



NZ Windfarms Ltd
POWERED BY NATURE

Full Year Results Presentation

For the period ending 30 June 2024

Full year highlights

Partnership with Meridian Energy Ltd
- to deliver New Zealand's first windfarm repowering project at Te Rere Hau

Shareholder approval - for the repower transaction was secured following a successful Special Shareholders Meeting

Equity placement proceeds - repaid bank debt in full with the remainder to be used for operational needs and strategic growth opportunities

Aokautere Extension Project – On 26 August 2024, the Expert Consenting Panel released a decision to approve the Aokautere Extension Project

Transition of business – from owner-operator to owner-operator and full-scale renewable energy developer

Pipeline of developments - agreement in principle with a development partner to explore two further major windfarm opportunities - have lodged applications for both to be listed under Schedule 2A of the new fast-track consenting bill

Key metrics

Strong financial performance for the full year driven by higher spot and hedged electricity prices coinciding with improved wind generation

Net Electricity Revenue

\$10.8 m

(pcp: \$9.7 m)

EBITDAF ⁽¹⁾

\$5.4 m

(pcp: \$4.6 m)

NPAT

\$0.15m

(pcp: -\$5.3 m)



Generation

105.6 GWh

(pcp: 98.2 GWh)

Net GWAP

\$102.67 per MWh

(pcp: \$98.51 per MWh)

Average Wind Speed

9.3 m/s

(pcp: 9.0m/s)



Operating cashflow

\$3.10 m

(pcp: \$3.72 m)

Availability

96.9%

(pcp: 95.5%)

Lost Time Injuries (LTI)

Zero

(pcp: Zero)



1. Five main adjustments are netted for EBITDAF calculation purposes to more easily compare profit or loss between financial periods; impairments, nonrecurring opex costs, a loss on disposal of PPE, unrealised gain on derivatives and share in profit/(loss) from joint ventures.



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Overview

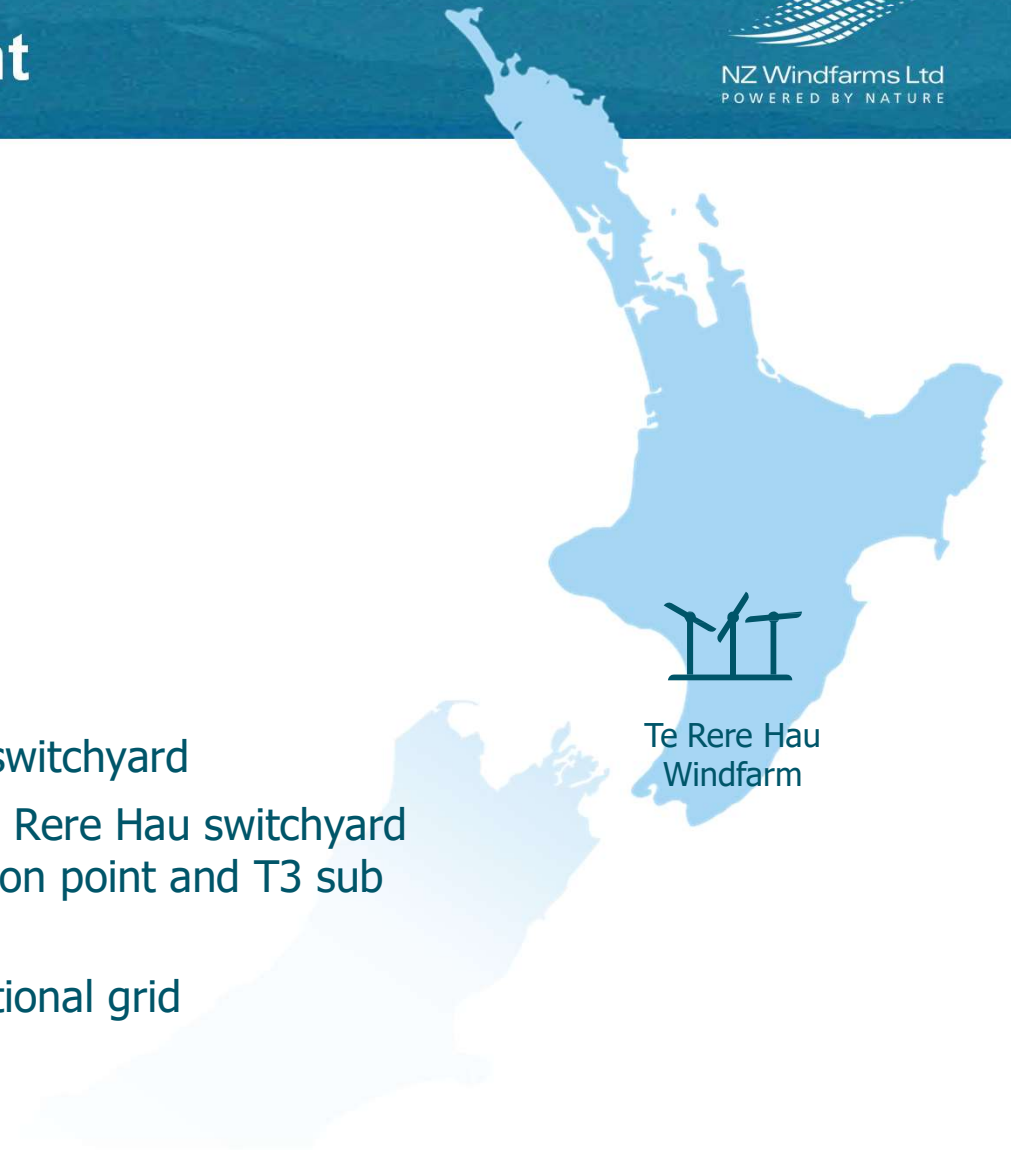
We harness the power of wind to generate renewable electricity

