



NZ Windfarms Ltd
POWERED BY NATURE

Half Year Results Presentation

For the period ending 31 December 2020

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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

Snapshot

- Independent merchant wind generator
- **92 x 500kW** turbines, **46 MW** nameplate capacity
- **30m** hub height, **33m** rotor diameter
- Wind resource - **IEC Class 1A** Certification
- All maintenance carried out in house
- Grid connected via Tilt's T3 substation
- **~30 km** of underground reticulation network
- The project received resource consent in 2005 with turbines installed in four stages with the final stage being completed in 2011

Asset base

- **92** wind turbines (**50%** of fixed asset base)
- **56** consented but undeveloped turbine sites
- **500** acre 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 substation
 - **2 x 33kV transmission lines** that connect Te Rere Hau substation to Tilt's grid injection point
 - Permits injection up to **48.5MW** into the national grid

Key Metrics - Half Year Ended 31 December 2020

- **Revenue (incl realised hedges): \$5.4m** (2019: \$7.0m)
- **Electricity Price (incl realised hedges) Net GWP: \$83.09 per MWh** (2019: 103.50 per MWh)
- **EBITDAF: \$3.2m** (2019: \$5.0m)
- **Operating Cashflow: \$3.1m** (2019: \$4.7m)
- **NPAT: \$0.32m** (2019: \$0.59m)
- **Debt repayment: \$0.47m** (2019: \$0.47m)
- **Generation: 64.9 GWh** (2019: 67.7 GWh)
- **Average Mean Wind Speed: 10.2m/s** (2019: 10.1 m/s)
- **Dividend – 31 Dec 2020: 0.40 cps (unimputed)**
- **Interim Dividend – 9 Apr 2021: 0.15 cps (unimputed)** (2019: 0.70 cps)
- **Continuation of excellent health and safety record**

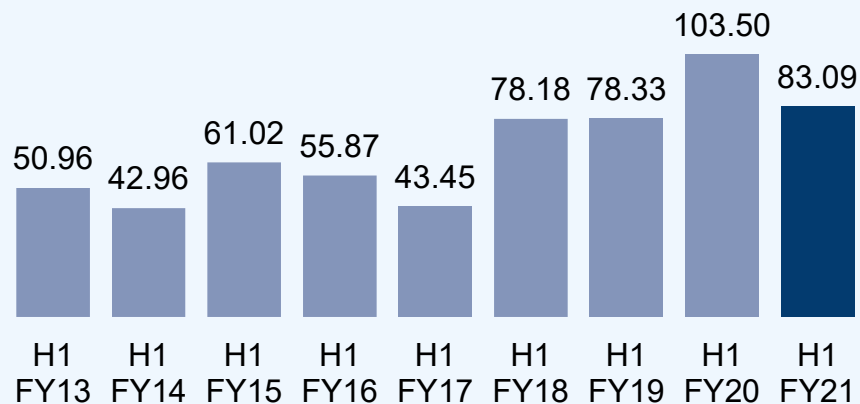
Hedging operations are referred to as energy futures or derivatives in the financial statements.

Net GWP = Net generation weighted price = (electricity sales + gain on realised derivatives – loss on realised derivatives) / generation

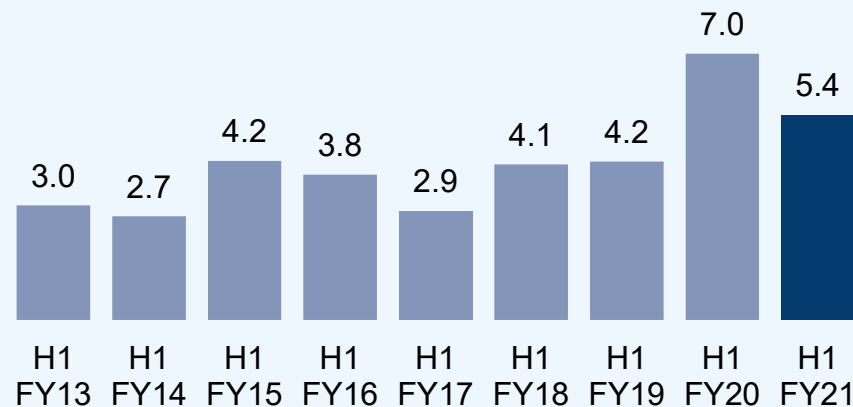
EBITDAF - Earnings before interest, tax, depreciation, amortisation and fair value adjustments. EBITDAF is a non-GAAP financial measure. Any hedges that have been transacted or closed within the period that replicate future hedging positions are excluded. In NWF's case, EBITDAF excludes electricity hedges that relate to transactions that fall outside of the reporting period. The Company utilises EBITDAF internally to evaluate profit and loss that relates to the financial period.

NPAT = Net profit after tax. This is referred to as total comprehensive income in the financial statements.

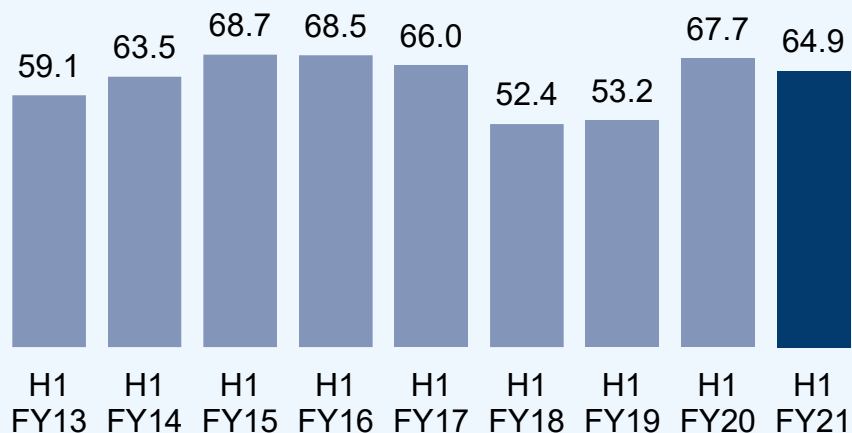
**H1 Electricity Price (incl realised hedges)
(GWP \$MWh)**



