



NZ Windfarms Ltd  
POWERED BY NATURE

# Half Year Results Presentation

For the period ending 31 December 2022

- The Company maintained comparable operational performance for the half year despite low spot electricity prices and partially hedged generation.
- **Generation: 56.0 GWh** (pcp: 56.1 GWh)
- **Average Wind Speed: 9.5 m/s** (pcp: 9.5 m/s)
- **Availability: 93.6%** (pcp: 94.4%)
- **Net Electricity Price GWAP<sup>(1)</sup>: \$88.67 per MWh** (pcp: \$91.13 per MWh)
- **Net Electricity Revenue<sup>(2)</sup>: \$5.0m** (pcp: \$5.1m)
- **EBITDAF<sup>(3)</sup>: \$2.5m** (pcp: \$2.9m)
- **NPAT <sup>(4)</sup>: \$1.8m** (pcp: \$4.4m)
- **Operating Cash Flow <sup>(5)</sup>: : \$2.8m** (pcp: \$2.7m)
- **Q1 FY2023 Dividend: 0.05 cps unimputed** (pcp: 0.15 cps)
- **Lost time injuries (LTI): Zero** (pcp: One)
- **\$1.35m** of additional debt was drawn during the period to partially support the investment in upfront resource consenting costs and related workstreams.
- **Dividends to be paused**
- **FY2023 EBITDAF Guidance** revised to **\$4.1m to \$5.2m.**

<sup>(1)</sup> Net Generation Weighted Average Price = (electricity sales + gain on realised derivatives – loss on realised derivatives) / generation

<sup>(2)</sup> Net Electricity Revenue – Electricity sales revenue less realised gain (loss) on derivatives.

<sup>(3)</sup> 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.

<sup>(4)</sup> NPAT = Net Profit after tax. This is referred to as total comprehensive income and profit (loss) after tax in the financial statements.

<sup>(5)</sup> Operating cashflow is referred to as net cash inflow (outflow) from operating activities in the financial statements.

- Fast-track resource consent submitted for consideration to the Environmental Protection Authority. **An expert consenting panel has been appointed and consultation is underway.** A successful application would provide the option to repower the Te Rere Hau wind farm.
- The Company is **making progress on the development of commercial structures with a short list of counterparties to develop our wind farm.** Counterparties were identified and have provided Expressions of Interest and non-binding terms to partner with NZ Windfarms. A repower is conditional on both the outcomes of the fast-track consent and ongoing commercial discussions.
- Establishment of our Company purpose: **Empowering Sustainable Communities and Values: Trust, Innovation, Manākitanga and Enjoyment.**
- Surplus cash is being redirected to invest in strategic growth opportunities.

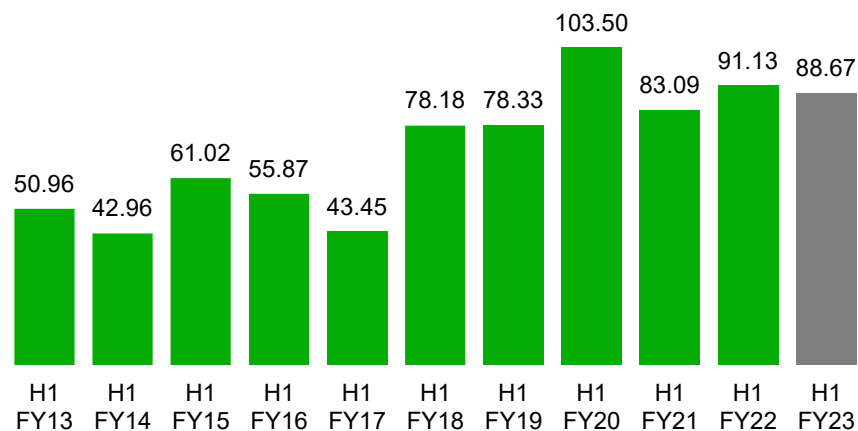
## Snapshot

- 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.