- NZ Windfarms owns and operates Te Rere Hau (TRH) wind farm approximately 11km from Palmerston North, New Zealand
- Among New Zealand's longest standing wind operators, having operated Te Rere Hau for the last 19 years
- Te Rere Hau is recognised as being a world class wind site - IEC Class 1A certification
- Experienced board and management
- Have built enduring relationships with key stakeholders which positions the company uniquely to secure top tier wind development sites

Te Rere Hau windfarm: Current

Existing site details

- 91 x 500kW wind turbines
- 45.5 MW nameplate capacity
- 30m hub height – 33m rotor diameter
- 324 hectare freehold farm
- Underground connection system:
 - Connects each turbine to the Te Rere Hau switchyard
 - 2 x 33kV transmission lines that connect Te Rere Hau switchyard to Mercury's Tararua Wind Farm grid injection point and T3 sub station
 - Permits injection up to 48.5MW into the national grid



Te Rere Hau windfarm: Repowering

Te Rere Hau (TRH) is one of the best onshore wind sites in the world

- 50:50 joint venture established with Meridian Energy Limited in relation to the repower of Te Rere Hau
- Meridian Energy will also be providing a 15-year PPA as part of the arrangement
- Successfully secured resource consent and wind rights to repower TRH which will see a capacity uplift to 168MW and capacity factor of close to 50%
- This equates to around a seven-fold lift in yield
- Completing preparations to raise NWFs share of equity for the joint venture
- Targeting Final Investment Decision (FID) in Q2 2025



Repowering the wind farm by installing fewer, larger turbines will reduce noise and enhance visual uniformity benefiting the community throughout the wind farm's operational life

Aokautere Extension

- On 26 August 2024, the Expert Consenting Panel released a decision to approve the Aokautere Extension Project
- Will enable us to seamlessly integrate this project into the broader Te Rere Hau windfarm repower project
- Has the potential to add nine new turbines delivering an additional 46MW of installed capacity



Sustainability

- NZ Windfarms is committed to minimising its effect on the environment whilst protecting our social licence to operate in an environmentally and socially responsible manner
- This year we undertook a TOITU audit and certification around greenhouse gas emissions inventory and management
- Purpose of this is to provide baseline measurements to allow us to monitor and mitigate the environmental impacts associated with our operations
- Underpins our commitment to align with the net zero 2050 goals as part of the TOITU framework
- Recently updated our sustainability policy which we continually refine and evolve