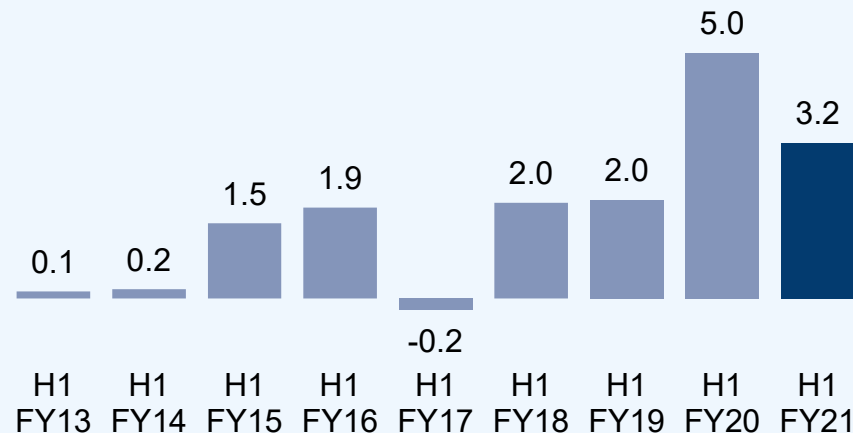
**H1 Electricity Revenue (incl realised hedges)
(\$m)**



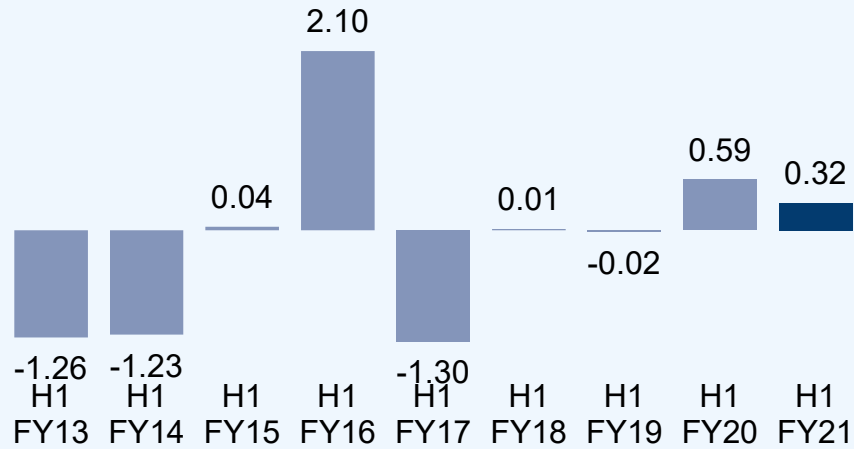
H1 Generation (GWh)



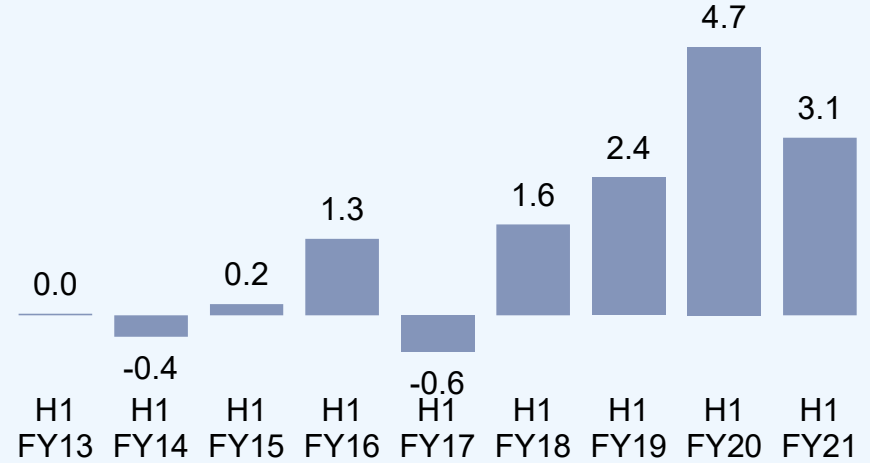
H1 EBITDAF (\$m)



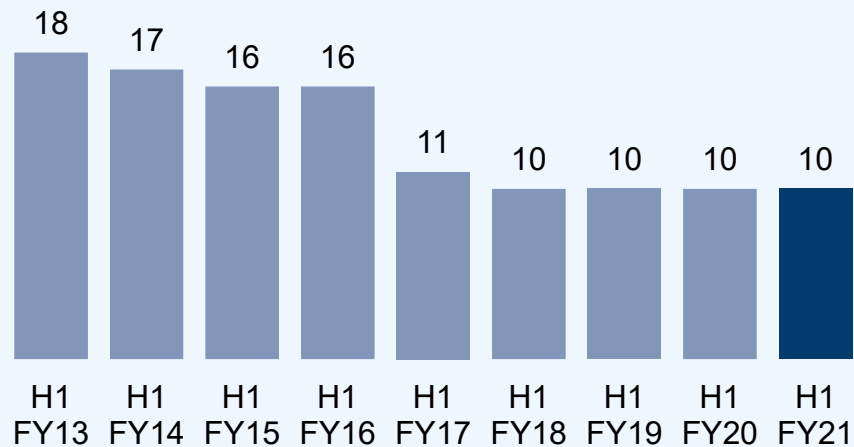
H1 NPAT (\$m)