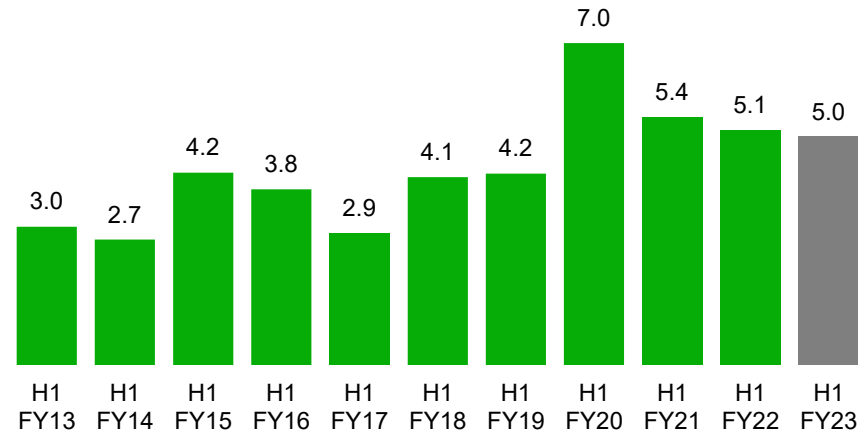
## Asset base

- **92** wind turbines (~**50%** of fixed asset base).
- **56** consented but undeveloped turbine sites.
- **324** 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.

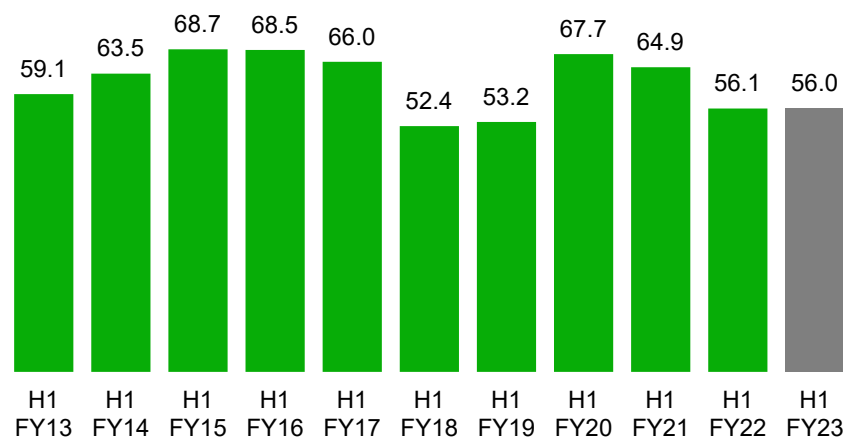
### Net Electricity Price (GWAP \$MWh)



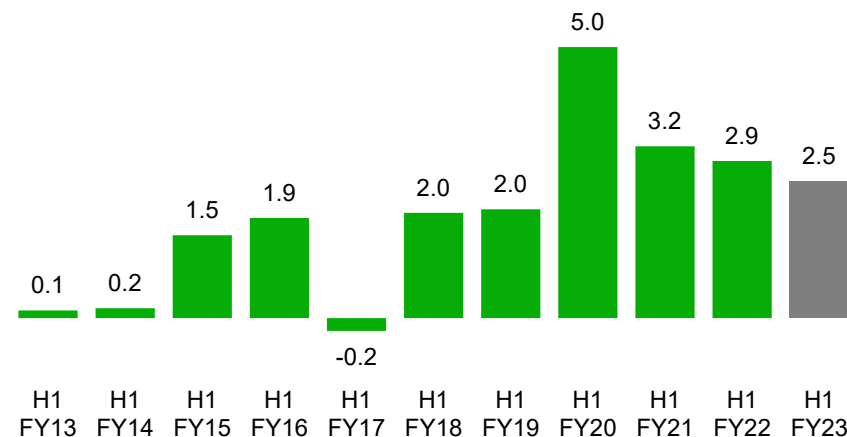
### Net Electricity Revenue (\$m)



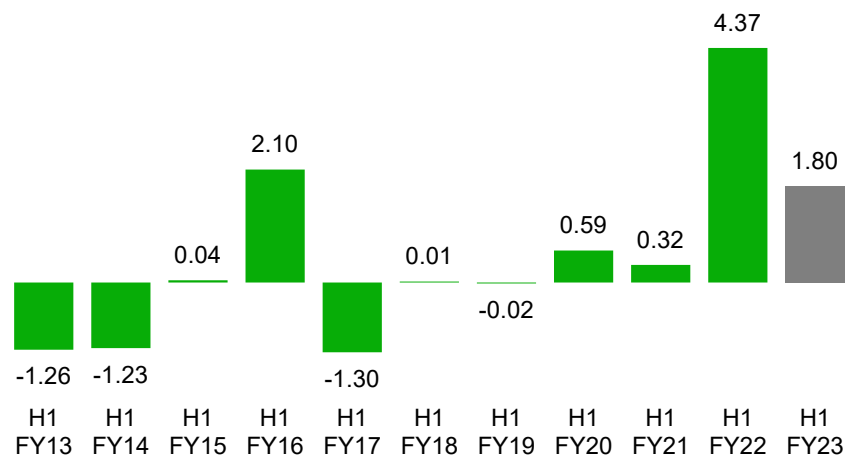
### Generation (GWh)



