



NZ Windfarms Ltd
POWERED BY NATURE



Interim Report

For the 6 months ended
31 December 2024

POWERED BY NATURE





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Purpose

Empowering Sustainable Communities

Values

Honesty

Integrity

Trust

Innovation

Manākitanga, and

Enjoyment.

Key Metrics

Net Electricity Revenue¹

\$6.1m

(pcp: \$6.3m)

EBITDAF²

\$3.0m

(pcp: \$3.6m)



NPAT³

\$2.7m

(pcp: -\$3.1m)

Operating cashflow⁴

\$2.5m

(pcp: \$1.2m)



Generation

56.9 GWh

(pcp: 59.6 GWh)

Net GWAP

\$107.99 per MWh

(pcp: \$106.49 per MWh)



Average Wind Speed

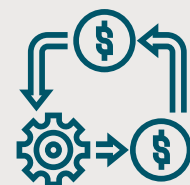
9.5 m/s

(pcp: 9.8 m/s)

Availability

96.5%

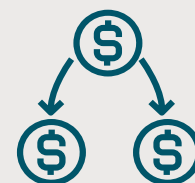
(pcp: 96.9%)



Lost Time Injuries (LTI)

Zero LTI

(pcp: Zero)



NZ Windfarms Limited

FY25 Half Year Review

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.

We were delighted to announce the acquisition of Hau Nui windfarm from Genesis Energy on 25 October 2024.

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.

Progress is ongoing with the Te Rere Hau repower project in partnership with Meridian Energy.

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.

...we remain dedicated to optimising the safe operations and profitability of our windfarms at Te Rere Hau and Hau Nui

Outlook

As we move into the second half of the financial year, the Scheme Implementation Agreement with Meridan 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 - \$5.2m.⁵

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.

I am pleased that, subject to all appropriate approvals, our portfolio of renewable energy projects will now be managed by Meridian, our development partner, and NZ's largest renewable energy company.

Thank you

Craig H. Stobo
Chair

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.



Condensed Consolidated Interim Statement of Comprehensive Income

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	Notes	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Revenue				
Electricity sales revenue		5,889,382	6,888,651	15,126,257
Renewable energy certificate revenue		89,432	96,104	164,092
Total Revenue		5,978,814	6,984,755	15,290,349
Income				
Net change in fair value of energy hedges	7	4,207,961	-	-
Other income		127,691	-	136,730
Land lease		4,513	18,217	33,397
Gain on disposal of property, plant and equipment		-	18,413	-
Total Income		4,340,164	36,630	170,127
Total		10,318,978	7,021,385	15,460,476
Operating expenses				
Administration expenses		270,215	158,308	330,665
Audit fees		92,905	62,886	118,073
Directors' fees		213,200	213,200	426,400
Employment expenses		1,001,926	884,790	2,013,414
Insurance		219,037	201,558	432,426
Variable lease and rental expenses		(2,460)	14,658	17,508
Legal and consulting expenses	1	327,721	378,030	654,561
Net change in fair value of energy hedges	7	-	3,774,200	6,954,165
Reversal of impairment of property, plant and equipment	12	-	-	(4,952,845)
Reversal of impairment of intangible assets	12	-	-	(346,344)
Te Rere Hau wind farm operational expenses	1	1,019,021	739,047	1,524,851
Hau Nui wind farm operational expenses		84,603	-	-
Other operating expenses		124,467	154,197	245,189
Non-consenting development costs		53,416	1,507,144	1,614,246
Consultancy costs - development opportunities		161,648	43,333	431,757
Loss on disposal of property, plant and equipment		2,087	-	-
Total Operating expenses		3,567,785	8,131,351	9,464,066
Profit/(loss) before interest, tax, depreciation and amortisation		6,751,193	(1,109,966)	5,996,410

These condensed consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Statement of Comprehensive Income

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	Notes	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Depreciation and amortisation				
Depreciation of property, plant and equipment	5	2,971,858	2,268,725	4,778,221
Depreciation of right-of-use assets	9	20,358	25,152	50,304
Amortisation of intangible assets	6	160,549	160,758	321,516
Total Depreciation and amortisation		3,152,764	2,454,635	5,150,041
Profit/(Loss) before interest and tax		3,598,429	(3,564,601)	846,369
Interest				
Interest income on financial assets at amortised cost		142,148	43,533	196,490
Interest expense on liabilities at amortised cost		(7,962)	(241,110)	(266,415)
Net Interest		134,186	(197,577)	(69,925)
Share in post-tax losses of equity accounted joint ventures				
Share of Te Rere Hau Project Limited Partnership		(17,196)	-	(365,127)
Total Share in post-tax losses of equity accounted joint ventures		(17,196)	-	(365,127)
Profit/(Loss) before tax		3,715,419	(3,762,179)	411,317
Income tax expense (benefit)				
Income tax expense (benefit)	2	1,048,465	(614,822)	203,240
Total Income tax expense (benefit)		1,048,465	(614,822)	203,240
Net Profit/(Loss) after tax		2,666,954	(3,147,357)	208,077
Other Comprehensive Income				
Items that will not be reclassified to the Profit or Loss				
Building revaluation (net of tax)		-	-	59,553
Total items that will not be reclassified to the Profit or Loss		-	-	59,553
Total Comprehensive Income				
Total Comprehensive Income/(Loss)		2,666,954	(3,147,357)	267,630
Earnings per share				
Basic earnings per share	14	0.0073	(0.0102)	0.0006
Diluted earnings per share	14	0.0073	(0.0102)	0.0006

