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Operator: Thank you for standing by and welcome to the Tilt Renewables Limited 2020 Full Year Results announcement. All participants are in a listen only mode. There will be a presentation followed by a question and answer session. If you wish to ask a question, you'll need to press the star key followed by the number 1 on your telephone keypad. I would now like to hand the conference over to Mr Deion Campbell, Chief Executive Officer. Please go ahead.

Deion Campbell: Thank you Jessie and welcome everyone. Good morning. Thank you for joining us on our first truly virtual results announcement call. So that we are not seeing anyone around the table apart from Steve and Matt who are here with me.

So we'll get straight into it but less interactive than we'd normally like, so we'll just carry on. Of course you'll be able to ask questions at the end of the call. I'll go to the second slide where we've described it as an unprecedented year for Tilt Renewables. I think the overarching message is that we've been busy. We're very happy to say we've been safe and we've been leading.

There have been a few leading transactions undertaken by us; the AUD1 billion sale of Snowtown 2 in Australia and of course the first project financed largest PPA ever written in New Zealand for electricity at Waipipi. In both countries we're currently constructing the largest rotors of any wind turbines in those countries. So we're pretty proud of what we've done. An outstanding year and we're hoping you will agree.

Page 3 just shows the timeline. Here what we're trying to show is that it was a busy year all year. We never really stopped achieving some milestones. I'll call out on this page the AMS Wind Farm bidding. That was Australian based automatic market interface where we auto bid.

We were the first Australian customer of the AMS platform. There have been a few others follow us. Of course it's a company that is backed by Arnold Schwarzenegger. So, we're in good company in terms of who we choose to be partners with. Him and I were in the same press release, which doesn't happen that often to be fair.

We've talked about Waipipi. We had to prepare ourselves in order to extract Snowtown 2 out of our portfolio. Carried on with the construction that Dundonnell and probably another highlight for me for the year really was celebrating the 20th birthday of Tararua 1, where in reality it's where renewables all started.

And those machines are still running well. We're starting to think about what to do after those machines are running well, but it was a good event held up onsite. We're hoping shareholders will agree in June that providing AUD250 million back to them is a good thing to do.

If we turn to page 4, we've headed this page Building Out on our Presence and that has both a sense of scale but also in terms of assets but scale of our business as well. You can see we've had a pretty healthy increase in market capitalisation over the year, probably reflecting the strong shareholder support we've got and it has meant that we've moved up in the world in terms of our NZX listed colleagues, to rank number 32 on the board. So reasonably pleased with our shareholder support for the things we've been doing.

If we turn to slide 5, the balanced scorecard. The details around production and revenue, EBITDAF et cetera will come a bit later really. What I'd like to call out here is our fairly significant and healthy reduction in safety statistics. Reduction being positive in this sense of course. For the last two years Steve and I have talked about wanting to do better with our safety outcomes.

This year in particular we've had a huge increase in exposure to safety incidents with both our construction projects, but we've managed to make some good progress in our safety outcomes with only one lost time injury, which was of a minor nature. We still have obviously a strong focus and some work to do there to get back to our zero where we started.

So if we could turn then to page 6, we try and talk about what is our difference. What does Tilt do different to others? Because it's not always apparent that we do anything different, but we believe we do, and we've been saying this for a few years. We've got the right assets already running. We've got a highly contracted production. So our revenue is relatively certain compared to other listed peers in this market.

We're pretty flexible and capable. We've got a small team. We largely sit in the same office. If something happens, we can pretty quickly get a few brains around it and deal with it. I think we've shown that with the things we have actually managed to chew on in the last few years. We all focus on just doing it. Sometimes it takes effort. Sometimes it takes a bit of getting grumpy, but we just do it until we get it done.

And we think our development portfolio remains the best in single hands in the Australasian renewables market. So we think that's a platform for our future.

In terms of our quality assets on page 7, 1.8 terawatt hours of production, which was about a 37% average capacity factor. It's pretty healthy and I think later in the release we describe it as normalised with Snowtown 2 about 5% up on what we would expect on average.

Availability levels are still good. They've been a little bit impacted by Tararua 1 and 2 this year. Even though Tararua 1 is 20 years old, it's still above 95% that asset, but it's getting harder and harder. That's why we've started to look at repowering.

Of course with Dundonnell and Waipipi coming online this year our average age of our fleet will drop significantly. As the size of our fleet will also grow significantly. What we have perhaps got compared to other single assets or smaller portfolio owners, we've managed to gain some insights from operating older assets that we now feed into the commercial construct or framework we put around our new assets.