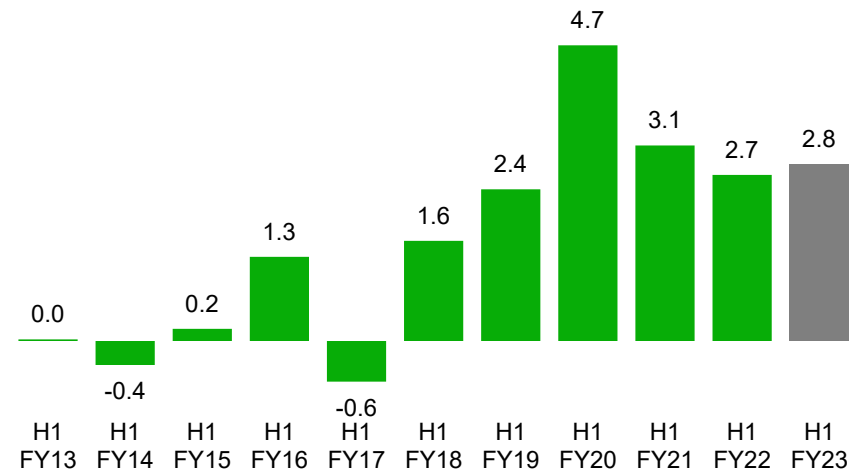
### EBITDAF (\$m)



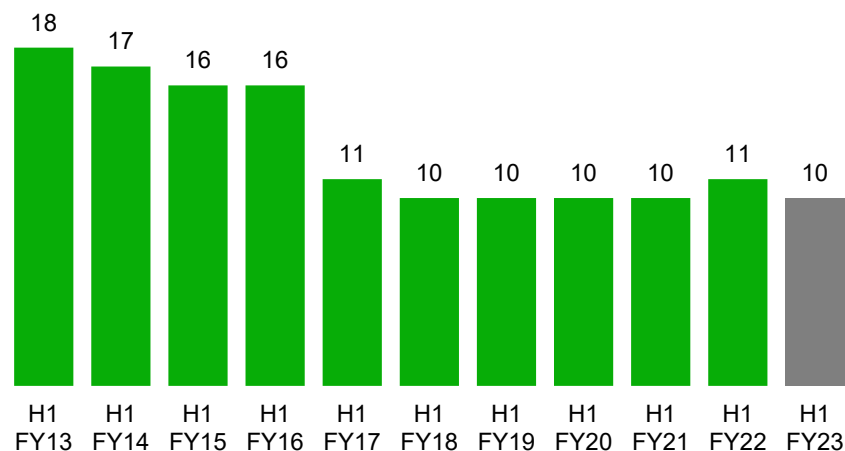
### NPAT (\$m)



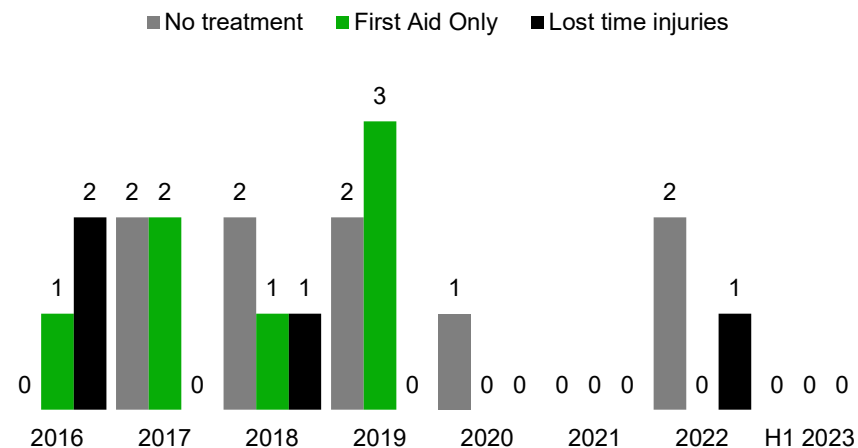
### Operating Cash Flow (\$m)



