

27 August 2019

NZX Announcement

For immediate release

NZ WINDFARMS LIMITED (NWF): ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2019

Key Metrics

- **Total Revenue (including energy futures operations): \$8.8m** (2018: \$7.7m)
- **EBITDAF¹: \$4.5m** (2018: \$3.9m)
- **NPAT: \$0.6m** (2018: -\$14.7m²)
- **Generation: 105.5 GWh** (2018: 103.0 GWh)
- **Total Dividend relating to the FY19: 1.05 cents per share (cps) (unimputed)** (2018: 0.85 cps (fully imputed))
- **Q1 FY20 Dividend: 0.40 cps (unimputed)** (pcp: none)

Highlights for the year

It has been a milestone year for the Company, represented by record electricity prices, revenue and EBITDAF. This has been reinforced by exceeding the turbine manufacturers availability benchmark (98.4% vs 95.0%) and a continuation of an exemplary health and safety record.

The Company produced record electricity sales (excluding energy futures operations) of \$12.2m (2018: \$7.2m). This was driven by high wholesale electricity prices throughout the year. High prices were mainly driven by low hydro levels in the North Island catchment areas and thermal generation supply side constraints.

Through our capital initiatives, we have reduced debt, preserved cash by closely monitoring operating and capital expenditure, and reduced risk through the execution of a recently announced variable production fixed price agreement (VPFPA).

Shareholder Distributions

Over the past year, NZ Windfarms has taken an important further step in transforming the Company into a stable income producing asset for its shareholders. While this process is not complete, it is progressing.

Dividends related to the 2019 financial year:

- a 0.50 cps interim dividend (2018: nil); and
- a 0.55 cps final dividend (2018: 0.85 cps) announced today.

¹ EBITDAF - Earnings before interest, tax, depreciation, amortisation and financial instruments. EBITDAF is a non-GAAP financial measure. This includes any hedges that have been transacted or closed within the period that replicate future hedging positions. In NWF's case, electricity hedges that relate to hedges that fall outside of FY19 are excluded. The Company utilises EBITDAF to evaluate profit and loss that relates to the financial year.

² FY18 NPAT was impacted by the loss of deferred tax assets of \$15.5m. Refer to the FY18 annual report for a full explanation.

We will continue to return shareholder funds over the upcoming financial year through:

- a recently announced share buyback for up to 5% of the shares on issue; and
- a quarterly dividend of 0.40 cps for the September 2019 quarter (pcp: nil) announced today.

FY2020 Guidance

EBITDA³ guidance for full year ending 30 June 2020 is for a range of \$6.5m to \$7.5m, which would be an increase of between 61% and 86% over the year just finished. This guidance is issued on the basis of historical production volumes (applied to today's turbine fleet), the budgeted revenue for Q3 2019 and the fixed price agreement for the remainder of the year. The Board notes that this guidance is provided on the information that the Board has available to it at this time and is subject to variation due to climatic factors outside of NWF's control.

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 electricity to power approximately 20,000 households.

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.

³ EBITDA (non GAAP measure) is referred to as profit before impairment, amortisation, depreciation and tax in the financial statements.