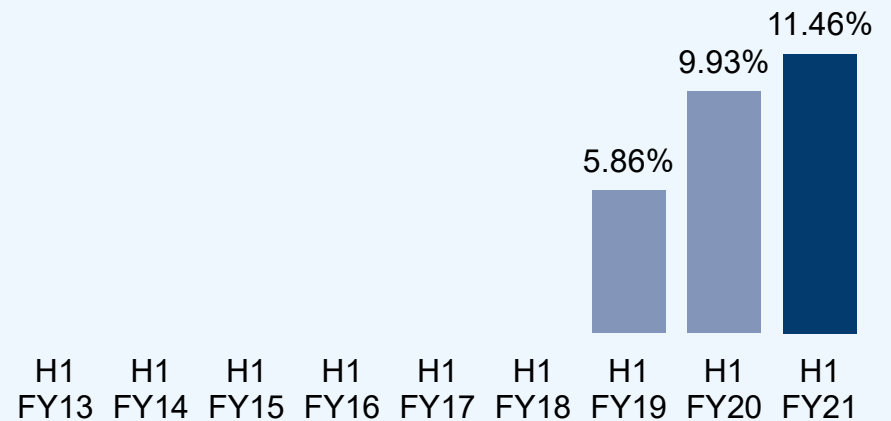
H1 Operating Cash Flow (\$m)