### Staff Numbers

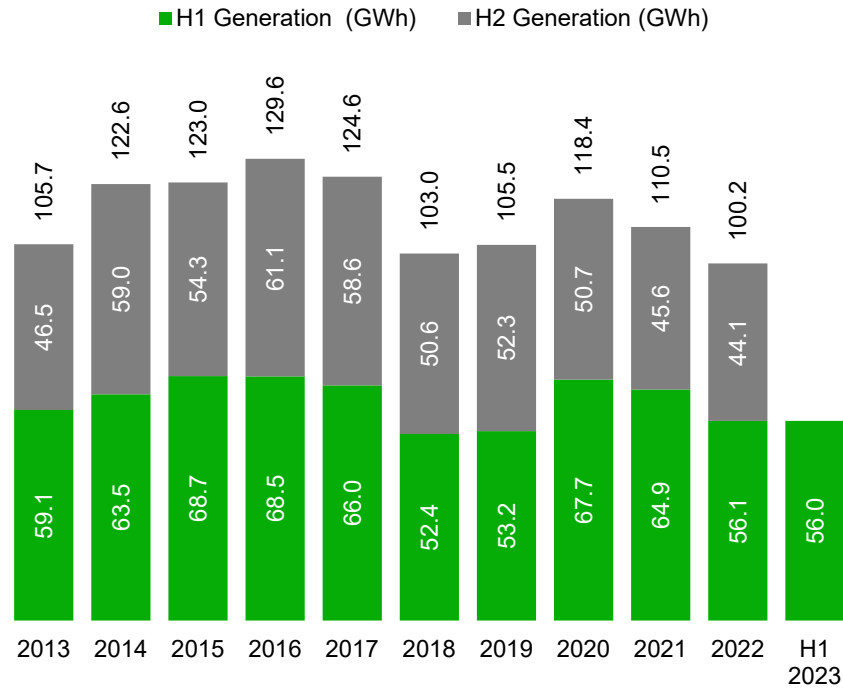


### Health and Safety Metrics

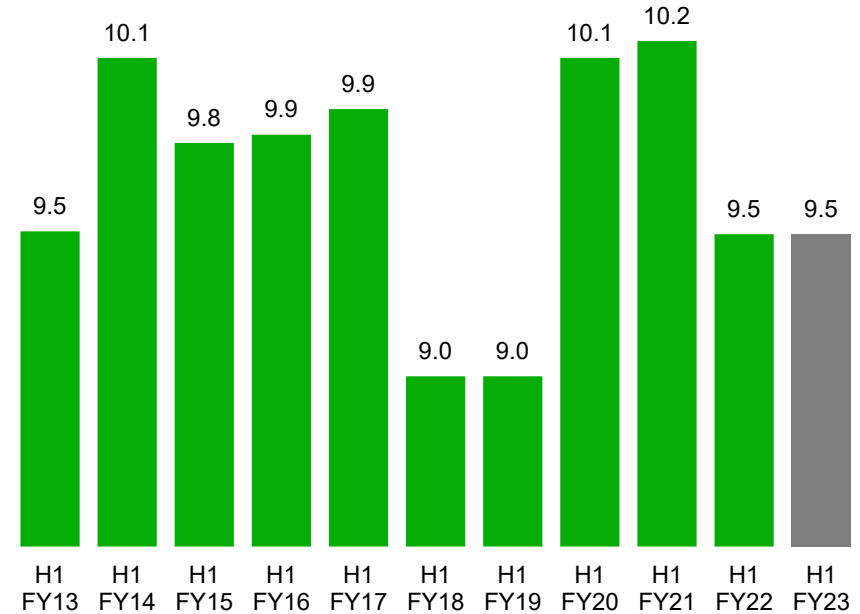


# Generation (GWh) and Average Wind Speed (m/s)

### Generation (GWh)



### Average Wind Speed (m/s)

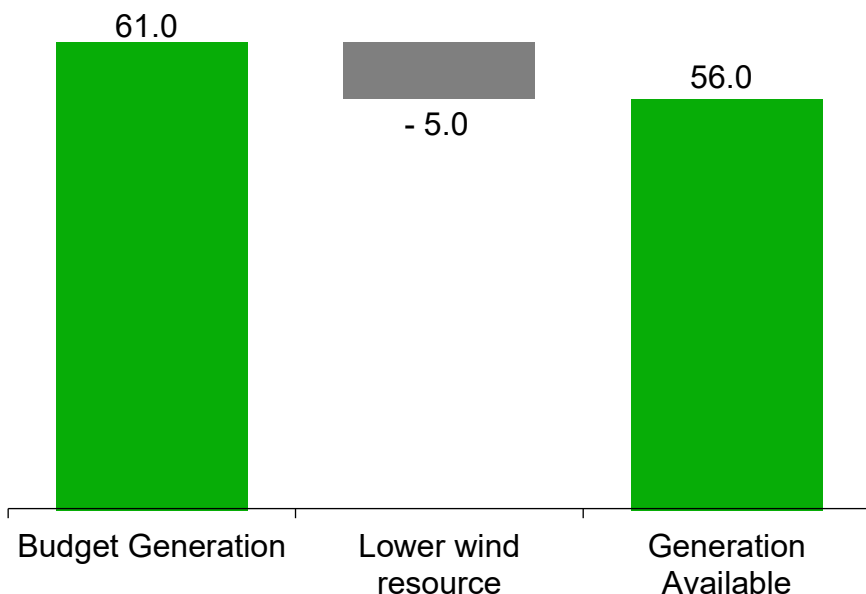


- H1 generation was **56.0 GWh** (pcp: 56.1 GWh).

