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NZX Announcement

For immediate release

NZ WINDFARMS LIMITED (NZX: NWF): Solid Half-Year underpinned by favourable hedged electricity prices offset by a decrease in generation from lower average mean wind speeds

Operating / Financial Metrics

- H1 Generation: **56.9 GWh** (pcp: 59.6 GWh)
- H1 Average Wind Speed: **9.5 m/s** (pcp: 9.8 m/s)
- H1 Availability: **96.5%** (pcp: 96.9%)
- H1 Net GWAP: **\$107.99** per MWh (pcp: \$106.49 per MWh)
- H1 Net Electricity Revenue¹: **\$6.1m** (pcp: \$6.3m)
- H1 EBITDAF²: **\$3.0m** (pcp: \$3.6m)
- H1 NPAT³: **\$2.7m** (pcp: -\$3.1m)
- H1 Operating cash flow⁴: **\$2.5m** (pcp: \$1.2m)
- Dividend payments remain paused. (pcp: paused)
- H1 Lost time injuries (LTI): **Zero** (pcp: Zero)

Key Highlights

- Acquisition of Hau Nui windfarm from Genesis Energy.
- Significant progress on Te Rere Hau repower project in partnership with Meridian Energy.
- Completion of the Expression of Interest (EOI) phase for raising additional equity for the TRH Repower project.
- Landowner agreements in place for several greenfield wind development sites.
- New fixed price variable volume contract for difference (CFD) with Genesis Energy for 100% of the output from Hau Nui windfarm.
- Approval of the Aokautere Extension Project by the Expert Consenting Panel.
- Strategic alignment of ongoing maintenance, operation, and repowering activities at Hau Nui with Te Rere Hau.

¹ Net Electricity Revenue = electricity sales + gain on realised derivatives – loss on realised derivatives

² EBITDAF - Earnings before interest, tax, depreciation, amortisation, fair value adjustments, non-recurring costs and share in profit/(loss) from joint ventures. EBITDAF is a non-GAAP measurement. The Company utilises EBITDAF to provide shareholders with a view of underlying operational earnings on a like-for-like basis over time. EBITDAF is a common measure utilised by listed companies. Please note NZ Windfarms definition may be different to others in the market. 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.

³ NPAT = Net (Loss) Profit after tax. This is referred to as total comprehensive income and profit (loss) after tax in the financial statements.

⁴ Operating cashflow is referred to as net cash inflow (outflow) from operating activities in the financial statements.

Financial Commentary

Our continued focus on efficient and sustainable operations has delivered a solid result for the half-year period despite challenging conditions. Net electricity revenue for the period was \$6.1m, down from \$6.3m in the prior period, driven by a 4.5% decrease in generation on lower wind speeds. Availability at 96.5% was marginally lower than prior period mainly due to optimisation of capital investment into the fleet as we approach Final Investment Decision (FID) on the repower of Te Rere Hau.

Our Variable Volume Fixed Price Agreements (VVFPA) helped deliver a Net Electricity Price GWAP at \$107.99 MWh. We entered into a new fixed price variable volume contract for difference (CFD) with Meridian Energy Limited for 50% of output from Te Rere Hau windfarm from October 2024 to December 2024. This combined with other existing CFD's meant we were 100% hedged on the output from Te Rere Hau for the six months from June to December.

During the period, we also agreed new VVFPA's with Meridian Energy Limited for 100% of output from Te Rere Hau from January 2025 to March 2025 as well as 100% of output for the period from April 2025 to Final Investment Decision (FID) on the Te Rere Hau repower (but no later than September 2025). This ensures that we are 100% hedged through to FID on the Te Rere Hau repower project.

H1 EBITDAF was \$3.0m, down 17% on pcp, driven primarily by lower generation volumes. H1 Net profit after tax was \$2.7m, compared to a -\$3.1m loss during the previous half-year. Operating cash flow increased by 108% to \$2.5m with a key contributing factor being no interest payments due as our facility with BNZ was fully repaid.

Purchase of Hau Nui and VVFPA with Genesis

We were delighted to announce the acquisition of Hau Nui windfarm from Genesis Energy on 25 October 2024. Hau Nui, which means 'big wind' in te reo Māori, is located approximately 21km south-east of Martinborough and was the first windfarm built in New Zealand.

The windfarm includes 15 Enercon turbines with a capacity of 8.65 MW, built in two stages – the first stage in 1996 comprising seven 550kw turbines and the second stage in 2004 with eight 600kw turbines. The annual output from Hau Nui is expected to be between 12 and 15 GWh, which is between 12% and 14% of Te Rere Hau's current output.

This acquisition is strategic for several reasons:

1. Hau Nui is a top-class wind resource (Class 1) with several options available for repowering.
2. The windfarm creates diversity in our portfolio and maintains a revenue stream during the decommissioning and repowering of the Te Rere Hau windfarm.
3. The acquisition provides a unique opportunity to align ongoing maintenance, operation, and repowering activities at Hau Nui with those at Te Rere Hau.

