



2025 Interim Results Presentation



Meridian.














Neal Barclay – Chief Executive



Meridian's West Wind Farm near Wellington



Key points

WINTER INFLOWS	CUSTOMERS	RUAKĀKĀ BESS	RUAKĀKĀ SOLAR & MT MUNRO WIND
 <p>1 IN 90 YEAR LOW WINTER INFLOWS</p>	<p>+4% </p> <p>CUSTOMERS SINCE JUNE</p>	 <p>COMMISSIONING COMMENCED AT RUAKĀKĀ BESS</p>	 <p>FINAL CONSENTS FOR RUAKĀKĀ SOLAR AND MT MUNRO WIND</p>
HEDGES	RETAIL	JOINT VENTURE	SIGNED
<p>\$200_M</p> <p>OF HEDGE COVER COSTS</p>	<p>+5% </p> <p>RETAIL REVENUE V 1H FY24</p>	 <p>WITH NOVA FOR 400MW TE RAHUI SOLAR FARM</p>	 <p>SIA WITH NZ WINDFARMS, PPA FOR 150MW TAUHEI SOLAR FARM OFFTAKE</p>
EBITDAF ¹	DIVIDEND	NZ HOUSEHOLDS	REPLACEMENT
<p>-\$186_M </p> <p>-42% EBITDAF V 1H FY24</p>	<p>6.15_{cps} </p> <p>INTERIM DIVIDEND</p>	 <p>NEW RETAIL PROPOSITIONS NOW AVAILABLE TO HALF OF NZ HOUSEHOLDS</p>	 <p>TRANSFORMERS AT MANAPŌURI AND WEST WIND</p>

¹Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges and asset related adjustments.



Changing fuel mix

\$10B of new generation investment in the last 15 years by generators.

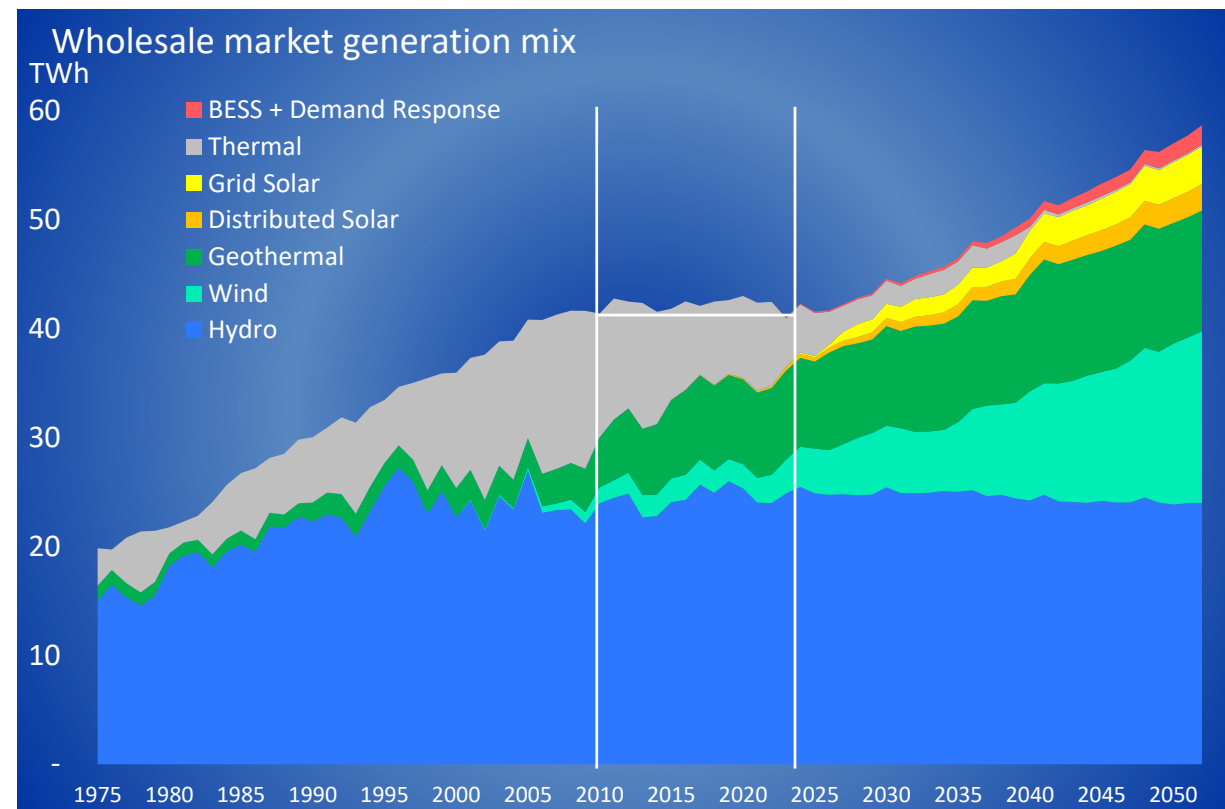
Through a period of flat electricity demand and uncertainty on the future of NZAS.

Geothermal, wind and some solar has met thermal capacity retirement.

Resulting in a more renewable electricity system, but one still dependent on thermal fuel storage to firm hydro drought.

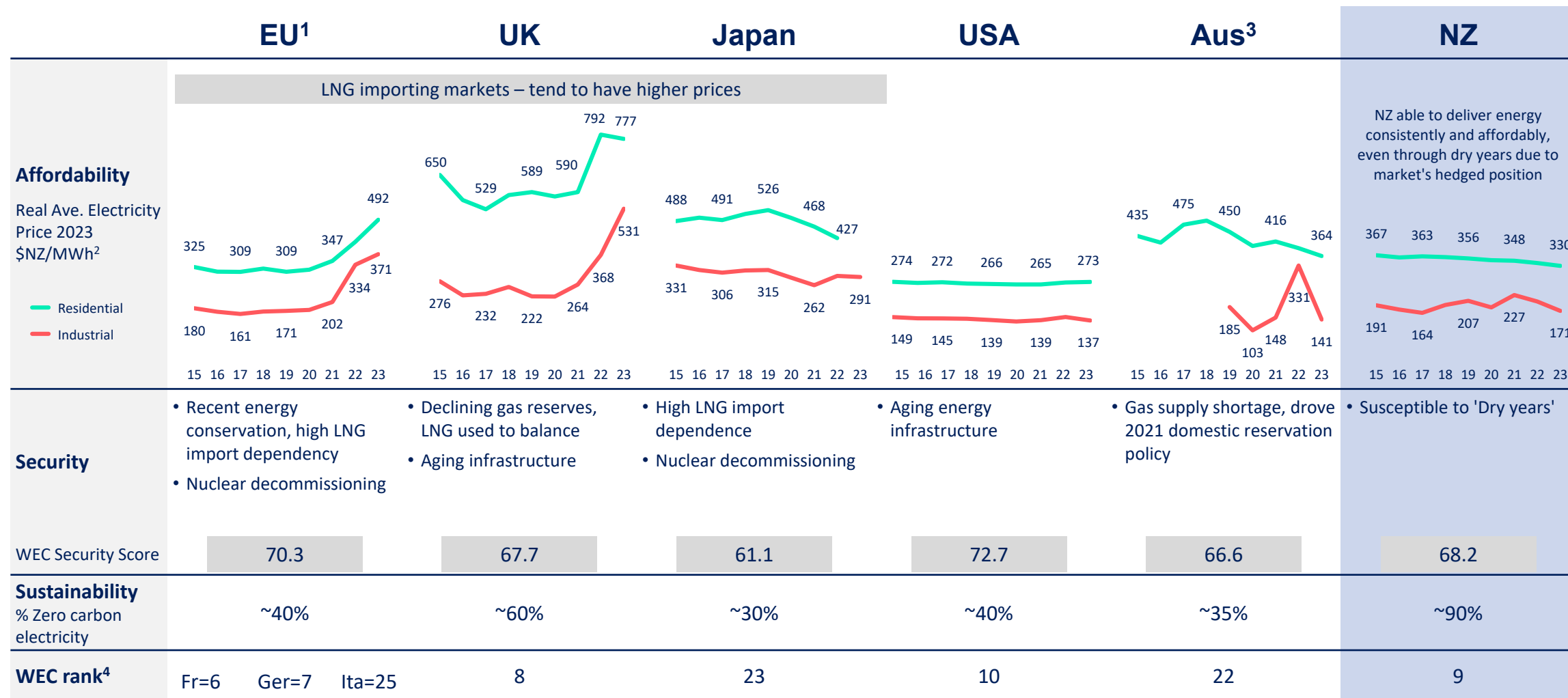
That electricity system managed the record 2024 winter drought, despite a lack of available gas for generation.

And is now solving that structural issue of gas unavailability.





A world class electricity system in NZ



1. EU prices, reflect Generation Weighted Average Prices for combined Italy, Germany and France energy profiles

2. Nominal Enerdata prices adjusted to Real 2023 NZ\$ using Reserve Bank of New Zealand inflation figures

3. Australian Industrial prices reflect wholesale prices + 45% transport premium

4. World Energy Council

Source: BCG, Meridian

Fuel scarcity

Meridian experienced 1 in 90 year, record low May to mid-August inflows.

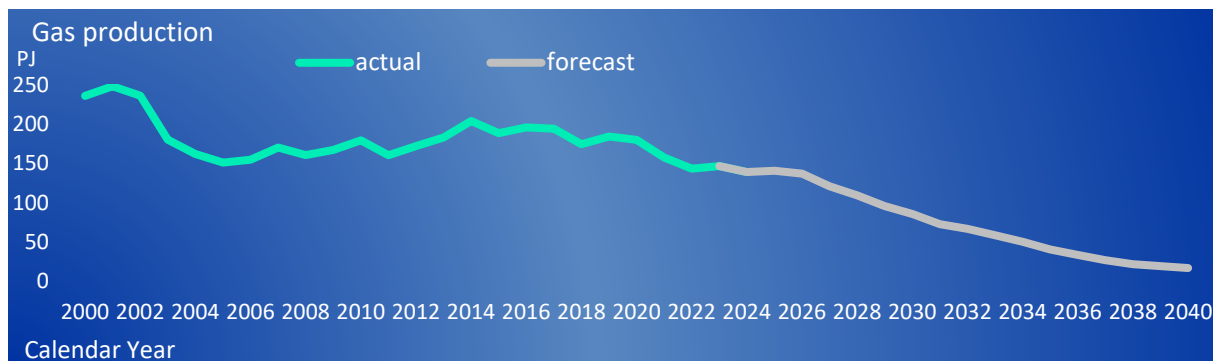
That was preceded by calm and dry conditions, and meant cumulative inflows were below average for much of 2024.

Largest NZAS Demand Response option was called.

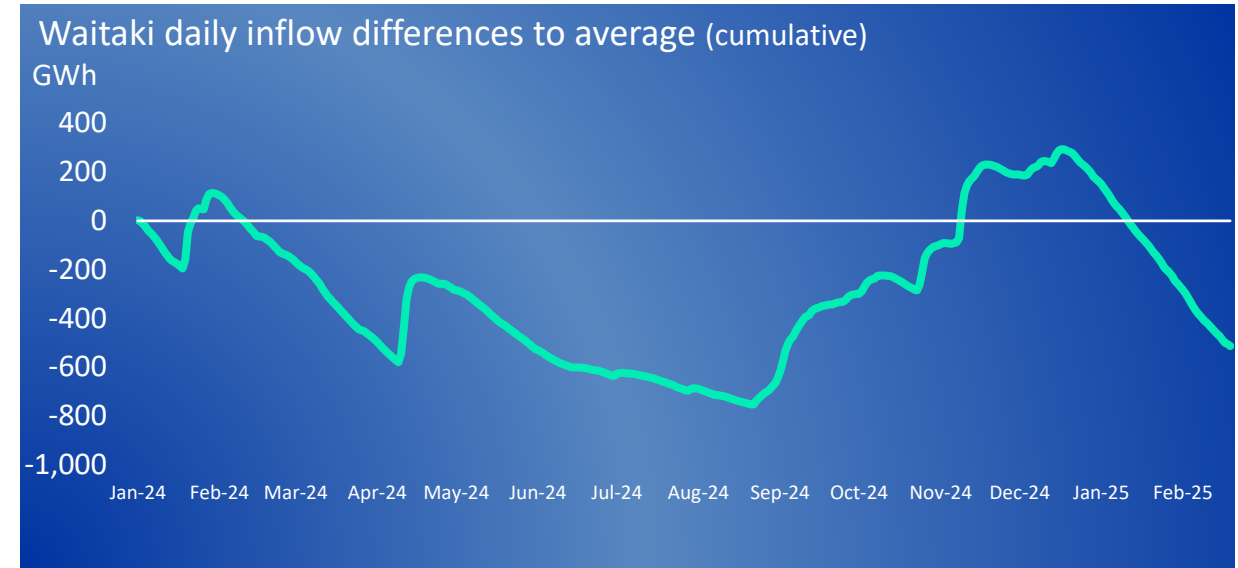
Lack of available gas for electricity generation saw existing hedge cover fail.