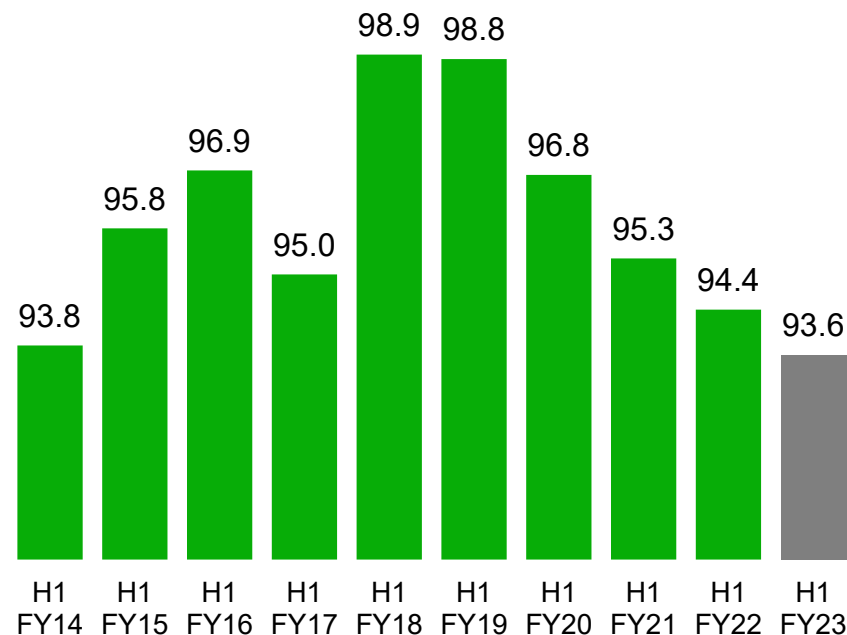
- Generation is correlated to average wind speeds.
- Note the fleet size was initially **97** turbines. **5** turbines have been decommissioned and the operational fleet is now **92**.

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

Generation waterfall chart for half year ending 31 December 2022 (GWh)



Availability (%)



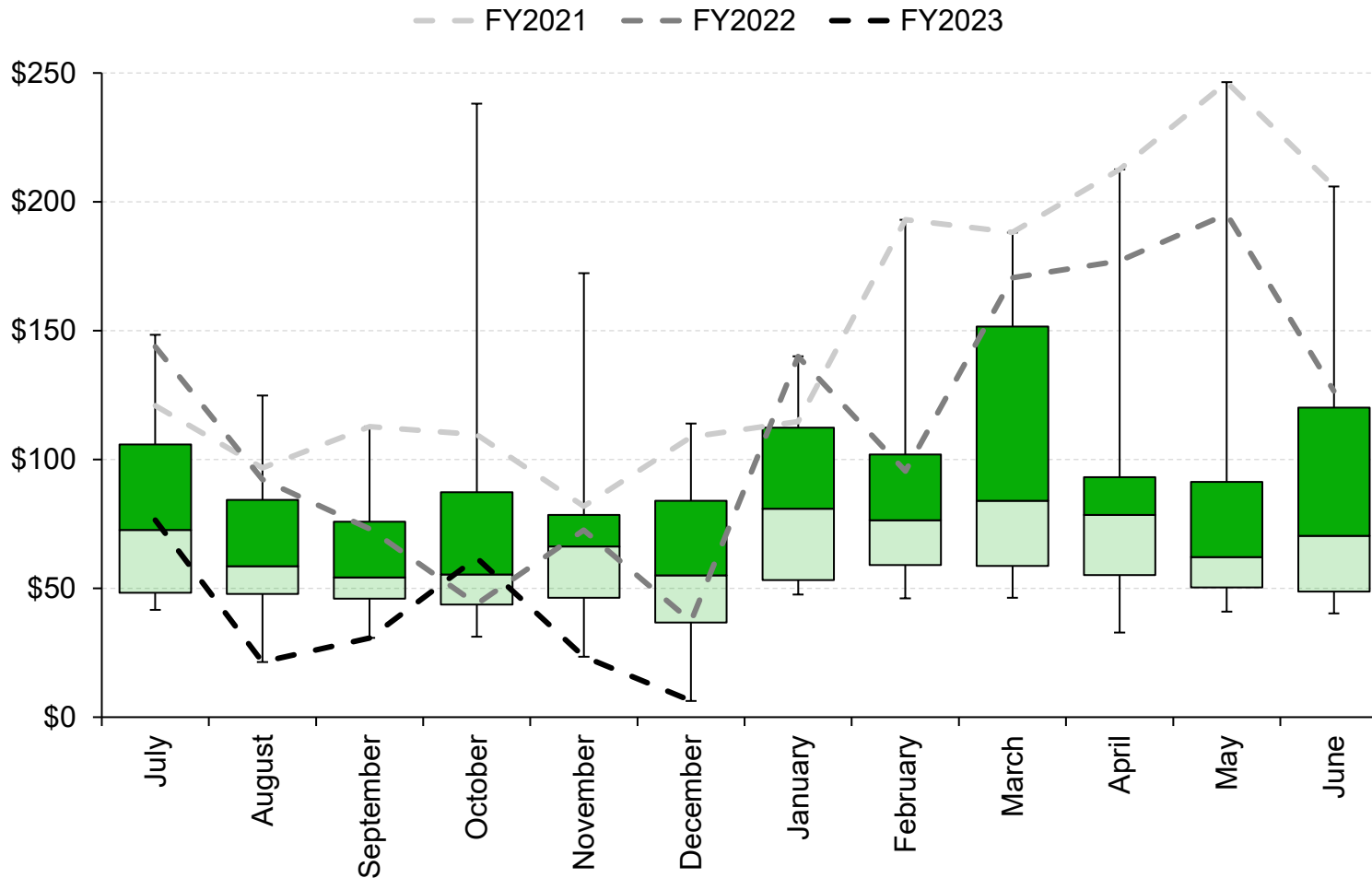
- Generation was **-5.0 GWh** lower than expected.
- This is explained by both lower average wind speeds and lower availability.