And so that's where you see things like the long term O&M agreements popping into Waipipi. It’s just us understanding where the risks lie and which is the best party to deal with those risks over time.

We talked about managing spot prices in Australia with our automated bidding and dispatch system. That system also looks at our exposure to things like system charges or ancillary services costs and bids us out of the way when we might expose ourselves there.

That particular system has saved us several hundred thousand dollars this year in terms of producing a negative energy prices and also avoiding ancillary services charges. It does mean that we've had a little bit of a production decrease in Snowtown 1 as we've avoided some of those costs, but it means our generation weighted average price at Snowtown 1 has gone up.

So we're pretty happy that the AMS system is doing the right thing for us in the Australian market.

Like everyone we've had to respond to the COVID-19 outbreak. For us the main impact there was a four to five week enforced stand down at the Waipipi asset construction. In Australia, where our 45 or so people work, the constraints have not been quite as extreme as New Zealand, but they have meant no working from the office.

Luckily we established this business to be fully cloud based and with the expectation that probably 90% of our roles involve some travel, so people are pretty used to not having to work in the office and that's gone fairly smoothly for us.

And a good way to exercise our business continuity plans. For us it's been a really minimal impact and we count ourselves lucky to be in the industry we're in but also we believe some of it comes down to good management and good design of this business.

We want to talk a little bit just here about the 20th birthday for Tararua 1. The photo on this page includes the original landowners for that asset. Their support for us over 20 or more years really has been awesome. They are looking forward to the repowering.

And having one of the oldest assets in the region that's still running as reliably as probably what some of the new assets in the region, we're pretty proud of that. Shows that our partnership with Vestas and the way our team does what they do is pretty much that they're on top of the market.

Steve just reminded me that the front page of the presentation showed a photo of all of us at the Tararua 1 birthday celebration up onsite if you want to see how many people turned up.

But if I draw your attention back to page 8 of the slides where we talk about our platform for growth, we've continued to progress our platform. Our assessments would say that our platform value this year increased by 40% with the various bits of work we've done including adding new projects.

In Australia we've lodged an amendment for the tip-heights for our Rye Park asset, which is our next best dressed in our minds. Then the large scale Liverpool Range is undergoing the same treatment, just trying to pop the largest, most efficient turbines that we can onto those sites.

We've put our foot on a few battery storage opportunities over here in Australia and we're pushing forward to getting ourselves to an investment decision on at least one of those this year. We have in our glass, some thermal peaking opportunities. Mainly to support alternative paths to market, which we'll talk about in a couple of slides ahead. But we believe being able to firm your own output is probably going to serve us well over time in Australia where we can't contact for that firming in the market.

So we've got asset development opportunities across the national electricity market in Australia. We've popped a few new sites, mainly wind projects into our pipeline. We still see wind as very much more economically viable than solar. Until solar plus storage can cut the mustard, I think that'll be the way it is for our view in Australia.

So we're also looking to put in a couple of smaller options over here in Australia, just to

help with our flexibility and response to any market requirements.

In New Zealand it's about the same story really; new sites to try to add some weight to our long dated options we've had in New Zealand. As we described earlier we're preparing for repowering of Tararua 1 and 2, bearing in mind that the stage 2 machines will be 20 years old in about five years. So that whole asset is ripe for repowering and we're hoping will help support New Zealand's carbon transition focus.

In terms of COVID-19, we think the opportunities for us probably are around sticking to our core business strategy, where we want the best projects available to the market at the right time. So we don't think either our strategy or our development pipeline are materially impacted, but there is some potential for both countries to fast track some of those projects, either through the resource consenting phases or through other direct support that might be aimed at economic recovery in both countries.

And we have had one of our projects in New Zealand taken through to stage 1 of the process that Mark Binns is leading in New Zealand. But we never know our luck with that.

In terms of our revenue certainty on page 9, electricity sales. That's what we do. We turn wind into dollars via electricity and our revenue certainly is as strong as it's ever been. We're pretty happy to have some high quality counterparties in the mix in Australia and New Zealand and we've extended those out to of course Genesis, Snowy Hydro, the Victorian State Government and most recently our first corporate PPA or CNI customer through the Aldi supermarket chain here in Australia.

So, what we've got left that's not contracted. We pretty much take care of over the shorter term hedging markets and ASX trading.

I think the chart on the right-hand side of this page shows it all for us. Those horizontal colours are all the length of our PPAs on our current and under construction assets, with the blue dotted line showing where most renewable energy target based PPAs in Australia end.