Large industrial gas demand reduction in the short term then followed.

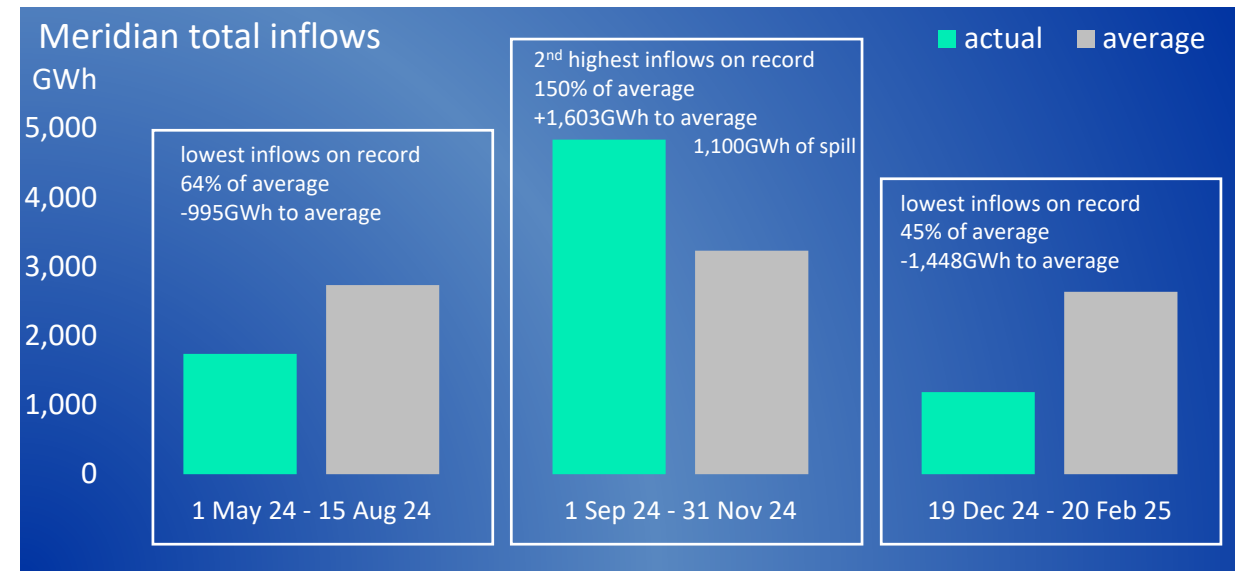
Including demand response, Meridian acquired 800GWh of hedges (\$258/MWh average cost) to manage fuel scarcity.



Source: Ministry of Business, Innovation and Employment, Hīkina Whakatutuki



Source: Meridian



Source: Meridian

Contingent storage

Contingent storage is fuel that physically exists in the system today.




It is intended to be available for generation at specific times to mitigate high risk of drought.

In November 2024, Meridian again requested amendments be made to make access to contingent storage practically available.

The existing buffer applied in calculating contingent storage release does not reflect actual risk of serious energy shortage.

The buffer was temporarily amended during September and October 2024 because of this inconsistency.

Meridian’s request is to make this amendment permanent now, so the market can be confident contingent storage will be available when needed.

Contingent storage		
Lake Tekapo	Lake Pūkaki	Lake Hawea
		
220GWh of additional storage available between October and March if storage falls below Contingent Storage Release Boundary. Between April and November, the 220GWh is controlled storage.	545GWh of additional hydro storage available; <ul style="list-style-type: none">▪ 331GWh if storage falls below Contingent Storage Release Boundary.▪ 214GWh if the System Operator declares an Official Conservation Campaign.	67GWh of additional storage if storage falls below Contingent Storage Release Boundary.

Source: Transpower

Regulatory focus – 2024 fuel scarcity

Government’s focus is on initiatives many of which are already underway or part of existing policy programme.

Task Force programme is largely derived from the Electricity Authority’s existing work programme.

Timeframes for the Task Force’s programme are condensed. Consultation papers are expected in early 2025, with possible code changes from mid 2025.

Aside from contingent storage, little will immediately address the lack of, or reliability of available fuel in a significant drought.

The fundamental issue is how the electricity sector further responds to gas supply decline and low confidence in the future of gas industry.

A Government Policy Statement on electricity was released in October 2024.

Closely followed by terms of reference for the ministerial review of the electricity sector.

Government focus	
<div><u>Action to bolster energy security</u></div> <div>Reverse the ban on offshore oil and gas exploration</div> <div>Remove regulatory barriers to the construction of facilities to import LNG as a stop gap</div> <div>Ease restrictions on electricity lines companies owning generation</div> <div>Ensure access for gentailers to hydro contingency</div> <div>Improve electricity market regulation (via a sector review)</div>	<div><u>Next steps on Electrifying NZ</u></div> <div>Establishing a one stop shop fast track approvals and permitting regime</div> <div>Amendments to the RMA to speed up resource consenting</div> <div>Stronger national direction for renewable energy</div> <div>A new regime for offshore wind</div> <div>Updated regulatory settings for electricity networks and new connections</div>
Energy Competition Task Force work programme	
<div><u>Package 1</u></div> <div>Consider requiring gentailers to offer firming for PPAs</div> <div>Introduce standardised flexibility products</div> <div>Look at benefits of virtual disaggregation</div> <div>Investigate level playing field measures as a regulatory backstop</div>	<div><u>Package 2</u></div> <div>Requiring distributors to pay a rebate when consumers export electricity at peak times</div> <div>Require all retailers to offer time-of-use pricing</div> <div>Require retailers to better reward consumers for supplying power</div> <div>Reward industrial consumers for providing short-term demand flexibility</div>

Transmission and distribution costs

Final Commerce Commission decision in November 2024 on regulated revenues for Transpower and distribution companies for the next 5 years.

Regulated revenue increases are significant, more than 40% above the current regulatory period.

Much of the increase is attributable to inflation and higher regulated cost of capital.

Remainder of the increase is attributable to increased network investment.

The Commission has applied smoothing to reduce the step change in costs to customers on 1 April 2025.

Cost increases are significant, with the Commission estimating increases of \$120 to \$300 for households in the next year (5% on average).



Transmission lines near New Zealand's Aluminium Smelter in Southland



Transformer replacement

New transformer from existing supplier installed at Manapōuri.

Unit 6 returned to service in December 2024, with the first of seven new control and protection systems as part of the station's Automation Upgrade Project.

Unit 4 remains out of service until the first of two new transformers are delivered in late 2025, from a new supplier.

Leased transformer installed at West Wind in October 2024, returning the farm to full capacity.

New West Wind transformer installed by late 2025.



Transportation of a transformer across Lake Manapōuri



And up the West Wind Farm access road

Construction and development

First grid injection at Ruakākā Battery Energy Storage System, April 2025 operational date.

Ruakākā Solar consent finalised, final investment decision (FID) expected in March 2025.

Environment Court consent granted for Mt Munro Wind Farm.

JV with Nova for stage 1 of Te Rahui Solar Farm (200MW of 400MW), 50-50 offtake, FID expected in April 2025.

Te Rere Hau Wind Farm FID expected in June 2025.

Scheme Implementation Agreement (SIA) signed with NZ Windfarms.

Power Purchase Agreement (PPA) signed for 150MW Tauhei Solar Farm offtake.



Meridian's Ruakākā Battery Energy Storage System near Whangārei

Renewable development pipeline

5.8GW (13.8TWh) of development options
2.6GW secured, 3.2GW in advanced prospects



Wind

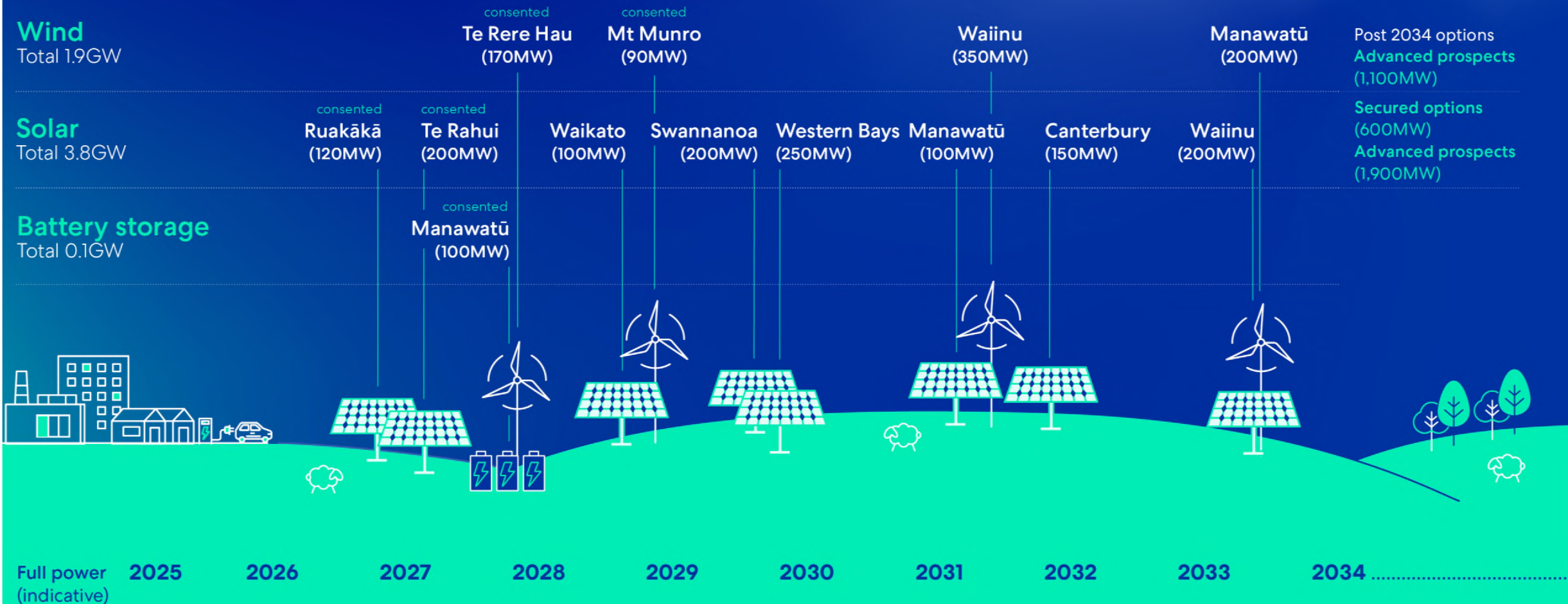
Total 1.9GW

Solar

Total 3.8GW

Battery storage

Total 0.1GW



Mike Roan – Chief Financial Officer



Benmore Hydro Station in the Waitaki Valley, South Canterbury



Wholesale market operation

Wholesale electricity markets are inherently volatile.

