



NZ Windfarms Ltd  
POWERED BY NATURE

# Half Year Results Presentation

For the period ending 31 December 2021

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Some non-GAAP financial measures could be used in this document and these are usually defined as footnotes. Financial information should be read in conjunction with the latest audited financial statements for the Company available at [www.nzwindfarms.co.nz](http://www.nzwindfarms.co.nz)

- **Mr Craig Stobo appointed independent chairman from 1 February 2022.**
- **Fast-track resource consent referral submitted to Ministry for the Environment. A successful decision will allow the repower to progress down fast-track consent pathway. A decision is pending.**
- **Generation: 56.1 GWh** (pcp: 64.9 GWh)
- **Average Wind Speed : 9.5 m/s** (pcp: 10.2 m/s)
- **Availability: 97.5%** (pcp: 95.3%)
- **Lost time injuries (LTI): 1 x LTI** (pcp: zero)
- **NZ Windfarms continued to benefit from the Variable Volume Fixed Price Agreements (VVFPA).**
- **Costs control despite COVID-19 impacts, supply chain and inflationary environment.**
- **Debt refinanced and increased for another three years.**
- **Increased debt will support unconditional adjacent land purchase and resource consent costs.**

# Key Financial Metrics - Half Year Ended: 31 December 2021

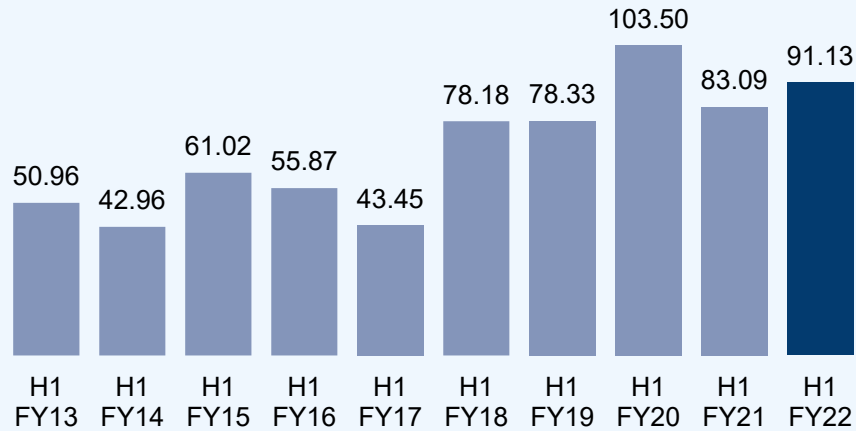
- **Net Electricity Revenue<sup>(1)</sup>: \$5.1m** (pcp: \$5.4m)
- **Net Electricity Price GWAP<sup>(2)</sup>: \$91.13 per MWh** (pcp: \$83.09 per MWh)
- **EBITDAF<sup>(3)</sup>: \$2.9m** (pcp: \$3.2m)
- **Operating Cash Flow: \$2.7m** (pcp: \$3.1m)
- **NPAT: \$4.37m** (pcp: \$0.32m)
- **Q2 FY22 Dividend - (announced today) to be paid 4 April 2022: 0.23 cps unimputed** (pcp: 0.15 cps)
- **Revised Forward EBITDAF Guidance FY2022:** We anticipate EBITDAF in the range of **\$6.5m to \$7.5m**. The revision is based on lower expected full year generation.

(1) Net Electricity Revenue – Electricity sales revenue less realised gain (loss) on derivatives.

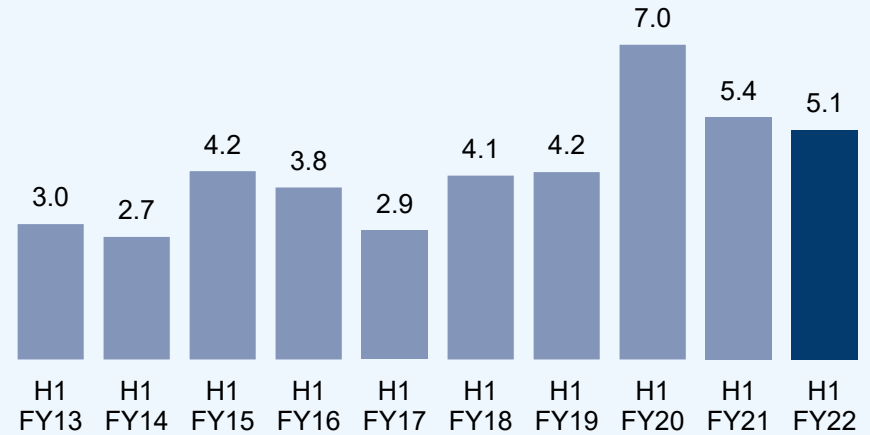
(2) Net Generation Weighted Average Price = (electricity sales + gain on realised derivatives – loss on realised derivatives) / generation

(3) EBITDAF - Earnings before interest, tax, depreciation, amortisation, and fair value adjustments. 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. Please note NZ Windfarms definition may be different to others in the market. Please refer to the EBITDAF waterfall chart for a reconciliation of EBITDAF to the financial statements.

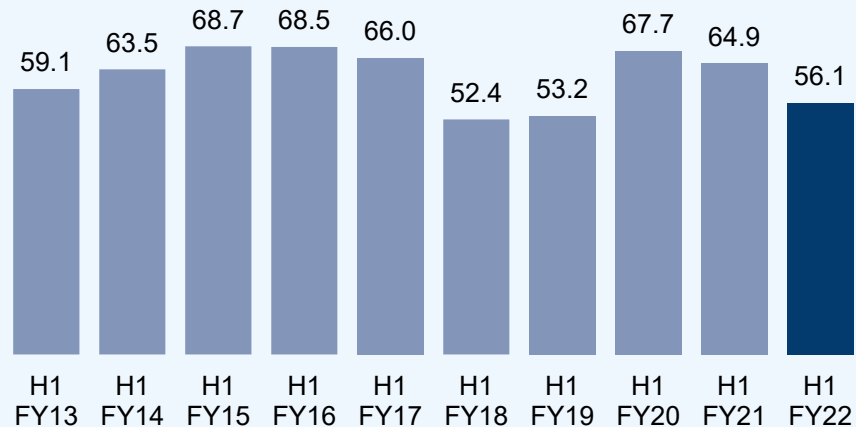
### H1 Net Electricity Price (GWAP \$MWh)