And there are going to be a lot of assets looking for new offtake arrangements around about that time. So we're pretty happy that our largest asset at Dundonnell really won't be in that mess that will be there then.

And of course New Zealand, different driver in New Zealand, but where we've got long term offtakes and the Trustpower ones for our original New Zealand projects continue until the assets don't, which is largely up to us.

So growing the business, slide 10. Our focus here is of course on our construction projects. We're undertaking large construction projects in two countries. Got roughly AUD800 million in CapEx being spent at the moment and that will result from the latest technology turbines producing just under what we did this year from the rest of our asset base.

So, it's a pretty big - on a scale sense for our business now without Snowtown 2, it's a large construction program and you would argue probably has got risk on a little bit with us in terms of the outcome of those projects is quite important for us.

Dundonnell, the largest one we've ever built is well on its way in Australia. We've got 58 of the machines actually installed now, out of 80. As I said, the output for that windfarm will be 93% contracted once it's running.

Our windfarm reach, what they call here a hold point one, which is a connection process hold point. So 112 megawatts. Roughly a third of the windfarm. That hold point one was achieved on 2 May and there's a pitching process that goes through to be released from that hold point to hold point two and that testing and - there are associated reports and reviews, et cetera, is underway right now.

We've managed to have just over half a million working hours on that site to date. Probably we're most proud of the fact that 50,000 of those hours have been by the Victorian Apprentices, Tradies and Engineering cadets. So it really is being used as an opportunity to train some new blood for the industry, which is one of our challenges is making sure we've got the right people available.

And just a bit on the scale there of the blades. They are monsters is the only way to describe them. Actually quite hard to handle in the wind too. We've had a couple of slight breezes that have caused the guys lifting those assets to come under some duress. It's quite hard. They have taglines holding these things steady as they lift them up. When the wind blows there's a very large sail trying to take you off your feet.

If we go to Waipipi, the photo in the middle is the first shipment of components arriving out of China. Those are the blades and perhaps the scale of the people on the box compared to the blades is probably the most telling about what we're doing here. Again, very, very large assets.

So, progress on that windfarm, while I said it was held up for four to five weeks during COVID level 4 restrictions in New Zealand, we've managed to pour 11 foundations

out of the 31 that we need for and those first components will start arriving onsite over the

next few weeks.

Interestingly, if you have not been to Waipipi, it will be the flattest windfarm site in New Zealand, but it is built on an old iron sands mine and so it’s sandy. As you are aware from this morning, earthquakes are prevalent in New Zealand. A small reminder of that for those in central North Island this morning. So the ground improvement program, which the photo on the top right of the slide shows us doing, we're basically compacting gravel piers into the sand deep enough to avoid complications associated with liquefaction should that be a thing on their site one day.

So another challenge. It’s not rocky and it's not hilly. It's flat, but it's also really hard to get the civil construction correct. Doing well to get 11 foundations poured.

And so now we're onto the details of our operational and financial results and I'll hand over to Steve. Thank you.

Steve Symons: Thanks Deion. The next slide, that’s slide 14 is our health and safety, which Deion has touched on in his introductory comments at the start. But there's a little bit more detail detailed here on this slide, which, provides a depiction there with the chart which really does show the significant increase in hours that are subject to the hours worked. You can see there on that shown quite strongly, which ties back to the hours that Deion spoke about atDundonnell , but it's also the same for the Waipipi.

So, we are continuing to ensure that weprovide a safe workplace. As Deion indicated, our lost time injuries has reduced down to one, but this still does continue to remain a focus for us. Our TRIFR is encouragingly dropping and - but we continue to work and monitor on that.

Deion has outlined that our COVID-19 response, I think we've managed that very well from a health and safety perspective, with all of our employees working from home. We have undertaken home-work assessments for those to make - for all our staff to be making sure that the environment that they are working in, in their home is safe because it's not the office and people are working at whether they be kitchen tables or other areas, but making sure people have the appropriate lighting, the appropriate desk types.

We’ve had a number of people who've come into the office and taken their office chairs home as an example. But also as Deion did mention, that the way in which our cloud based system operates, it's fair to say we’ve had a number of comments from staff who are - some of them more recent hires saying how easy it was and how other people that

have worked for or even spouses and friends are finding that they've got a lot of problems. We've been very able to do that easily.

But on the other side of things, we are looking at what a return to work does look like. We will look to be coming through that and when it is safe to return to the office and when government does encourage people to be returning to the office, at this stage that's not the case. But we do and we will provide a safe workplace for our employees.

