

**27 October 2021**

**Chairman and Chief Executive – 2021 AGM Script**

**1. Cover Page – Slide 1**

[Open webcast on this slide at 10.50am - no webcam]

[JX Live to count John in prior to start]

[At 11.00am and after the count in, switch on John's webcam - full layout]

**Welcome**

Good morning shareholders. My name is John Southworth and I am the Chair of NZ Windfarms and it is my pleasure to welcome you all to the 2021 Annual Shareholders Meeting.

A copy of this presentation and script has been released to market earlier this morning.

You may wish to download a copy of the script and follow along.

This document should be read in conjunction with the 2021 AGM slide presentation released with this document, the annual report for FY2021, the notice of meeting and the virtual meeting guide.

[Switch to default layout – John's camera]

**2. Disclaimer - Slide 2**

Before we start, I also need to point out the disclaimer and fine print that accompanies this presentation.

Please review that in your own time.

**3. Agenda – Slide 3**

**Meeting Preamble:**

**Quorum**

In accordance with the Company's constitution, a quorum for a meeting of shareholders is **ten** security holders, having the right to vote at the meeting, are present in person or proxy.

I can **confirm** that this requirement has been met.

Therefore, I am able to declare, that a quorum is present, and so declare, the 2021 Annual Shareholders Meeting of NZ Windfarms Limited - **open**.

**Notice of Meeting**

All shareholders and the auditor of the Company have been sent a copy of the Notice of Meeting.

In addition, Shareholders who have requested a copy of the 2021 Annual Report, should have received one.

## Proxies

Roughly 29 million proxy votes have been cast to date.

As Chairman of the meeting, I hold roughly **1,000,000** open proxies which represents roughly **0.35%** of the total shares. I intend to vote those in favour of both resolutions.

The NZ Shareholders Association holds roughly **2.16 million** open proxies which represents roughly **0.75%** of the total shares on issue.

Christine Spring holds **2,000** open proxies in relation to the auditor resolution only.

## Apologies

I have received **one** apology.

Are there any apologies from the floor? If so please use the question function to notify me.

## Introductions

Shortly, I will **introduce** NZ Windfarms directors, staff and advisers who are online.

## Presentations:

After that, there will be **presentations** from the Chairman and Chief Executive, before the FY2021 annual report and audited financial statements are presented to shareholders followed by the opportunity to ask questions on these items.

## Business of the meeting

Following that, the **business of the meeting** will be discussed and votes cast. Those who have yet to cast a vote, may do so utilising the online voting platform.

I will notify shareholders once online voting closes.

If you have any queries in relation to casting a vote online or asking a question, please refer to the online meeting guide or ring Link Market Services on 0800 200 220

## 4. Board of Directors –Slide 4

**Introductions** – Available online today are my fellow directors.

[Pause between participant to allow the introduced person to be shown on the broadcast screen. Participants to wave at their web cams]

[Only spotlight directors and CE – John to mention all others are online.]

- 4.1 **Fellow directors:** Pat Brockie [Wave at camera], Mark Evans [Wave at camera] and Christine Spring [Wave at camera]
- 4.2 **Key appointments:** Chief Executive - Warren Koia [Wave at camera], GM Operations - Adam Radich and CFO, Melanie Strydom.
- 4.3 **Auditors** – Our auditors from BDO are in attendance represented by Audit Partner - Chris Neves. Chris will also act as the vote scrutineer in conjunction with Link Market Services.
- 4.4 **Legal Representative** – Our corporate legal adviser from Wynn Williams, Partner, Stephen Lowe, is in attendance.
- 4.5 **Share Registrar** - Link Market Services – Brendon Jarvis and team.

[Switch to default layout]

## 5. NZ Windfarms Annual Meeting - Online Guide – Slide 5

### Administrative Matters

The virtual meeting guide has instructions for asking questions in relation to the annual report, resolutions or general business sections.

Questions of a similar nature or theme can be aggregated and answered together for ease of administration.

The online meeting guide also has instructions on how to cast your online votes.

## 6. Chairman's Address – Slide 6

Before commencing the formal section of this meeting, I would like to comment on the key features of the year to 30 June 2021 as published in the Annual Report and update shareholders on progress since that date.

## 7. Market Update – Slide 7

As per slide.

## 8. Market update – Continued - Slide 8

As per slide.

## 9. Key Metrics – Full Year Ended 30 June 2021 – Slide 9

As per slide

## 10. Financial Overview – Slide 10

As per slide

## 11. Financial Overview – Continued – Slide 11

As per slide

## 12. EBITDAF Year ended 30 June 2021 – Slide 12

As per slide

...I will now ask our CEO, Warren Koia, to address the meeting and provide an operations overview of the Te Rere Hau wind farm.

Warren....

## 13. CEO Address – Slide 13

[Switch to Warren's webcam - default layout]

Tena Koutou Katoa, Greetings and welcome.

My name is Warren Koia - and it gives me great pleasure - to present to you – my Chief Executive report for FY21.