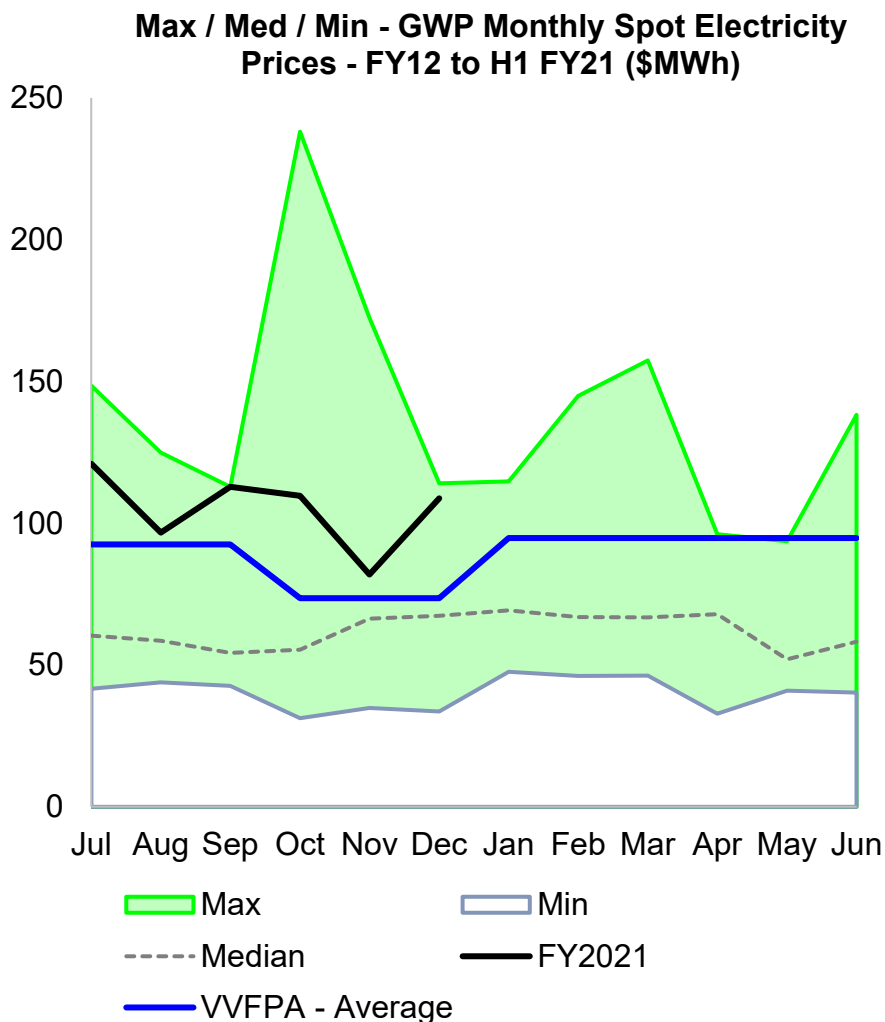
Staff Number's



Dividend Yield % (Gross) - Rolling 12 Month

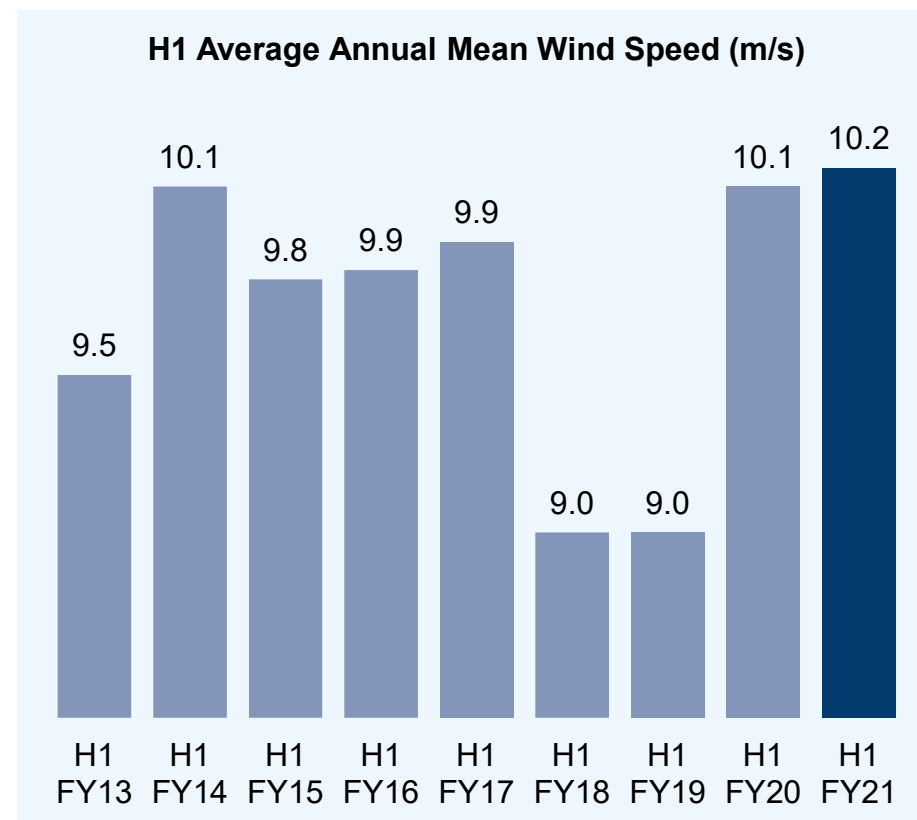
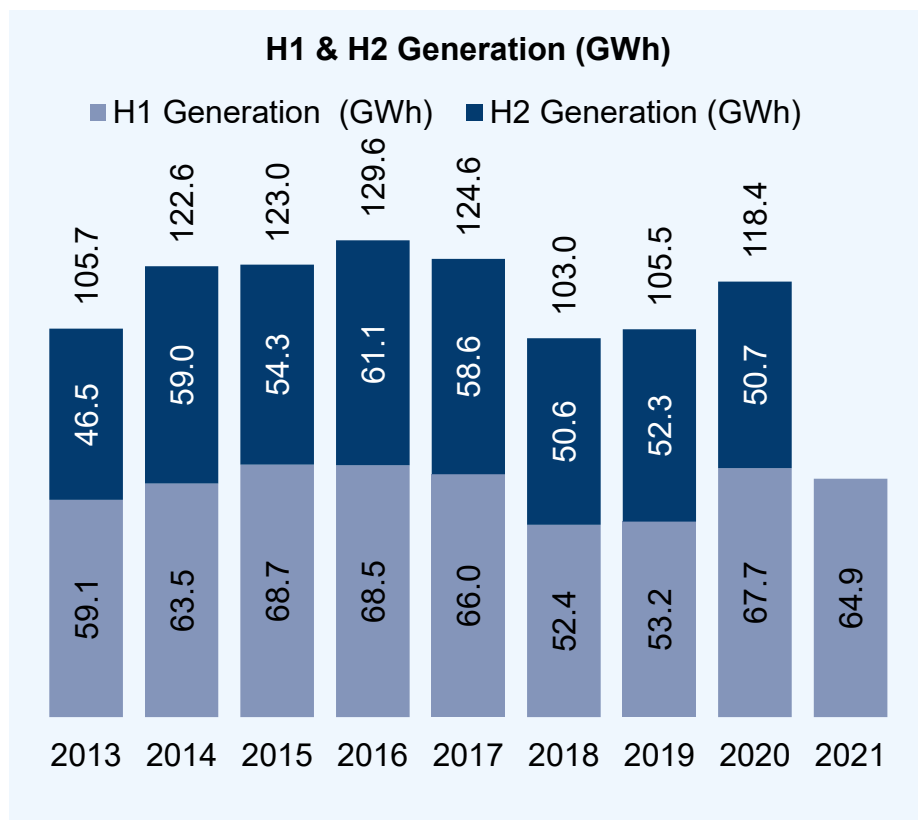


Average monthly spot electricity price (\$MWh)



- Average GWP monthly spot wholesale electricity prices have been volatile over the period.
- The average GWP monthly spot wholesale electricity price received, reached a company record high in September 2020.
- The variable volume fixed price agreement (VVFPA) price level (blue line) is indicative of forward prices at the time of contract entry.
- The VVFPA price level and shape depicted in the chart is indicative only.
- The VVFPA and spot price levels are above company historic median price levels (dashed line).
- We note that the ASX forward electricity price curve has lifted significantly and firmed across tenures.
- NWF is currently unhedged beyond 31 December 2021.

