



NZ Windfarms Ltd  
POWERED BY NATURE

# Interim Results Presentation

For the period ending 31 December 2024

# About NZ Windfarms Ltd

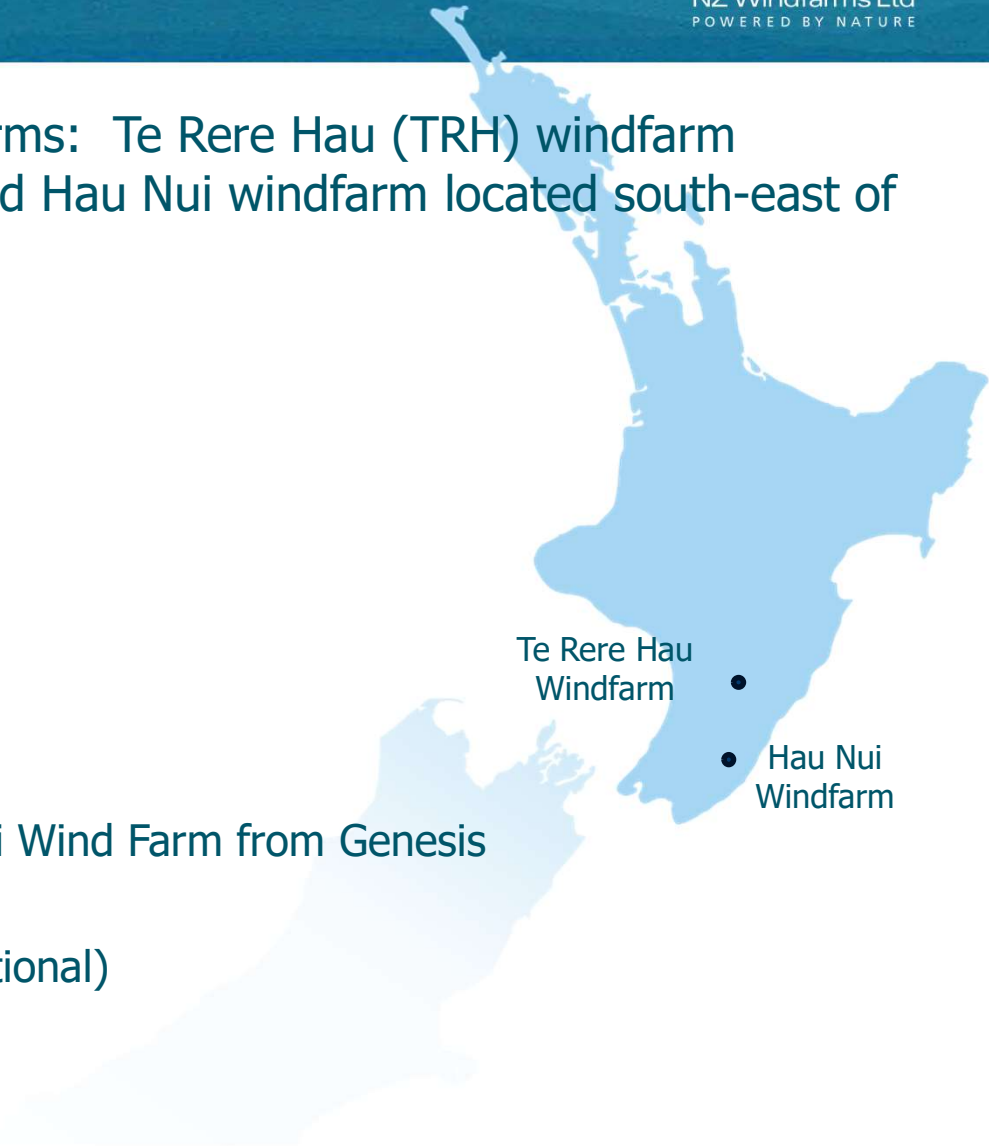
NZ Windfarms owns and operates two wind farms: Te Rere Hau (TRH) windfarm approximately 11km from Palmerston North and Hau Nui windfarm located south-east of Martinborough

## Te Rere Hau

- 91 x 500kW wind turbines
- 45.5 MW nameplate capacity
- 30m hub height – 33m rotor diameter
- 324 hectare freehold farm

## Hau Nui

- Recently announced the purchase of Hau Nui Wind Farm from Genesis Energy
- 7 x 550kW wind turbines (5 no longer operational)
- 8 x 600Kw wind turbines
- 8.65 MW nameplate capacity
- 46m hub height – 40m rotor diameter