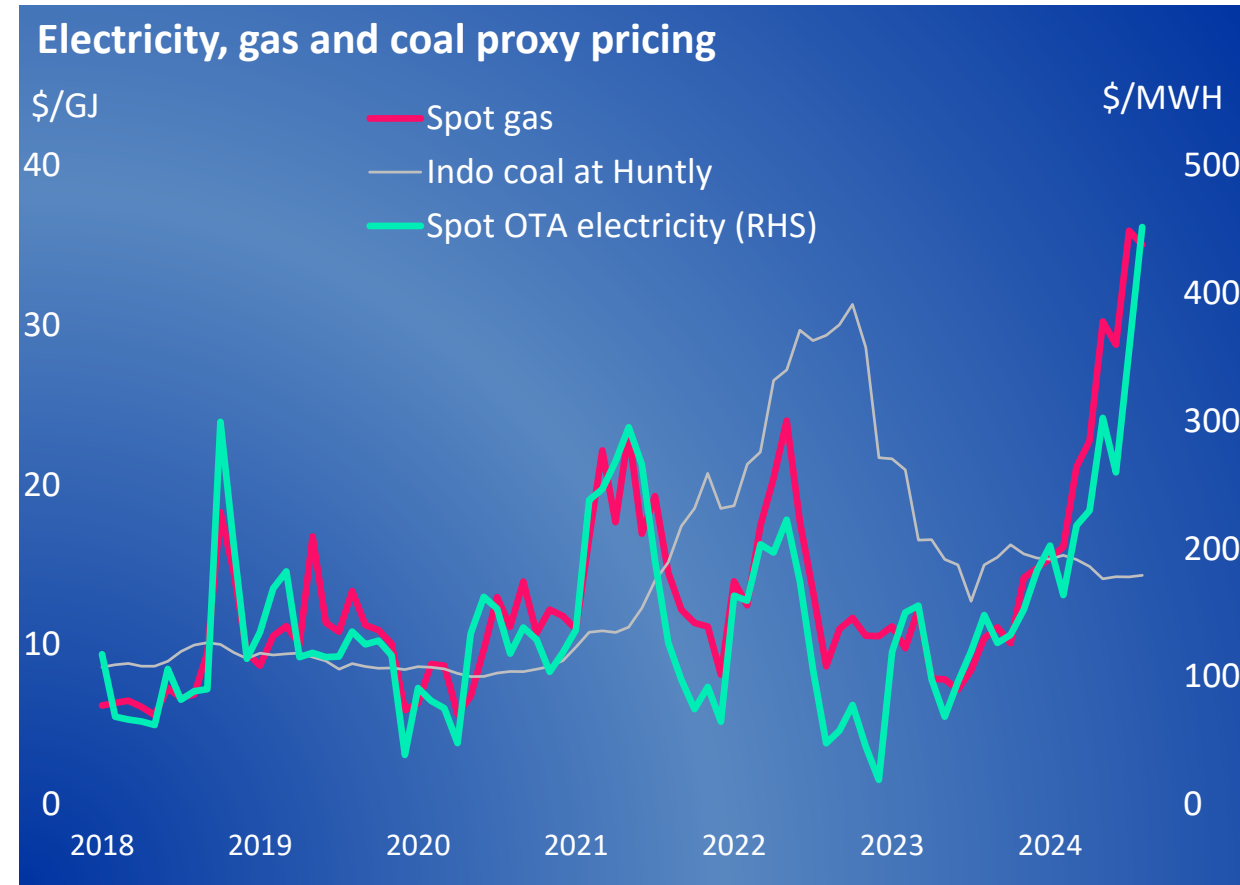
Particularly in this country, with the system's low storage hydro backbone and increasingly intermittent renewables.

High wholesale prices are part of how the system operates, signaling fuel scarcity.

And offering the financial incentive for more expensive forms of generation and demand response to be made available.

The winter 2024 drought has shown the extent of gas unavailability for electricity generation, particularly compared to previous low hydro inflows periods.

Spot gas prices are increasingly the driver of wholesale electricity prices, rather than hydro storage levels.



Source: Enerlytica



Operating cash flow and EBITDAF

Six months ended 31 December	<u>2024</u>	<u>YoY</u>	<u>YoY</u>		<u>2024</u>	<u>YoY</u>	<u>YoY</u>
	<u>Operating cash flows</u>	<u>change</u>	<u>change</u>		<u>EBITDAF</u>	<u>change</u>	<u>change</u>
		\$M	%			\$M	%
\$M							
Receipts from customers	2,410						
Interest received	4						
Payments to suppliers and employees	(2,165)	+/- accruals			257	-186	-42%
		+8					
Interest paid	(44)	-6					
Income tax paid	(155)	-51					
Operating cash flows	50	-253	-83%				
	Energy margin	444	-185	-29%			
	Other revenue	26	+10	+63%			
	Transmission expense	(37)	-1	+3%			
	Hosting expenses	(2)	+0	+0%			
	Metering expense	(26)	-1	+4%			
	Other operating expenses	(148)	-9	+6%			

-83% decrease in operating cash flows.

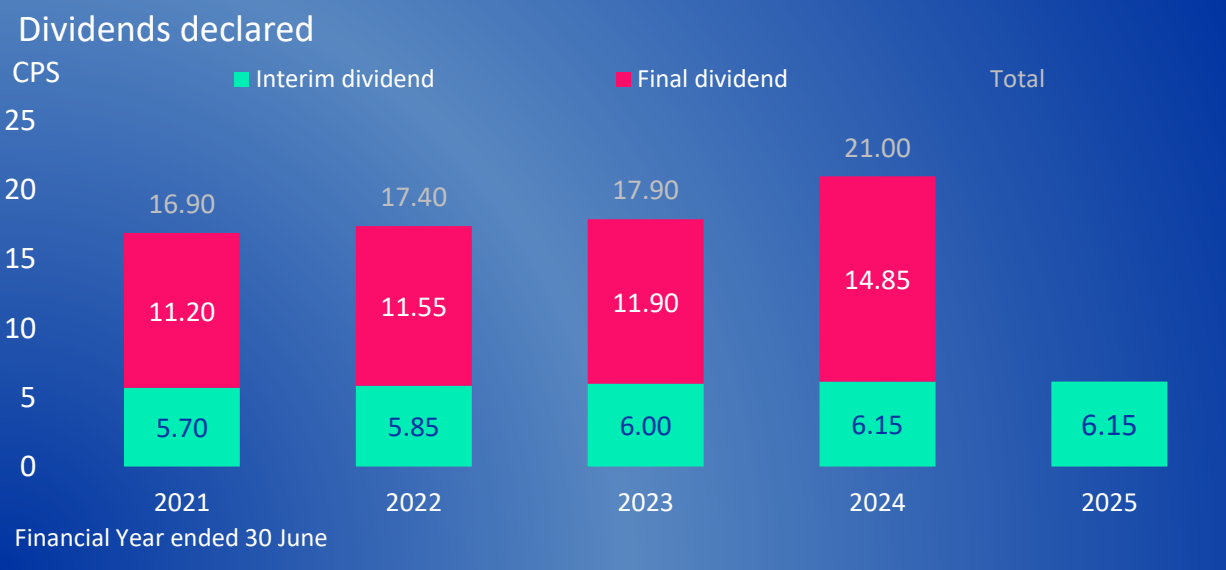
-42% decrease in EBITDAF.



Dividend

Interim ordinary dividend declared of 6.15cps (flat on 1H FY24), 85% imputed.

Dividend reinvestment plan will apply to this interim dividend at a 2% discount.



Dividends declared	1H FY25		1H FY24	
	<u>cents per share</u>	<u>imputation</u>	<u>cents per share</u>	<u>imputation</u>
Ordinary dividends	6.15	85%	6.15	80%

Dividend Reinvestment Plan Dates			
Ex dividend date	6 March	Strike price announced	13 March
Record date	7 March	Dividend paid/shares issued	25 March
Elections close	10 March		



Movement in EBITDAF

1H FY25 EBITDAF -42% (-\$186M) decrease on 1H FY24.

5% higher retail contracted sales revenue on 1% lower volumes.

-11% decrease in 1H FY25 hydro generation volumes.

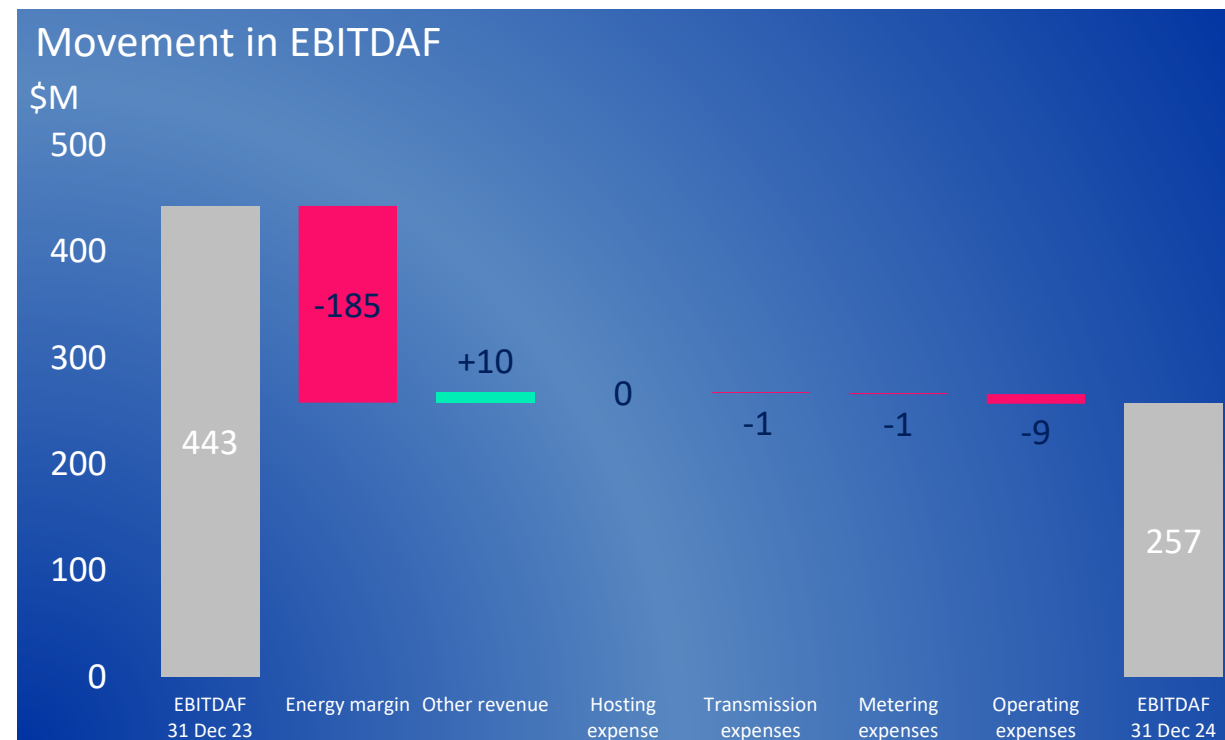
-24% decrease in 1H FY25 financial contract sales volumes.

Higher average cost paid to supply customers and financial contracts.

Significant hedge and demand response costs to manage record low winter inflows.

+\$10M increase in other revenue from metering contract changes and transformer settlements.

+\$9M (+6%) increase in 1H FY25 operating costs.





Energy margin

5% revenue growth in mass market and corporate and industrial segments from higher average prices.

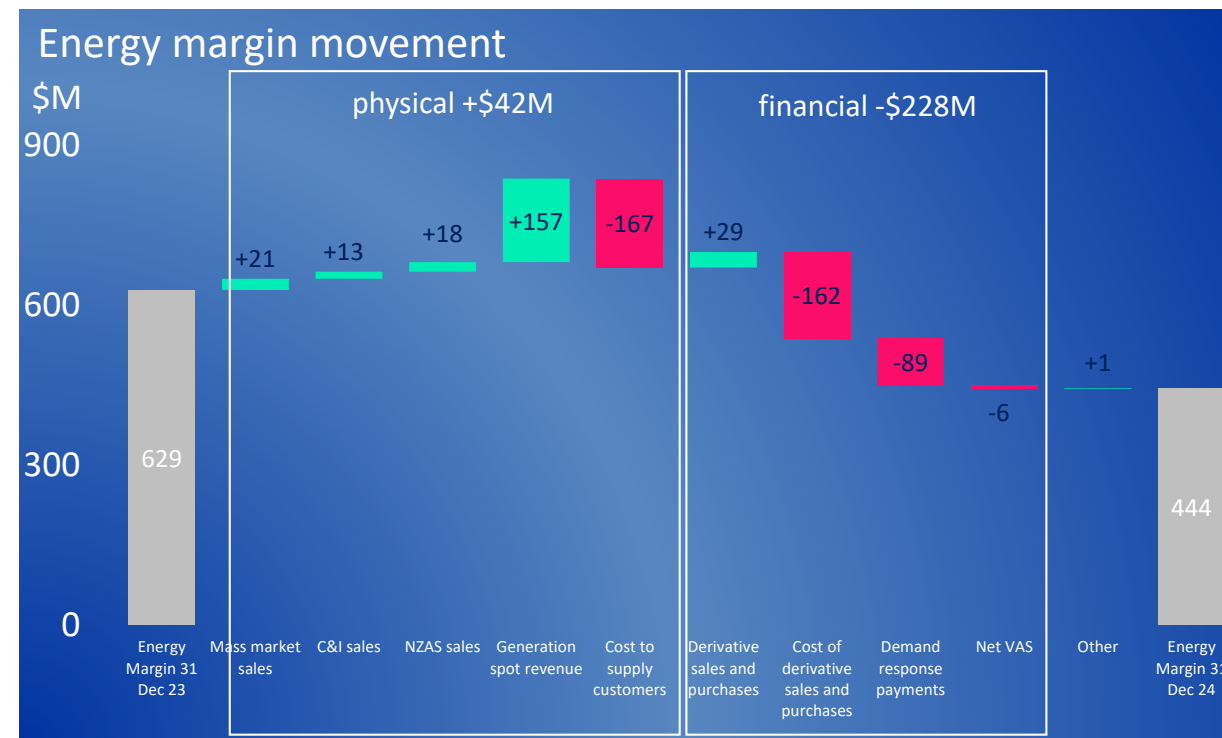
Winter fuel scarcity drove an -11% decrease in 1H FY25 hydro generation volumes.

Higher generation spot revenue and customer supply costs from higher wholesale prices.