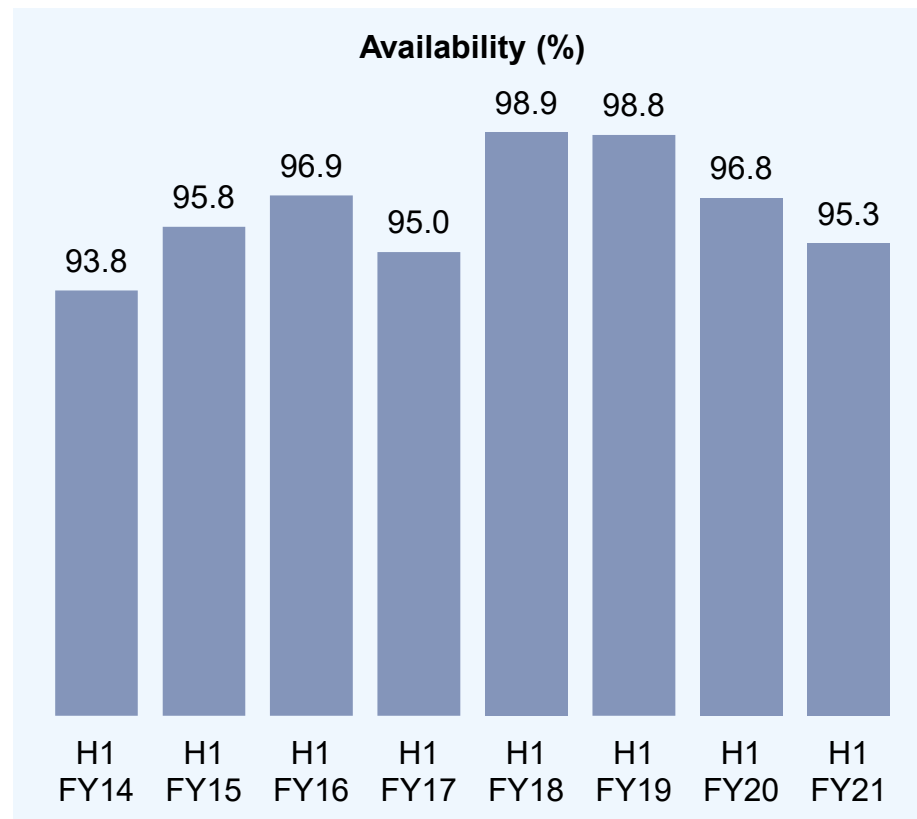
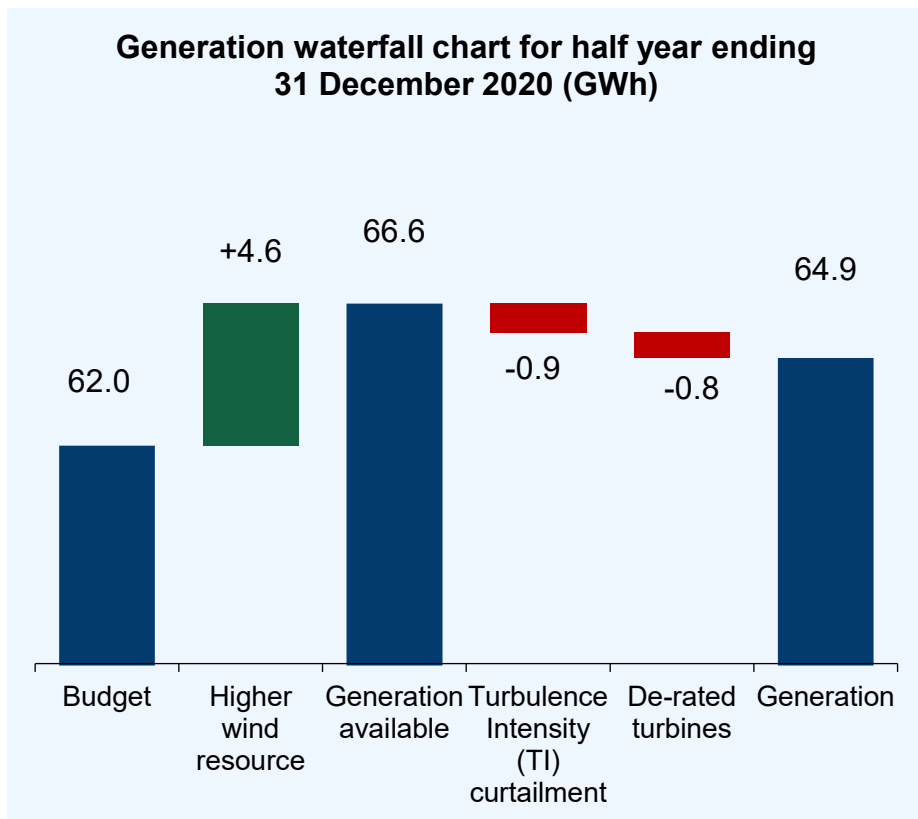
Generation (GWh) and Average Mean Wind Speed (m/s)



- H1 generation was **64.9GWh** (2019: 67.7GWh).
- The Company's budgeted H1 generation is **62.0GWh**
- The Company's budgeted full year generation is **117.2GWh**

- Average mean wind speeds are correlated to generation.
- Note the operational fleet has reduced from 97 turbines in 2013 to 92 turbines in 2021.
- Note three axis curtailment was active in FY2018 and FY2019. This lowered generation.

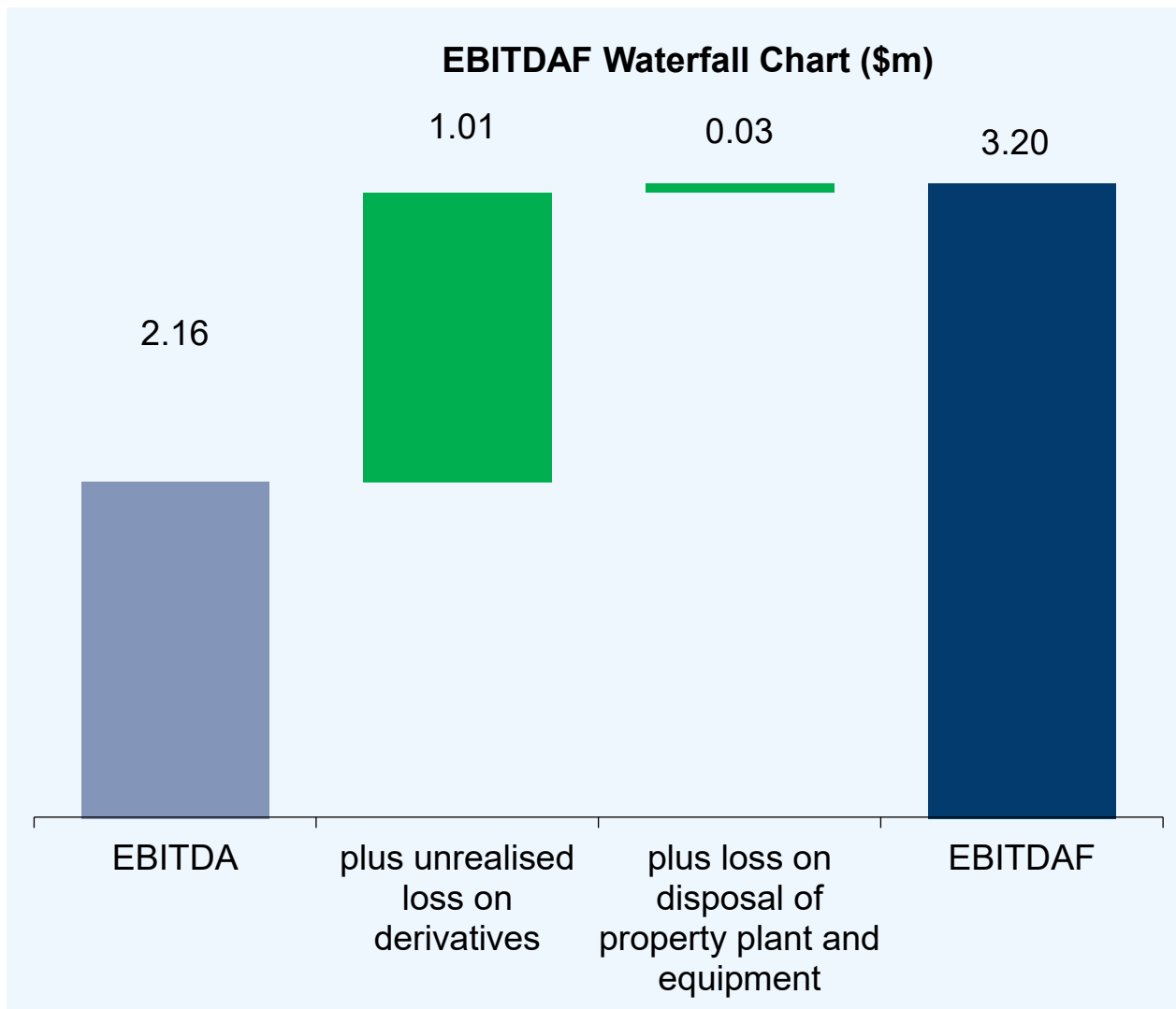
Generation Waterfall Chart (GWh) and Availability (%)