# Key Metrics

Solid financial performance for the half year underpinned by favourable hedged electricity prices offset by a decrease in generation from lower average mean wind speeds

Net Electricity Revenue

**\$6.1 m**

(pcp: \$6.3 m)

EBITDAF <sup>(1)</sup>

**\$3.0 m**

(pcp: \$3.6 m)

NPAT

**\$2.7m**

(pcp: -\$3.1 m)



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: 9.8m/s)



Operating cashflow

**\$2.5 m**

(pcp: \$1.2 m)

Availability

**96.5%**

(pcp: 96.9%)

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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# Operational Update



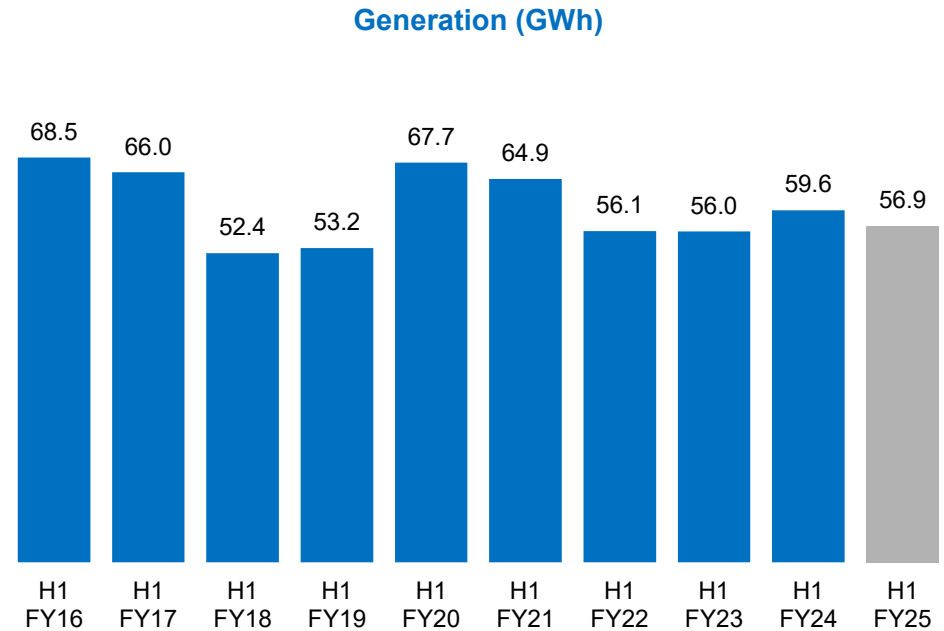
# Health and Safety

- 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 the first half of FY25, there were zero recordable lost time injuries (2024: zero)
- 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

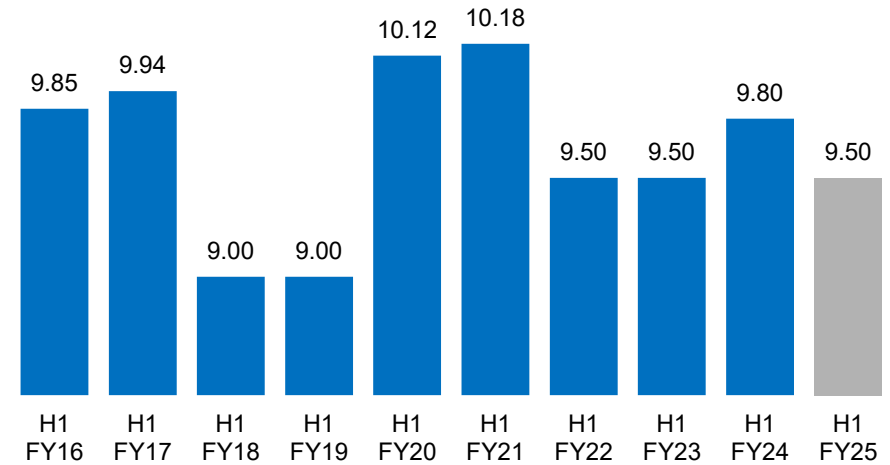
- Generation decreased by 4.5% compared with H1 FY24
- Included 1.775 GWh contribution from Hau Nui in December
- Decrease primarily driven by lower average mean wind speed compared to H1 FY24