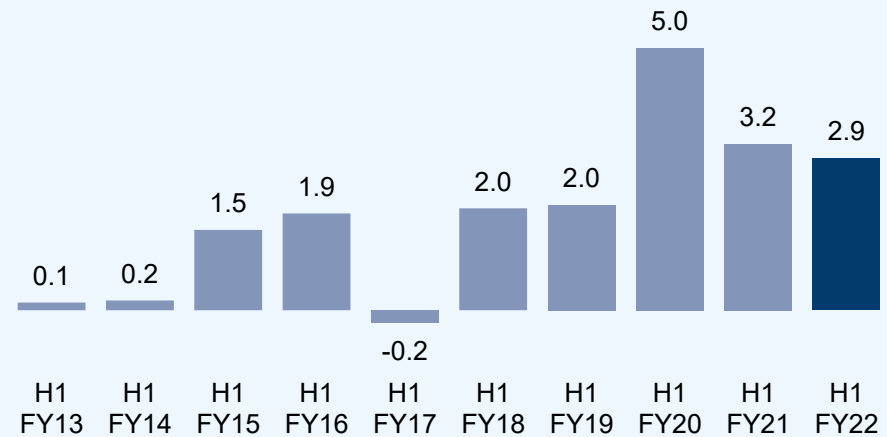
### H1 Net Electricity Revenue (\$m)



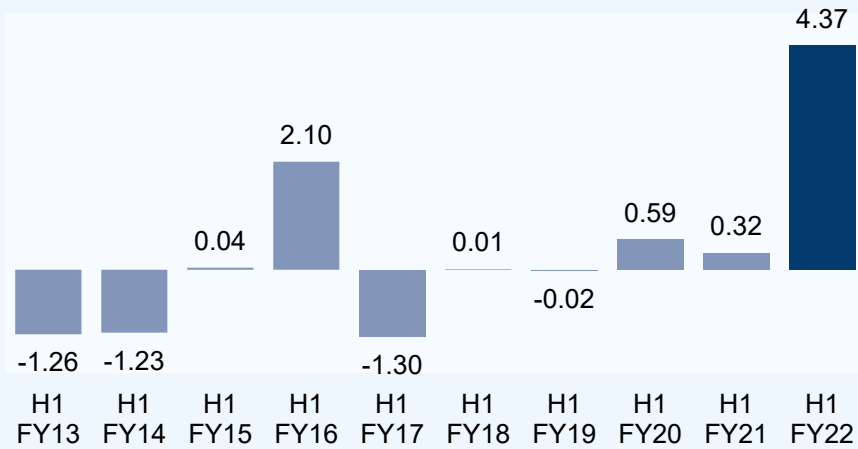
### H1 Generation (GWh)



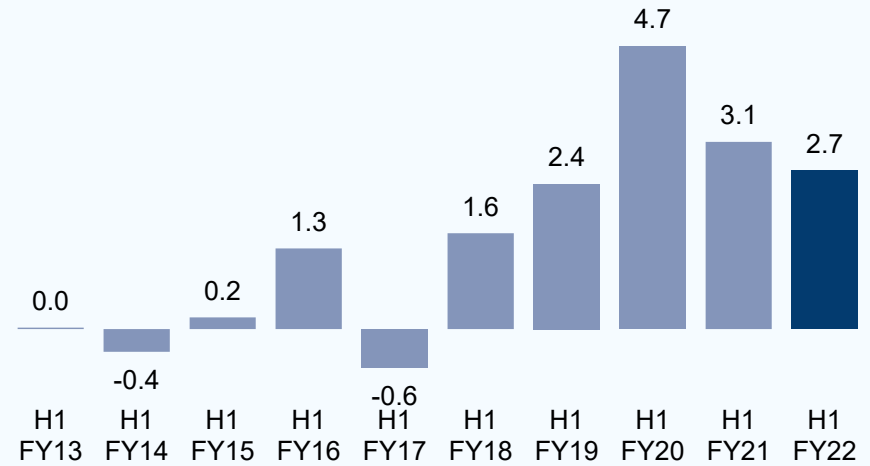
### H1 EBITDAF (\$m)



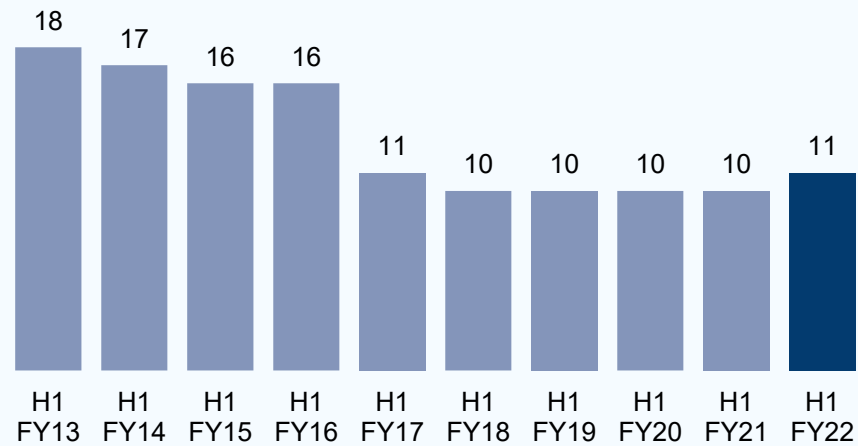
### H1 NPAT (\$m)



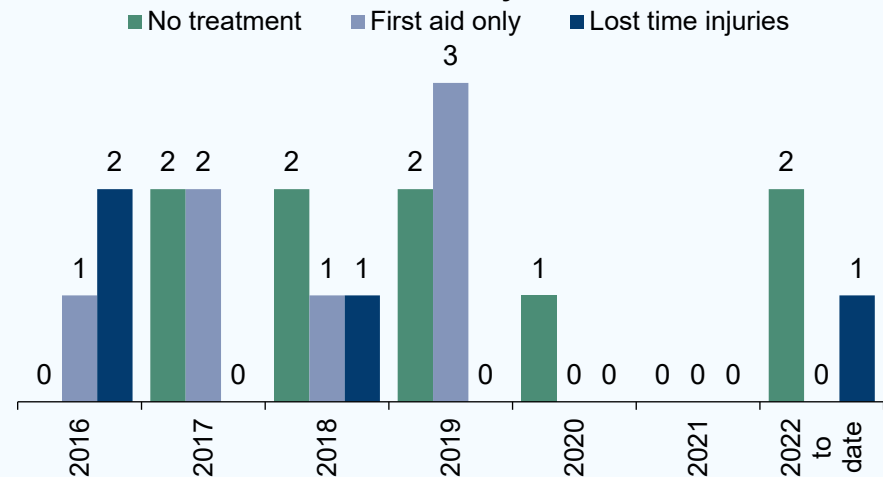
### H1 Operating Cash Flow (\$m)