- The **+2.9GWh** difference between budgeted and actual generation is explained in the waterfall chart above.
- TI curtailment and derating turbines are management strategies to preserve equipment that have been in place since FY2016.

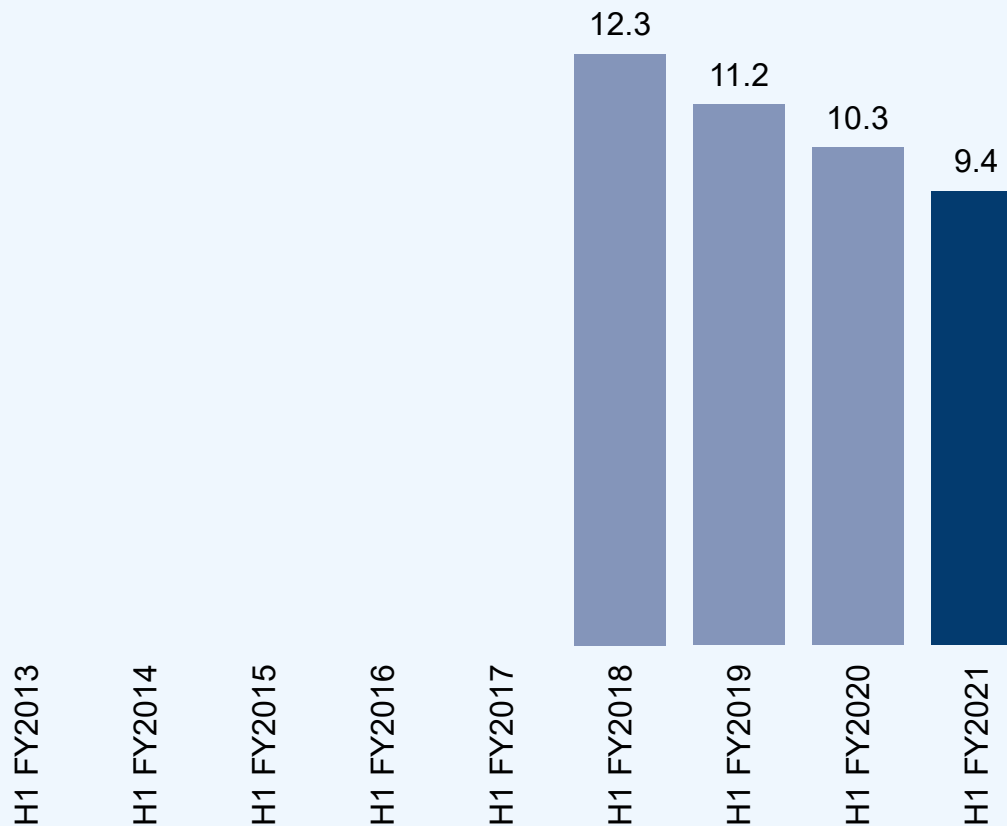
- The turbine manufacturers benchmark for availability is 95% and the industry benchmark is 97%.
- See the annual report for commentary on the availability statistic.

EBITDAF Waterfall Chart (\$m)



- EBITDAF H1 FY21 was **\$3.2m** (2019: \$5.0m).
- The Company utilises EBITDAF internally to evaluate profit and loss that relates to the financial period and is consistent with other listed companies.
- Full year EBITDAF is on track to meet FY21 EBITDAF guidance range of **\$5.7m to \$6.3m**.