24% lower financial contract sales volumes reflecting the lack of discretionary generation.

\$200M in hedge costs and demand response to manage record low winter inflows.

\$17M of close out costs largely due to market making costs through low market liquidity.





Retail customers

Mass market

+\$21M (+5%) growth in mass market revenue from higher average sales price and large business volume growth.

Modest declines in other mass market segment sale volumes.

Corporate

-4% decrease in corporate sales volume at a higher net average sales price.

Corporate sales revenue increased +\$13M (+5%).

<u>Customer sales</u>	Average price ¹ (\$/MWh)	Total sales volume (GWh)	North Island sales volume (GWh)	South Island sales volume (GWh)
<u>1H FY25</u>				
Residential		941	522	419
Small medium business		848	518	330
Agricultural		700	221	479
Large business		358	232	126
Total mass market	\$152	2,847	1,493	1,354
Corporate	\$143	1,903	971	932
<u>1H FY24</u>				
Residential		947	530	417
Small medium business		850	521	329
Agricultural		695	212	483
Large business		330	212	118
Total mass market	\$146	2,822	1,475	1,347
Corporate	\$130	1,984	1,180	804

¹Volume weighted average electricity price received from retail customers, less distribution costs

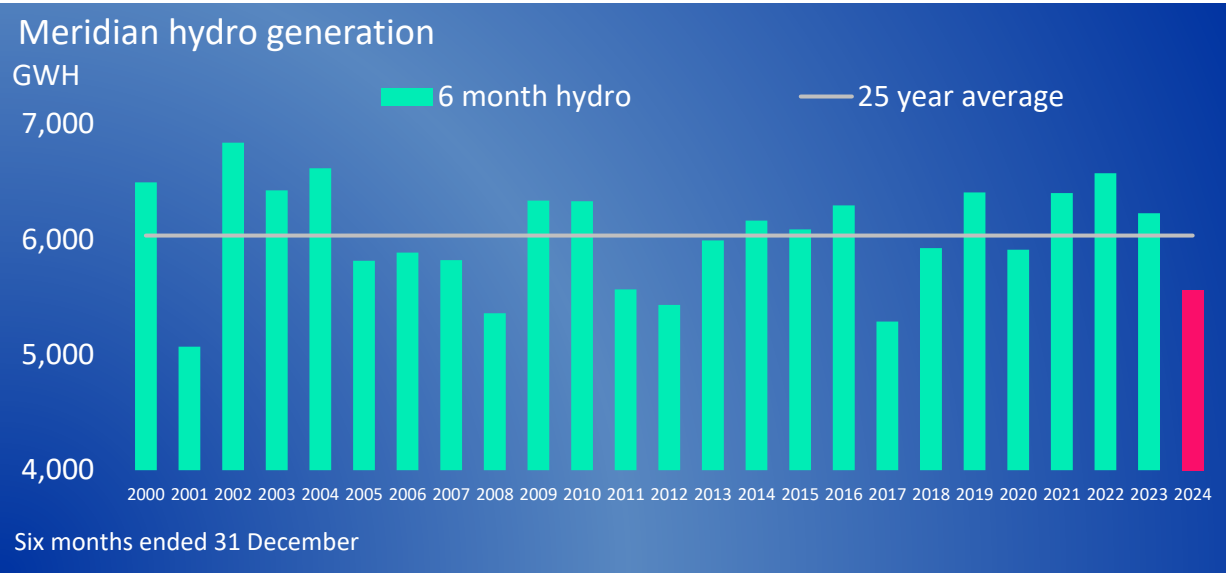
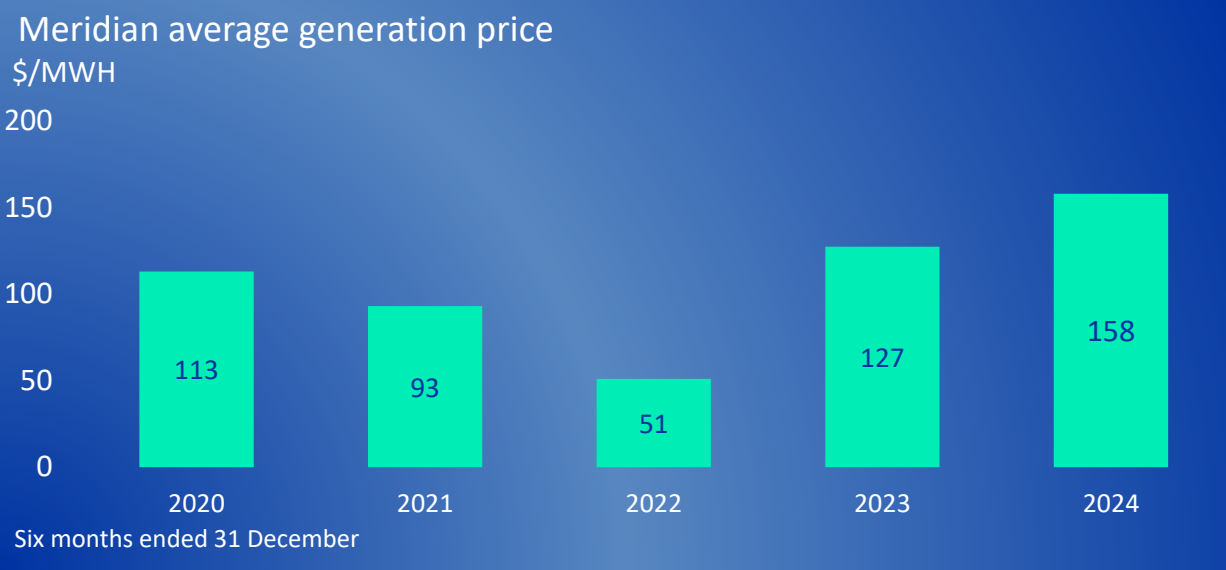
Generation

1H FY25 inflows were 126% of average, heavily skewed to spring and early summer inflows.

Winter fuel scarcity drove an -11% decrease in 1H FY25 hydro generation volumes.

Wind generation increased 306GWh (+42%), despite calm winter periods with additional Harapaki generation and return to full 143MW capacity at West Wind in October 2024.

Wholesale price volatility during 1H FY25 reflected fuel scarcity. Average daily prices in August 2024 ranged between \$800MWh and \$1MWh.

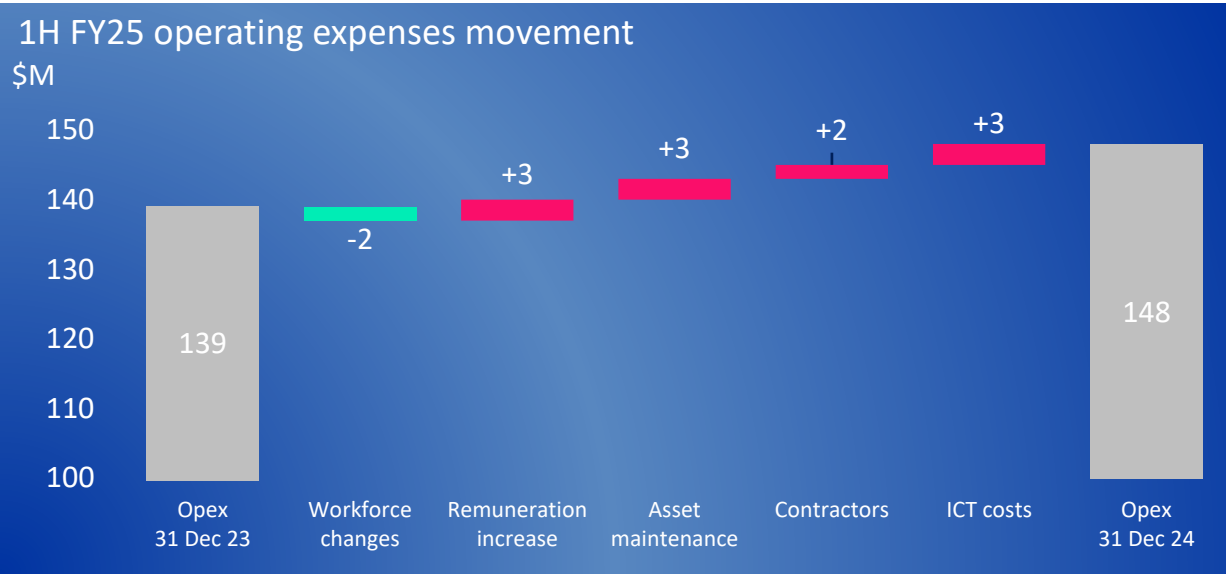
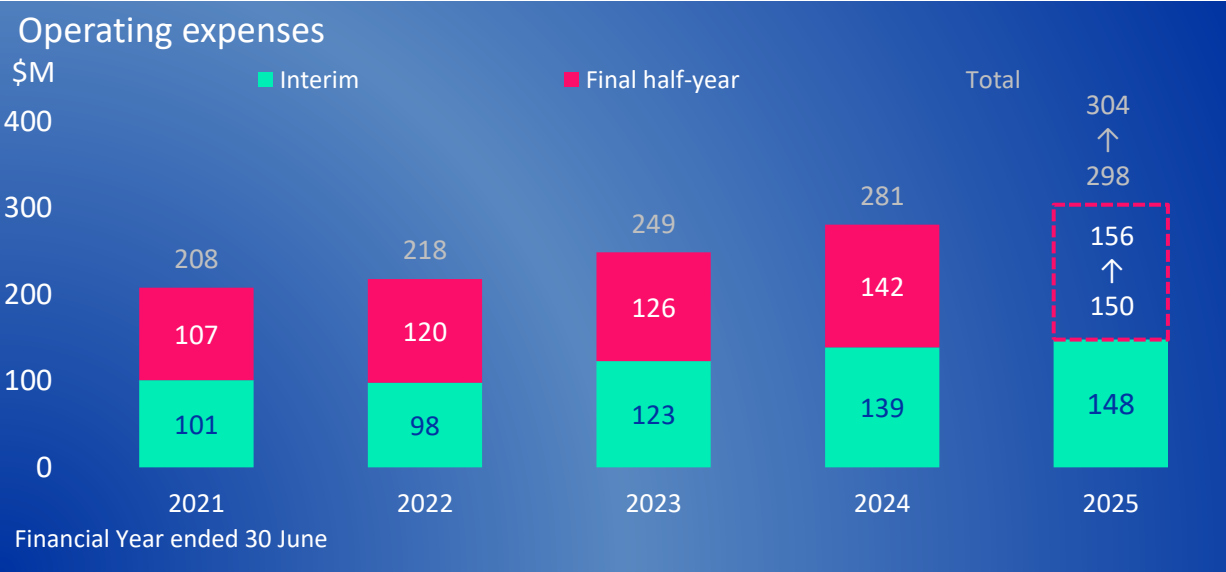


Operating expenses

Operating expenses \$9M (6%) higher than 1H FY24.

Growth in 1H FY25 from workforce changes, remuneration increases, transformer costs, retail transformation and finance and generation control system upgrades.

Expecting FY25 operating costs of between \$298M and \$304M (previous guidance between \$302M and \$308M).



FY25 Cost Guidance		
Generation	Flux	Total
Operating Costs	\$15M	\$298M - \$304M
Stay in Business		\$75M - \$90M
Growth		\$145M - \$160M
Total Capital Expenditure		\$220M - \$250M
Total Cash Costs	\$125M - \$130M	

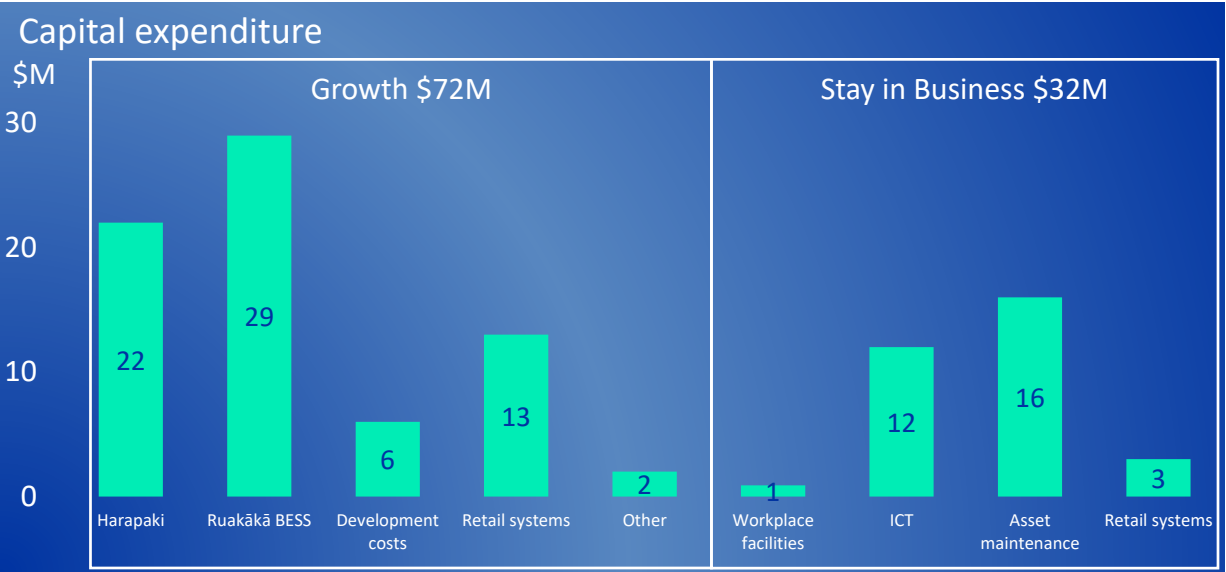
Capital expenditure

Capital expenditure of \$104M in FY25.