These condensed consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Statement of Financial Position

NZ Windfarms Limited

As at 31 December 2024

	Notes	As at 31/12/2024 (unaudited)	As at 30/06/2024 (restated)
Assets			
Current assets			
Cash and cash equivalents		1,549,995	722,838
Investments		5,363,578	5,796,755
Trade and other receivables		5,618,100	5,370,313
Inventories		843,289	960,018
Income tax receivable		18,372	18,372
Total Current assets		13,393,334	12,868,296
Non-Current assets			
Property, plant and equipment	5	37,032,296	38,476,600
Intangible assets	6	2,300,119	2,368,132
Right-of-use assets	9	711,108	112,387
Deferred tax asset		645,101	1,693,566
Other non-current assets		2,415	-
Total Non-current assets		40,691,040	42,650,687
Total Assets		54,084,374	55,518,981
Liabilities			
Current liabilities			
Trade, other payables and accruals		999,566	1,724,546
Derivative liabilities - current portion	7	370,892	5,011,082
Income received in advance		-	10,614
Lease liabilities - current portion	9	76,066	28,260
Total Current liabilities		1,446,525	6,774,502
Non-Current liabilities			
Derivative liabilities - non-current portion	7	688,317	-
Lease liabilities - non-current portion	9	677,133	139,034
Total Non-current liabilities		1,365,450	139,034
Total Liabilities		2,811,975	6,913,536
Net assets		51,272,399	48,605,445

These condensed consolidated financial statements should be read in conjunction with the accompanying notes.

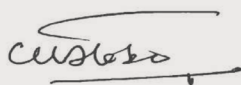
Condensed Consolidated Interim Statement of Financial Position

NZ Windfarms Limited

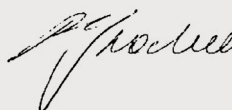
As at 31 December 2024

	Notes	As at 31/12/2024 (unaudited)	As at 30/06/2024 (restated)
Equity			
Share capital		118,759,753	118,759,753
Accumulated losses		(70,491,374)	(73,158,328)
Revaluation reserves		3,004,020	3,004,020
Total Equity		51,272,399	48,605,445

The consolidated financial statements were authorised on behalf of NZ Windfarms Limited Board of Directors on 28 February 2025.



Craig Stobo
Chair



Patrick Brockie
Director

These condensed consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Statement of Changes in Equity

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Notes	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Equity			
Share Capital			
Opening balance	118,759,753	107,005,000	107,005,000
Issuance of shares	-	11,754,753	11,754,753
Closing balance	118,759,753	118,759,753	118,759,753
Accumulated losses			
Opening balance	(73,158,328)	(73,366,405)	(73,366,405)
Total comprehensive income/(loss) for the period	2,666,954	(3,147,357)	208,077
Closing balance	(70,491,374)	(76,513,762)	(73,158,328)
Reserves			
Opening Balance	3,004,020	2,944,467	2,944,467
Revaluation surplus (net of tax)	-	-	59,553
Closing balance	3,004,020	2,944,467	3,004,020
Total Equity	51,272,399	45,190,459	48,605,445

These condensed consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Statement of Cash Flows

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Notes	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Consolidated Statement of Cash Flows			
Operating activities			
Cash was received from:			
Trading revenue	6,088,350	9,473,308	14,500,677
Settlement of derivative	256,087	-	-
Interest received	142,148	43,533	196,490
Renewable energy certificate revenue	89,432	-	164,092
Cash was applied to:			
Settlement of derivative	-	(540,052)	(4,282,172)
Payments to suppliers and employees	(4,097,756)	(7,555,416)	(7,537,910)
Interest paid	-	(228,040)	(242,025)
Net cash inflow from Operating activities	2,478,261	1,193,333	2,799,152
Investing activities			
Cash was received from:			
Proceeds from the sale of property, plant and equipment	13,478	-	-
Proceeds from investments in term deposits	10,858,127	-	10,532,419
Cash was applied to:			
Purchase of property, plant and equipment	5	(1,961,671)	(1,191,867)
Purchase of intangible assets - capital WIP	6	(92,537)	(775,387)
Investment in term deposits	(10,424,950)	-	(16,326,050)
Purchase of carbon credits	(2,415)	-	-
Net cash outflow from Investing activities	(1,609,968)	(1,382,916)	(7,760,885)
Financing activities			
Cash was received from:			
Proceeds from the issue of shares	-	11,754,753	11,754,753
Cash was applied to:			
Repayment of lease liability	9	(41,136)	(63,000)
Repayment of BNZ loan	10	-	(7,587,381)
Net cash (outflow)/inflow from Financing activities	(41,136)	4,141,599	4,104,372
Net increase/(decrease) in cash and cash equivalents	827,157	3,952,016	(857,361)

These condensed consolidated financial statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Interim Statement of Cash Flows

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	Notes	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Cash and cash equivalents, beginning of period				
Cash and cash equivalents, beginning of period		722,838	1,580,199	1,580,199
Total Cash and cash equivalents, beginning of period		722,838	1,580,199	1,580,199
Cash and cash equivalents, end of period		1,549,995	5,532,215	722,838

These condensed consolidated financial statements should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Reporting entity and Statutory base

NZ Windfarms Limited (the “Company”) is incorporated under the Companies Act 1993, a FMC reporting entity under the Financial Markets Conduct Act 2013, and is listed on the New Zealand Exchange (the “NZX”). The Company is in the business of operating wind power generation assets for the purpose of generating and selling electricity. The Company operates solely within New Zealand.