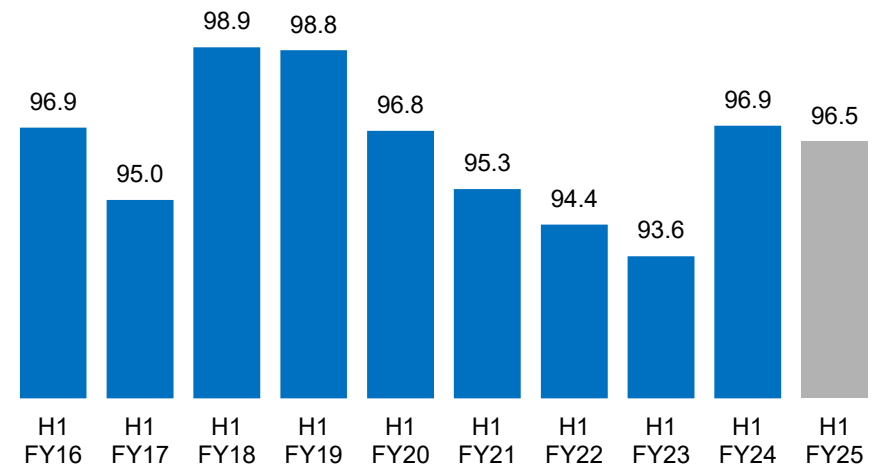
# Average Wind Speed and Availability

- A decrease in the average mean wind speed from 9.8m/s to 9.5m/s resulted in a lower H1 generation of 56.9 GWh
- Availability was marginally lower than H1 FY24 from optimisation of capital investment into the fleet as we approach FID for the repower of Te Rere Hau.
- Availability remained above manufacturers benchmark of 95%

Average Mean Wind Speed (m/s)