- Availability for the period was **93.6%** (pcp: 94.4%). Note the prior period was restated.
- 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 spot 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.

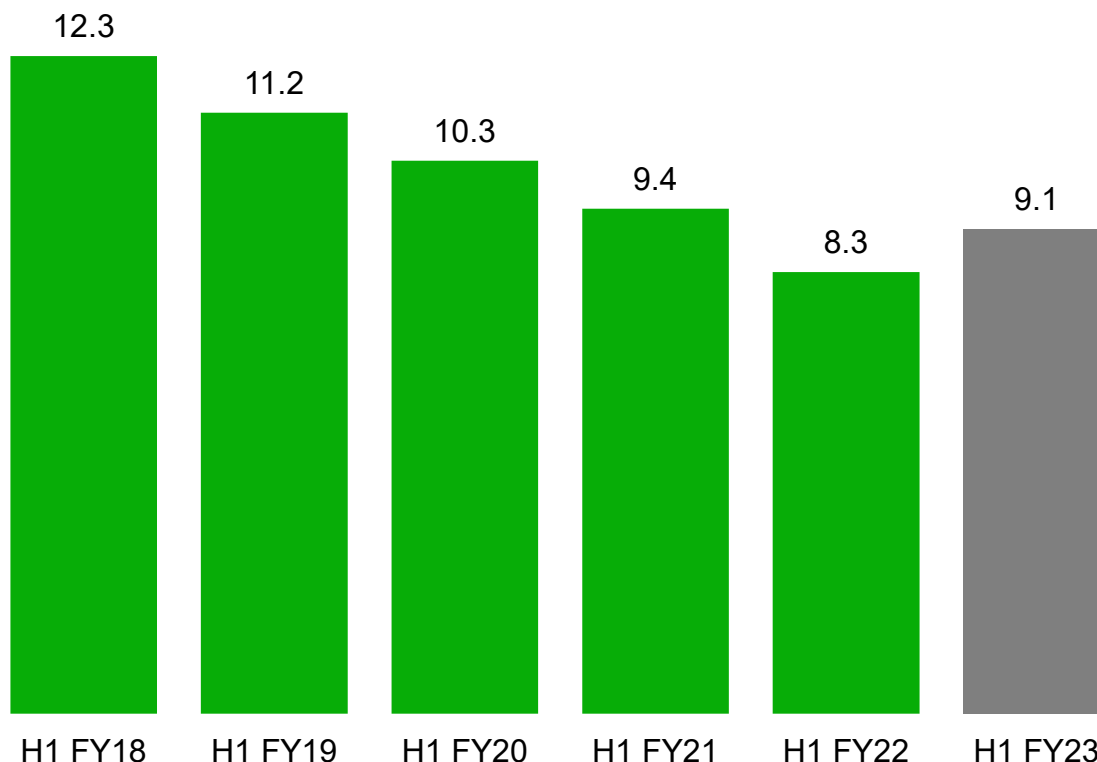
The line in the middle where the colours change denotes the median price (50<sup>th</sup> percentile).