We - all have our desks are socially distanced in terms of 1.5 metres difference between our desks. So I think we're well placed as part of that, but we won't be returning to the office until it's safe to do so and until we are encouraged by government.

Slide 15 talks about our community environment and we have talked about this quite regularly. Most of you will remember about some of the specific obligations that we have spoken about with our Dundonnell. A number of those have now come to fruition. The photo on the top right there is Deion at the opening of the women's housing project in Victoria, which was part of one of our commitments under the VRET incentives.

We have continued to undertake our Lend a Hand program at Snowtown and our educational scholarships that are in place at Salt Creek and others.

Deion mentioned the point around our cadets and apprentices being used at Dundonnell. I think it is acknowledged across the industry that we need to be bringing that next level of people in the industry coming through. So that's something we're very happy and encouraged by.

And then our cultural heritage and ensuring our minimal impact on the environment. We continue to do that. A number of our sites now, the newer sites have a number of obligations around environmental compliance. We have actually over the last six months implemented a new system, which enables us to keep track and audit and also be able to record, the fact of what we've done to be achieving these obligations. So I think that's also a positive development.

Slide 16, starting to move towards our numbers and our operational performance. It is difficult when we look at our FY19 compared to FY20 numbers as you'll appreciate with the fact that we'd sold Snowtown 2 in the middle of December. So, comparing those numbers is slightly difficult.

We did consider as to how do we normalise some of those out, but I think it's one of those things that this business has always been had something each year come through because

if we look at comparing FY20 to FY21, we're going to have Dundonnell coming on board as well as part of Waipipi in the back end of the year as well. So I don't think we'll ever have a period where it's easily able to compare one period to the other, but we have in the waterfall that follows this page tried to do that with that.

The availability there at just under 96% across the fleet has been dragged down a little bit by the older turbines there at Tararua 1 and 2. The actual availability is for each of the projects is outlined on page 24, which is in our appendix, which we won't speak to specifically, but there are some really good results there as Deion said earlier; 20 year old assets still operating.

Well, you add Salt Creek at 98.6%, Snowtown continuing to be at 97%, Mahinerangi just under 98%. So, all good results as part of it, as we have got quite a diverse range in age of our fleet.

Deion mentioned the South Australia situation where from negative pricing and the likes but we also did have a market disruption in South Australia with a transmission and basically islanded in South Australia for a period which resulted in some constraints being placed on wind generation in the state. That did that impact our performance through the second half of the year, which did bring down the production from Snowtown 2 - sorry, Snowtown 1 for the year.

As I said negative pricing; with the automated bidding that we've got, we've been able to avoid the negative prices as Deion said. We have also seen and we'll talk a little bit when we get to our guidance on this - we have seen wholesale electricity prices coming down in Australia over the course of the last 12 months or so, or probably even more so the first half of this year. But we are seeing the forward price curves still increase towards FY21. But remembering that we are very highly contacted as well with that.

Slide 17, which talks about our EBITDAF. It’s got movements from the previous year. Revenue up and the OpEx down. Part of that is as a result of Salt Creek being in for the full year FY20 as compared to FY19. So that has both increased the costs and also increased the revenue.

We were, when we sold Snowtown 2, we were ahead of our internal budget for Snowtown 2, so that was performing well for the period. Then as you can see reasonably small movements in New Zealand. Some other revenue part of that amount there is some asset management fees which we received from Palisade post the sale of Snowtown 2, where we were doing the asset management for an interim period. That finishes at the end of June.

And then the AUD15.1 million, which is the impact of taking out Snowtown 2 for the period of effectively three and a half months.

Slide 18, probably won't talk to too much, but it really just shows on a three year basis that we are - how our performance is continuing. FY20 did come down from a revenue and also and EBITDAF perspective, primarily because of Snowtown 2 not being there for three and a half months. But we're not having Snowtown 2 in there for the three and a half months comes out the other side is the profit after tax whereby we've got a AUD478 million net profit after tax, which is largely driven by the profit on sale, which was delivered by that Snowtown 2 sale.

Page 19, on a bit more of the treasury stuff. We are really, really well placed on this. We paid down a significant amount of debt throughout the year. We - and that was partly as a result of refinancing our Snowtown 2 prior to its sale. All of that debt from the project finance Snowtown 2 facility that we'd put in place when it crossed upon the sale, we repaid our New Zealand dollar facility fee, which was up for renewal in October this year and we're continuing to draw down.