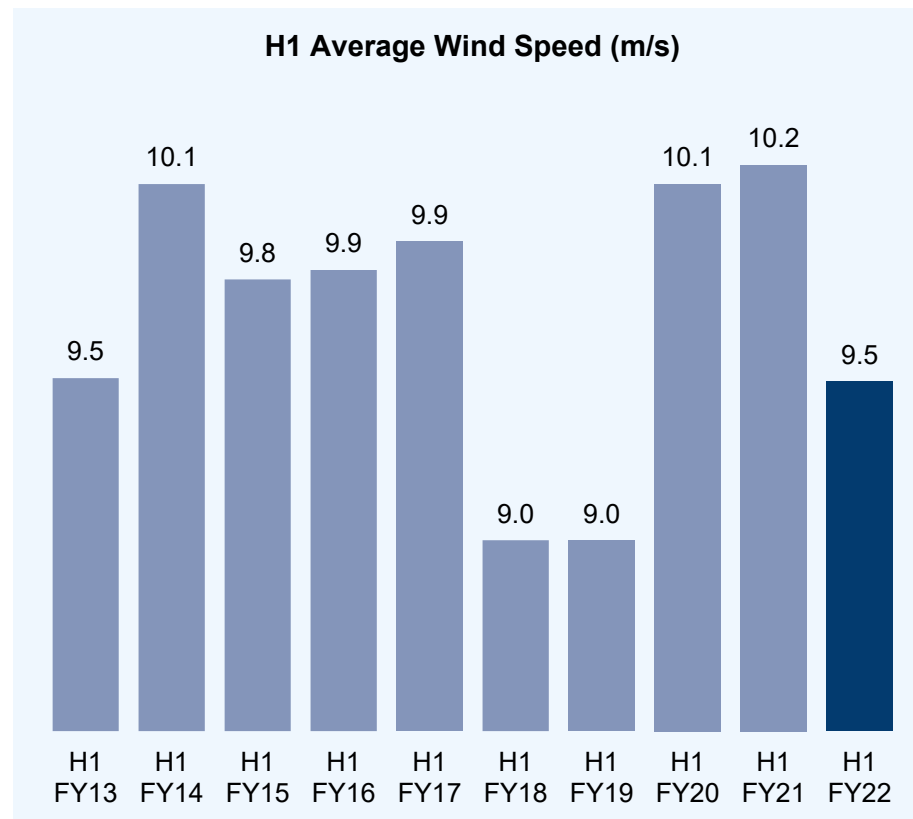
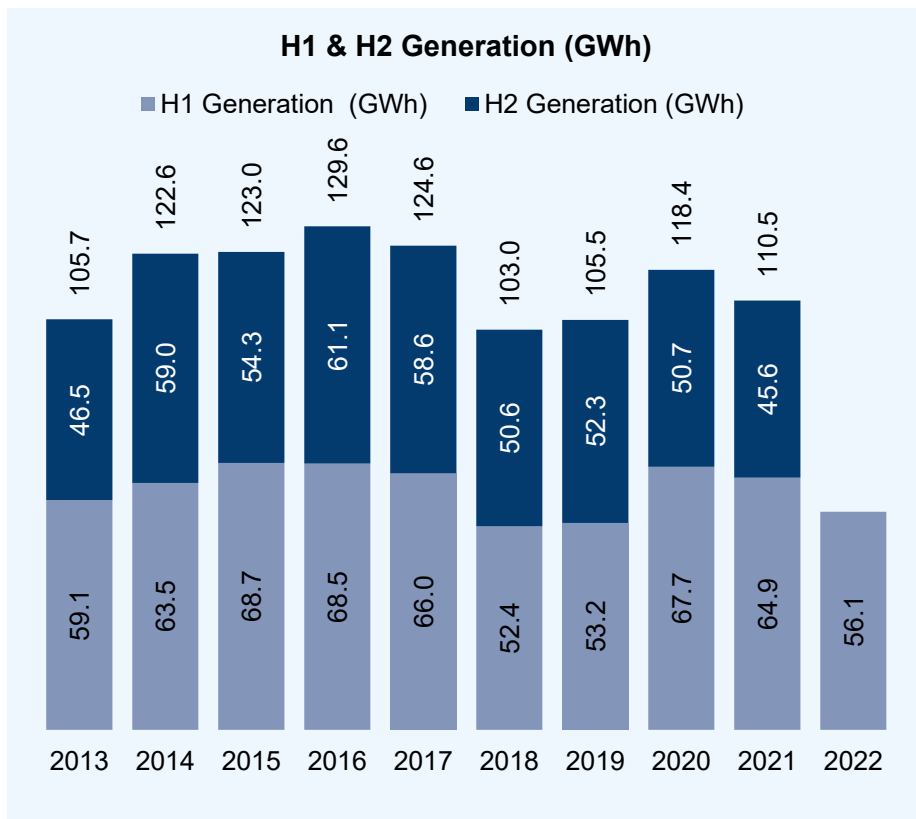
### Staff Numbers