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

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

- The Company now expects **FY2023 EBITDAF to be in the range of \$4.1m to \$5.2m.**
- Forward electricity prices are currently elevated heading into the final months of the financial year and spot electricity prices have improved in January and February. However, it is difficult to estimate the level to which the elevated forward price curve can be monetised by the Company and therefore the guidance range remains wide to account for the variety of foreseeable pricing and generation scenarios.
- 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 speed volatility.
- Guidance will be updated prior to financial year end or sooner if a material event occurs.
- Considering the low electricity spot market prices and continued upfront investment to support strategic growth aspirations, the Board has taken the difficult but prudent decision to **pause dividends.**

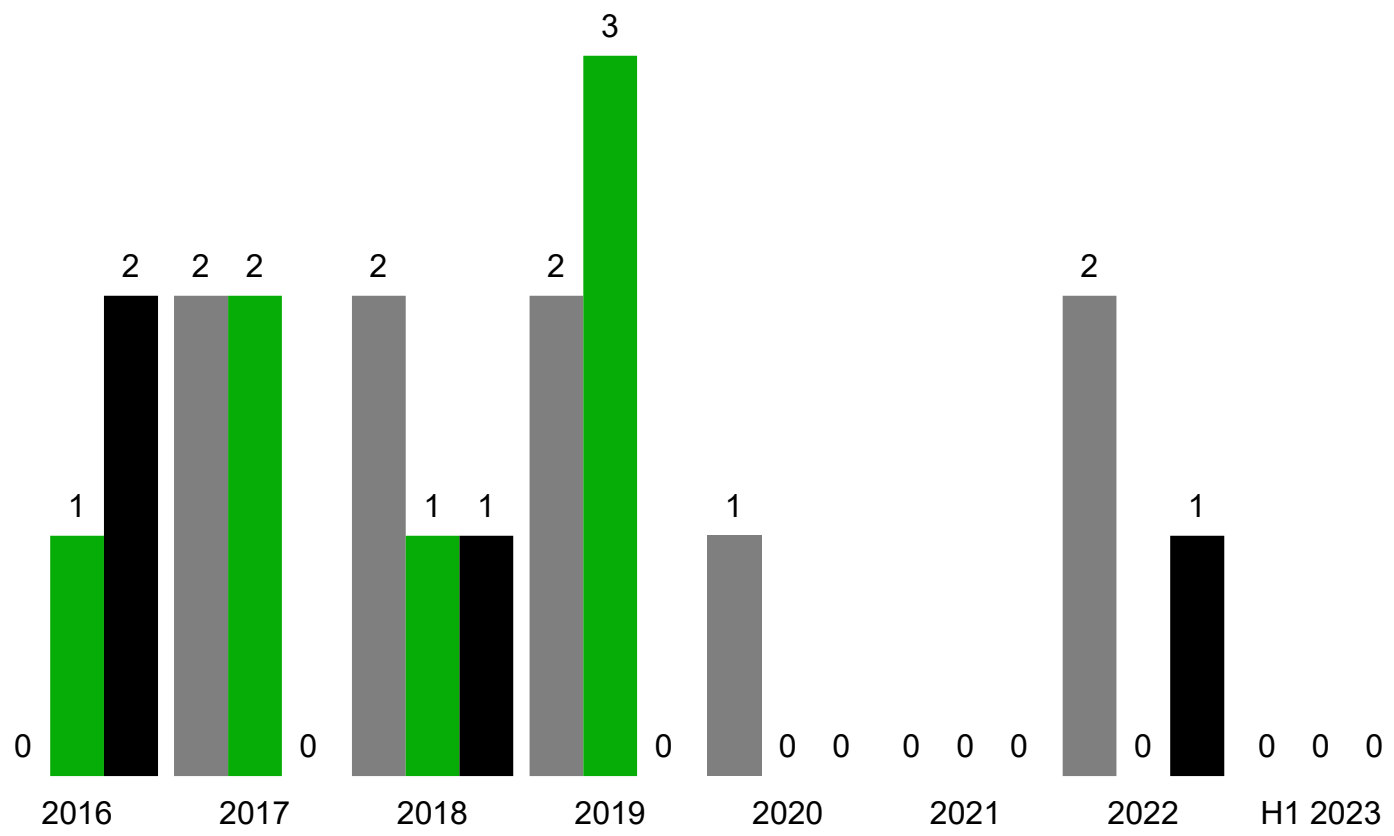
Bank Debt (\$m)