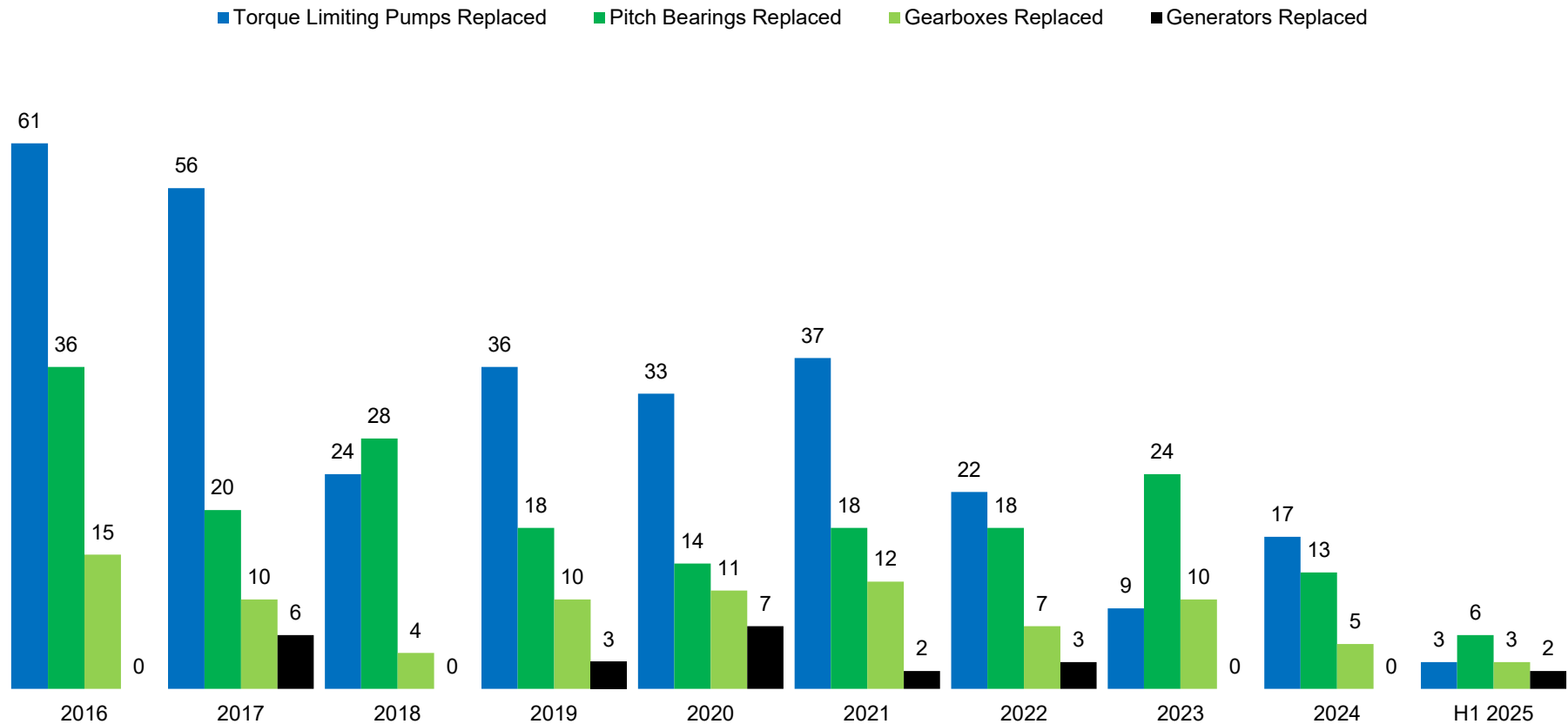


Availability (%)



# Key components replaced

## Key Components Replaced



- Spare component usage is down due to lower winds and optimisation of spares as we get closer to FID on Te Rere Hau



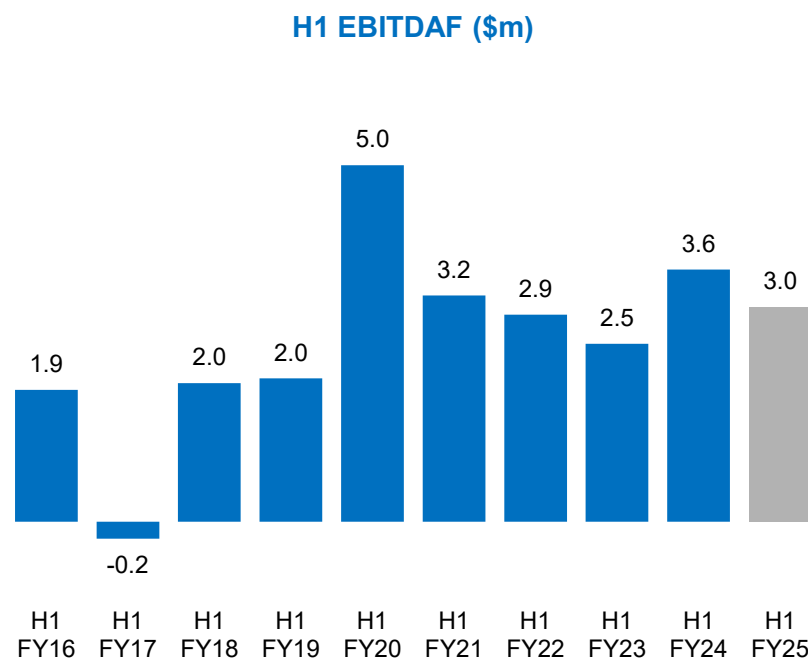


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# Financials

# EBITDAF

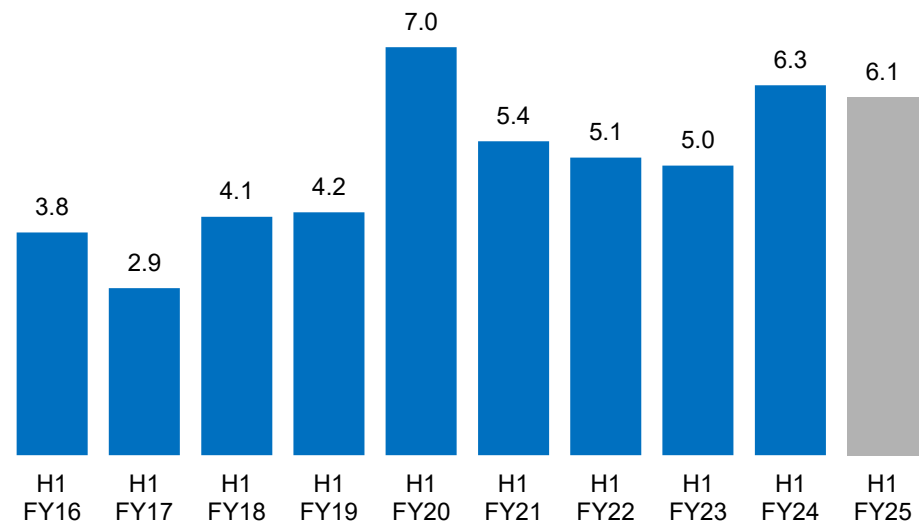
- EBITDAF decreased 17% to \$3.0m from \$3.6m.
- The major factors contributing to EBITDAF are:
  - Generation volume decreased by 4.5%
  - 100% of TRH generation hedged by VVFPAs
- Total Operating Expenses increased by 18% to \$3.3m from \$2.8m. Majority of operating expense increases are attributed to:
  - Hau Nui operating costs of \$89k
  - T3 substation shared costs increase of \$200k
  - Use of contract staff contributing a \$89k increase