### Health and Safety Metrics



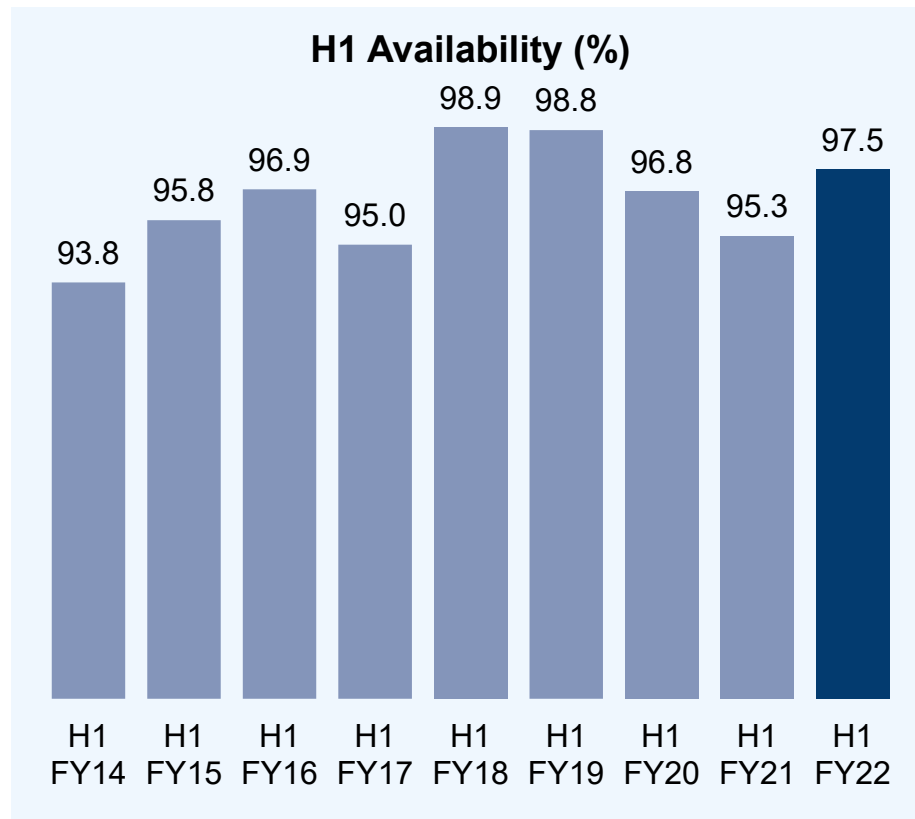
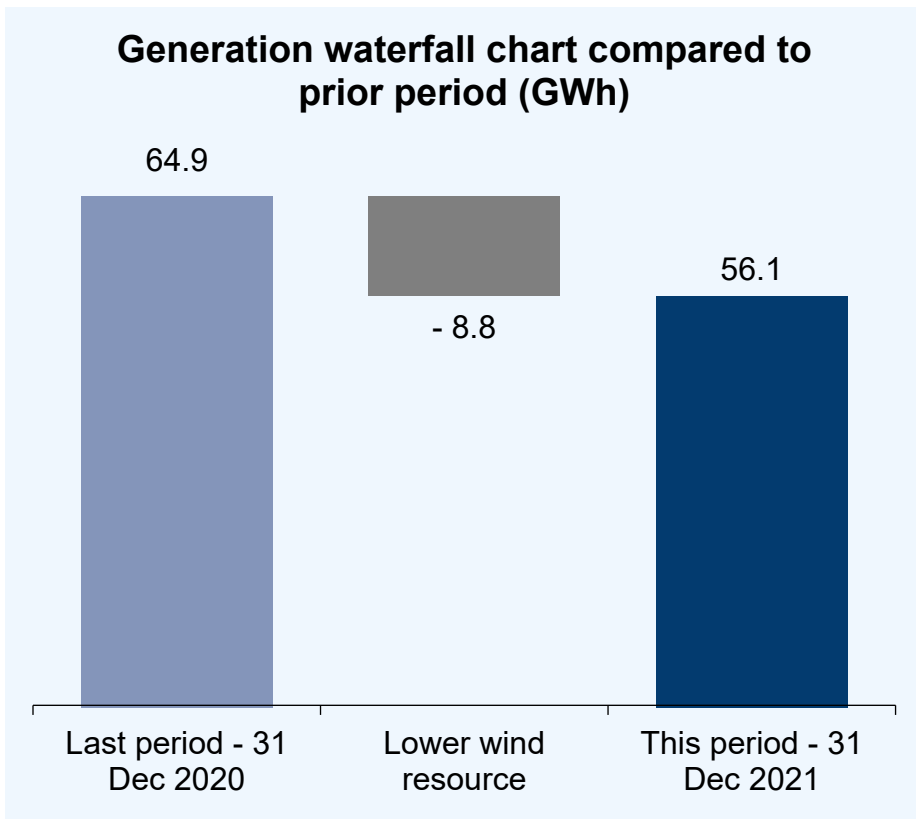
# Generation (GWh) and Average Wind Speed (m/s)



- H1 generation was **56.1 GWh** (pcp: 64.9 GWh).
- Lower generation was driven by lower average wind speeds.

- Generation is correlated to average wind speeds.
- Note the fleet size was initially **97** turbines. **5** turbines have been decommissioned and the operational fleet is now **92**.

# Generation Waterfall Chart (GWh) and Availability (%)



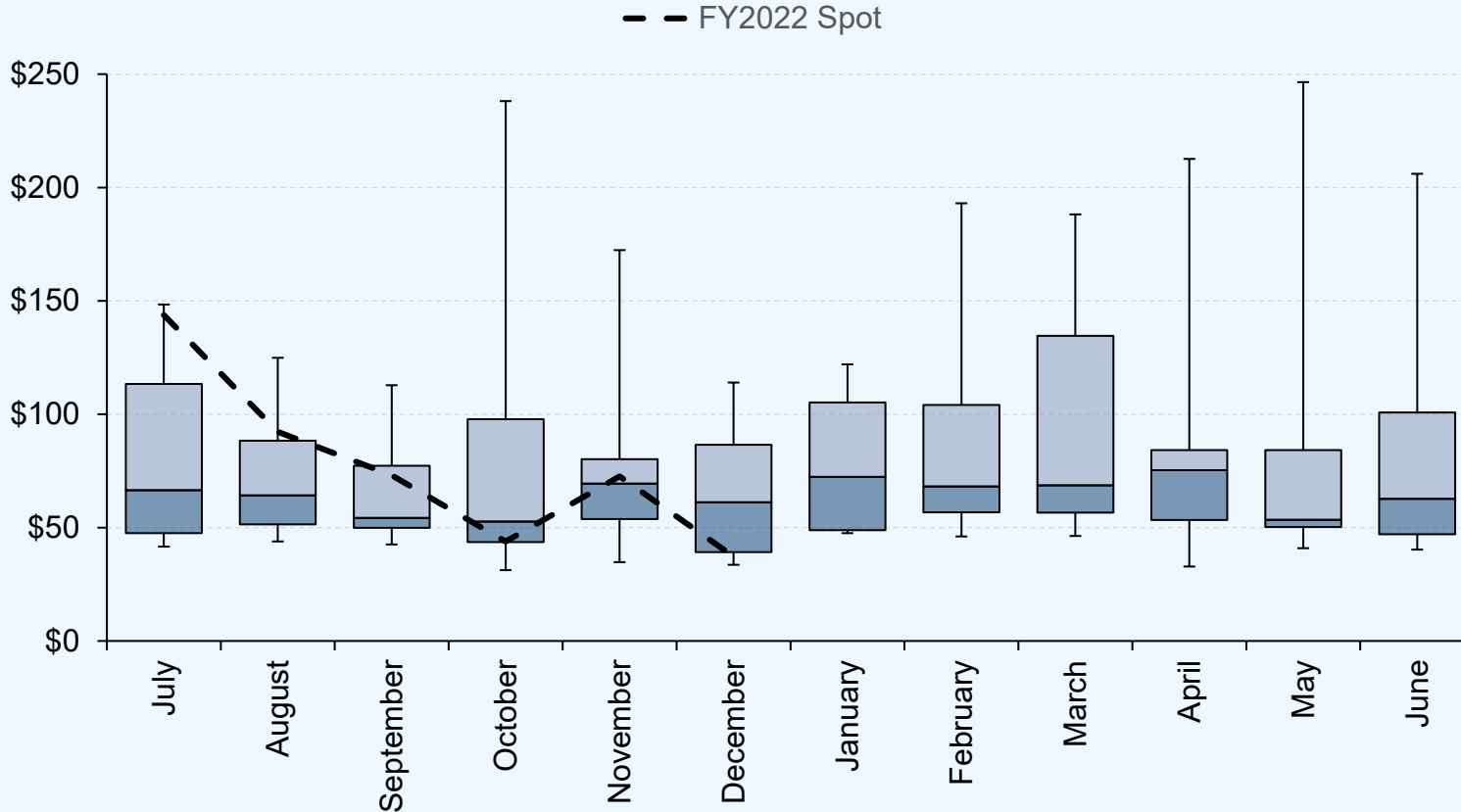
- Generation was **-8.8 GWh** lower than the prior corresponding period.
- This is explained by lower average wind speeds