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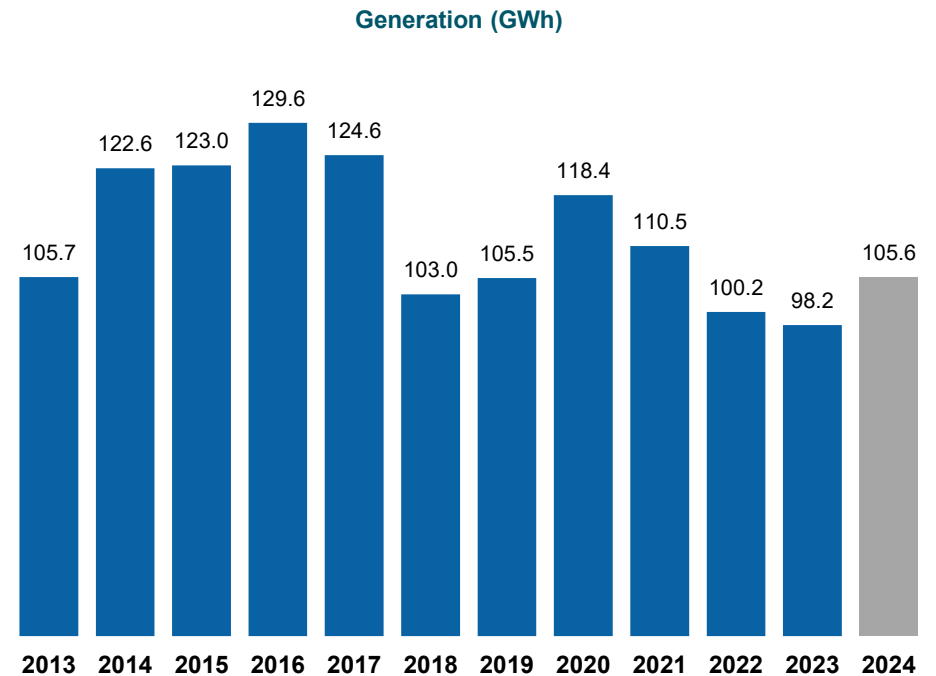
Operations

Health and Safety

- The health, safety and wellbeing of our people is a key focus for everyone in the Company from the Board and senior leadership team, through to our team members and our external suppliers and partners
- In FY24, there were nil recordable lost time injuries (2023: nil)
- Continue to support our people to ensure they go home safely at the end of every day
- Our commitment is to do everything we can and continually improve our processes to ensure safety and wellbeing remains at the core of our operating practice

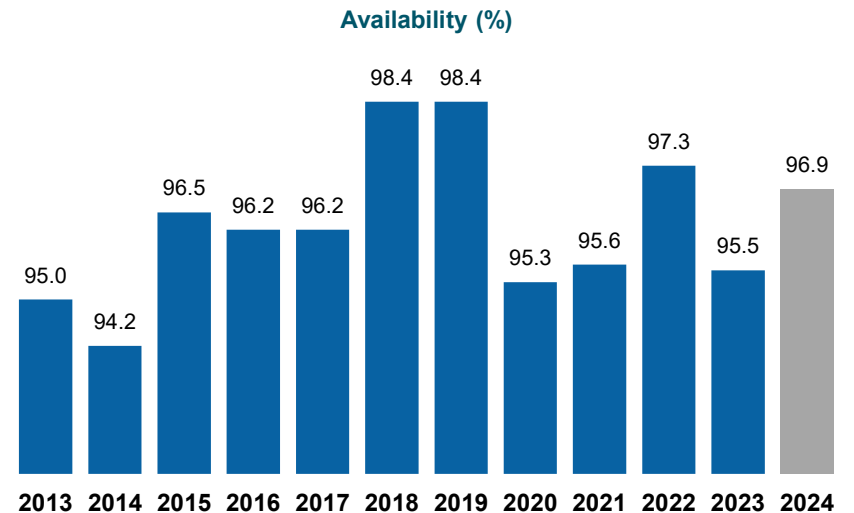
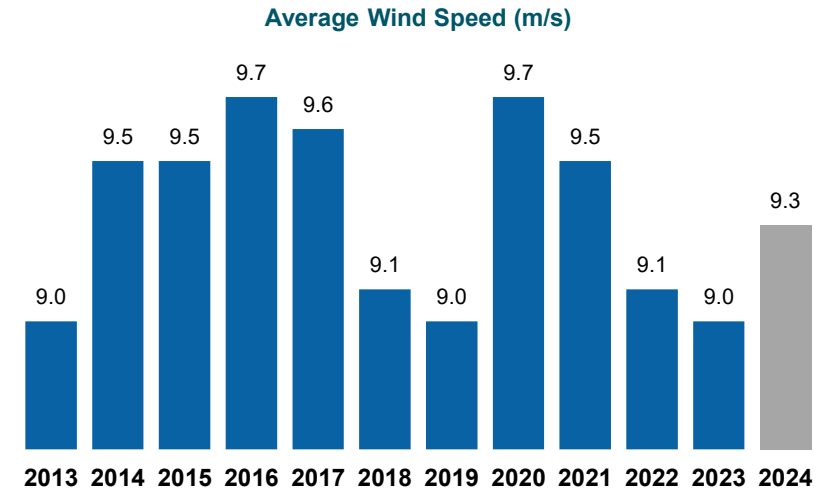