We've had about AUD169 million drawn down of the Waipipi and Dundonnell construction facilities, which as a result we actually don't have any debt falling due until late 2023, so about November 2023.

So when we look at impacts of COVID we are very, very well placed in relation to risks associated with that. We have seen for the year there on the chart that that our net interest - our interest expense is higher than last year, which you would ordinarily think with Snowtown 2 disappearing that wouldn't be the case. But there are some one offs affecting that.

There's some close outs of some interest rate swaps as part of the refinancing of Snowtown 2. There's the write off of the balance of the borrowing costs for those facilities that have been repaid. There's also some FX movements on some of those loans which has gone against us, which is a balance sheet movement, which is comparing the balance sheet for the time at which we recorded the transaction in our accounts versus then the balance sheet FX at the time the accounts are drawn. So that's just a non-cash movement in the FX.

So if you then look at our EBITDAF to net interest expense at the 3x in FY20, that's actually artificially lower as a result of some of these one offs that have gone through associated with the re-financings and that non-cash FX movement that we indicated.

The gearing, there at 12% at 31 March 2020 is - that gearing doesn't include the cash which we have on term deposit, about AUD450 million of financial assets. So that doesn't include that amount. So if you were to include those cash amounts, we would actually be in a negative net debt position. So net assets on that side of things. But that's the way in which the accounting rules require us to calculate it.

It is also worth noting and you'll see in our financial statements that that gearing also does include our lease liabilities we needed this year to bring onto the books under IFRS 16, a number of our land agreements onto - and treating them as leases. Also we've needed to bring on board the transmission lease at Dundonnell, which was ready and available for use and was being used prior to the end of the year.

Obviously the PP&E hasn't come on board because as Dundonnell hasn't been completed, but that - because all those costs are currently in work in progress, but we were required to bring that Dundonnell transmission onto the balance sheet.

Page 20, our cash management, our liquidity is strong. We've finished with AUD679 million of cash or cash equivalents at the end of the year. Of that, a good portion of that is AUD531 million is unrestricted. The difference between that is the amounts that are still sitting in the - and not spent of our equity for both Dundonnell and Waipipi which are currently sitting in restricted accounts in those individual entities. Have been - are being aggressively spent and will be progressively spent as we continue to go through the construction process that we're referring to.

Snowtown 2 was the main driver around the extra cash that we do have available in the business. We have managed to gear up by another AUD87 million and that released another AUD87 million out of the cash that we had from the refinancing of Snowtown 2 and plus the AUD455 million of free cash after the end of the transaction.

The slides there, just show - and the coloured bars on the tops reflect through as to where the impact of the movements in the waterfall looks like with that. So, being in the strong position that we are, we have made an announcement that we will be looking to return approximately AUD260 million to shareholders by way of a capital share buyback, court approved.

That notice of meeting has now been issued and that meeting will occur virtually on the 10 June seeking shareholder approval. We have had the initial court orders for that.
Once - should that be approved by shareholders at the 10 June, we will then go back and get final court orders with a view to that cash being paid around end about mid - around

10 July. So, mid-July.

That amount of repayment has been sized around looking at the cash that we have on hand as well as what we do have available for us in terms of our immediate opportunities to be spending on our development pipeline. Looking at that working backwards, it was determined that there was an amount of around AUD260 million, which is also our ACS which then enables us to be able to return that amount of money in a cash, in a tax efficient manner by way of what we're looking to do.

Also noted that the Board has, with that capital buyback that is being proposed that at this final dividend won't be paid for this year. That was factored into the sizing of that return and the cash flows and as Deion mentioned, we are progressing well with the Dundonnell and Waipipi construction projects. But until they're fully onboard we're not receiving the full benefit of those - of that cash coming through. So it's, it's prudent to still maintain prudence on that until they're fully operational.

As we as we move forward to FY21, our guidance, we are issuing guidance of a range of AUD80 million to AUD95 million Australian. That has been impacted this year. We are actually merchant through a good portion of the year with Dundonnell, until such time as those offtake contracts come on board. So the early production coming out of Dundonnell is largely merchant.

Snowtown 1 is also merchant. As indicated before, we have seen the spot prices softening. We are - throughout this period, we are seeing that prices are expected to come back up first quarter next year. But that is having an impact on this year. We are also impacted by the ramp up of Dundonnell and Waipipi towards the back end, although noting that Waipipi won’t be a major driver at the back end. But the Dundonnell ramp up as we go through the year being a 336 megawatt project does impact that.