- Availability for the half year period is **97.5%** (pcp: 95.3%).
- The turbine manufacturers benchmark for availability is **95.0%** and the industry benchmark is **97.0%**.



# Ten year monthly GWAP electricity prices (\$MWh)

## Ten year monthly GWAP electricity prices (\$MWh)



### Chart Description

This is a box and whisker plot to illustrate the dispersion in historic monthly electricity prices received by the Company.

The top whisker denotes the max price received for each month.

The top of each box denotes the 75<sup>th</sup> percentile price.

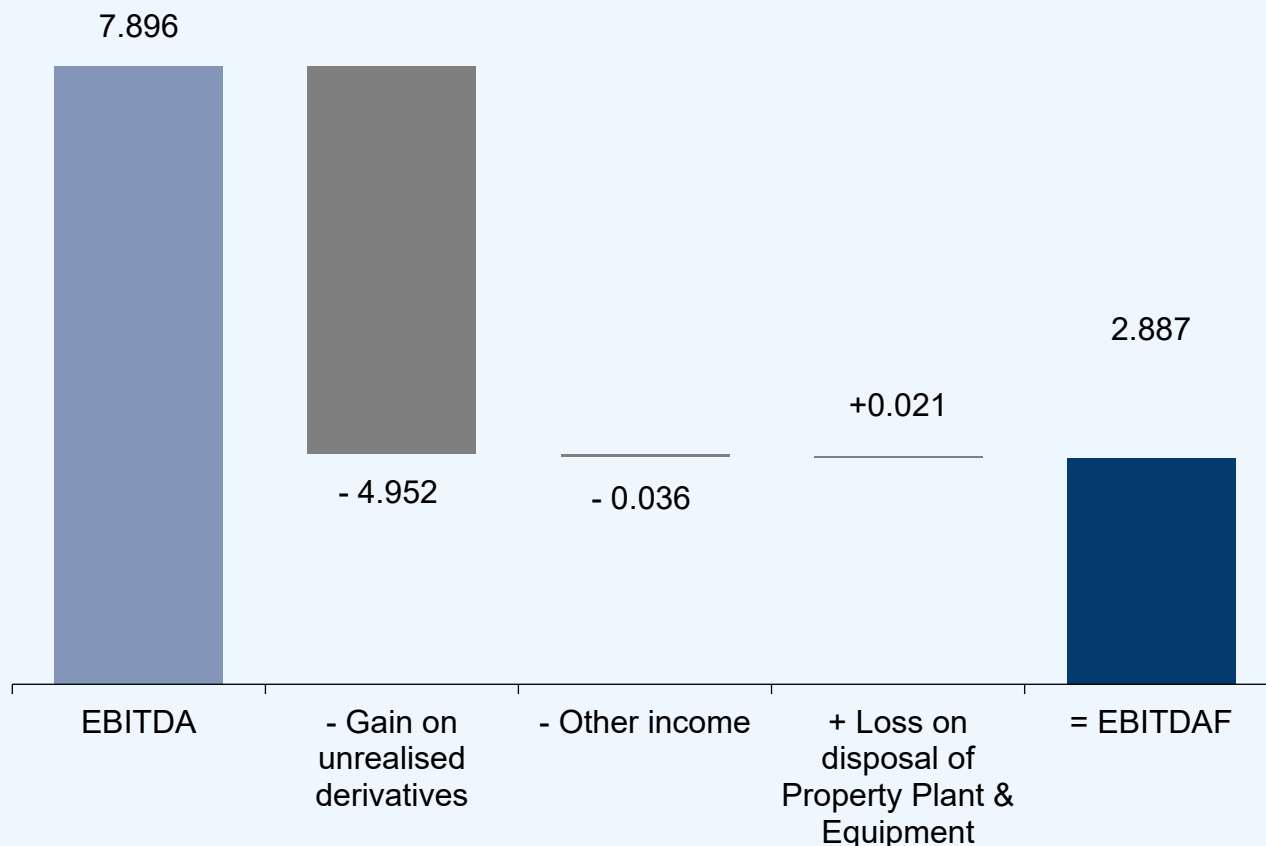
The line in the middle where the colours change denotes the median price (50<sup>th</sup> percentile).

The bottom of each box denotes the 25<sup>th</sup> percentile price.

The bottom whisker denotes the minimum price received for each month.

- Average GWAP monthly spot wholesale electricity prices have been falling compared to the highs seen last period. (Black dashed line).