- Generation increased by 8% to 105.6 GWh
- Average production per turbine was up 8%
- Stronger average wind speed supported increase in generation by 3%

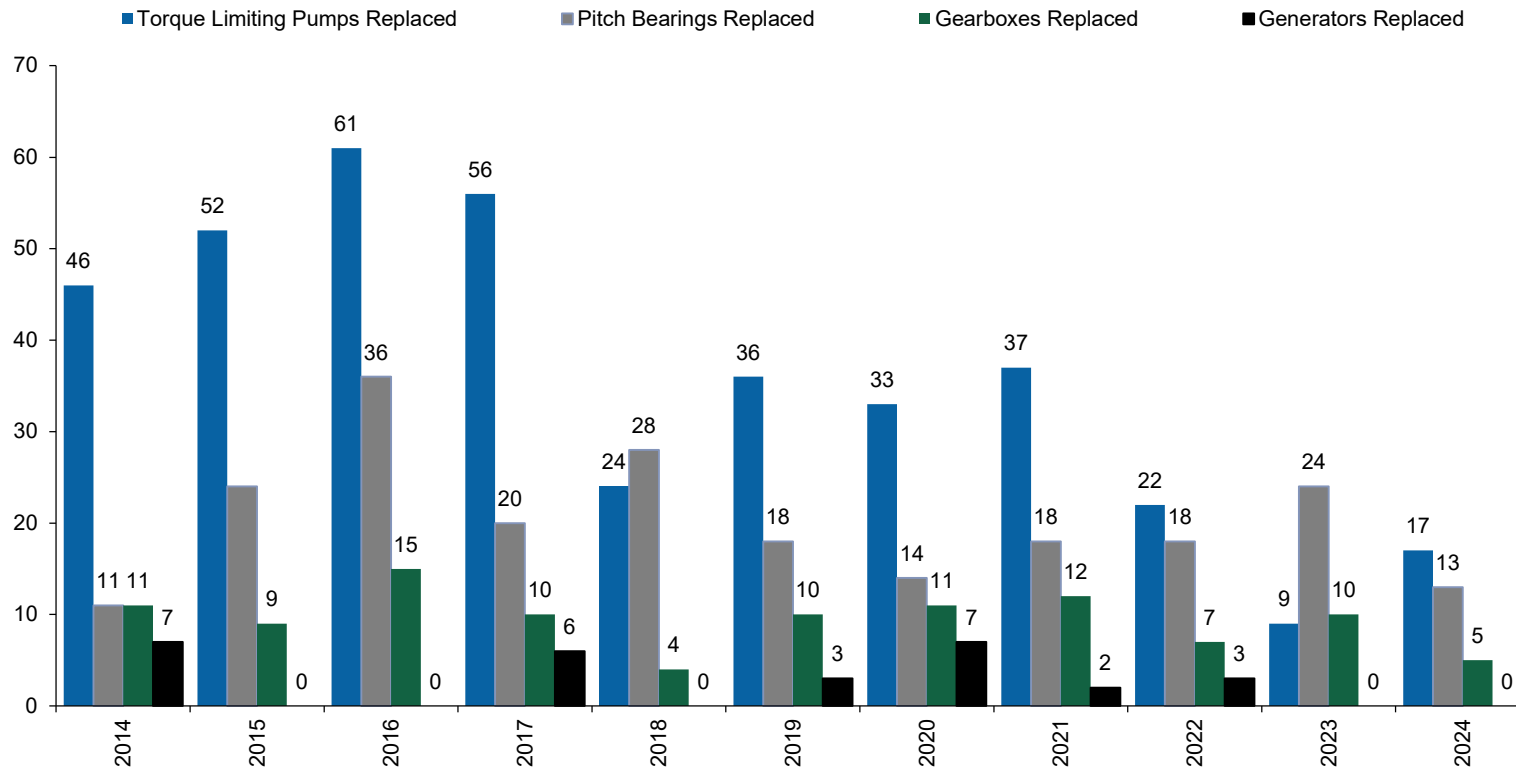


Average Wind Speed and Availability

- An increase in the average wind speed from 9.0m/s to 9.3m/s resulted in strong generation of 105.6 GWh
- An increase in the availability from 95.5% to 96.9% resulted in a 7.4 GWh increase in generation
- Availability remained above manufacturers benchmark of 95% however was 0.1% below industry average



Key components replaced



- Ongoing work on research and development continues to drive the trend of reduced capital expenditure across the fleet despite increasing age of components