- **Total Bank Debt** is **\$9.1m** (pcp: \$8.3m)
- **Net debt** is **\$5.8m** (pcp: \$6.6m)
- During the period the Company drew down **\$1.35m** of new bank debt to support a portion of the investment into the consenting and repowering workstreams. This capital has been ringfenced for these purposes hence the larger than usual cash-on-hand balance at period end.
- Interest costs will be higher from June 2023 as a result of a favourable interest rate swap coming to an end. Management is reviewing its interest rate hedging strategy.

## Health and Safety Metrics

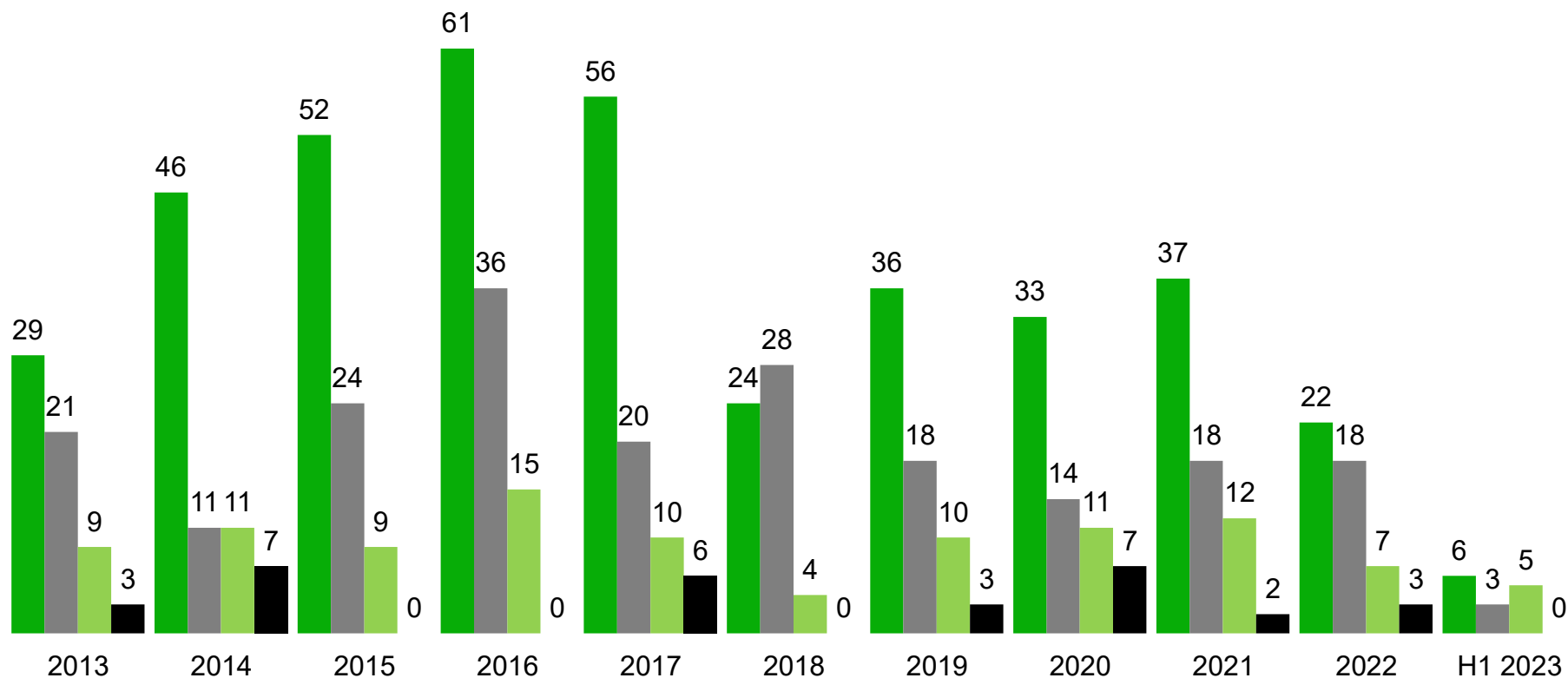
■ No treatment ■ First Aid Only ■ Lost time injuries



- **Zero Lost Time Injuries (LTI)** (pcp: One)
- 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.**

## Key Components Replaced

■ Torque Limiting Pumps Replaced ■ Pitch Bearings Replaced ■ Gearboxes Replaced ■ Generators Replaced



- Key component replacement is reaching steady state.

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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)



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