### H1 EBITDA to EBITDAF Waterfall Chart (\$m)



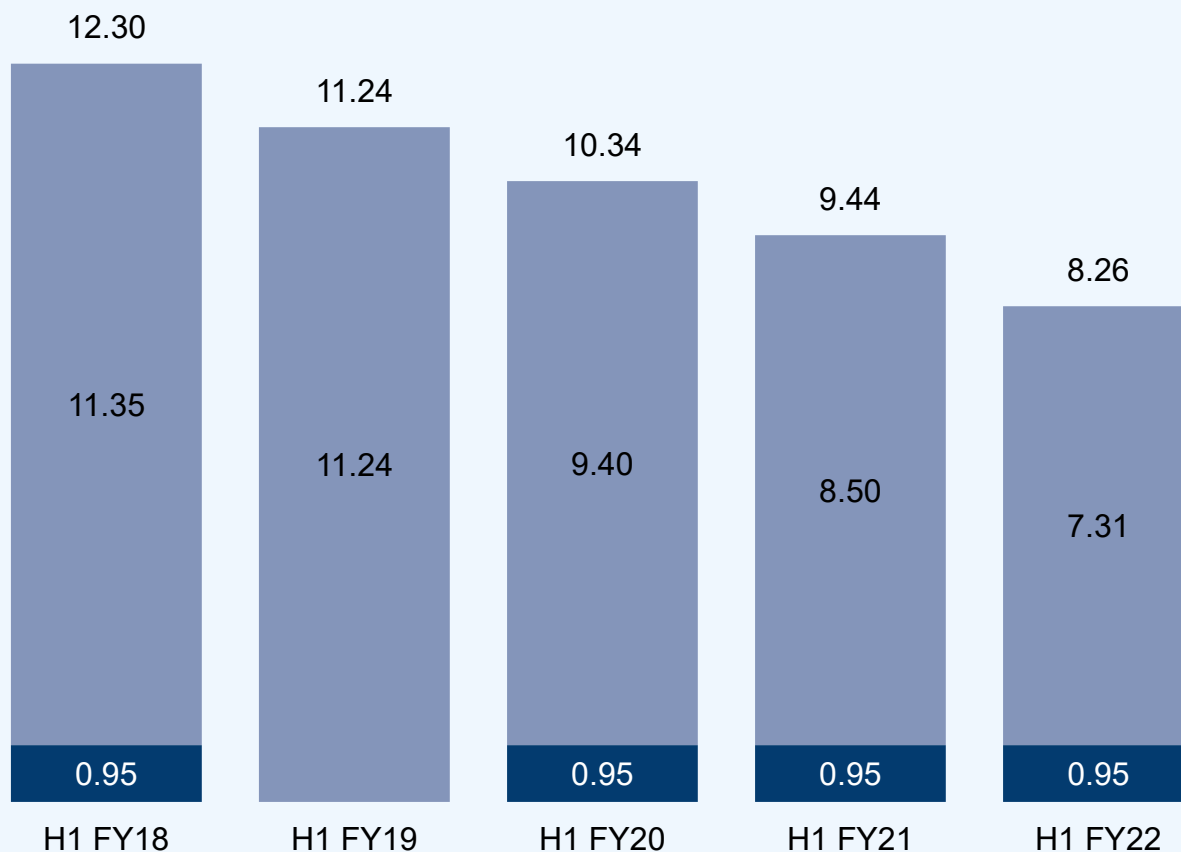
- H1 FY22 EBITDAF was **\$2.9m** (pcp: \$3.1m).
- The Company utilises EBITDAF internally to evaluate profit and loss that relates to the financial period. EBITDAF is non GAAP measure.
- Large unrealised derivative losses at 30 June 2021 have swung around to large unrealised gains at 31 December 2021.
- Unrealised gains and losses are always removed from EBITDAF calculations to more easily compare profit or loss between financial periods.

# Revised FY2022 Forward EBITDAF Guidance

- Lower average wind speeds so far this financial year have resulted in a revision of FY22 EBITDAF expectations.
- Based on actual generation to date (to 25 Feb 2022) and historic averages, the revised full year generation is expected to be nearer to 106 GWh. (FY21: 110.5 GWh).
- This generation impact is partially offset by a higher fixed price for electricity in the second half of FY22, due to the VVFP.
- Considering the generation to date and the higher fixed prices in the second half, **FY22 EBITDAF is now expected to be in the range of \$6.5m to \$7.5m.**
- We note that the revised range is higher than the \$5.1m full year EBITDAF in FY21.
- The EBITDAF range excludes all costs related to investigating the repower and re consenting of Te Rere Hau as all of these costs are expected to be capitalised.
- Guidance is provided on the basis of information available to the Board at this time and is subject to variations such as climatic and other factors.
- Forward electricity generation estimates are based on historical production volumes adjusted for relevant factors including wind generation volatility.
- Guidance will be updated prior to financial year end or sooner if a material event occurs.

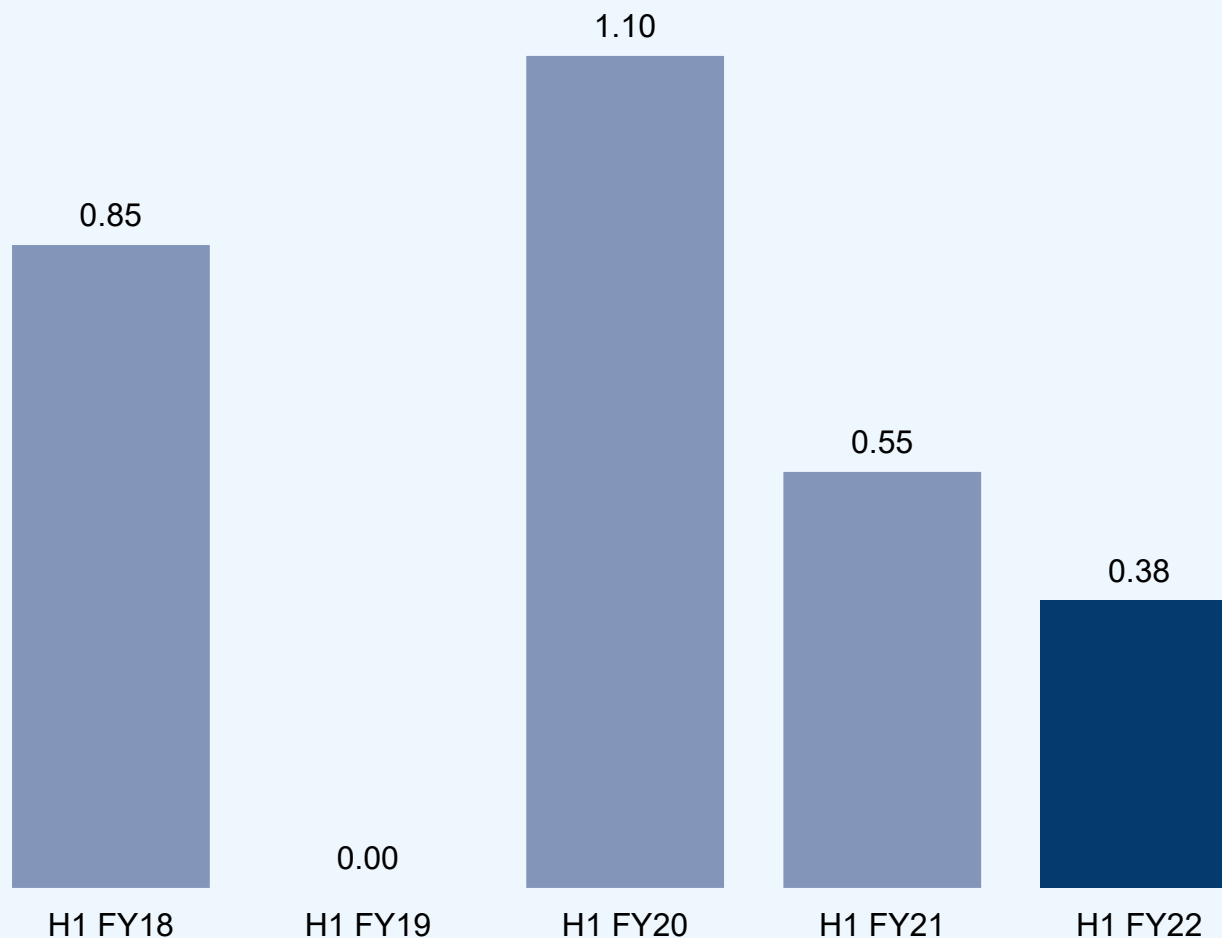
## Bank Debt ( Current and Non-Current \$m)