And we are predominantly - pretty well 100% contracted for our LGCs that we expect to create throughout the year at a price of low to mid-AUD20 range. So we have - that guidance range is a little bit wider than what we'd ordinarily do. But I think that this is a little bit of a unique and a transitional year for us as we are bringing projects on and the ramp up can be - well, it is more uncertain as we move forward and the impacts of moving through hold points and the like as Deion mentioned before, do have any impact on that.

So that's where we are with the formal presentation. Jessie, if - we'd be happy to open it up for questions.

Operator: Thank you. If you wish to ask a question, please press star 1 on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star 2. If you're on a speakerphone, please pick up the handset to ask your question. The first question comes from Andrew Harvey-Green with Forsythe Barr. Please go ahead.

Andrew Harvey-Green: (Forsyth Barr, Analyst) Morning Deion and Steve. A couple of questions from me. First of all, just looking at the FY21 guidance, are you able to just give us a feel for what you're assuming in terms of the commissioning wind volumes, what kind of range are you looking at that as driving that guidance range?

Deion Campbell: That's a really good question Andrew. I don't have them to hand actually. We have got obviously commissioning sequences programmed in the construction schedule. If you look at both those assets producing around 1700 gigawatt hours a year, I would say if you took about around just over half of that probably is the right number given the ramp up. Most of it's dominated by Dundonnell of course, which is already partly running. So, it probably is slightly more than half, maybe 1,000 gigs.

Steve Symons: Yes, some of that Andrew, depends on the timing of when it does come through. If it’s on for longer the better, but obviously then it impacts the actual total volume as you say.

Andrew Harvey-Green: (Forsyth Barr, Analyst) Yes, okay. Next question I just had was I guess thinking about the Australian market in general in particular and I wanted to get your commentary or comments that you're looking more at the ability to offer firmed energy into the market. If you had someone come and say we want say 500 gigs per annum of firmed energy, would you be able to give us a guidance, rough idea of what kind of price that might be looking at if you're thinking about the cost of building wind/solar whatever that might be. Then firming that, what kind of firmed price would you be looking at roughly?

Deion Campbell: Yes, so there's two things to that. Firstly, probably our preference for path to market would not be some sort of a C&I firmed approach. But we need to be ready in case that's where the market transitions. As you know, we've been successful avoiding that to date.

In terms of pricing just firm energy, it really does depend on your approach to the world, but others are out there saying it's…

Steve Symons: AUD15 to AUD20.

Deion Campbell: Yes, AUD15 to AUD20 a megawatt hour to firm it. So our approach is to have options available including batteries and what will effectively be dual fuel offer. To do it ourselves, if we think we can do a better than the market can offer us firming products at a time but to answer your question, AUD15 to AUD20 a megawatt hour looks like where it's sitting in the market.

Andrew Harvey-Green: (Forsyth Barr, Analyst) Yes, okay and I guess the other development that's getting a bit more attention is the potential for hydrogen and in Australia, particularly notionally stranded wind and solar assets. Is that a market that you are looking at and what are your thoughts around that as some sort of potential?

Deion Campbell: Yes, we've probably been having a good look at hydrogen for more than 12 months now. What we're struggling to see yet is where the right place for us to play in that market would be. So there's a big use case for the hydrogen that has to be solved before there's really a hydrogen market.

We know already we could make hydrogen from our renewable electricity. It's not hard, but at the moment it's also not cheap. So one of the use cases we've looked at is make hydrogen, say at Snowtown 1, put it into tanks and then burn it again to firm up Snowtown 1 in a generator of some sort.

That round cycle efficiency from electricity back to electricity for hydrogen as the intermediary fuel still means you're better off putting a battery in right now. So, we are looking, but we suspect our place in that market will be providing electricity to someone who needs it for their electrolyser.

Andrew Harvey-Green: (Forsyth Barr, Analyst) That's all for me. I've got a couple of other more detailed things but I'll take those offline in due course.

Deion Campbell: Sure, thanks Andrew.

Operator: Thank you. Once again, if you wish to ask a question, please press star 1. The next question comes from Nevill Gluyas with Jarden. Please go ahead.

Nevill Gluyas: (Jarden, Analyst) Good morning team. You can hear me, I hope.

Deion Campbell: Yes.

Steve Symons: Yes.

Deion Campbell: Good morning Nevill.

Nevill Gluyas: (Jarden, Analyst) Excellent. Good morning. Yes, so first question from me,

how much is left to spend on Dundonnell and Waipipi this year, for FY21?

Deion Campbell: All of it.