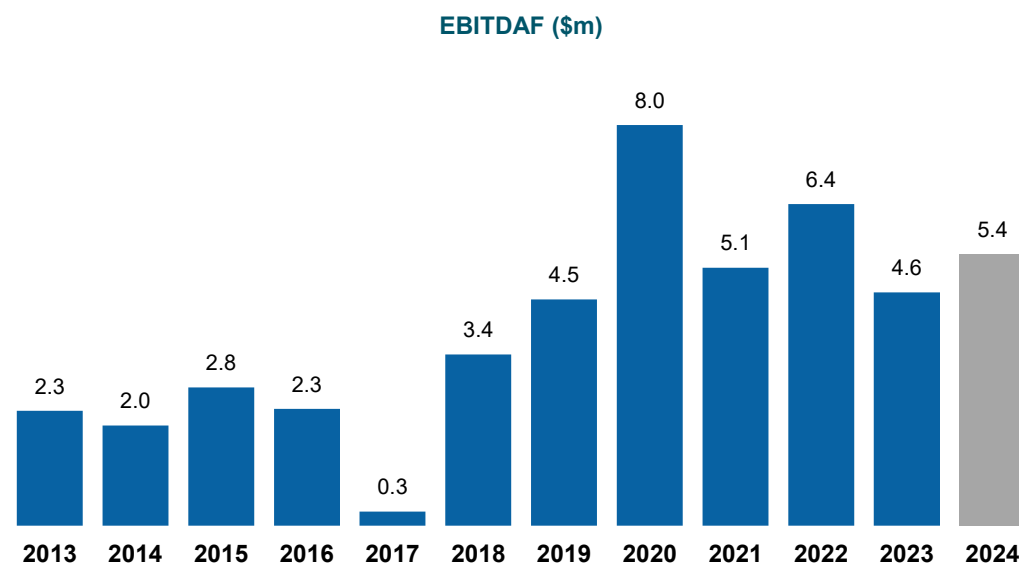


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Financials

EBITDAF

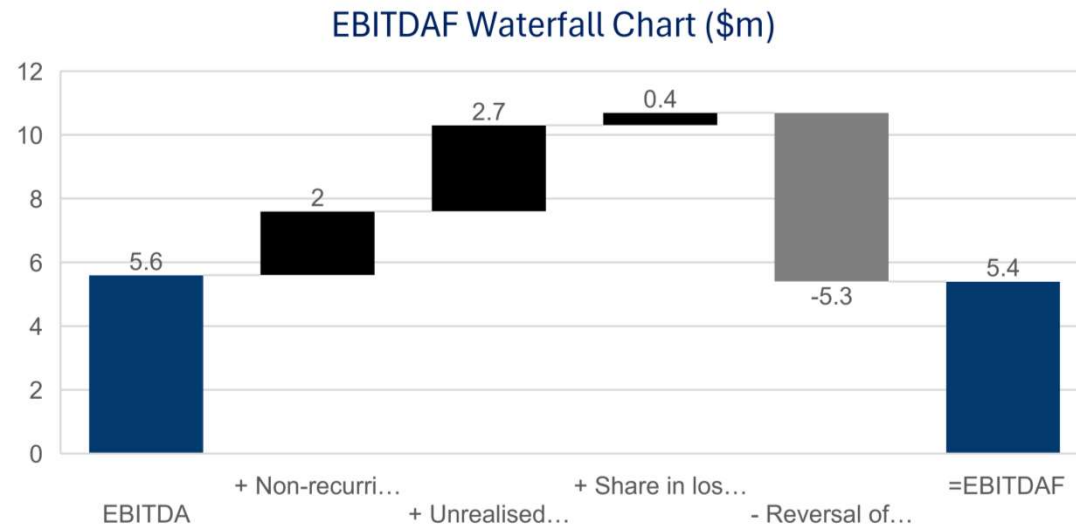
- EBITDAF increased 17% to \$5.4m from \$4.6m
 - Major drivers for the EBITDAF increase:
 - Generation volume up by 8% to 105.6GWh
 - Net Electricity Price Received GWAP up by 4% to \$102.67
 - New revenue from RECs: \$164k
 - New revenue from Project Cost Recoveries: \$134k
- Total Expenses (excl. Impairment & Derivatives) increased by 19% to \$13.2m from \$11.1m:
 - Expense increases attributed to:
 - Repower Consulting Fees of \$1.6m
 - Consultancy Fees for other development opportunities of \$0.4m