The Group consolidated interim financial statements of NZ Windfarms Limited as at the end of the reporting period comprise the Company and its 100% owned subsidiaries: NZWL-TRH Limited, TRH Services Limited, and NZWF SPV GP Limited (the “Group”).

For the purposes of complying with generally accepted accounting practice in New Zealand (“NZ GAAP”), the Group is a Tier 1 for-profit entity.

Basis of preparation

These interim consolidated financial statements have been prepared in accordance with the New Zealand equivalent to International Accounting Standard 34 - Interim Financial Reporting (“NZ IAS 34”). In complying with NZ IAS 34, these statements comply with generally accepted accounting practice in New Zealand (“NZ GAAP”).

These financial statements, including the accounting policies adopted, do not include all the information and disclosures required in the annual financial statements. These financial statements have been prepared using the same accounting policies as, and should be read in conjunction with, the Group’s annual financial statements for the year ended 30 June 2024.

The financial statements are presented in New Zealand dollars (\$) which is the Group’s functional currency and presentation currency, rounded to the nearest dollar.

The preparation of financial statements requires judgements and estimates that impact the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The measurement base adopted in the preparation of these financial statements is historical cost, except that certain financial instruments are measured at fair value, and revalued property, plant and equipment.

Seasonality

The energy business operates in an environment that is dependent on weather as one of the key drivers of supply and demand. Fluctuations in seasonal weather patterns, particularly over the short-term, can have a positive or negative effect on financial performance. It is not possible to consistently predict this seasonality and some variability is common.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the condensed group interim financial statements are unchanged from the audited 30 June 2024 financial statements.

The condensed group interim financial statements do not include notes of the type normally included in annual financial statements. Accordingly, these condensed consolidated group interim financial statements are to be read in conjunction with the 30 June 2024 financial statements, except for the following amendments which apply for the first time in FY2025.

New standards and amendments effective for periods beginning 1 January 2024 but have not had a significant impact on the Group are:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

The amendments provide a transition relief whereby an entity is not required to provide the disclosures, otherwise required by the amendments, for any interim period presented within the annual reporting period in which the entity first applies those amendments.

The Group carried out an assessment of its contracts and operations and concluded that these amendments have had no effect on the interim condensed consolidated financial statements, regardless of the transition relief provided.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the interim condensed consolidated financial statements of the Group.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements of the Group.

Changes in accounting policies

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
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1. Profit before tax

Included in Profit before tax are the following items:

Profit before tax

Renewable energy certificate revenue	(89,432)	(96,104)	(164,092)
Legal and consulting expenses	327,721	378,030	654,561
Administration expenses	270,215	158,308	330,665
Reversal of impairment of property, plant and equipment	-	-	(4,952,845)
Reversal of impairment of intangible assets	-	-	(346,344)
Te Rere Hau wind farm operational expenses	1,019,021	739,047	1,524,851

At 30 June 2024, the Group carried out a review of the carrying values of its assets in accordance with NZ IAS 36 - Impairment of Assets. Note 12 also provides further information.

The Board has not updated the impairment calculations to 31 December 2024. The Group carries out a full value in use test annually at year-end.

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
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2. Income tax expense

Net profit/(loss) before tax	3,715,419	(3,762,179)	411,317
Expected tax expense at 28%	1,040,317	(1,053,410)	115,169

Adjustments for non-deductible expenses and non-assessable income

Other non-deductible expenses	7,266	437,474	109,454
Reinstatement of tax depreciation on commercial buildings	-	1,114	-
Impact of removal of tax depreciation on commercial buildings	881	-	59,886
Prior period adjustments	-	-	(81,269)
Other	-	-	-
Total Adjustments for non-deductible expenses and non-assessable income	8,148	438,588	88,071

Total tax expenses	1,048,465	(614,822)	203,240
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Represented by:

Current tax

Current tax on profit for the year	-	-	(13,988)
Total Current tax	-	-	(13,988)

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Deferred tax			
Origination and reversal of temporary differences	1,048,465	(614,822)	298,497
Adjustment for deferred tax of prior periods	-	-	(81,269)
Total Deferred tax	1,048,465	(614,822)	217,228
Total tax expense	1,048,465	(614,822)	203,240

Tax on each component of other comprehensive income is as follows:

Gain on revaluation (after tax)			
Gain on revaluation (before tax)	-	-	82,712
Tax on revaluation	-	-	(23,159)
Total Gain on revaluation (after tax)	-	-	59,553

Tax loss

Tax loss from previous years	18,833,182	17,731,745	17,731,745
Prior period adjustment to tax loss from previous year	-	-	290,247
Tax loss for the year	-	4,243,033	4,664,086
Tax loss utilised within the group	(5,512,897)	(2,865,901)	(3,852,896)
Tax loss carried forward	13,320,286	19,108,877	18,833,182

Imputation credit account

Dividends paid by New Zealand resident companies may include imputation credits representing the taxation already paid by the Group on the profits distributed. New Zealand resident shareholders may claim a tax credit equal to the value of the imputation credit attached to the dividends. Overseas shareholders in general are not entitled to claim the benefit of imputation credits.