## 14. Average monthly spot electricity prices - slide 14

This chart shows the generation weighted - average monthly - spot wholesale price - received by the Company - dating back to FY2012. The chart excludes the impact of hedging.

- The black dashed - - - line is the monthly average for FY21.
- The red line is the lowest price received for that month since 2012.
- The green line is the highest price received for that month since 2012.
- The grey line is the monthly median price received by the Company since 2012.
- The blue dashed line is indicative of the FY2021 VVFPFA average price level.

Note average monthly spot prices, were setting new highs in September 2020, and all of the second half, of the 2021 financial year.

This is the time period where we entered additional VVFPFA contracts for Q3 and Q4 FY22, Q1 FY23 and for 25% of Q2, Q3 and Q4 of FY23.

## 15. Generation and average mean wind speed – slide 15

Our annual generation was 110.5 GWh. This is down on the prior period 118.4 GWh. This was despite a strong start in the first half of the financial year.

As you can see - there is a close correlation between average mean wind speed - and annual generation

As a reminder, in the later years, we are de-rating turbines – we are utilising TI curtailment - and we have a slightly smaller fleet size compared to the earlier years of operation - where the fleet was under warranty and these management techniques were not utilised.

## 16. Generation waterfall chart and availability – Slide 16

If we start at our annual budget generation of 117.2 GWh - the lower wind resource accounted for 6.0 GWh of potential generation.

A week-long continuous grid outage accounted for another 0.7 GWh of potential generation – this allowed Transpower to continue to upgrade their substations in our region.

The last factor that affects generation - and hence revenue - is availability.

95.6% availability is below the industry benchmark of 97% but above the manufacturers benchmark of 95%. It should be noted that, the industry benchmark is based on newer technology turbines.

## **17. Debt – Slide 17**

The Company amortised \$0.9m of principal over the year - and will do so again over the next 12 months.

Interest rates are now ticking back up. The Company fixed the interest rate on \$7.3m of principal to 31 March 2023. The sinking balance is floating.

We will look to renew our lending agreement before the end of the financial year.

## **18. Gross Dividends – Slide 18**

### **Dividend Policy**

Please note that the Board released a dividend policy with its FY21 results announcement in August.

### **Dividends**

During the year, we returned shareholder funds, through three gross unimputed dividends, totalling 1.00 cps (Prior period: 1.80 cps).

We will continue to return shareholder funds, over the upcoming financial year, in line with the dividend policy.

## **19. Key components replaced – Slide 19**

This chart highlights the key components replaced between FY13 and FY21.

Our in-house operational team - continues to work with our suppliers - to develop and improve turbine components - to maximise component life - and to seek operational efficiencies.

Components are sourced from multiple suppliers where possible - and no longer from the turbine manufacturer.

## **20. Health and Safety Metrics – Slide 20**

Our health and safety record continues to be excellent. Our last lost time injury (LTI) was recorded in 2018.

## **21. About NZ Windfarms Ltd – Slide 21**

- On the screen is a snap-shot of your Company.
- This is provided for the benefit of new shareholders and as a reminder for seasoned shareholders.
- We currently operate 92 - 500kW turbines, on 30 metre towers, with twin blades, and a rotor diameter of 33 metres.
- The wind turbines represent about 50% of current book asset value.
- The remaining half of the book value is made up of:
  - 243 hectares of freehold land;

- Another 240 hectares of leasehold land, where 32 turbines are currently situated;
- 56 consented but undeveloped sites;
- Internal electrical reticulation;
- A switchyard;
- A twin inter-connect cable to the injection point;
- Buildings;
- Roading; and
- Stock and inventory.

That concludes my presentation. Thank you for your continued support and nga mihi.

John, back to you...

## **22. Annual Report and Audited Financial Statements – Slide 22**

[Switch to John's webcam - default layout]

...Thank you, Warren

I will now move on to the formal business of the meeting.

The first formal item is the Annual Report, which includes written reports from the Chairman and CEO, and the audited financial statements for the financial year ended 30 June 2021.

This has been circulated and is taken as read.

I now invite questions and comments in respect of the 2021 Annual Report and the presentations made today.

I have received **no** written questions prior to this meeting in regards to the 2021 Annual Report.

If anyone has any questions on the annual report, audited financial statements or the presentations delivered today, please submit them now.

Please note there will be an opportunity to raise wider questions in the general business segment.

I will wait a few moments for anyone to complete their questions.

[Switch to John's webcam – full screen]

[CEO will read questions and then Chair to address]

[Once Q&A is complete] ...

There are no further questions on the annual report and presentations, I will now move onto the resolutions.

## **23. Business of the meeting – slide 23**

[Switch to John's webcam - default layout]

### **Resolutions – Overview**

The resolutions that we will now be voting on are as follows:

- Resolution 1. Appointment and remuneration of auditors.
- Resolution 2. Election of Christine Spring as a director.

All the Resolutions are ordinary resolutions and are required to be passed by a simple majority of votes.

In my capacity as Chair, I direct that a poll be held for each of the resolutions.