EBITDAF Waterfall chart

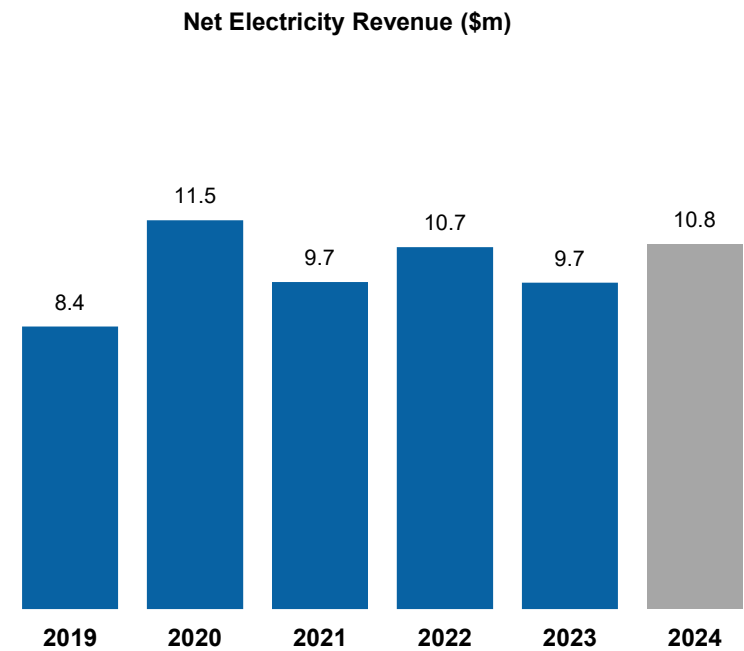
Note that five main adjustments are netted for EBITDAF calculation purposes to more easily compare profit or loss between financial periods; impairments, non-recurring opex costs, a loss on disposal of PPE, unrealised gain on derivatives and share in profit/(loss) from joint ventures.

- Non-recurring costs include repower consultancy costs of \$1.6m and other development project consultancy costs of \$0.4m
- An unrealised loss on derivatives of \$2.7m related to energy hedge contracts that have not yet settled
- The joint venture with Meridian for the repower project resulted in a share of loss amounting to \$0.4m
- The reversal of impairment of PPE and intangibles of \$5.3m was impacted by the PwC electricity price path due to higher short and long-term prices, as well as location and intermittency factor discount updates