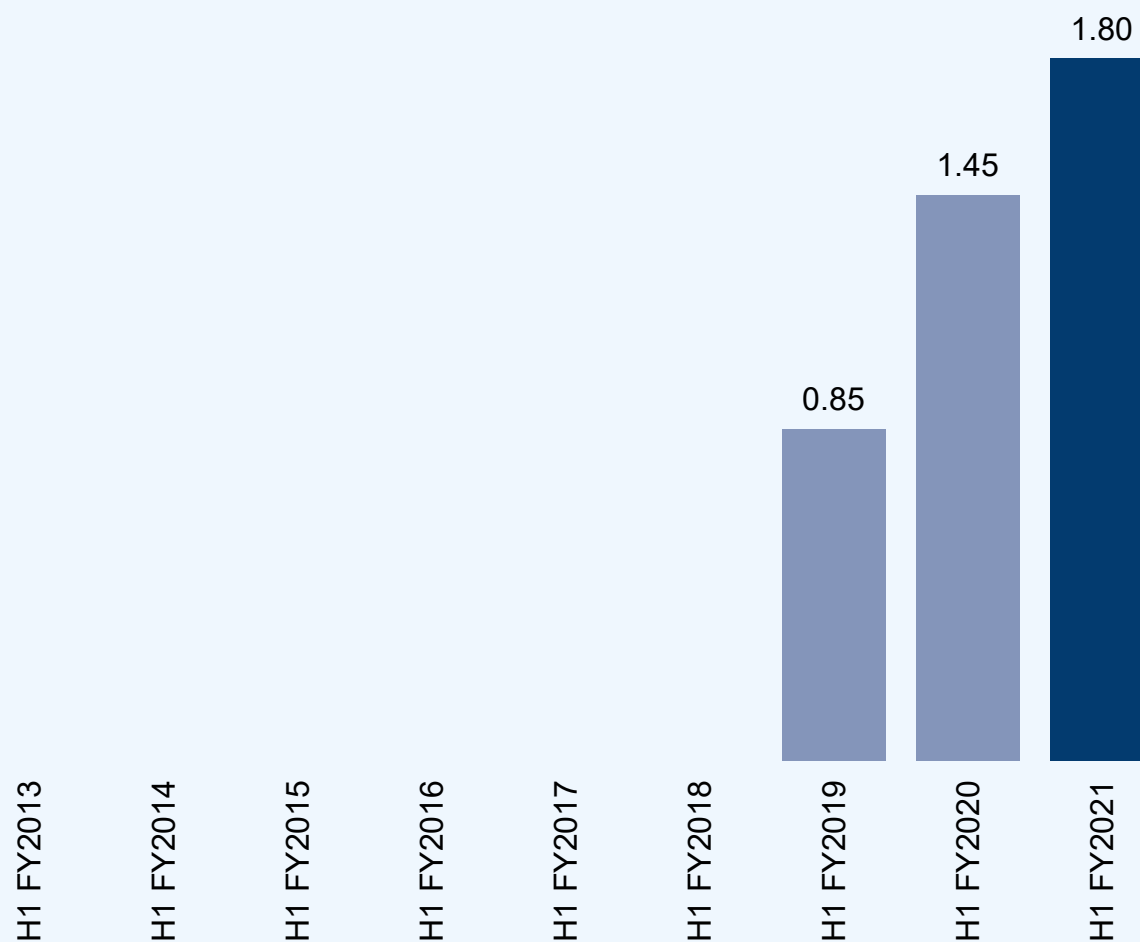
Bank Debt (Current and Non-Current \$m)



- Total Bank Debt is **\$9.4m** (2019: 10.3m)
- Net debt is **\$6.9m** (2019: \$6.3m)
- During the half year period the Company amortised **\$0.47m** of principal. (2019: \$0.47m).

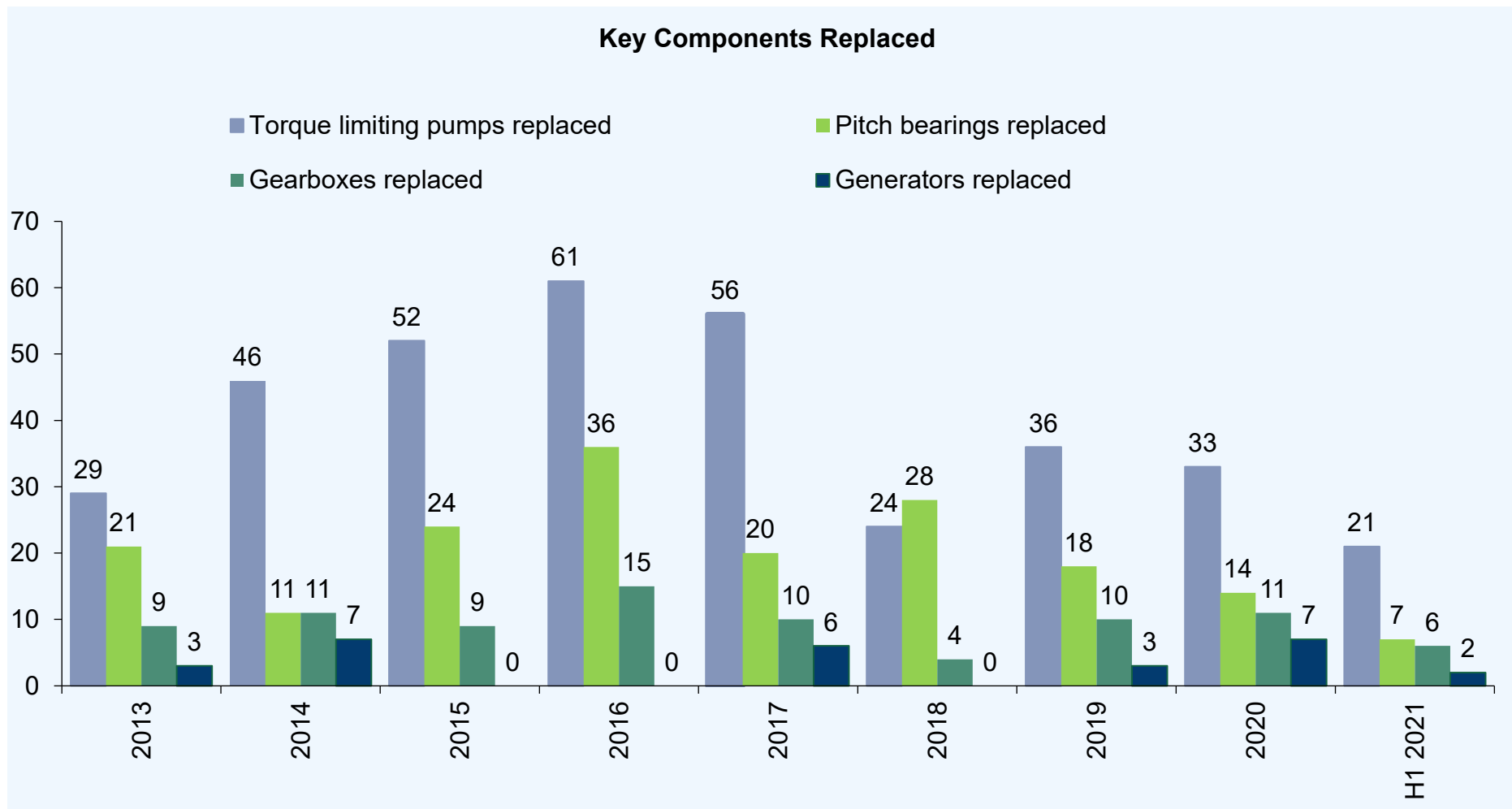
Gross Dividends (cps) - Paid Rolling 12 Months