\$32M stay in business spend and \$72M growth investment.

Spend in 1H FY25 from Harapaki completion, Ruakākā Battery, retail transformation, finance and generation control system upgrades, asset maintenance.

Expecting FY25 capital expenditure of between \$220M and \$250M (previous guidance between \$295M and \$325M).





Below EBITDAF

-\$154M decrease in NPBT¹ from the net change in fair value of hedges² (-\$2M decrease in 1H FY24).

+\$61M (+37%) increase in depreciation from June 2024 asset revaluation and Harapaki completion.

-\$8M of asset related adjustments in 1H FY25, mainly impairments and transformer disposal losses.

+\$13M increase in net finance costs from higher funding costs and completed Harapaki capitalisation.

Negative tax expense on pre-tax losses.

Resulted in a -\$121M net profit after tax.

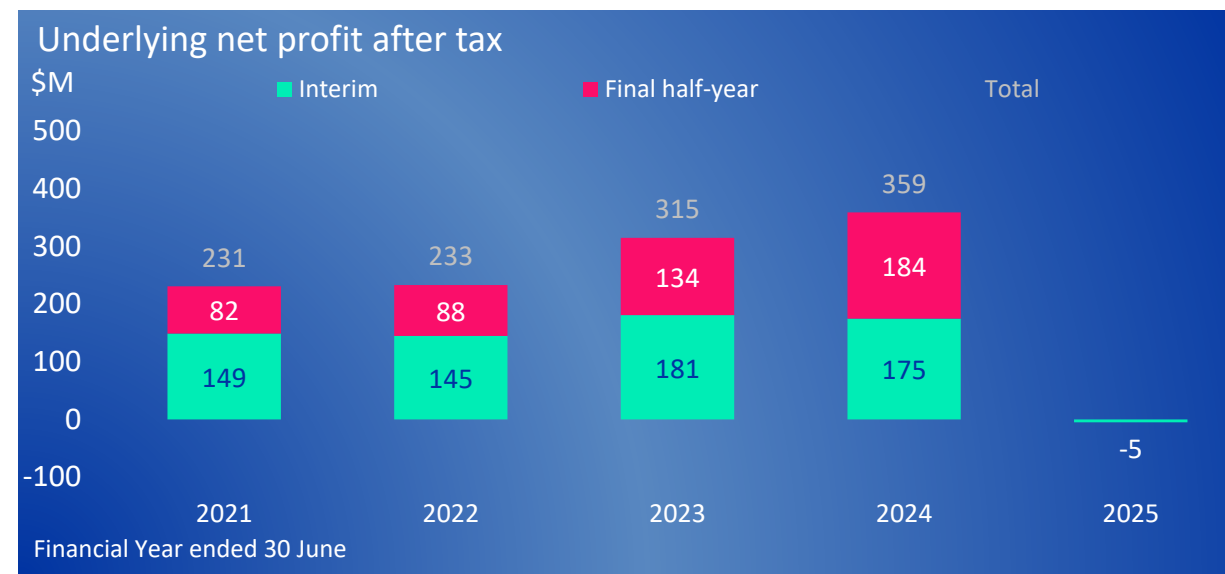
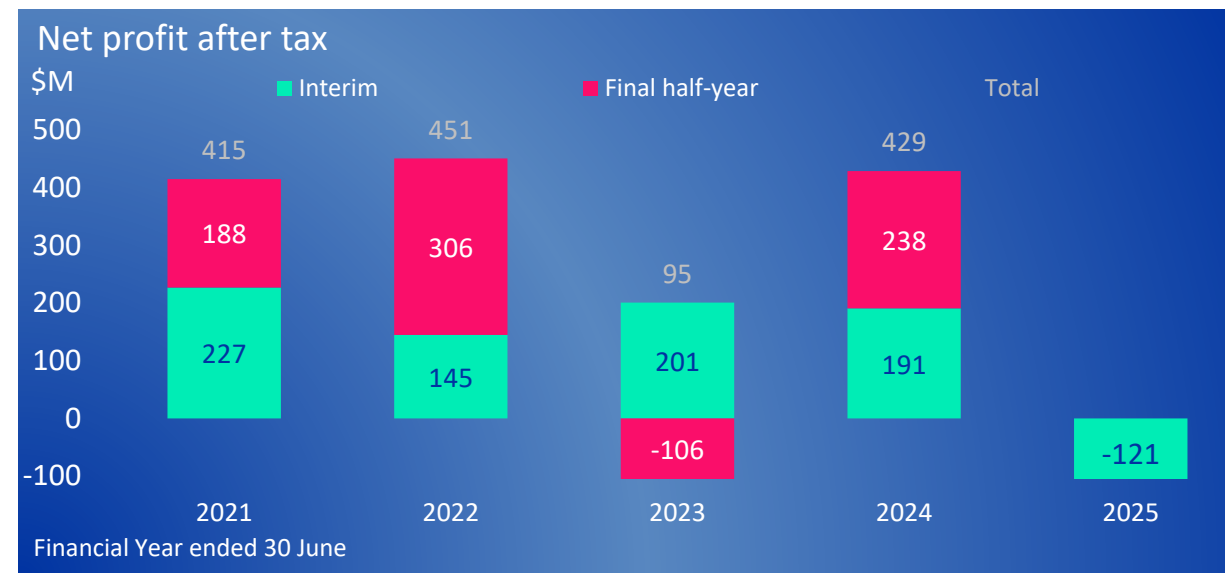
-\$5M underlying net profit after tax³ largely from lower EBITDAF and tax with higher depreciation, financing costs.

¹Net profit before tax

²Net changes in the fair value of unrealised energy hedges and treasury hedges

³Net profit or loss after tax adjusted for the effects of changes in fair value of unrealised hedges, electricity option premiums and other non-cash items and their tax effects

A reconciliation of NPAT to Underlying NPAT is on page 42





Debt and funding

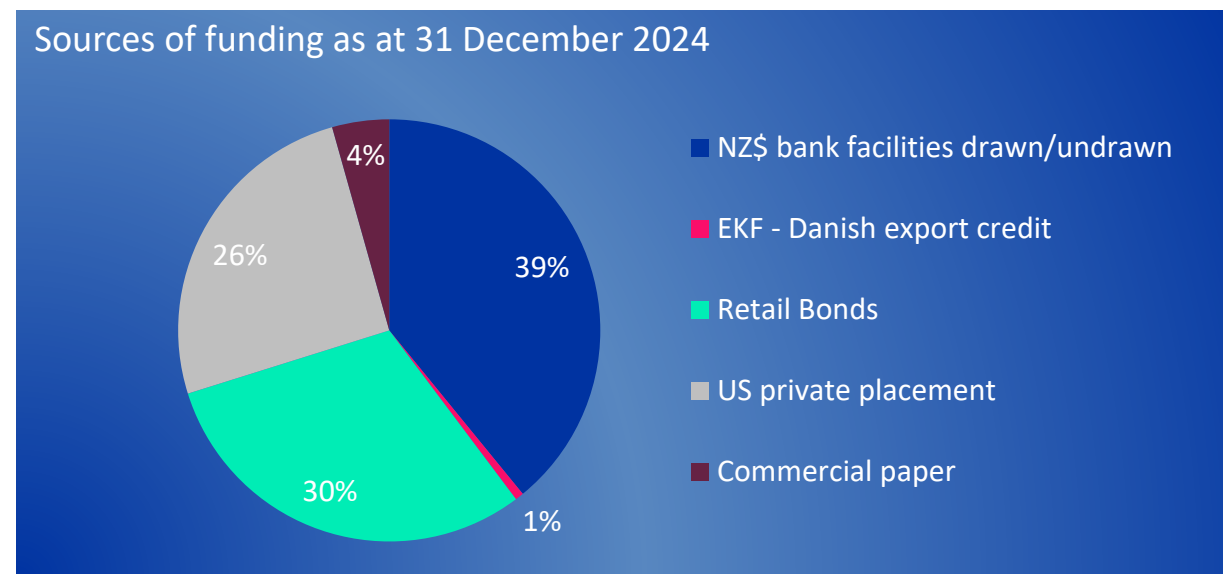
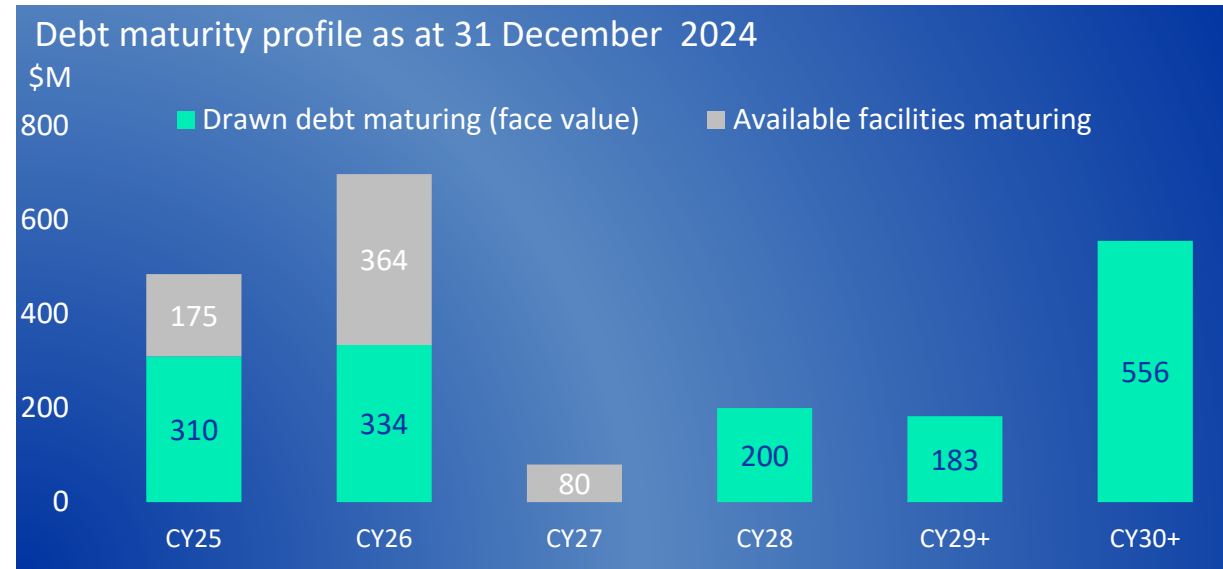
December 2024 total borrowings of \$1,657M¹.

Total funding facilities of \$2,302M, of which \$719M were undrawn.

All facilities classified under Meridian's Green Finance Programme.

Net debt to EBITDAF at 2.2x (1H FY24: 1.3x).

Credit rating maintained at BBB+/Stable.



¹Including \$24M fair value adjustment

Final thoughts

1H FY25 was challenging with record dry winter conditions.

Followed by record low inflows in the last two months.

Additional hedge and DR costs of \$25M+ now expected in Q3.

680MW of development projects now consented representing \$1B capital commitment.

Customer product set evolving.

Enhancing hydro storage is a solution to gas scarcity.



Manapōuri Hydro Station in the Fiordland National Park



Questions



Meridian.