The Group has no imputation credits as it is currently utilising assessed tax losses brought forward and as such has not been required to pay income tax.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Net profit/(loss) after tax	2,666,954	(3,147,357)	208,077
Non-cash items			
Depreciation of property, plant and equipment	2,971,858	2,268,725	4,778,221
Depreciation of right-of-use assets	20,358	25,152	50,304
Amortisation of intangible assets	160,549	160,758	321,516
Interest expense	-	13,070	24,390
Reversal of impairment of property, plant and equipment	-	-	(4,952,845)
Reversal of impairment of intangible assets	-	-	(346,344)
Loss/(gain) on disposal of property, plant and equipment	420,643	(18,413)	-
Share of Te Rere Hau Project Limited Partnership	17,196	-	426,910
Unrealised loss/(gain) on derivatives	(3,951,873)	3,234,148	2,671,993
Provision for taxation	1,048,465	(614,822)	203,240
Total Non-cash items	687,195	5,068,619	3,177,385
Changes in working capital			
Trade and other payables	(734,214)	(979,686)	(921,166)
Inventories	116,727	(7,484)	(50,449)
Trade and other receivables	(247,787)	239,291	736,484
Income received in advance	(10,614)	19,950	10,614
Total Changes in working capital	(875,888)	(727,929)	(224,517)
Net cash flow from operating activities	2,478,261	1,193,333	3,160,945

4. Business acquisition: Hau Nui Farms

On 25 November 2024, NZWL-TRH Limited acquired 100% of the assets of the Hau Nui Farms (Hau Nui), a wind farm located in the Tararua Ranges. The Hau Nui acquisition created diversity in the Group's portfolio and will maintain a revenue stream during the proposed decommissioning and repowering of Te Rere Hau. The Hau Nui acquisition is accounted for as a business combination. The accounting treatment applied is provisional under NZ IFRS 3 *Business Combinations* and management intends to finalise the business combination accounting for the year ended 30 June 2025.

Details of the purchase consideration the net assets and goodwill acquired are as follows:

Purchase consideration	\$
Cash paid	590,000
The assets and liabilities recognised as a result of the acquisition are as follows:	Fair Value (\$)
Property, plant and equipment	\$590,000
Net identifiable assets acquired	\$590,000
Goodwill/Gain on bargain purchase	-

Leases purchased as part of the business combination have been accounted for under NZ IFRS 16 Leases.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

5. Property, plant and equipment

The carrying book value amounts of property, plant and equipment are analysed as follows:

	Land (at revaluation) \$	Roading (at revaluation) \$	Buildings (at revaluation) \$	Office equipment (at cost) \$	Plant & equipment (at cost) \$	Motor vehicles (at cost) \$	Foundations (at cost) \$	Electrical (at cost) \$	Wind turbines (at cost) \$	TOTAL \$
At 30 June 2024										
Cost/Revalued amount	5,254,072	4,197,700	590,000	506,479	953,297	535,322	4,447,656	21,097,384	76,759,279	114,341,189
Accumulated depreciation & impairment	-	409,057	19,965	501,245	739,962	419,971	2,927,913	10,798,504	60,047,973	75,864,589
Carrying amount	5,254,072	3,788,643	570,035	5,234	213,335	115,351	1,519,743	10,298,880	16,711,306	38,476,600
Half-year Ended 31 December 2024										
Opening carrying amount	5,254,072	3,788,643	570,035	5,234	213,335	115,351	1,519,743	10,298,880	16,711,306	38,476,600
Additions	-	-	-	3,672	335,938	86,877	-	-	1,535,184	1,961,671
Disposals	-	-	-	-	-	(10,782)	-	-	(423,334)	(434,116)
Transfers	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(110,482)	(8,909)	(2,254)	(44,826)	(29,881)	(62,382)	(408,949)	(2,304,175)	(2,971,858)
Impairment	-	-	-	-	-	-	-	-	-	-
Closing carrying amount	5,254,072	3,678,161	561,126	6,652	504,447	161,565	1,457,361	9,889,931	15,518,982	37,032,296
At 31 December 2024										
Cost/Revalued amount	5,254,072	4,197,700	590,000	510,151	1,289,235	608,721	4,447,656	21,097,384	77,564,955	115,559,874
Accumulated depreciation & impairment	-	(519,539)	(28,874)	(503,499)	(784,788)	(447,156)	(2,990,295)	(11,207,453)	(62,045,974)	(78,527,578)
Carrying amount	5,254,072	3,678,161	561,126	6,652	504,447	161,565	1,457,361	9,889,931	15,518,982	37,032,296

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Revaluations

Land, Roding and Buildings asset classes are recorded at revalued amounts, with revaluation assessments conducted at each annual reporting period.

6. Intangible assets

Changes in the net carrying amount of intangible assets follow:

	Land use consent and wind rights \$	Grid connection \$	Capital WIP \$	TOTAL \$
At 30 June 2024				
Cost	1,737,360	5,522,157	108,151	7,367,668
Accumulated amortisation & impairment	(590,566)	(4,408,970)	-	(4,999,536)
Carrying amount	1,146,794	1,113,187	108,151	2,368,132
Half-Year Ended 31 December 2024				
Opening carrying amount	1,146,794	1,113,187	108,151	2,368,132
Additions	-	-	92,537	92,537
Amortisation	(21,757)	(138,793)	-	(160,549)
Closing carrying amount	1,125,037	974,394	200,688	2,300,119
At 31 December 2024				
Cost	1,737,360	5,522,157	200,688	7,460,205
Accumulated amortisation & impairment	(612,323)	(4,547,763)	-	(5,160,086)
Carrying amount	1,125,037	974,394	200,688	2,300,119

During FY24, the Group has incurred costs associated with other development opportunities outside of the Te Rere Hau Repowering Project. All costs directly attributed to consenting applications in relation to these projects, are classified as WIP on the Consolidated Statement of Financial Position. These costs include consent application preparation, legal costs and affects assessments, all of which play a critical role in the consenting applications for the development projects underway. Feasibility and other consultation costs associated with development opportunities have been expensed in the Consolidated Statement of Comprehensive income as Consultation costs - development opportunities.