Gross Dividend (CPS) - Paid Rolling 12 Months



- Today the Board is pleased to announce a **0.15 cps** unimputed dividend to be paid on **9 April 2021**. Details are included in the accompanying distribution notice.
- The Board plans to finalise a dividend policy this year.

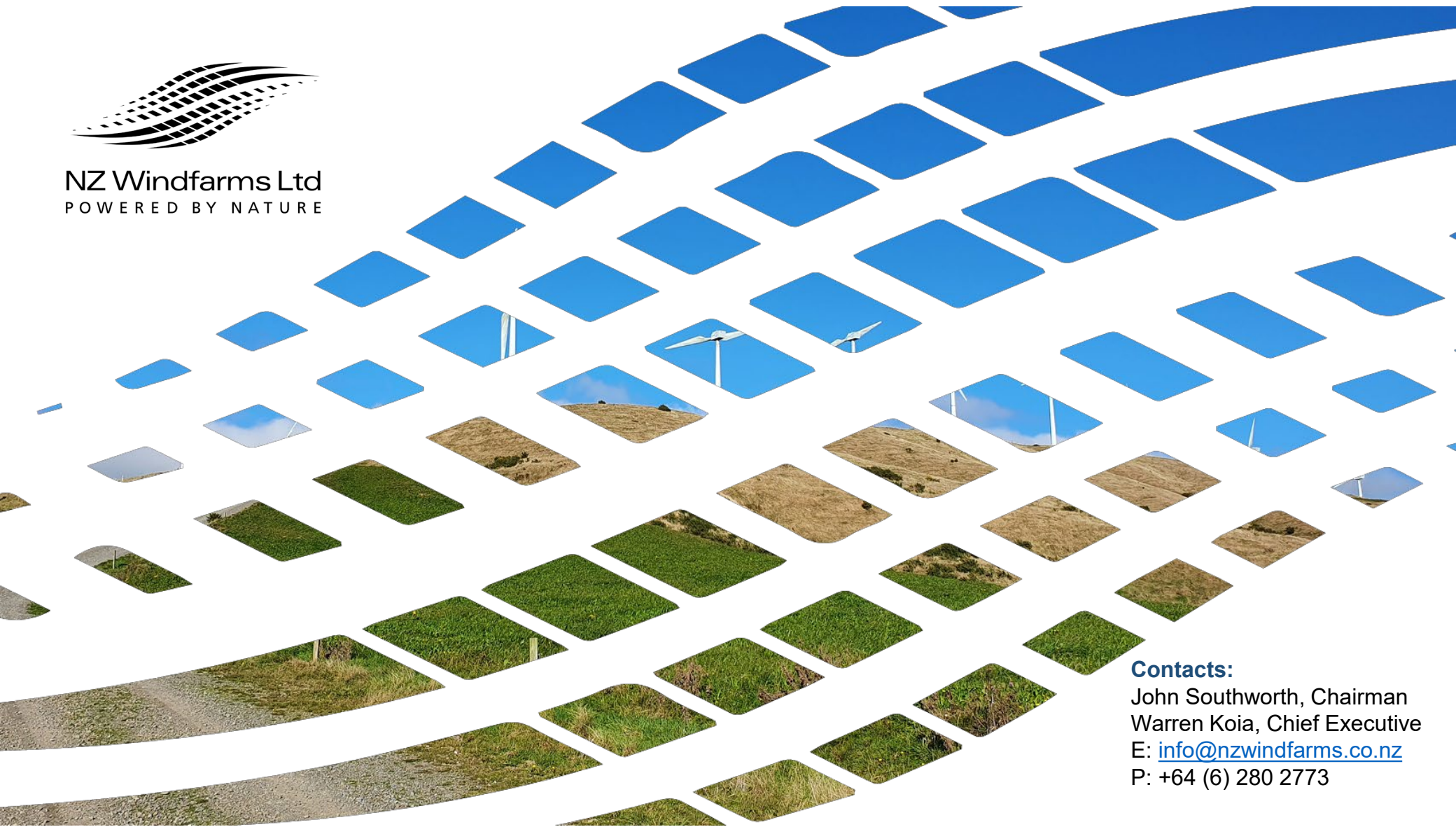
Key components replaced



- 1H FY21 key component replacement is consistent with trend since 2018.



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