# Net Electricity Revenue

- Net Electricity Revenue decreased by 3.2% from \$6.3m to \$6.1m
- Driven by a 4.5% decrease in generation volume

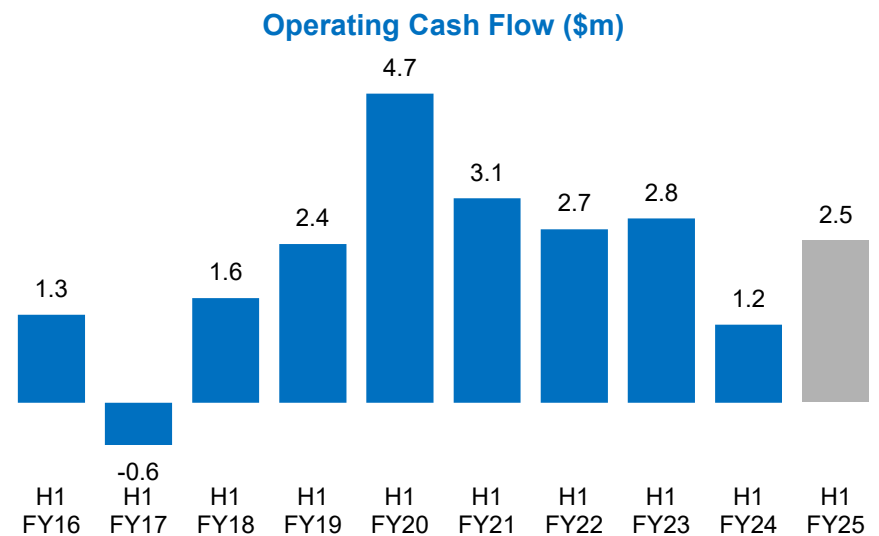
Net Electricity Revenue (\$m)





# Operating Cashflows

- Operating cash flow has increased by 108% to \$2.5m
- The \$1.3m improvement in operating cash flows was primarily due to the following major contributing factors:
  - \$796k improvement in the settlement of derivatives - \$256k cash inflow in the current period versus \$540k cash outflow in the prior period
  - \$90k cash inflows from the new renewable energy certificate revenue stream
  - In the prior period interest payments of \$228k were made due to the BNZ facility. In the current period, no interest was due as the facility was fully repaid



# Prior period adjustment – Initial JV transactions

- **Initial recognition**

- Internal development costs, transfer of assets, and provision of development services to Te Rere Hau Limited Partnership were initially recognised as a capital contribution to the joint venture (JV).
- This was classified as an Equity Investment in Joint Ventures in the consolidated statement of financial position at 30 June 2024.

