



NZ Windfarms Ltd
POWERED BY NATURE

2024 Annual Shareholders' Meeting

7 November 2024

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All dollar amounts are in New Zealand dollars and all figures are subject to rounding and in some cases may not appear to add up.

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

Agenda

Meeting Preamble:

- Quorum
- Notice of meeting
- Proxies
- Apologies
- Introductions

Presentations:

- Chairman's address
- Chief Executive Review
- Presentation of the annual report and audited financial statements for the year ending 30 June 2024 and shareholder questions

Business of Meeting:

- *Resolution 1: Remuneration of Auditors – Ordinary Resolution*
- *General Business and Q & A*

Board of Directors



Craig Stobo
Chairman
Independent Director



Philip Cory-Wright
Independent Director



Patrick Brockie
Independent Director



Christine Spring
Independent Director

NZ Windfarms Limited Annual Meeting

Access Virtual meeting guide here:

[https://bcast.linkinvestorservices.co.nz/MUFG/
MUFG_VirtualMeetingGuide.pdf](https://bcast.linkinvestorservices.co.nz/MUFG/MUFG_VirtualMeetingGuide.pdf)



Chairman's Address



Continuing to deliver on our strategy

- During the year, the government improved regulatory clarity while confirming medium and long-term policy settings underpinning the country's transition to a low carbon economy
- Transpower estimate that there will be a 68% increase over current levels of demand for electricity over the next 30 years
- New Zealand's 2050 emissions reduction targets remain a key focus, but the transition poses significant challenges. As carbon accountability becomes increasingly important in all sectors, the incentive for new renewable development is stronger than ever
- To put this in perspective, to achieve New Zealand's emissions reduction targets, a new windfarm of scale needs to be built every year until 2050.
- Regulatory and market trends are strengthening our Company's position in the market, justifying our continued investment and broadening of our position
- These market dynamics and macro trends suggest strong incentives for renewables development. As an experienced windfarm operator and developer, this creates a number of opportunities for us



Te Rere Hau
Windfarm

Hau Nui
Windfarm

Key highlights for FY24



Partnership with Meridian Energy Ltd
- to deliver New Zealand's first windfarm repowering project at Te Rere Hau

Shareholder approval - for the repower transaction was secured following a successful Special Shareholders Meeting

Equity placement proceeds - repaid bank debt in full with the remainder to be used for operational needs and strategic growth opportunities

Aokautere Extension Project – On 26 August 2024, the Expert Consenting Panel released a decision to approve the Aokautere Extension Project

Transition of business – from owner-operator to owner-operator and full-scale renewable energy developer

Pipeline of developments - agreement in principle with a development partner to explore two further major windfarm opportunities including the Class 1 site Motorimu. Recently announced Hau Nui Windfarm purchase from Genesis Energy.

Update on Equity Raise Process

Completing preparations to raise NWFs share of equity for the joint venture

- In August we launched an Expression of Interest (EOI) phase to seek responses in relation to this equity investment.
- The EOI phase saw strong 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 in early 2025, at which point we expect to select a preferred party.

Board and Governance Update

- This year has also been one of further change and development in the governance and management of the business. In particular, the Board thanks Neal Barclay (Meridian CEO) for his short but impactful tenure on the Board from December 2023 to June 2024
- The Board was delighted that David Prentice accepted the role of Chief Executive when Warren Koia resigned the role in March 2024 after five years at the helm
- I'd like to extend our thanks to former CEO Warren Koia. During his five years as CEO, the business made strong progress including the implementation and development of the Company's corporate strategy which led to the successful fast track consent of Te Rere Hau wind farm

Summary

- This has been a pivotal year for us and we look forward to continuing our transition into an owner-operator and full-scale developer of renewable electricity, and keeping our shareholders informed as we bring forward new opportunities for investment and growth



Chief Executive's Review



Key metrics

Strong financial performance for the full year driven by higher spot and hedged electricity prices coinciding with improved wind generation