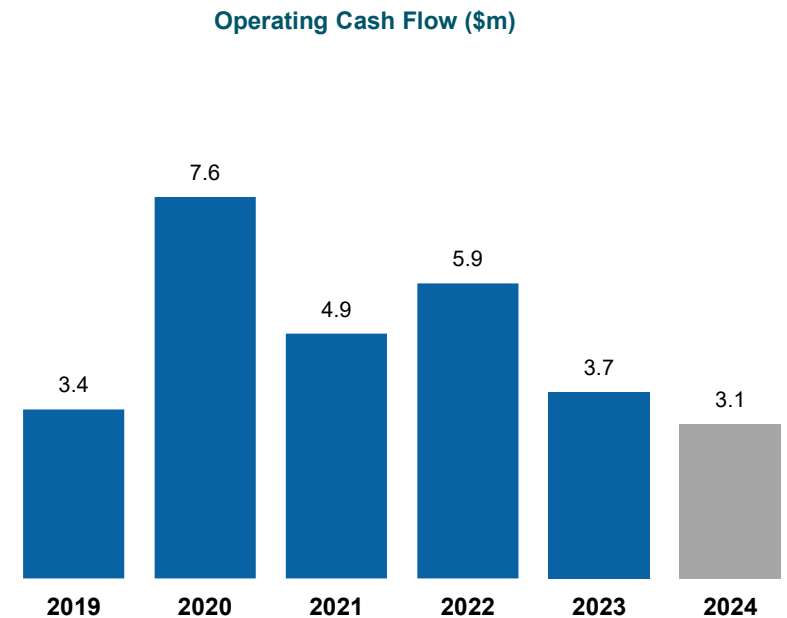
Net Electricity Revenue

- Net Electricity Revenue increased by 12% from \$9.7m to \$10.8m
- Supported by a 4% increase in the GWAP electricity price



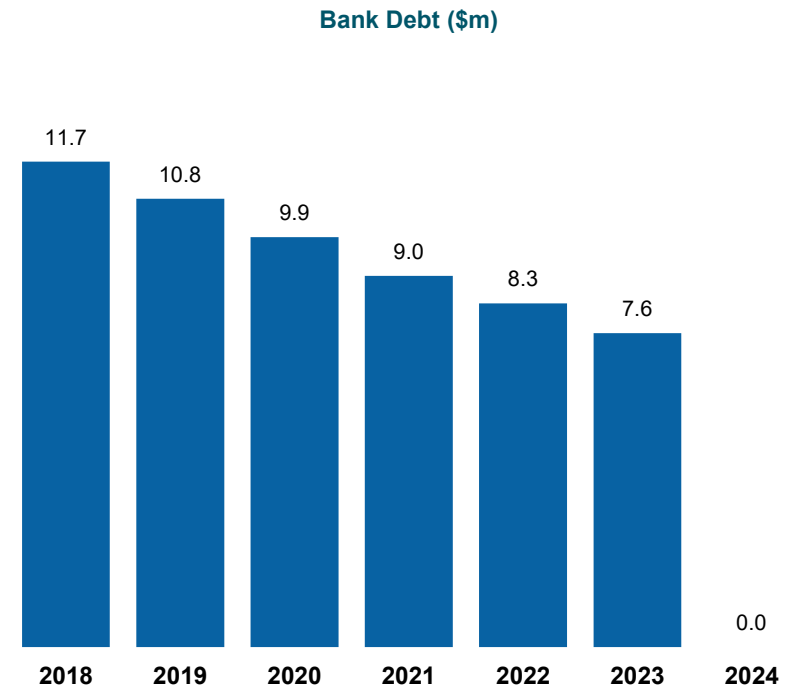
Operating Cashflows

- Operating cash flow was down 17% to \$3.10m from \$3.72m
- The \$0.63m decline in operating cash flow was primarily due to increased payments to suppliers for consultancy costs in connection with the repower and other development projects