Nevill Gluyas: (Jarden, Analyst) Yes, you'll finish it off. Just getting some amounts just so there's no potential for analyst error in trying to get us how much cash is going to go out the door for those two.

Deion Campbell: Understood. We're just having a look to get the exact number

Nevill Gluyas: (Jarden, Analyst) Perhaps while that's happening, perhaps next question. I guess given how high the contracting level is and those projects should both be commissioned for the start of the FY22, can you venture an FY22 indicative EBITDA range?

Deion Campbell: I'm looking at Steve here. It might be a bit early for us.

Steve Symons: Yes, it's probably something we're probably a little bit reluctant to do at the moment, Nevill because it does also depend on the back end of Waipipi commissioning as well. That's probably the one variable in there.

Nevill Gluyas: (Jarden, Analyst) Just if we were to assume Waipipi was there for the full year.

Steve Symons: Let us - I'll have a look at something and I'll take - get something to - have a chat to you offline on it Nevill might be easier.

Nevill Gluyas: (Jarden, Analyst) Okay, no that would be brilliant thank you. Any luck on the yet spent?

Deion Campbell: Still looking.

Nevill Gluyas: (Jarden, Analyst) That's all right. I'll let you guys wrestle with the cloud. Another question from me, if you - well the first one then in terms of development timeline, Rye Park next best dressed. When do you think FID timing might be for that and FID decision?

Deion Campbell: I suspect it will be in the first half of '21. I probably wouldn't estimate how long it takes the New South Wales government to process our planning application, or variation of our planning approval. So, if we were to get it in three months instead of the anticipated six to nine months, then we'll be in off but yes first half of 2021 would be expected.

Nevill Gluyas: (Jarden, Analyst) I'm assuming if you don't get the planning approval, you still have a viable wind farm there?

Deion Campbell: Yes.

Nevill Gluyas: (Jarden, Analyst) But smaller. It would be 300 or so megawatts rather than 400?

Deion Campbell: Yes, I think it's more about how well we can price the energy into the market is what the change is about. Larger rotors just mean more energy. So to be as competitive as we possibly can be on that site for any potential offtake as we need to do it. Of course if we can't do it, there are other ways to produce a change in energy cost on a wind farm, which we look at exploring. Different layouts et cetera.

Nevill Gluyas: (Jarden, Analyst) That's useful. Thank you. In New Zealand, Tararua 1, that sounds like it could be a next cab off the rank after Rye Park. are we still talking about the 2025 type repowering?

Deion Campbell: Look, I think what we want to be ready for at that site is to respond when the market indicates that it's useful. So if you look out five years, those first machines just won't be suitable to be running we don't think. The technology is quite different than the modern ones. Engineering is a lot different on sites.

We would say that's probably the long dated. 2025 will be long dated. If we haven't done anything by then we've got something more interesting to do. But I would say in terms of our New Zealand options, our minds are probably torn between trying to do something at Omamari, doing that Tararua one and then our South Island sites.

And so it's a matter of where you've got planning approval to where the customers might want the energy and where any particular opportunities lie.

Nevill Gluyas: (Jarden, Analyst) So it does sound - I mean a high probability of repowering but also you've kept quite a bit of optionality in the New Zealand portfolio, expansion portfolio. I mean, do you think those projects will roughly be of similar economics or does Tararua stand out as having the superior economics?

Deion Campbell: Yes, I think the thing with Tararua because it's already got some of the infrastructure built, so it should have a bit of a head start in terms of economics. Of course we understand the wind resource very, very well.

And so, yes Tararua should be pretty good. But if someone wants it in the lower South Island for some reason then good. We've got a project there and same with up north. So we're pretty flexible over there and I think we've got the capability to do more than one at once as well.

[Over speaking]

Deion Campbell: Sorry, Nevill yes? I've just got the numbers.

Nevill Gluyas: (Jarden, Analyst) No, that's useful. Sorry the numbers fantastic, yes thank you.

Deion Campbell: Yes, Dundonnell is about AUD230 million to go this year and Waipipi is NZD200 million.

Nevill Gluyas: (Jarden, Analyst) Great. Thank you.

Steve Symons: And Nevill, just on your point on the EBITDAF of stuff, very broad brush, but on post to completion of the Dundonnell and Waipipi assuming nothing else and assuming it continued to spend on developed and you're probably looking mid hundreds in terms of an EBITDAF.

Clarification of response to FY2020 conference call question

Tilt Renewables Limited ("TLT") would like to clarify its response to the question on the FY2020 Results conference call held earlier this morning on 25 May 2020.