During FY23, the first of the Fast-track resource consents for the Te Rere Hau repower was granted to construct thirty turbines on existing owned and leased property. An Expert Consenting Panel approved the Aokautere Extension Project for nine turbines on 26 August 2024.

During FY24, NWF has transferred \$2,936,109 in development/consent costs and \$391,387 in assets to the joint venture (JV) with Meridian, and along with it transferred the rights to control and obtain all of the benefits from them.

The repowering work programme has incurred expenditure to finalise commercial terms with Meridian Energy Limited (for example the investment agreement, power purchase agreement and development services agreements) and on-going advisory support for the repower project finance debt process. These costs have been expensed in the Consolidated Statement of Comprehensive Income, as non-consenting development costs.

All capital WIP costs reported on the Statement of Financial Position will be reassessed at each annual reporting period.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

7. Derivative financial instruments

Classification of Derivative financial instruments

Derivative energy futures, are classified as held for trading and accounted for at fair value through profit or loss. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The Group has not applied hedge accounting.

The energy futures derivatives are measured at fair value on a recurring basis, and have been classified as Level 3 financial instruments. This refers to the determination of fair value from inputs other than unadjusted quoted prices from an active market for identical assets and liabilities, which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

During FY24, the Group transferred the balance of derivative financial liabilities from Level 2 to Level 3 to better reflect the nature of the instrument and to align with peers in the industry.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 2 and Level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below.

Financial Instrument	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Energy derivative assets/liabilities	An income approach is used to fair value the instrument. The calculation is based on the volume weighted average node price less strike price, multiplied by the expected power output and then discounted for the time value of money.	Generated volumes based on DNV forecast wind generation.	A decrease in generated volumes would lead to a decrease in fair value. An increase would have the opposite effect.

The fair value hierarchy of financial instruments measured at fair value is provided below.

	Level 1			Level 2			Level 3		
	6 months ended 31 December 2024 (unaudited) (\$)	6 months ended 31 December 2023 (unaudited) (\$)	Year ended 30 June 2024 (audited) (\$)	6 months ended 31 December 2024 (unaudited) (\$)	6 months ended 31 December 2023 (unaudited) (\$)	Year ended 30 June 2024 (audited) (\$)	6 months ended 31 December 2024 (unaudited) (\$)	6 months ended 31 December 2023 (unaudited) (\$)	Year ended 30 June 2024 (audited) (\$)
Financial liabilities									
Derivative financial liabilities (fair value through profit or loss)	-	-	-	-	5,573,237	-	1,059,209	-	5,011,082

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Energy futures and contracts for differences

The Group's primary means of managing electricity price risk is via a variable volume fixed price agreement (VVFPA).

Te Rere Hau Windfarm (TRH)

100% of the TRH generation between 1 January 2024 and 30 September 2024 and 100% of the TRH generation between 1 October 2024 and 31 March 2025 will be sold at a fixed price related to the TRH injection node (TWC2201). Additionally, 100% of the TRH generation is covered through to the earlier of Financial Close when all the FID requirements have been achieved, and 30 September 2025. These agreements have been reached with an investment grade NZ based counterparty.

At 31 December 2023, 100% of the TRH generation between 1 July 2023 to 31 December 2023, 100% of the TRH generation between 1 January 2024 and 30 September 2024 and 50% of the TRH generation between 1 October 2024 and 31 December 2024 was under agreement to be sold at a fixed price related to the TRH injection node (TWC2201).

Hau Nui Windfarm

100% of the Hau Nui generation between 1 January 2025 and 31 December 2027 will be sold at a fixed price related to the Hau Nui injection node (GWT0331). This agreement has been reached with an investment grade NZ based counterparty.

Interest rate swaps

When the Group has floating rate debt outstanding it is exposed to movements in interest rates. For floating rate debt there is uncertainty of future cash interest payments. The Group manages these risks through the use of Interest Rate Swaps (IRS) to ensure that the Group has an appropriate amount of fixed and floating interest rate exposure. The risk is monitored by assessing the notional amount of debt on a fixed and floating basis and ensuring this is in accordance with set policies.

As of 31 December 2024, no Interest Rate Swaps (IRS) are currently in effect. (Prior year: nil).

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (audited)
Results of the transactions with derivative financial instruments:			
Gain/(loss) on realised derivative financial instruments			
Interest swaps			
Net (loss)/gain realised on interest swaps	-	(10)	(10)
VVFPA			
Net gain/(loss) realised on VVFPA	256,088	(540,043)	(4,282,171)
Total gain/(loss) on realised derivative financial instrument	256,088	(540,053)	(4,282,181)
VVFPA			
Net gain/(loss) unrealised on VVFPA	3,951,872	(3,234,148)	(2,671,992)
Total gain/(loss) on unrealised fair value derivative liabilities	3,951,872	(3,234,148)	(2,671,992)
Net change in fair value of energy hedges	4,207,961	(3,774,191)	(6,954,165)
Unrealised fair value derivative liabilities	(1,059,209)	(5,573,237)	(5,011,082)

The TRH VVFPA has a maturity of 9 months (Prior year: 6 months), the Hau Nui VVFPA has a maturity of 36 months (Prior year: nil). All other unrealised derivative financial instruments have matured at 31 December 2024 (Prior year: nil).