I have appointed our audit representative to be scrutineer for the resolutions.

There will be an opportunity to ask questions on each resolution being put to shareholders, and time will be provided at the completion of the questions, to complete your online voting form.

If anyone is unsure how to complete the online voting form - I will ask that you ring the Link Market Services helpline on 0800 200 220.

#### **24. Proxy and Postal Votes as at 25 October 2021 – Slide 24**

Roughly 29 million proxy votes have been cast to date.

As Chairman of the meeting, I hold roughly **1,000,000** open proxies which represents roughly **0.35%** of the total shares. I intend to vote those in favour of both resolutions.

The NZ Shareholders Association holds roughly **2.16 million** open proxies which represents roughly **0.75%** of the total shares.

Christine Spring holds **2,000** open proxies in relation to the auditor resolution only.

#### **25. Resolution 1 – Appointment and remuneration of Auditors – Slide 25**

**RESOLUTION 1:** Resolution one is that the Board are authorised to appoint and fix the remuneration of the Company's auditors for the forthcoming financial year.

I move, as an ordinary resolution, that the Board are authorised to appoint and fix, the remuneration of the Company's auditors for the forthcoming financial year.

May, I have a seconder? – I have a seconder from director and shareholder Mark Evans.

Is there any discussion on this resolution?

I will pause briefly to allow any questions to filter through the online platform.

[Switch to full screen mode starting on John's webcam for questions.]

[CEO will read questions and then Chair to address]

[Once Q&A is complete] ...

There appears to be no further discussion.

I will now move onto the second resolution.

[Switch to John's webcam - default layout]

#### **26. Resolution 2 – Election of Christine Spring as a Director – Slide 26**

**RESOLUTION 2:** Resolution two relates to the election, of Christine Spring as a Director

I will now ask Christine if she would like to address the meeting on her proposed election.

Christine, ...

[Switch to Christine Springs's webcam for her address – full screen layout]

Christine to address meeting and resolution....

....Thank you, John

[Switch to John's webcam - default layout]

Thank you, Christine,

I now move, as an ordinary resolution, that Christine Spring be elected as a director.

May, I have a seconder? – I have a seconder from director and shareholder Mark Evans.

Is there any discussion on this resolution?

There appears to be [some / no] further discussion.

[Switch to full screen mode starting on John's webcam for questions.]

[CEO will read questions and then Chair to address]

[Once Q&A is complete] ...

There appears to be no further discussion.

I will now move onto the second resolution.

[Switch to John's webcam - default layout]

### **Voting**

If you wish to vote on these motions, and have not cast your vote already, then please follow the instructions on your individual screen or in the virtual meeting guide.

When you cast your vote, please check one box either for, against or abstain, alongside each resolution in the section marked Voting Instructions.

Once all the votes have been cast, they will be counted by the Company's share registrar, Link Market Services, and scrutineered by the Company's auditor, BDO.

### **Results of the Meeting**

The results of today's resolutions will be released to the NZX on the completion of verification of voting later on today.

### **Online Vote Closing**

Now that you have heard both resolutions and have had time to consider each resolution, I will now instruct the Share Registrar to close online voting in five minutes. Please make your choice before the expiration of that time period.

### **27. General Business and Q&A – Slide 27**

At this point, I will open the floor to general business questions.

Before we start, I will firstly address the general business questions, I have to hand now, as a result of shareholders asking questions before this meeting.

After I address these questions, if you would like to ask a question, please follow the instructions in the online guide.

[Switch to full screen mode starting on John's webcam but switch to whoever is answering]

[Answer written questions]

Are there any items of general business to be discussed?

[CEO will read questions and then Chair to address]

[Once Q&A is complete] ...

There appears to be no further discussion.

## **28. Back Cover Page – Slide 28**

### **Meeting Closure**

I now declare the formal proceedings of the Annual Meeting closed and would like to thank you for your attendance and interest in the Company's business.

Normally directors and the NZ Windfarms team would enjoy refreshments with shareholders to talk informally about the Company, regrettably we cannot do that this year.

Personally this concludes my last formal duty as Chair and director of the Company...

[Switch to Christine's webcam – full screen]

Christine to thank John....

[Switch to John's webcam – full screen]

John to wrap up.....

Thank you one and all.

### **John Southworth**

Chairman

DDI: +64 21 930 451

### **About NZ Windfarms Limited**

NZ Windfarms Ltd is a long term specialist wind farm owner and operator, with its revenue coming from the sale of sustainably generated electricity from its Te Rere Hau wind farm.

The Te Rere Hau wind farm is located on North Range Road in the Tararua Ranges outside of Palmerston North. The wind farm has 92 turbines with a capacity of 46 MW producing enough clean energy to power about 16,000 homes. In comparison to generate the same amount of energy, a gas-fired power plant would emit roughly 64,000 tonnes of carbon dioxide, the same as an additional 23,000 cars on the road

NZ Windfarms Ltd (NWF) is a public company listed on the NZ Stock Exchange. Up to date share trading information can be obtained from the NZX website.