Our operational plan is to run the existing fleet while undertaking necessary refurbishment and explore repowering options in parallel, based on the learnings gained from the proposed repower of Te Rere Hau. There are a number of options to repower and increase the output ranging from a small repower within the existing consent, footprint and transmission constraints to a far larger repower with an upgrade to transmission at the same time.

On 19 December 2024, we announced that we had agreed a fixed price variable volume contract for difference with Genesis Energy for 100% of the output from Hau Nui windfarm. This agreement, which commenced on 1 January 2025 for three years, is important as it provides price certainty as we work through the refurbishment and repowering options at Hau Nui.

Repowering and Equity Raise Update

Progress is ongoing with the Te Rere Hau repower project in partnership with Meridian Energy. We are currently working towards a Final Investment Decision (FID) in June 2025, which includes a slight delay of six to eight weeks from the original plan.

The Aokautere Extension Project, which has received fast-track consent, will add nine turbines to increase our total capacity, supporting future generation needs. This project has the potential for a seven-fold increase to our annual output and enables us to generate at significantly lower wind speeds.

As part of the TRH Repower project, we have been working on a process to raise NWF's share of additional equity for the joint venture. In August 2024, we launched an Expression of Interest (EOI) phase to seek responses for this equity investment. The EOI phase saw interest from several potential equity investors (domestic and international), and a small number of parties were selected for the detailed due diligence phase which was undertaken from November 2024 to January 2025.

Scheme Implementation Agreement with Meridian Energy (Post Balance Date)

On 19 February 2025, it was announced that the Board had agreed to enter into a Scheme Implementation Agreement (SIA) with Meridian Energy to acquire 100% of the issued share capital of NZ Windfarms (full details are available on the NZ Windfarms page on the NZX).

Under the Scheme, NZ Windfarms' shareholders will receive a cash price of 25 cents per share.

The NZ Windfarms Board has unanimously recommended shareholders to vote in favour of the Scheme, subject to an Independent Adviser concluding in its report that the consideration is within or above the Independent Adviser's valuation range for the NZ Windfarms' shares and in the absence of a Superior Proposal as defined in the SIA.

The Scheme is subject to NZ Windfarms shareholder approval, High Court approval, and other customary conditions relating to regulatory approvals and certain events or occurrences prior to implementation, as detailed in the SIA. NZ Windfarms shareholder approval will be sought at a special meeting of shareholders expected to be held in May 2025.

Outlook

As we move into the second half of the financial year, the Scheme Implementation Agreement with Meridian Energy will be a key focus while we work through that process.

In parallel we remain dedicated to optimising the safe operations and profitability of our windfarms at Te Rere Hau and Hau Nui while advancing a number of workstreams on the repower project for Te Rere Hau to meet Final Investment Decision in June 2025.

We continue to work on identifying and scoping additional renewable energy opportunities and have landowner agreements in place for several other 'greenfield' wind development sites across New Zealand.

Guidance

Recent meteorological conditions have been challenging with wind volumes materially lower than long run averages across much of New Zealand since the start of the year.

This has had a negative impact on earnings and as a result, we have revised our EBITDAF guidance down from the previous range of between \$4.5m - \$6.0m and now expect EBITDAF for the year to 30 June 2025, to be in the range of \$4.0m - \$5.2m⁵

Summary

With the support and understanding of our shareholders, we have made a rapid transition from an operator of aging wind generation assets to a credible renewables developer who has accelerated the delivery of renewable energy generation in New Zealand.

Though the JV with Meridian provides a framework to realise NZ Windfarms' aspirations to complete the Te Rere Hau Windfarm repowering as a 50% shareholder, NZ Windfarms shareholders remain exposed to current and ongoing development risks in bringing the Te Rere Hau Windfarm repowering and other development projects to fruition and then operating them.

The proposed Scheme Implementation Agreement with Meridan Energy crystallises the value created by my fellow Directors, our outstanding management and development team and our advisors. It represents a low-risk option for shareholders to recognise the value created by NZ Windfarms to date at a value that, subject to independent valuation advice, the Board deems fair when compared against other equity offers, considering project execution risks of the Te Rere Hau Windfarm repowering and other development projects.

For further information, contact David Prentice, Chief Executive, by phone on 06 280 2773, or by email at info@nzwindfarms.co.nz.

Thank you

Craig H. Stobo
Chair

About NZ Windfarms Ltd

NZ Windfarms Ltd is a long-term specialist wind farm owner and operator, with its revenue coming from the sale of sustainably generated electricity from its two wind farms at Te Rere Hau and Hau Nui.

The Te Rere Hau wind farm is located on North Range Road in the Tararua Ranges outside of Palmerston North. The wind farm has 91 turbines with a capacity of 45.5 MW producing enough clean energy to power about 16,000 homes, or in excess of half the households in Palmerston North. In comparison, to generate the same amount of energy, a gas-fired power plant would emit roughly 64,000 tonnes of carbon dioxide, the same as an additional 23,000 cars on the road. The Hau Nui wind farm near Martinborough, has 15 Enercon turbines with a capacity of 8.65 MW.

NZ Windfarms Ltd (NWF) is a public company listed on the NZ Stock Exchange. Up to date share trading information can be obtained from the NZX website.

⁵ 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