Derivative liabilities are made up as follows

Current	370,892	5,573,237	5,011,082
Non-Current portion	688,317	-	-
Total Derivative liabilities	1,059,209	5,573,237	5,011,082

8. Capital commitments

The Group had \$231,772 of capital commitments as at 31 December 2024 for inventories and property, plant and equipment (30 June 2024: \$571,658).

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

9. Right-of-Use Assets & Leases

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (audited)
Right-of-Use Assets			
Wind right agreements			
Balance at the start of the reporting period	108,326	121,682	121,682
Additions	539,321	-	-
Depreciation	(9,658)	(6,678)	(13,356)
Balance at the end of the reporting period	637,989	115,004	108,326
Land Lease agreements			
Balance at the start of the reporting period	4,061	41,009	41,009
Additions	79,758	-	-
Sub Lease agreement	-	-	-
Depreciation	(10,700)	(18,474)	(36,948)
Balance at the end of the reporting period	73,119	22,535	4,061
Total Right-of-use assets	711,108	137,539	112,387
Lease liabilities			
Wind right and land lease agreements			
Balance at the start of the reporting period	167,294	218,974	218,974
Additions	619,079	-	-
Interest expense	7,962	5,727	11,320
Lease payments	(41,136)	(31,500)	(63,000)
Balance at the end of the reporting period	753,199	193,201	167,294
Total Lease liabilities	753,199	193,201	167,294
Lease liabilities are made up as follows:			
Current portion	76,066	46,652	28,260
Non-current portion	677,133	146,549	139,034
Total Lease liabilities	753,199	193,201	167,294

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

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	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (audited)
Amounts recognised in the income statement:			
Interest charges for lease liabilities	7,962	5,727	11,320
Expense relating to leases of low-value (included in lease and rental expenses)	679	679	1,358
Expense relating to variable lease payments not included in lease liabilities* (included in lease and rental expenses)	(3,139)	12,410	16,150

* Variable lease payments not included in lease liabilities relate to royalty expenses above contracted minimum amounts.

The Group's leases typically include renewal options. The Group must assess whether it reasonably expects (or not) to exercise these when determining the lease term.

There are 4 leases where the Group has assessed it does not reasonably expect to exercise all available renewal options, resulting in potential future lease payments not currently being included in the lease liability recognised for these leases of:

- Period: 6 - 50 years.
- Annual payments: \$2,000 – \$25,000 (based on current lease payments amount)

During the reporting period, lease-related cash outflows amounted to \$41,136 for repayments (30 June 2024: \$63,000).

10. Term loan

The Group's current facility with Bank of New Zealand (BNZ) expires on 30 October 2025. The loan is subject to normal competitive commercial interest terms and covenants, including interest cover and leverage ratios. The facility was amended in November 2024 to extend the term of the Facility Agreement, update the facility amount, and implement other minor changes. The total cost of finance of the loan reflects the 90 day Bank Bill rate plus a margin.

The Group was compliant with all loan covenants (30 June 2024: compliant with all loan covenants).

There is a general security interest on all the Group's property and registered first mortgage over property situated at North Range Road, Mangahao, held by BNZ.

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (audited)
Term Loan			
Balance at the start of the reporting period	-	7,574,311	7,574,311
Drawdown	-	-	-
Amortisation of borrowing costs	-	13,070	13,070
Principal repayments	-	(7,587,381)	(7,587,381)
Balance at the end of the reporting period	-	-	-

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

11. Financial instruments and Risk management

The interim consolidated financial statements do not include all financial risk management information and disclosures and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2024.

There have been no other significant changes in the financial risk management objectives and policies since 30 June 2024.

12. Te Rere Hau Wind Farm asset impairment

The Group has two cash generating units which are the Te Rere Hau (TRH), and Hau Nui wind farms (30 June 2024: one cash generating unit). The Group acquired the Hau Nui wind farm asset in November 2024.

The 'value in use' method has been used to establish the recoverable value of the assets of the wind farms based on forecast cash flows over the assumed remaining wind farm economic life. A salvage value of residual assets is included as a terminal value. During the year ended 30 June 2024, the Group carried out a review of the carrying values of the assets in accordance with NZ IAS 36 - Impairment of Assets.

The value in use calculation indicated that there was a reversal of impairment of \$5,299,189 for the year ended 30 June 2024 (Prior year: impairment of \$7,836,895). The impairment has been allocated to property plant and equipment and intangible assets.

The details of the key assumptions to the value in use method are remaining useful life, electricity price, output, operating and capital costs, terminal value, inflation and the discount rate.

Management has not updated any of the impairment calculations to 31 December 2024. The Group carries out a full value in use test annually at year end.

13. Related party transactions

Directors' remuneration

Directors' remuneration of \$213,200 was paid and expensed during the reporting period (six months ended 31 December 2023: \$213,200; Year ended 30 June 2024: \$426,400).

Key management

Key management personnel includes the Board of Directors, CEO and GM Operations. Key management personnel short term employee benefits, excluding remuneration to Directors, were \$309,913 during the reporting period ended 31 December 2024 (six months ended 31 December 2023: \$259,420; Year ended 30 June 2024: \$945,303).