Additional information



Segment results

\$M	<u>Wholesale</u>		<u>Retail</u>		<u>Other & unallocated</u>		<u>Inter-segment</u>		<u>Total</u>	
	1H FY25	1H FY24	1H FY25	1H FY24	1H FY25	1H FY24	1H FY25	1H FY24	1H FY25	1H FY24
Contracted sales	291	296	704	670	-	-	-	-	995	966
Cost to supply customers	(1,631)	(1,334)	(653)	(660)	-	-	719	729	(1,565)	(1,265)
Net cost of hedging	(15)	51	-	-	-	-	-	-	(15)	51
Generation spot revenue	1,042	885	-	-	-	-	-	-	1,042	885
Inter-segment electricity sales	719	729	-	-	-	-	(719)	(729)	-	-
Virtual asset swap margins	(9)	(3)	-	-	-	-	-	-	(9)	(3)
Other market revenue/(costs)	(3)	(5)	(1)	-	-	-	-	-	(4)	(5)
Energy margin	394	619	50	10	-	-	-	-	444	629
Other revenue	2	2	13	9	16	10	(5)	(5)	26	16
Hosting expense	-	-	-	-	(2)	(2)	-	-	(2)	(2)
Energy transmission expense	(37)	(36)	-	-	-	-	-	-	(37)	(36)
Energy metering expense	-	-	(26)	(25)	-	-	-	-	(26)	(25)
Gross margin	359	585	37	(6)	14	8	(5)	(5)	405	582
Employee expenses	(16)	(16)	(20)	(18)	(32)	(32)	-	-	(68)	(66)
Other operating expenses	(40)	(35)	(21)	(19)	(23)	(23)	4	4	(80)	(73)
Operating expenses	(56)	(51)	(41)	(37)	(55)	(55)	4	4	(148)	(139)
EBITDAF	303	534	(4)	(43)	(41)	(47)	(1)	(1)	257	443



EBITDAF reconciliation to the income statement

Six months ended 31 December	2024	2023		2024	2023
Income statement			Segment earnings statement		
Energy sales to customers	1,178	1,203	Energy margin	444	629
Generation revenue	1,051	892	Other revenue	26	16
Energy related services revenue	5	5	Energy transmission expense	(37)	(36)
Other revenue	21	11	Hosting expenses	(2)	(2)
Total operating revenue	2,255	2,111	Energy metering expense	(26)	(25)
Energy expenses	(1,094)	(1,136)	Gross margin	405	582
Energy distribution expenses	(393)	(363)	Employee expenses	(68)	(66)
Energy transmission expenses	(37)	(36)	Other operating expenses	(80)	(73)
Hosting expenses	(2)	(2)	EBITDAF	257	443
Electricity metering expenses	(26)	(25)			
Employee expenses	(68)	(66)			
Other expenses	(80)	(73)			
Total operating expenses	(1,700)	(1,701)			
Depreciation and amortisation	(225)	(164)			
Asset related adjustments	(8)	11			
<i>realised energy hedges</i>	(298)	33			
<i>unrealised energy hedges</i>	(143)	11			
Net change in fair value of energy hedges	(441)	44			
Net finance costs	(38)	(25)			
Net change in fair value of treasury hedges	(11)	(13)			
Net profit before tax	(168)	263			
Income tax expense	47	(72)			
Net profit after tax	(121)	191			



Retail

Customers

+4% increase in customers since June 2024.

Residential, business, agri segment

-1% decrease in residential volumes.

Slight decrease in small business volumes.

+1% increase in agri volumes.

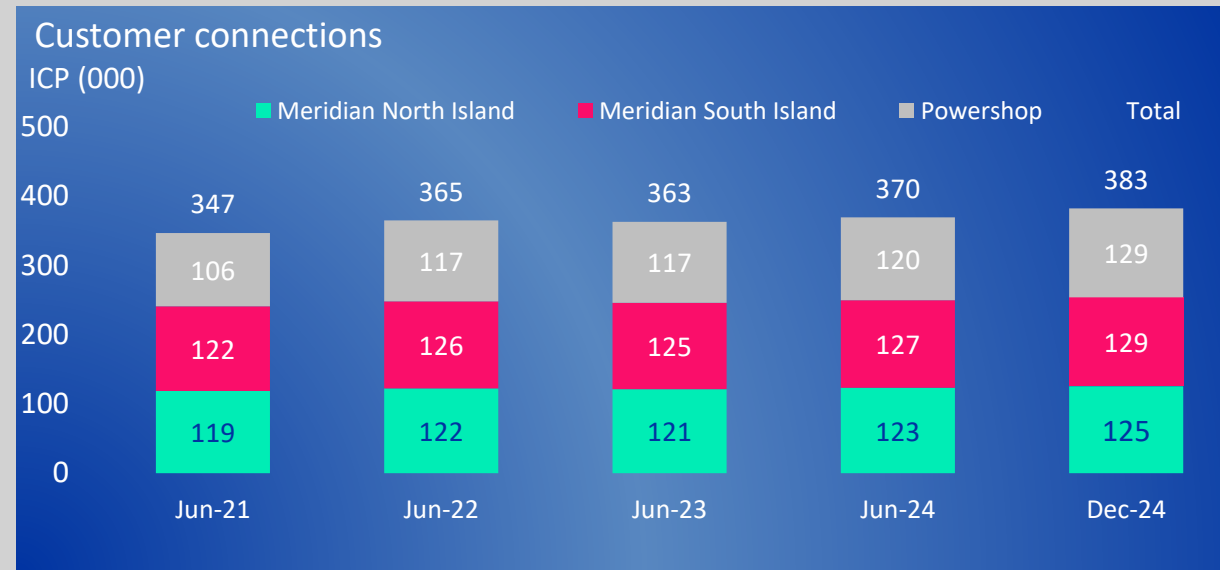
+8% increase in large business volumes.

+4% increase in average sales price.

Corporate segment

-4% decrease in volumes.

+10% increase in average sales price.



Hydrology

Inflows

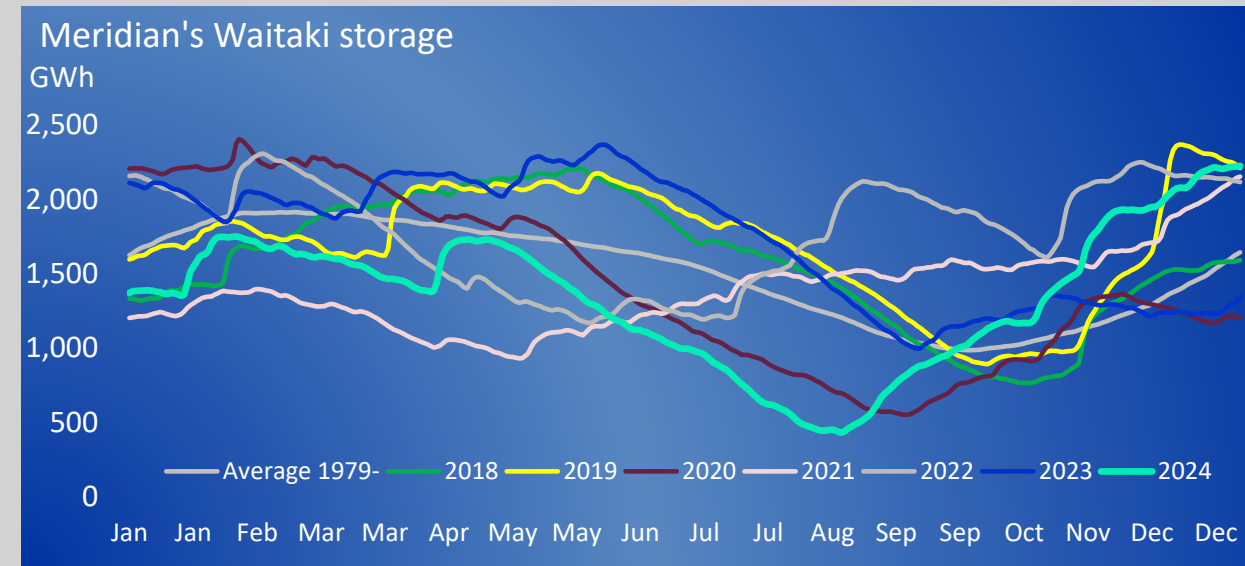
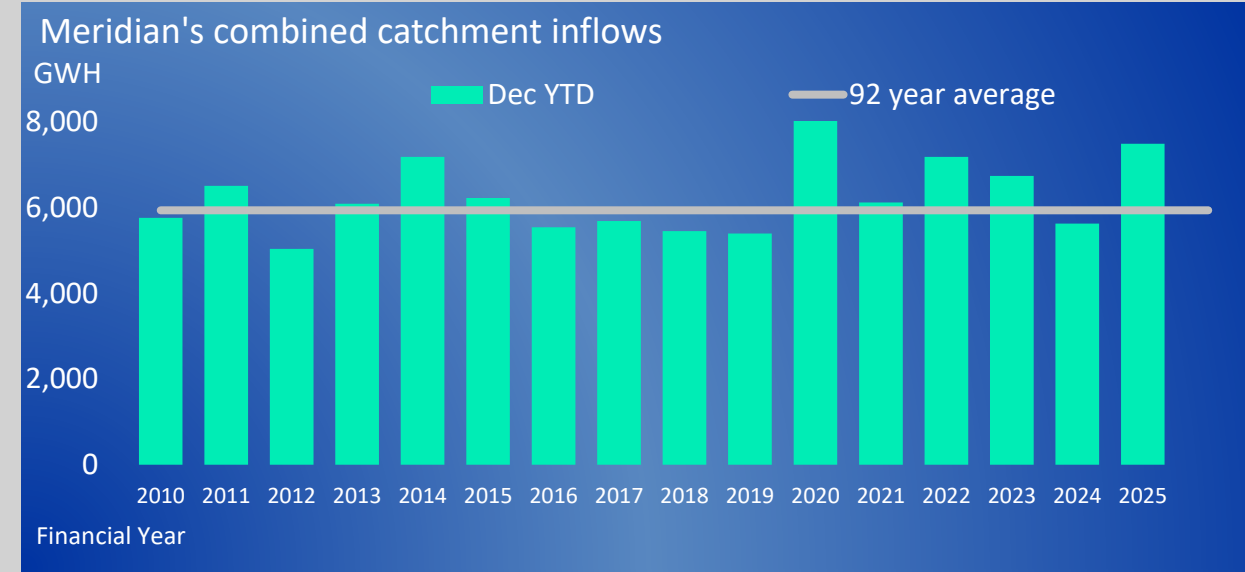
1H FY25 inflows were 126% of historical average.

January 2025 inflows were 43% of average.

Storage

Meridian's Waitaki storage at 31 December 2024 was 135% of historical average.

By 31 January 2025, this position was 104% of average.



Generation

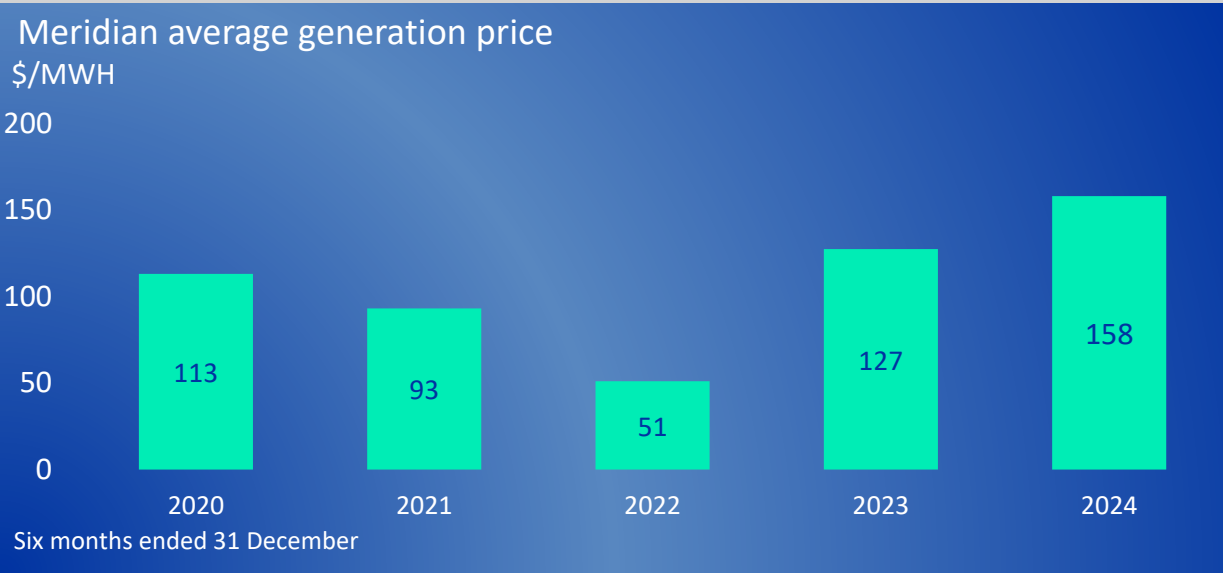
Volume

1H FY25 generation was -5% lower than 1H FY24 with -11% lower hydro generation and +42% higher wind generation.