Net Electricity Revenue

\$10.8 m

(pcp: \$9.7 m)

EBITDAF⁽¹⁾

\$5.4 m

(pcp: \$4.6 m)

NPAT

\$0.15m

(pcp: -\$5.3 m)



Generation

105.6 GWh

(pcp: 98.2 GWh)

Net GWAP

\$102.67 per MWh

(pcp: \$98.51 per MWh)

Average Wind Speed

9.3 m/s

(pcp: 9.0m/s)



Operating cashflow

\$3.10 m

(pcp: \$3.72 m)

Availability

96.9%

(pcp: 95.5%)

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.

Te Rere Hau windfarm: Repowering

Te Rere Hau (TRH) is one of the best onshore wind sites in the world

- 50:50 joint venture established with Meridian Energy Limited in relation to the repower of Te Rere Hau
- Meridian Energy will also be providing a 15-year PPA as part of the arrangement
- Successfully secured resource consent and wind rights to repower TRH which will see a capacity uplift to around 168MW (including recently approved Aokautere extension) and capacity factor of close to 50%.
- Currently undertaking design optimization which could see an increase in turbines from 39 to 41
- Equates to around a seven-fold lift in yield
- Targeting Final Investment Decision (FID) in June 2025 (delay of 6 to 8 weeks)



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

Hau Nui Wind Farm (post balance date)



- Recently announced the purchase of Hau Nui Wind Farm from Genesis Energy
- 15-turbine wind farm located south-east of Martinborough
- 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 repowering of Te Rere Hau
- Currently looking at options for securing a PPA

Unique opportunity to align ongoing maintenance, operation and repowering activities at Hau Nui and use experience from Te Rere Hau to achieve economies of scale and positive economic outcomes

Development Opportunities

Beyond existing operations, we remain focused on identifying and developing new opportunities

- Signed Memorandum of Understanding with a major development partner to develop two further significant wind farm opportunities with a combined capacity of circa 450 MW
- One of these sites is the previously consented, unbuilt Class 1 site “Motorimu” which is located in the Tararuas just south of Turitea Windfarm which we are planning to have at FID by the end of 2029.
- 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.
- Also purchased a number of met masts to inform energy yield assessments for these sites.
- We will provide further updates to shareholders at such time as investment decisions are made or commercial agreements reached.





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Operational Update

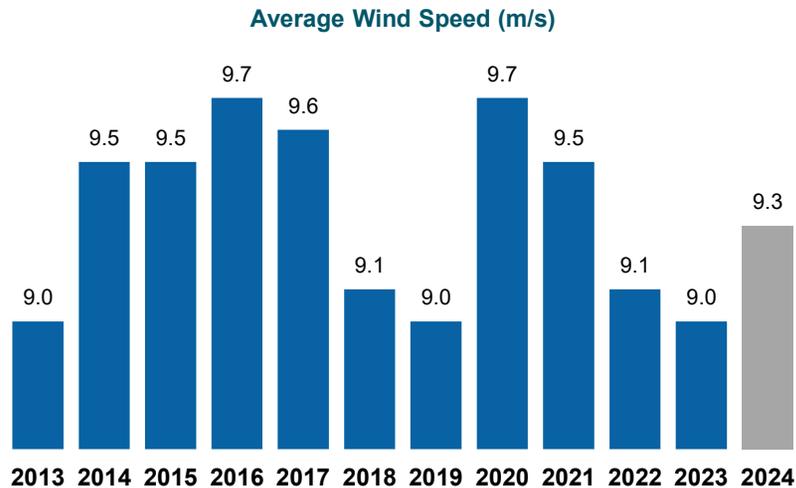
Health and Safety

- 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 FY24, there were nil recordable lost time injuries (2023: nil)
- Continue to support our people to ensure they go home safely at the end of every day
- 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

