NZ\$3,124M	\$19,531M
77x	8.2x	28x	24x
16x	N/A	N/A	N/A

See slide 18 for source of data.



NEAR TERM ENERGY SOLUTION

WAROONA RENEWABLE ENERGY PROJECT



Stage One development

- 120MW / 80MW 4.75hr (380MWh)
- Lower capex and strong returns
- Development ready



Strategically located proximal to grid and customers



Fundamentals for grid connected electricity stronger than ever





Appendix 1

- Listed renewable energy companies in Australia are typically subject to competitive takeovers resulting in generous premiums
- For investors seeking exposure to a renewable energy development, Frontier, as the only standalone renewable energy company listed on the ASX, represents a unique opportunity



Trading

Transactions

Acquirer	N/A	N/A	J-Power	Iberdrola	PowAR / Mercury	KKR-led consortium
Acquisition date	N/A	N/A	2024	2020	2021	2021
Market cap / equity consideration	\$72M ¹	\$263M ²	\$374M ³	\$893M ⁴	NZ\$2,956M ⁵	\$5,200M ⁶
Net debt	(\$14M) ¹	\$17M ²	\$703M ³	\$438M ⁴	NZ\$156M ⁵	\$14,331M ⁶
Enterprise value	\$58M	\$280M	\$1,077M	\$1,331M	NZ\$3,124M ⁵	\$19,531M
EBITDA (actuals)	N/A	\$15.3M ²	\$14.4M ³	\$163.3M ⁴	NZ\$105M ⁵	\$811M ⁶
EV / EBITDA (actuals)	N/A	18x	77x	8.2x	28x ⁵	24x
EBITDA (forecast)	\$57.0M ¹	N/A	\$66.0M ³	N/A	N/A	N/A
EV / EBITDA (forecast)	1x	N/A	16x	N/A	N/A	N/A

Source

- Based on share price of \$0.14/share (31 March 2025). EBITDA is average annual EBITDA over first 10 years from DFS (ASX announcement 4 December 2024). Cash of \$14M per December quarterly report.
- Based on share price of \$2.95/share (31 March 2025). EBITDA and net debt from FY2024 annual report (ASX announcement 23 August 2024).
- GNX announcement dated 29 April 2024.
- Infigen – FY20 full year results – ASX announcement 20 August 2020.
- Tilt - <https://announcements.asx.com.au/asxpdf/20210315/pdf/44tn3rrfk7kcx.pdf>. Note due to partial year, EBITDA is based on broker consensus per Scheme announcement on 14 March 2021.
- Spark - [SKI HY2021 Investor Presentation](#). Due to half-year, the HY 2021 EBITDA of \$405.5M has been annualised to assume a full year figure of \$811M.



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