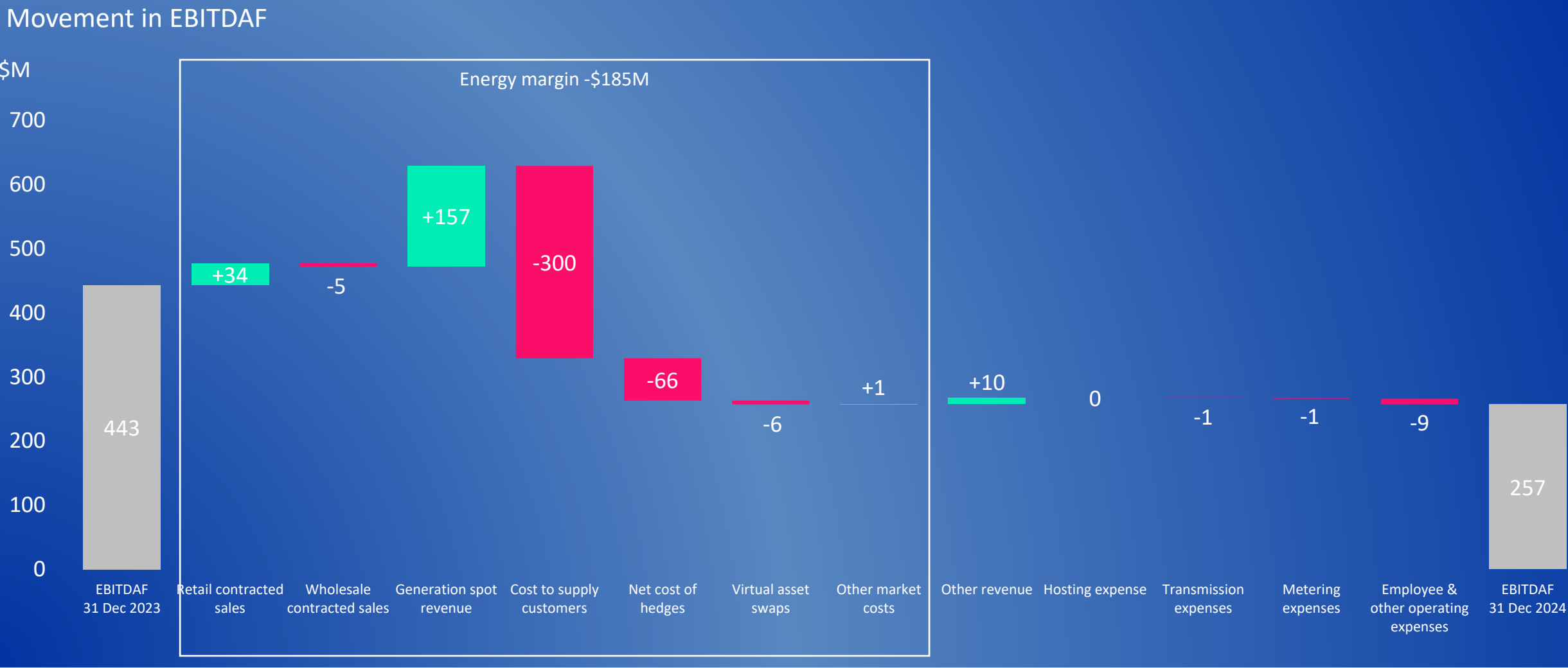
Price

1H FY25 average price Meridian received for its generation was +25% higher than 1H FY24.

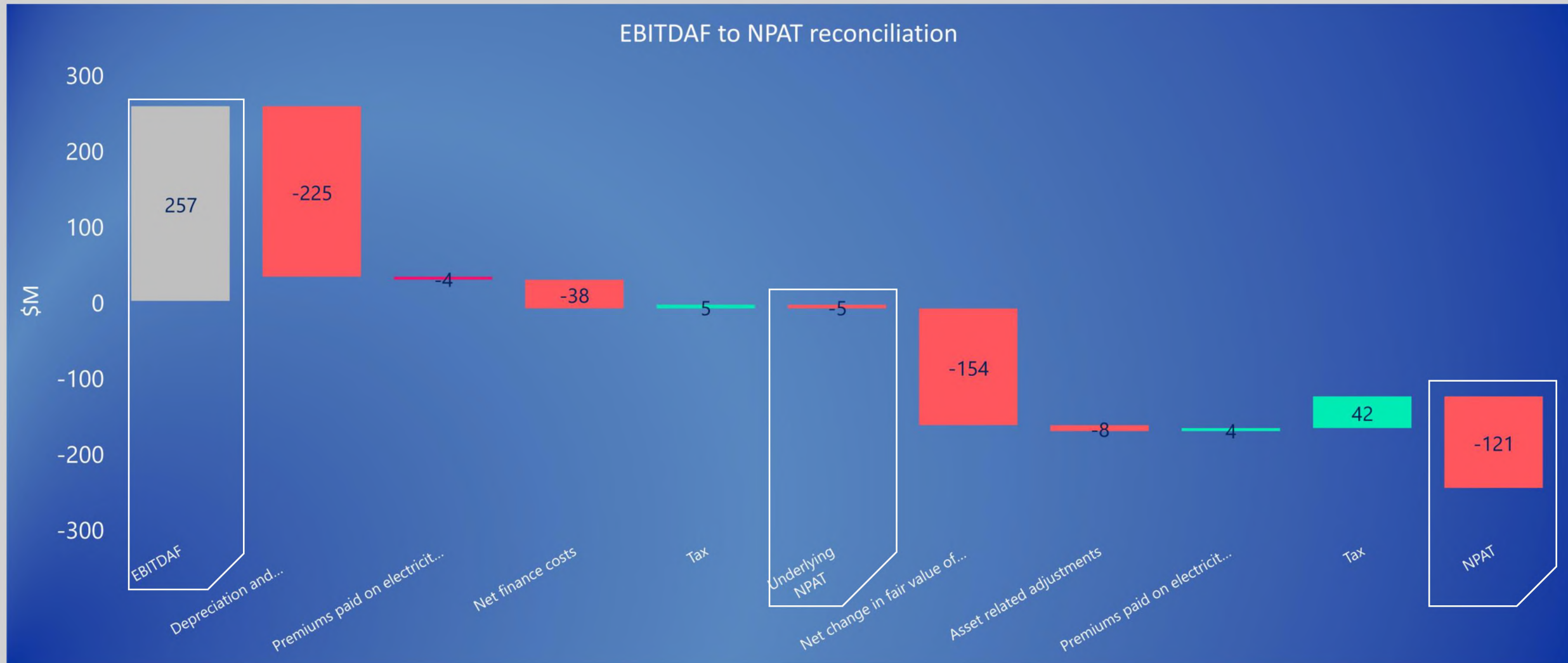
1H FY25 average price Meridian paid to supply customers was +40% higher than 1H FY24.



1H FY25 EBITDAF

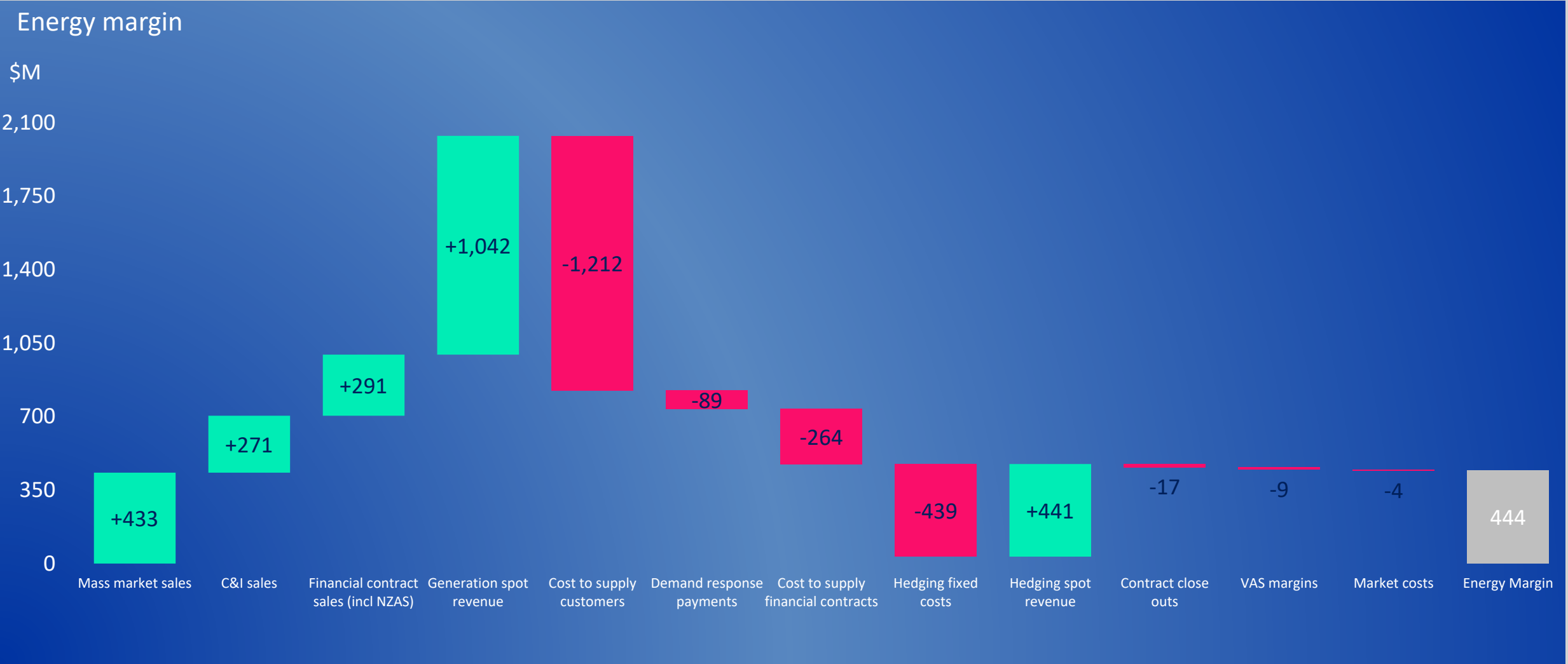


EBITDAF to NPAT

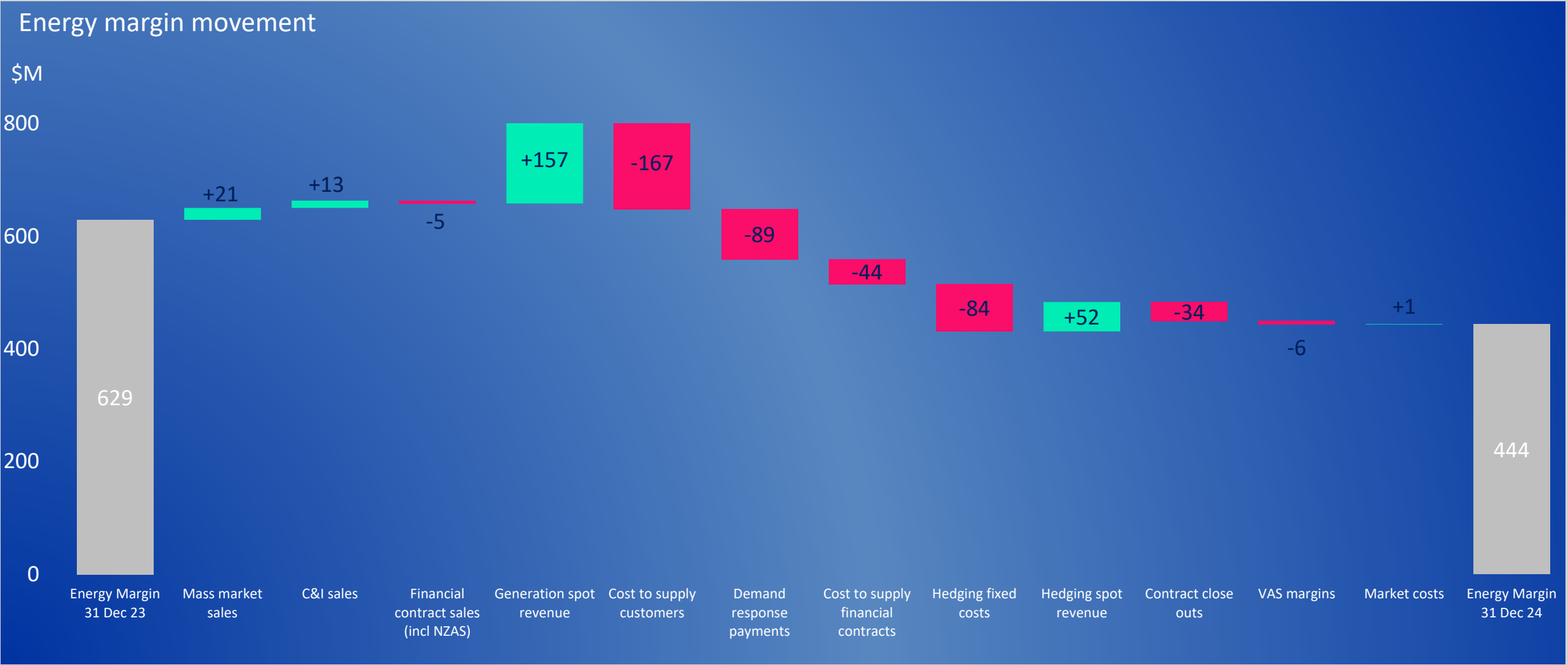


*Net changes in the fair value of unrealised energy hedges and treasury hedges

Energy margin



Energy margin





Energy margin

	<u>1H FY25</u>			<u>1H FY24</u>		
	Volume	VWAP	NZD M	Volume	VWAP	NZD M
Res, business, agri sales	2,847	\$152	433	2,822	\$146	412
Corporate and industrial sales	1,903	\$143	271	1,984	\$130	258
Retail contracted sales	4,749	\$148	704	4,806	\$139	670
NZAS sales	1,663			2,525		
Financial contract sales	1,337			1,763		
Wholesale contracted sales	3,000	\$97	291	4,289	\$69	296
Cost to supply retail customers	4,998	-\$182	(911)	5,108	-\$142	(726)
Cost to supply wholesale customers	1,663	-\$181	(301)	2,525	-\$126	(319)
Demand response payments			(89)			-
Cost of financial contracts	1,337	-\$198	(264)	1,763	-\$125	(220)
Cost to supply customers	7,998	-\$196	(1,565)	9,396	-\$135	(1,265)
Hedging costs	2,346	-\$187	(439)	2,860	-\$124	(355)
Hedging spot revenue	2,346	\$188	441	2,860	\$136	389
Close-outs			(17)			17
Net cost of hedging			(15)			51
Hydro generation	5,553			6,227		
Wind generation	1,026			720		
Generation revenue	6,579	\$158	1,042	6,948	\$127	885
Virtual asset swap margins			(9)			(3)
Other			(4)			(5)
Energy margin			444			629