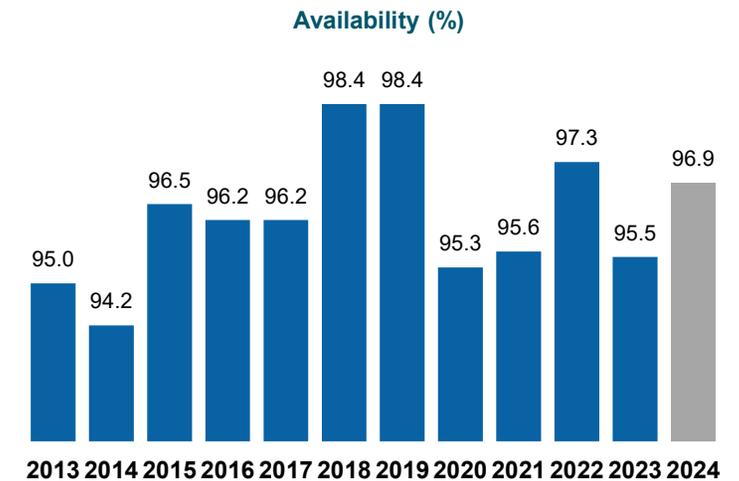
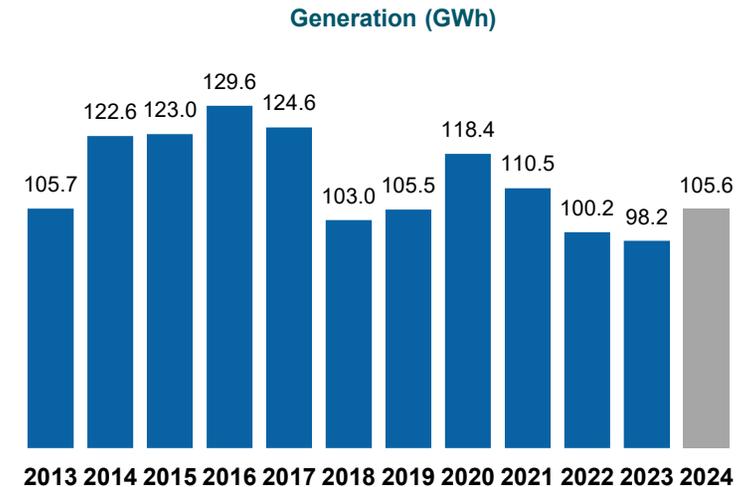


Key operational statistics

- Generation increased by 8% to 105.6 GWh underpinned by an increase in the average wind speed from 9.0m/s to 9.3m/s



- An increase in the availability from 95.5% to 96.9% resulted in a 7.4 GWh increase in generation
- Availability remained above manufacturers benchmark of 95% however was 0.1% below industry average



September Quarter Trading Update

	Quarter End 30 Sep 2024	Quarter End 30 Sep 2023	% Change
Generation (MWh)	27,327	28,026	-2.49%
Net Electricity Revenue ¹	2,932,748	2,803,215	+4.62%
Net GWAP ²	\$107.32	\$100.02	+7.30%

- While generation volumes were lower than the same period last year, the net Price GWAP was better which resulted in a 4.6% increase in electricity revenue