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

14. Earnings and Net tangible assets per share

The basic and diluted earnings per share are calculated using the net result attributable to shareholders of the Company as the numerator.

	6 months ended 31/12/2024 (unaudited)	6 months ended 31/12/2023 (unaudited)	Year ended 30/06/2024 (restated)
Earnings per share			
Net profit (loss) for the year	2,666,954	(3,147,357)	208,077
Weighted average number of shares on issue over reporting period	363,900,692	309,427,839	336,440,404
Basic earnings (loss) per share	0.0073	(0.0102)	0.0006
Diluted earnings per share	0.0073	(0.0102)	0.0006

The basic and diluted earnings per share are calculated using the net result attributable to shareholders of the Company as the numerator.

Net tangible assets per share

Net assets	51,272,399	45,190,459	48,605,445
Less:			
Intangible assets	2,300,119	2,602,621	2,368,132
Deferred tax	645,101	2,548,775	1,693,566
Carbon credits	2,415	-	-
Net tangible assets	48,324,764	40,039,063	44,543,747
Weighted average number of shares on issue over reporting period	363,900,692	309,427,839	336,440,404
Net tangible assets	0.1328	0.1294	0.1323

The net tangible assets per share is calculated using the total equity less intangible assets and deferred tax attributable to shareholders of the Company as the numerator.

The total shares on issue at 31 December 2024 was 363,900,692 (six months ended 31 December 2023: 363,900,692).

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

15. Segment analysis

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors, CEO and GM Operations, in order to allocate resources to the segment and to assess its performance.

The NZ Windfarms Group operates in one segment, being the generation for sale of renewable electricity to the national grid in New Zealand. Sales of electricity are made via Energy Clearing House Limited (a 100% owned subsidiary of NZX Limited), representing 100% of the Group's trading revenue.

As there is only one reportable segment for the Group the segment profit represents profit earned for the segment after all costs including all administration costs, Directors' fees, salaries, interest revenue, finance costs and income tax expense.

The Board makes resource allocation decisions to this segment based on the expected cash flows and results of Group operations as a whole. No operations were discontinued during the year. For the purposes of monitoring segment performance and allocating resources to the segment, the Board monitors the tangible, intangible and financial assets attributable to the segment. All assets are allocated to the reportable segment.