The question related to the company's expectations on EBITDAF FY2022 guidance for the business once projects currently in construction, Dundonnell Wind Farm and Waipipi Wind Farm, were fully operational. Management would like to clarify that this EBITDAF guidance level is expected to be around the A$100 to $110 million range based on current expectations for production, pricing and the existing cost structure with a focus on growing the business.

Nevill Gluyas: (Jarden, Analyst) Great, thank you yes. One more from me. Actually two more from me, but hopefully quick, if there's another asset to sell, if you were to sell, what do you think the next cab off the rank would be? What would be the best fit if you were thinking of divesting a wind farm?

Deion Campbell: Well I guess we aren't really thinking about that. We're don't really build to sell. We just saw that the market was right for the Snowtown 2 sale and if we'd waited three months it would have been a different story.

One of the things we try to balance a lot is to try to scale. It's important to be on a reasonable scale in this market. So selling Snowtown 2 was really only enabled because we were under construction with Dundonnell and Waipipi. So we had replacement scale coming on.

So, that will be one thing drives that thinking should we get there. But the other is what might you be able to do with the other assets? And I use our Salt Creek wind farm as an example of a long dated contracted asset. Has had a couple of years of operating experience now. Should be one that you would think someone else might like. But it's actually got probably our best Victorian option behind it.

The owner of Snowtown - of Salt Creek has to be the owner also of that option. So a lot of our sites like that - and Tararua - we've got other things we'd like to do there. So selling them doesn't really align with what we're trying to achieve as a business.

Nevill Gluyas: (Jarden, Analyst) Yes makes sense. Great. Thank you. Last question from me then, the case regarding the South Australian blackout. Haven't heard much more on than that. Have I missed some development there or is that still in train?

Deion Campbell: No, it's still going through the court process. I think there's another court hearing's been put off a little bit with the COVID restrictions over here and I think it might be bumped into June now, the next court hearing.

Steve Symons: There's not much left of May.

Deion Campbell: Yes, so it must be in June. There was a slowdown from COVID, but at this stage, I think it's back to court to see of the four parties being taken through that process, how many items are common and can be heard in the same forum and how many items are different. I think that's what the next step is. So there's a bit of work to do still here.

Nevill Gluyas: (Jarden, Analyst) Okay. So it sounds like we're a long way from having any idea what the potential exposure is there or even when a final decision gets made?

Deion Campbell: We expect that will be next calendar year.

Nevill Gluyas: (Jarden, Analyst) Great. Okay. Thank you very much. That's it from me.

Deion Campbell: Thanks Nevill.

Operator: Thank you. The next question comes from James Wallace with Craigs Investment Partners. Please go ahead.

James Wallace: (Craigs Investment Partners, Analyst) Morning team, just a quick one from me following up on Andrew's question on FY21 guidance. Obviously now post Snowtown 2 sale, Snowtown 1 assets on spot exposed in South Australia and obviously prices have fallen to AUD40 a kilowatt hour in May.

Just a question on guidance. You see - does it need wholesale prices to rebound in the

second half? And how much is the hedge first half, second half split impacts Snowtown 1? Thanks.

Deion Campbell: Sorry, James, just to confirm, you want to - you want to understand how much first half, second half split on our hedge is?

James Wallace: (Craigs Investment Partners, Analyst) Yes.

Deion Campbell: But the first part of that question, how much do we need the prices to improve? Was that what you said?

James Wallace: (Craigs Investment Partners, Analyst) Yes. How much you need wholesale prices to rebound to meet your FY21 guidance?

Deion Campbell: Well the, the FY21 guidance was being reflective of the prices we're observing in the market at the moment change. So, they don't need - if, I suppose looking at it the other way, if we do see prices strongly rebound going forward we're going to be - you have on the top side or above our guidance with that.

So we've sized the guidance based on where we see the forward prices sitting today through the ASX boards and also our internal pricing that reflects that. Reality is if we had have set guidance probably four or five months ago, the number would have been higher. So as we sit today, that's based on the current forward.

James Wallace: (Craigs Investment Partners, Analyst) That’s useful. Thanks.

Operator: Thank you. There are no further questions at this time. I'll now hand back to Mr Campbell for closing remarks.

Deion Campbell: Well, thank you Jessie, and thanks again everyone for joining in. It is a bit weird doing it completely on the phone. Appreciate your interest in Tilt Renewables and we look forward to being in front of you all again sometime soon. See you later.

Operator: Thank you. That does conclude our conference for today. Thank you for participating. You may now disconnect.

End of Transcript