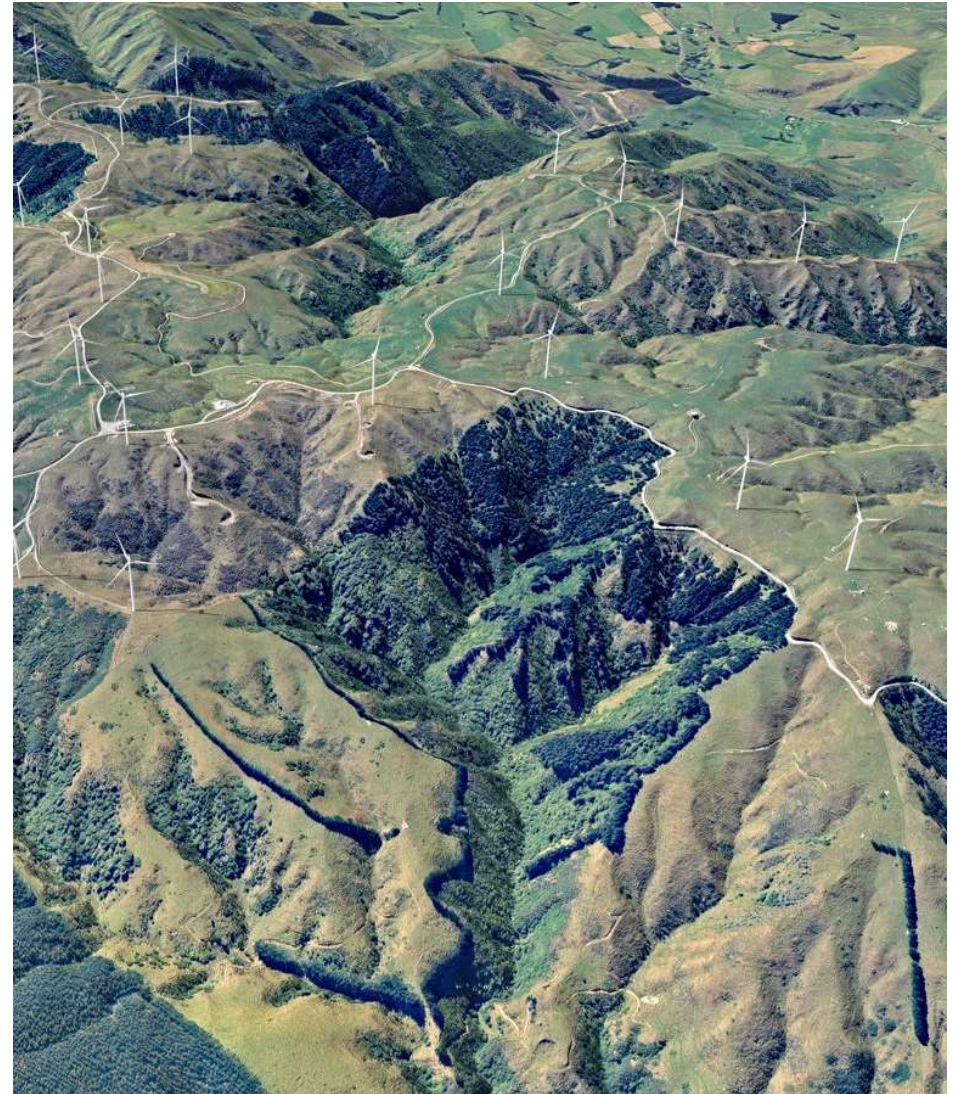
Bank Debt and Capital Raise

- Total Bank Debt is zero (pcp: \$7.6m)
- A placement to Meridian Energy Ltd raising \$6.7m followed by a \$5.1m underwritten pro-rata renounceable rights issue has enabled NWF to fully pay down all outstanding bank debt
- This was done at the end of the first half of the financial year. No debt servicing payment was required in the second half
- Surplus capital raise proceeds have been placed on deposit, earmarked for operational needs and strategic growth opportunities



Gross Dividends

- Funding our consent applications and developing our commercial opportunities represents a period of investment by the Company to secure future returns for shareholders
- Continue to transition from a historical sole focus on dividends to investing for future growth in the company
- For this reason, the Board have decided to continue to pause dividends



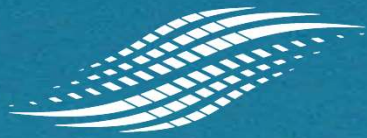


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Outlook

EBITDAF guidance

- Based on our EBITDAF forecast for FY25, we estimate the range to be between \$3.0m - \$5.5m
- **Guidance assumptions**
 - While there are a number of factors that will determine whether FID occurs or not, for the purposes of providing guidance, the range is based on the assumption that FID occurs sometime in Q2 2025. The range also allows for the scenario where FID is not reached
 - Based on an annual production level of between 75 GWh and 106 GWh (depending on the exact date of FID)
 - The net electricity price for FY25 is estimated at \$116.07 per MWh
 - Subject to commercial terms on conditional VVFPAs with Meridian, the Company is 100% hedged for FY2025 and 100% hedged through to Final Investment Decision if this is delayed into FY26 (but no later than September 2025)
- EBITDAF guidance is provided on the basis of information available at this time, and may be subject to variations, including climatic and other conditions outside the Company's control. Forward electricity generation is based on a mix of recent annual averages adjusted for relevant factors. However, wind generation is inherently variable from one year to the next



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