

**25 October 2024**

**NZX Announcement**

**For immediate release**

**NZ WINDFARMS ACQUIRES HAU NUI WIND FARM FROM GENESIS ENERGY - PROVIDES UPDATE ON TE RERE HAU REPOWER, DEVELOPMENT PIPELINE AND UPGRADED GUIDANCE.**

NZ Windfarms (NZX Code: NWF) is delighted to announce that it has acquired Hau Nui wind farm from Genesis Energy.

Meaning 'big wind' in te reo Māori, Hau Nui is located approximately 21km south-east of Martinborough and was the first wind farm built in New Zealand. It includes 15 Enercon turbines with a capacity of 8.65 MW and was built in two stages – the first stage in 1996 comprising of seven 550kw turbines and stage 2 added in 2004 with a further eight 600kw turbines.

There are several key strategic and operational factors behind the decision to acquire Hau Nui:

- Top class wind resource (Class 1) with a number of options available for repowering;
- Creates diversity in our portfolio and maintains a revenue stream during the decommission and repower of Te Rere Hau windfarm;
- Unique opportunity to align ongoing maintenance, operation and repowering activities at Hau Nui with those at Te Rere Hau and use the experience gained from Te Rere Hau to achieve economies of scale and positive economic outcomes.

It should be noted that 5 of the turbines are not currently operating and 2 operate at a reduced capacity. From an operational perspective, the intention is to run the existing fleet while undertaking necessary refurbishment and explore repowering options in parallel based on the learnings gained through the proposed repower of Te Rere Hau windfarm.

The annual output from Hau Nui is expected to be between 12 and 15 GWh which as a comparison, is between 12% and 14% of Te Rere Hau's current output.

The acquisition will be funded out of existing cash reserves and the purchase became unconditional on 25 October 2024 with settlement due to occur on 25 November 2024.

**Update on Te Rere Hau Repower Project**

The Te Rere Hau (TRH) Repower project that NZ Windfarms is undertaking in a 50:50 Joint Venture with Meridian Energy continues to make good progress across many fronts. We are currently

targeting to make a Final Investment Decision (FID) in June 2025 which is 6 to 8 weeks later than originally envisaged.

#### *Update on Equity Raise Process*

As part of the TRH Repower project, we are currently completing preparations to raise NWF's share of additional equity for the joint venture and in August we launched an Expression of Interest (EOI) phase to seek responses in relation to this equity investment.

The EOI phase saw interest from a number of potential equity investors. A small number of parties have been selected to be part of the detailed due diligence phase. The response from the potential equity investors has been very positive.

While the equity process and wider procurement process is ongoing, at this stage we expect the equity to be secured at an implied premium to the current share price.

NZWF are working through potential structures for funding such equity. This will be developed during the detailed due diligence phase, however we expect most of the equity will be invested at the TRH repower project level which is 50% owned by NZ Windfarms parent company.

The detailed due diligence phase is planned to conclude at the end of 2024, at which point we expect to select a preferred party.

#### **Update on Development Pipeline**

NZ Windfarms have landowner agreements in place for several other 'greenfield' wind development sites across New Zealand and are actively undertaking wind measurement and effects assessments in preparation for consent and development. We have also purchased a number of met masts to inform energy yield assessments for these sites.

One of these sites is the previously consented, unbuilt Class 1 site "Motorimu" which is located in the Tararua just south of Turitea Windfarm which we are planning to have at FID by the end of 2029.

We will provide further updates to shareholders at such time as investment decisions are made or commercial agreements reached.

#### **Upgraded Guidance**

We have updated our EBITDAF guidance to allow for the extra generation from the existing Te Rere Hau windfarm in FY25 as well as the impact of Hau Nui windfarm.

Note that for Hau Nui, we have assumed that this will not contribute any EBITDAF in FY25 as this will be offset by costs around initial refurbishment and maintenance works.

For Te Rere Hau, we are 100% hedged on generation output for FY25 and 100% hedged through to FID if this is delayed into FY26 (but no later than September 2025).

Based on our EBITDAF forecast for FY25, we previously estimated the range to be between \$3.0m - \$5.5m. **The Board now expects a higher FY25 EBITDAF to be between \$4.5m and \$6.0m.**

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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