■ Current Bank Debt (\$m)    ■ Non - Current Bank Debt (\$m)



- Total Bank Debt is **\$8.3m** (pcp: \$9.4m)
- Net debt is **\$6.6m** (pcp: \$6.9m)
- During the half year period the Company amortised **\$0.71m** of principal. (pcp: \$0.47m). (Note: there is a timing difference this period with three quarterly debt repayments compared to two last period).
- \$7.3m of interest rate exposure is fixed to 31 March 2023. The balance has floating rate exposure.

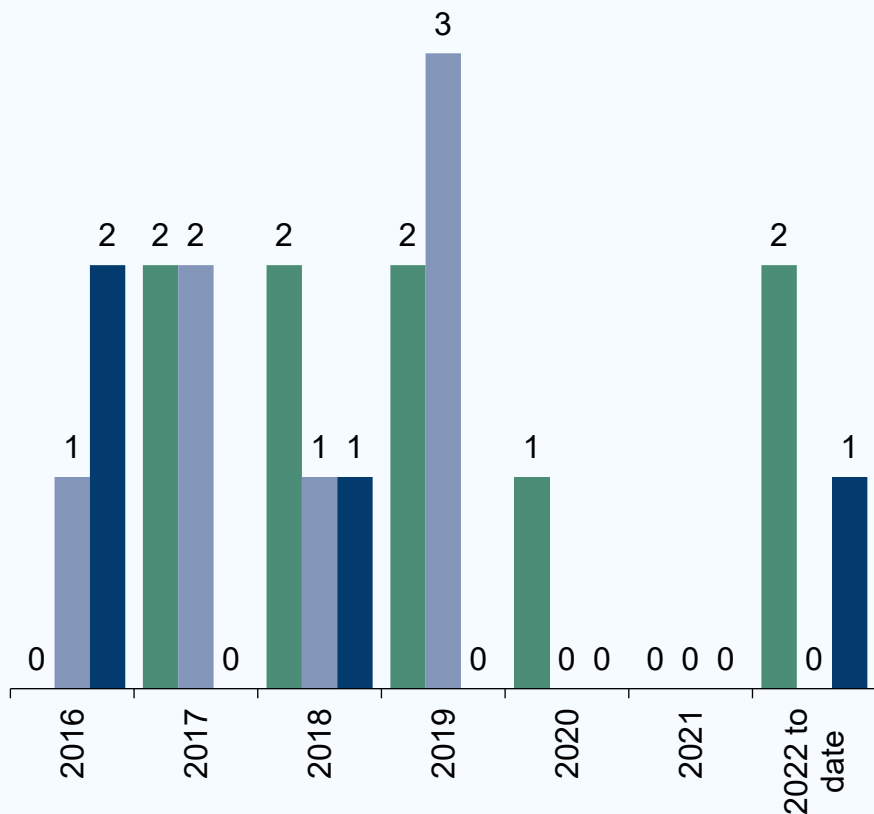
### Interim Dividends (cps)



- The Board announces today that a **0.23 cps** unimputed Q2 / interim dividend will be paid **on 4 April 2022**. Details are included in the accompanying dividend notice.
- This brings the total unimputed dividends paid related to the interim reporting period to **0.38 cps** (pcp: 0.55 cps).