All values are unaudited

(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

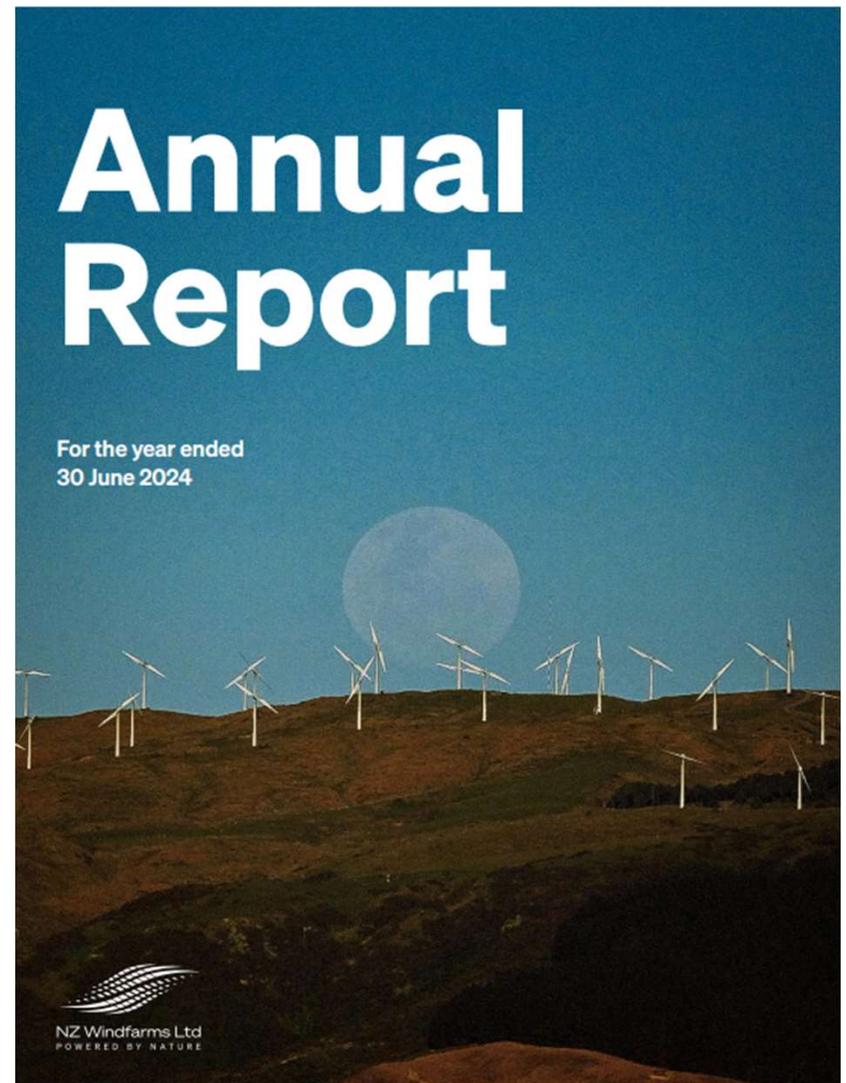
Updated EBITDAF Guidance

- The Te Rere Hau Repower project that NZ Windfarms is undertaking in a 50:50 Joint Venture with Meridian Energy continues to make good progress
- We are currently targeting to make a Final Investment Decision (FID) in June 2025 which is 6 to 8 weeks later than original envisaged
- As a result, 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 we undertake initial refurbishment and maintenance works but we expect this to contribute between 12 and 15 GWh from FY26 onwards
- We are 100% hedged on generation output from Te Rere Hau 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.

Opportunity for Questions

Presentation of the annual report and audited financial statements for the year ending 30 June 2024



Business of Meeting

- **Resolution 1:** Remuneration of Auditors – Ordinary Resolution
- General Business and Q & A

Proxy and Postal Votes as at 5 November 2024

Proxy votes already cast:	
For	100,537,445
Against	330,612
Abstain ¹	438,348
Discretionary proxy votes not yet cast:²	2,398,336
Total Proxy Votes:³	103,266,393

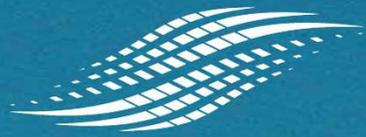
1. Abstain votes not counted in total proxy votes.
2. Votes held by the Chairman and other proxies.
3. Total issued shares of 363,900,692.

Resolution 1: Remuneration of Auditors - Ordinary Resolution



Final Voting Instructions and Vote Closure





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General Business and Q&A



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