Notes to the Condensed Consolidated Interim Financial Statements

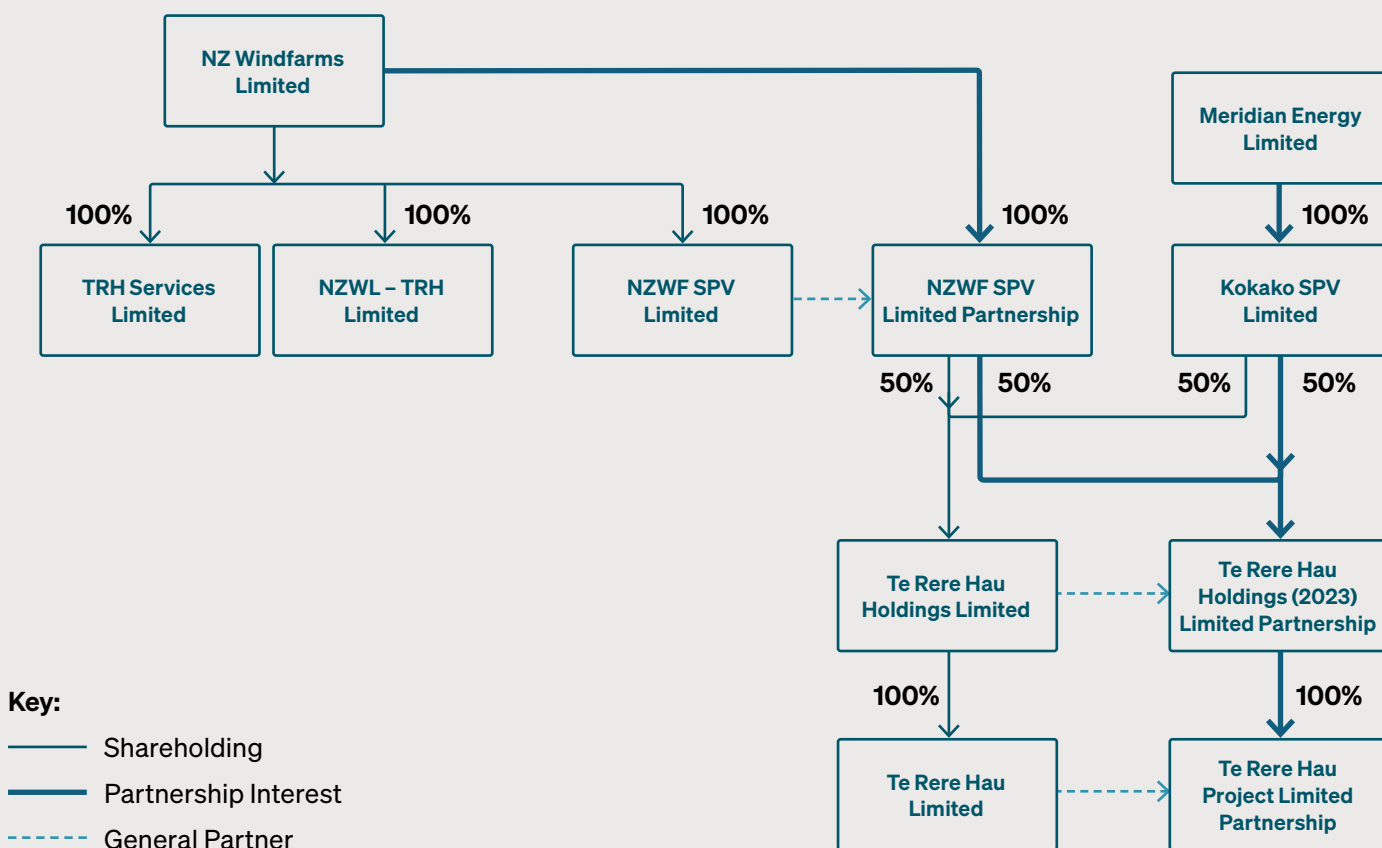
NZ Windfarms Limited

For the 6 months ended 31 December 2024

16. Repower project update

As at 31 December 2024, a number of Limited Partnership (LP) / General Partnership (GP) entities have been established:

- NZ Windfarms equity capital raise entities (NZWF SPV Ltd / NZWF SPV Limited Partnership),
- the repower project investment holding entities (Hold Co) (Te Rere Hau Holdings Ltd / Te Rere Hau Holdings (2023) Limited Partnership), and
- the project development, operation and asset holding entities (Project Co) (Te Rere Hau Ltd / Te Rere Hau Project Limited Partnership).



Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

17. Significant events subsequent to reporting period end

On 19 February 2025, the Group announced it has entered into a Scheme Implementation Agreement (SIA) with Meridian Energy Limited (Meridian). Under the terms of the SIA, Meridian will acquire all the shares in NZ Windfarms through a court-approved arrangement for 25 cents per share (Scheme).

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.

There are no other events subsequent to the reporting period which require disclosure in the financial statements.

18. Prior period adjustment

In the financial statements for the year ended 30 June 2024, the transfer of internal development costs, transfer of assets, and provision of development services to Te Rere Hau Limited Partnership was initially recognised as a capital contribution to the joint venture and classified as an equity investment in joint ventures in the consolidated statement of financial position at 30 June 2024.

However, according to the investor agreement, these transfers and services entitle the Group to a contractual right to receive cash from the joint venture, which should be recorded as trade and other receivables. Upon executing the Subscription Agreement and subject to its terms, the Group is likely to exchange these receivables as part of its capital contribution to the joint venture.

The below market component of the receivables were allocated to the Investment in joint arrangement.

The impact of this restatement on the financial statements is summarised below, with no effects noted for the year ended 30 June 2023.

Notes to the Condensed Consolidated Interim Financial Statements

NZ Windfarms Limited

For the 6 months ended 31 December 2024

	2024 (\$)	Adjustment 30 June 2024 (\$)	Restated 2024 (\$)
Consolidated Statement of Financial Position as at 30 June 2024			
Investment in equity-accounted joint ventures	3,200,597	(3,200,597)	-
Trade and other receivables*	2,107,933	3,262,380	5,370,313
Accumulated losses - Net Profit/(Loss) after tax	146,294	61,783	208,077
Consolidated Statement of Cash Flows for the year ended 30 June 2024			
<i>Operating Activities</i>			
Payments to suppliers and employees	(7,237,900)	(300,010)	(7,537,910)
<i>Investing Activities</i>			
Investment in joint arrangement	(300,010)	300,010	-
Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024			
Share of Te Rere Hau Project Limited Partnership	(426,910)	61,783	(365,127)
Income tax expense/(benefit)	220,539	(17,299)	203,240
Basic earnings per share	0.0004	0.0002	0.0006
Diluted earnings per share	0.0004	0.0002	0.0006

* On 21 December 2023, the Group transferred from its intangible assets to the joint venture the amount of its development costs (primarily consent costs) incurred up to the date of the Investors' Agreement. This should have been classified as receivables rather than intangible assets as at 31 December 2023. The effect of the restatement on the interim report 31 December 2023 comparative figures is summarised below.

	31 December 2023 (\$)	Adjustment 31 December 2023 (\$)	Restated 31 December 2023 (\$)
Condensed Consolidated Interim Statement of Financial Position as at 31 December 2023			
Investment in joint venture	-	302,687	302,387
Intangible assets	5,538,730	(2,936,109)	2,602,621
Trade and other receivables	2,166,455	2,633,422	4,799,877

Corporate Directory

NZ Windfarms Limited

For the 6 months ended 31 December 2024

Directors

Craig Stobo (Chairperson)
Patrick Brockie
Christine Spring
Philip Cory-Wright

Leadership Team

David Prentice (Chief Executive Officer)
Adam Radich (General Manager Operations & Development)
Melanie Strydom (Chief Financial Officer – Naylor Lawrence & Associates)

Registered Office

376 North Range Road
RD 1
Palmerston North 4471
T: +64 6 280 2773
E: info@nzwindfarms.co.nz

Share Registrar

Shareholders with enquiries about transactions, change of address or dividend payments should contact the Share Registrar.

Link Market Services Limited
Level 30, PwC Tower
15 Customs Street West
Auckland, 1010
T: +64 9 375 5998
E: enquiries@linkmarketservices.co.nz

Auditor

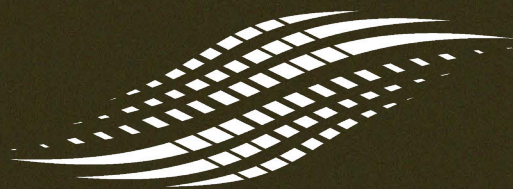
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