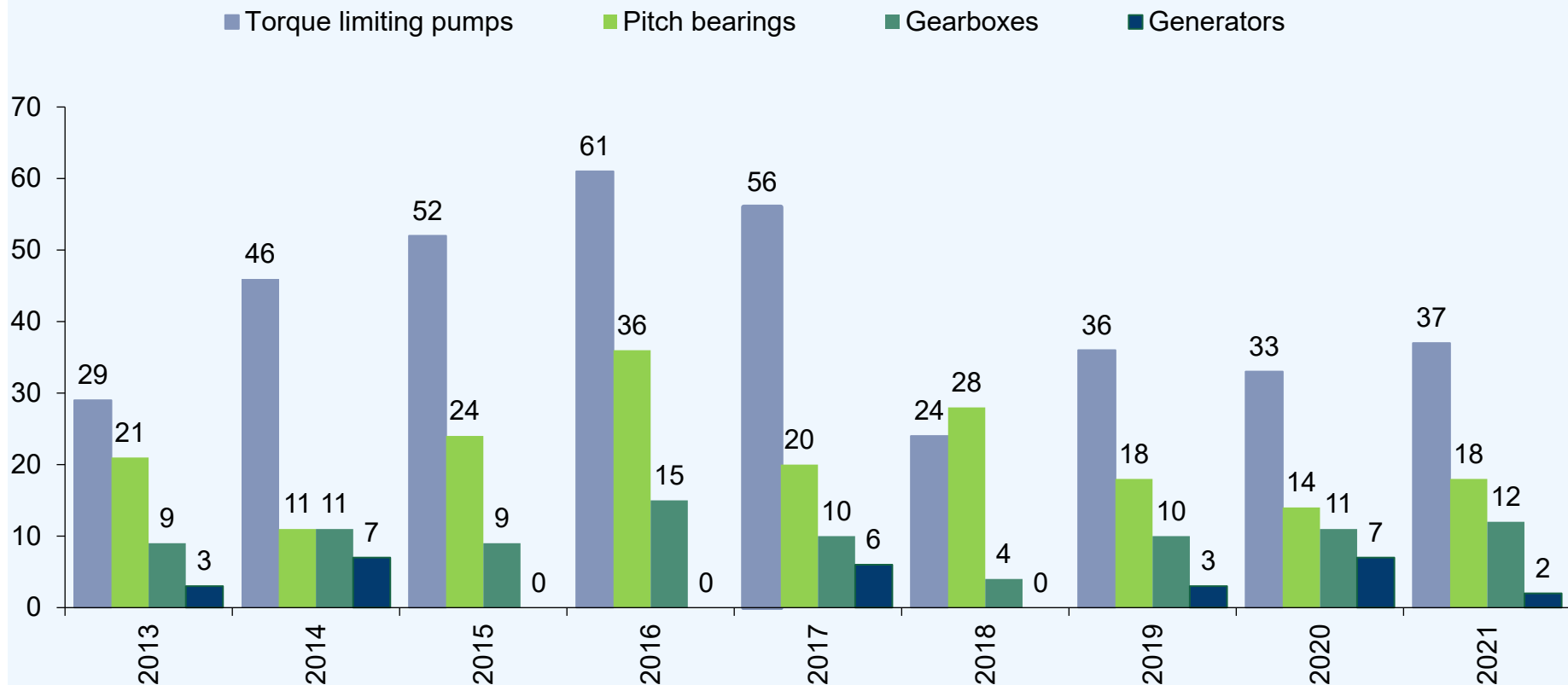
## Health and Safety Metrics

■ No treatment ■ First aid only ■ Lost time injuries



- One Lost Time Injury (LTI) was the result of an employee’s hand being crushed by a pitch rod (large and heavy steel rod) during stowage. Medical care was administered resulting in minor injuries. Waiting for an x-ray appointment during COVID-19 lock downs created the lost time statistic. This LTI did not require WorkSafe involvement.
- Daily tool box meetings are undertaken, along with monthly staff health and safety meetings.
- An independent audit is undertaken of the Company’s health and safety procedures in conjunction with Telarc certification.
- The Board meets its health and safety governance obligations primarily via its health and safety board committee.

## Key Components Replaced (Financial Years)



- Key component replacement is reaching steady state.

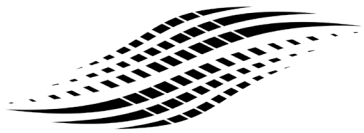
## Snapshot

- We harness the power of wind to generate **clean** and **renewable electricity**.
- Well positioned to support the transition to a **low emissions economy**.
- Te Rere Hau is a world class wind site - **IEC Class 1A** Certification.
- Independent wholesale wind generator.
- Experienced **board** and **management**.
- **92** x **500kW** turbines, **46 MW** nameplate capacity.
- **30m** hub height, **33m** rotor diameter.
- Annual **community engagement** and liaison meetings.
- The project received **resource consent** in 2005 with turbines installed in four stages with the final stage being completed in 2011.
- All maintenance carried out in-house.

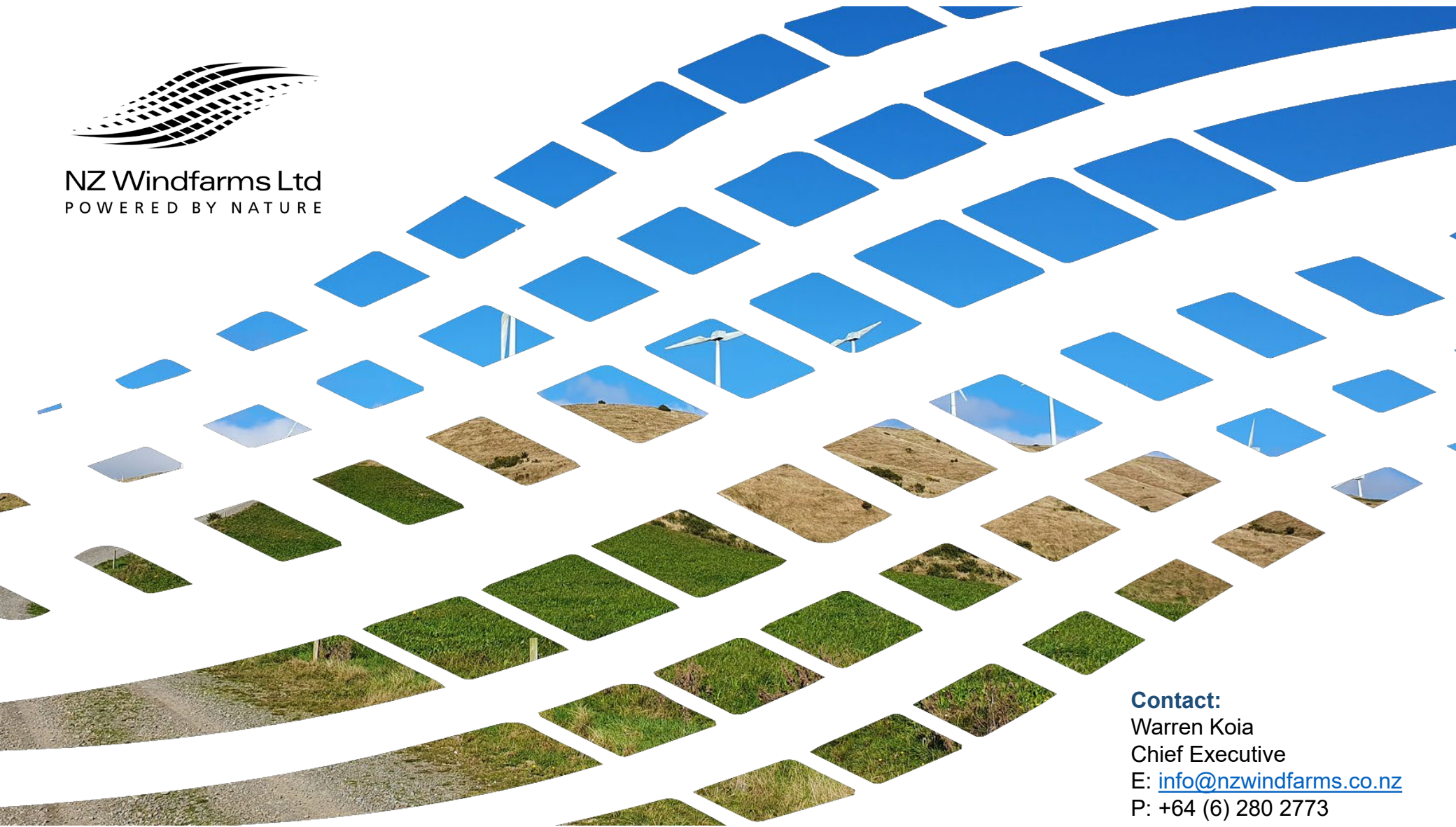
## Asset base

- **92** wind turbines (~**50%** of fixed asset base).
- **56** consented but undeveloped turbine sites.
- **243** hectare freehold farm.
- Land access agreements for **32** turbines (Eastern extension).
- Workshop and office buildings.
- Extensive spares, tools and inventory.
- 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.





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