- **Technical Advice & Prior Period Adjustment**

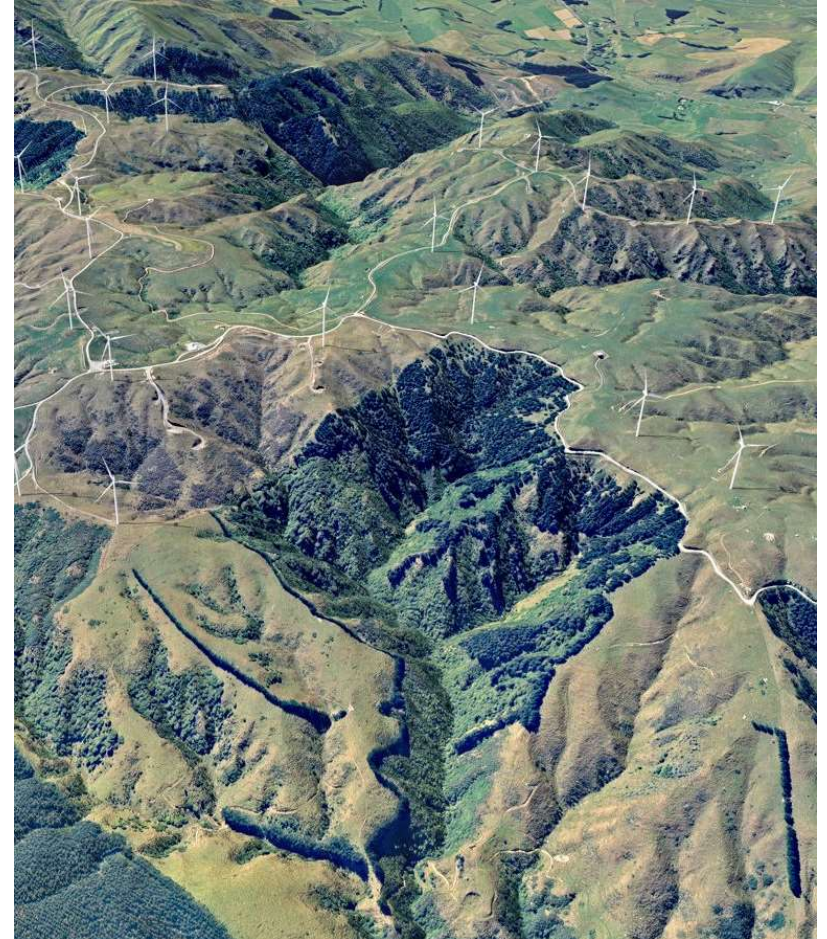
- For consistency of treatment with NWF's partner in the JV, NWF sought expert external technical advice on appropriate treatment of the initial JV transactions.
- It was concluded that the initial JV transactions needed to be accounted for as a Financial Asset rather than an Equity investment in the JV as the Investors Agreement entitles the Group to a contractual right to receive cash from the JV. The Group is likely to exchange these receivables as part of its equity contribution to the JV.
- This requires a prior period (non-cash) adjustment to be disclosed in both FY25 interim accounts and year-end accounts. NWF's auditors concur with this approach.
- In addition to the above, another prior period adjustment relates to the timing of the \$2.9m development costs transferred to the JV on 21 December 2023. The transfer was recorded in the latter half of the financial year instead of the first half. The adjustment corrects the timing of this transaction also.

# Dividends and Outlook

- Continue to transition from a historic focus on dividends to investing for future growth in the company
- For this reason, the Board have decided to continue to pause dividends

## EBITDAF guidance

- Wind volumes have been materially lower than long run averages since 1 Jan 2025
  - This has negatively impacted January and early February performance
  - 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
- 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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# Scheme Implementation Agreement

# Te Rere Hau windfarm: Repowering

- 50:50 joint venture established with Meridian Energy Limited in relation to the repower of Te Rere Hau
- Targeting Final Investment Decision (FID) in June 2025
- Last August we launched an Expression of Interest to seek responses in relation to raising NWFs share of equity in the joint venture
- A small number of parties were selected for the detailed due diligence phase which was undertaken from November 2024 to January 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

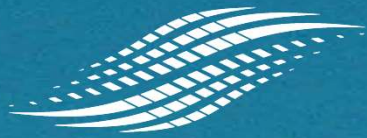


# Details of Scheme Implementation Agreement with Meridian Energy - Post Balance Date



- On 3 February 2025, separate from the equity arranging process, Meridian Energy submitted a non-binding indicative proposal to acquire 100% of the issued share capital of NZ Windfarms
- On 19 February 2025, it was announced that the NZ Windfarms 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.
- This represents an equity value for NZ Windfarms of approximately NZ\$91m and, as at the close of trading on 18 February 2025:
  - a premium of 107% to NZ Windfarms' share price; and
  - a premium of 96% to NZ Windfarms' 90-day VWAP
- 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
- Robert Stone and Salt Funds Management who together own approximately 14% of NZ Windfarms, are supportive of the transaction and have entered into voting deeds to vote their shares in favour of the Scheme
- NZ Windfarms shareholder approval will be sought at a special meeting of shareholders expected to be held in May 2025.





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[www.nzwindfarms.co.nz](http://www.nzwindfarms.co.nz)

**Contact:**  
David Prentice  
CE  
E: [info@nzwindfarms.co.nz](mailto:info@nzwindfarms.co.nz)  
P: +64 (6) 280 2773

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