Energy margin

A non-GAAP financial measure representing energy sales revenue less energy related expenses and energy distribution expenses.

Used to measure the vertically integrated performance of the retail and wholesale businesses.

Used in place of statutory reporting which requires gross sales and costs to be reported separately, therefore not accounting for the variability of the wholesale spot market and the broadly offsetting impact of wholesale prices on the cost of retail electricity purchases.

Defined as:

Revenues received from sales to customers net of distribution costs (fees to distribution network companies that cover the costs of distribution of electricity to customers), sales to large industrial customers and fixed price revenues from financial contracts sold (contract sales revenue).

The volume of electricity purchased to cover contracted customer sales and financial contracts sold (cost to supply customers).

The fixed cost of derivatives used to manage market risks, net of spot revenue received from those derivatives, and demand response payments (net cost of hedging).

Revenue from the volume of electricity that Meridian generates (generation spot revenue).

The net margin position of virtual asset swaps with Genesis Energy and Mercury New Zealand.

Other associated market revenues and costs including Electricity Authority levies and ancillary generation revenues, such as frequency keeping.

NZAS Demand Response Agreement

Summary of demand response options

Option	Equivalent reduced consumption (MWh per hour)	Exercisable Reduction from Meridian demand response agreement (MWh per hour)	Usual Ramp-Down Notice Period	DR Period (equivalent number of days)	Usual Ramp-Down Period (equivalent number of days)	Usual Ramp-Up Notice Period (equivalent number of days)	Usual Ramp-Up Period (equivalent number of days)	Maximum Calls
1	25	18.75	3 Business Days	Minimum 10 days, maximum 150 days	5 days	3 days	15 days	Unlimited, but the Option cannot be exercised more than 4 times in any 12-month period
2	50	37.5	3 Business Days	Minimum 15 days, maximum 145 days	10 days	3 days	30 days	Unlimited, but the Option cannot be exercised more than 2 times in any 18-month period
3	100	75	3 Business Days	Minimum 22 days, maximum 137 days	18 days	5 days	100 days	The Option cannot be exercised more than 8 times over the Term
4	185	138.75	5 Business Days	Minimum 30 days, maximum 75 days	25 days	5 days	200 days	The Option cannot be exercised more than 4 times over the Term

Stand down periods apply between the exercise of Options.



Fair value movements

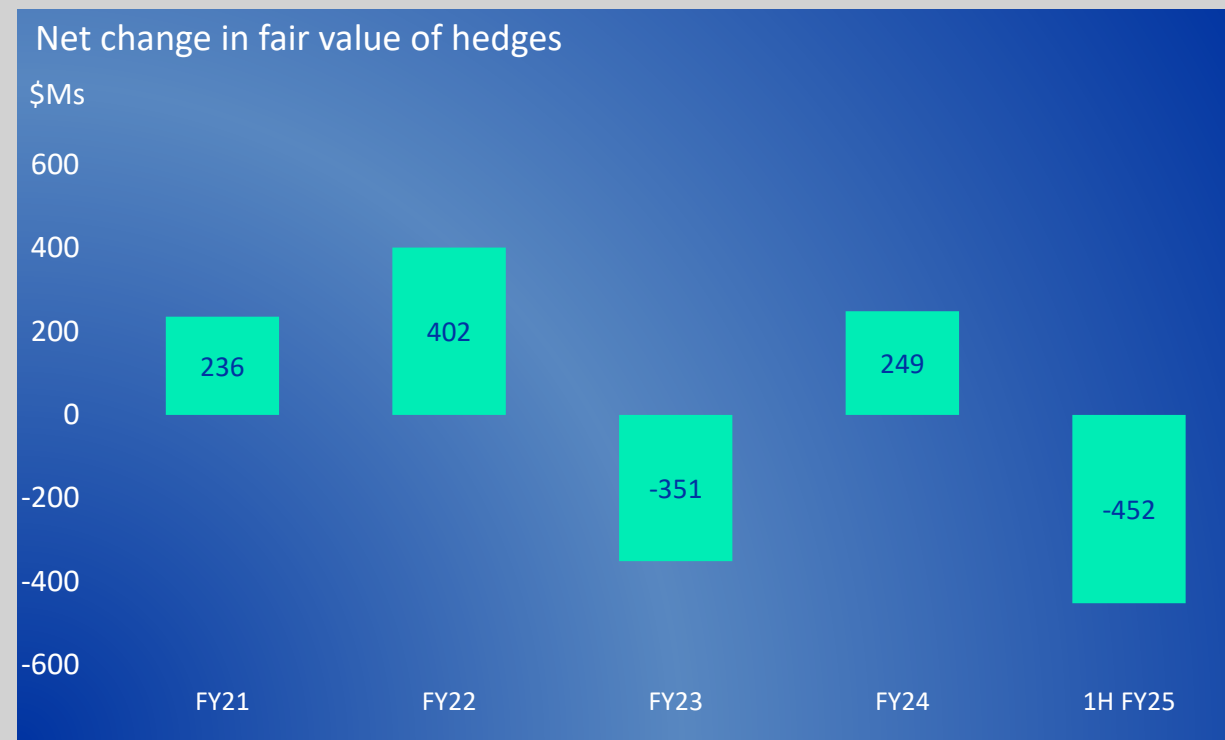
Meridian uses derivative instruments to manage interest rate, foreign exchange and electricity price risk.

As forward prices and rates on these instruments move, non-cash changes to their carrying value are reflected in NPAT.

Accounting standards only allow hedge accounting if specific conditions are met, which creates NPAT volatility.

\$441M decrease in NPBT from fair value of energy hedges from higher forward electricity prices (\$44M increase in 1H FY24).

\$11M decrease in NPBT from fair value of treasury hedges from lower forward interest rates (\$13M decrease in 1H FY24).





Segment earnings statement

<u>Segment earnings statement</u>		
Six months ended 31 December	2024	2023
\$M		
Energy margin	444	629
Other revenue	26	16
Hosting expense	(2)	(2)
Energy transmission expense	(37)	(36)
Electricity metering expenses	(26)	(25)
Employee and other operating expenses	(148)	(139)
EBITDAF	257	443
Depreciation and amortisation	(225)	(164)
Asset related adjustments	(8)	11
Net change in fair value of energy hedges	(143)	11
Net finance costs	(38)	(25)
Net change in fair value of treasury hedges	(11)	(13)
Net profit before tax	(168)	263
Income tax expense	47	(72)
Net profit after tax	(121)	191



Underlying NPAT reconciliation

<u>Underlying net profit after tax</u>		
Six months ended 31 December	2024	2023
\$M		
Net profit after tax	(121)	191
Underlying adjustments		
<u>Hedging instruments</u>		
Net change in fair value of energy hedges	143	(11)
Net change in fair value of treasury hedges	11	13
Premiums paid on electricity options net of interest	(4)	(10)
<u>Assets</u>		
Asset related adjustments	8	(11)
Total adjustments before tax	158	(19)
<u>Taxation</u>		
Tax effect of above adjustments	(42)	3
Underlying net profit after tax	(5)	175



Cash flow statement

<u>Cash flow statement</u>		
Six months ended 31 December	2024	2023
\$M		
Receipts from customers	2,410	2,044
Interest received	4	6
Payments to suppliers and employees	(2,165)	(1,605)
Interest paid	(44)	(38)
Income tax paid	(155)	(104)
Operating cash flows	50	303
Purchase of property, plant and equipment	(104)	(143)
Purchase of intangible assets and investments	(20)	(12)
Purchase of other assets	(4)	(11)
Investing cash flows	(128)	(166)
Borrowings drawn	256	167
Borrowings repaid	(5)	(5)
Shares purchased for long term incentive	(6)	(2)
Lease liabilities paid	(1)	(1)
Dividends	(276)	(287)
Financing cash flows	(32)	(128)
Net (decrease)/increase in cash and cash equivalents	(110)	9
Cash and cash equivalents at beginning of the six months	221	212
Cash and cash equivalents at end of the six months	111	221



Balance sheet

<u>Balance sheet</u>		
Six months ended 31 December	2024	2023
\$M		
Cash and cash equivalents	111	221
Trade receivables	297	458
Customer contract assets	13	13
Financial instruments	110	170
Other assets	75	42
Total current assets	606	904
Property, plant and equipment	12,059	9,031
Intangible assets	71	80
Financial instruments	236	99
Other assets	19	11
Total non-current assets	12,385	9,221
Payables, accruals and employee entitlements	243	458
Customer contract liabilities	18	15
Current portion of term borrowings	490	382
Current portion of lease liabilities	3	3
Financial instruments	118	64
Current tax payable	-	44
Total current liabilities	872	966
Borrowings	1,167	1,009
Deferred tax	2,857	2,071
Lease liabilities	27	28
Financial instruments	163	103
Term payables	60	63
Total non-current liabilities	4,274	3,274
Net assets	7,845	5,885



Glossary

Hedging volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian's physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers (including NZAS) and financial contracts
Combined catchment inflows	combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes
Cost of hedges	volume weighted average price Meridian pays for derivatives acquired
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales and financial contracts
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections	number of installation control points, excluding vacants
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes over the last 84 years
Historic average storage	the historic average level of storage in Meridian's Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority's reconciled grid demand www.emi.ea.govt.nz
NZAS	New Zealand's Aluminium Smelter Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Financial contract sales	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mercury New Zealand. They do not result in the physical supply of electricity

Disclaimer

The information in this presentation was prepared by Meridian Energy with due care and attention. However, the information is supplied in summary form and is therefore not necessarily complete, and no representation is made as to the accuracy, completeness or reliability of the information. In addition, neither the company nor any of its directors, employees, shareholders nor any other person shall have liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain forward-looking statements and projections. These reflect Meridian's current expectations, based on what it thinks are reasonable assumptions. Meridian gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or NZX or ASX listing rules, Meridian is not obliged to update this presentation after its release, even if things change materially.

This presentation does not constitute financial advice. Further, this presentation is not and should not be construed as an offer to sell or a solicitation of an offer to buy Meridian Energy securities and may not be relied upon in connection with any purchase of Meridian Energy securities.

This presentation contains a number of non-GAAP financial measures, including Energy Margin, EBITDAF, Underlying NPAT and gearing. Because they are not defined by GAAP or IFRS, Meridian's calculation of these measures may differ from similarly titled measures presented by other

companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although Meridian believes they provide useful information in measuring the financial performance and condition of Meridian's business, readers are cautioned not to place undue reliance on these non-GAAP financial measures.

The information contained in this presentation should be considered in conjunction with the company's condensed financial statements for the six months ended 31 December 2024, available at:

www.meridianenergy.co.nz/about-us/investors

All currency amounts are in New Zealand dollars unless stated otherwise.

Results for announcement to the market		
Name of issuer	Meridian Energy Limited	
Reporting Period	6 months to 31 December 2024	
Previous Reporting Period	6 months to 31 December 2023	
Currency	NZD	
	Amount (NZ\$m)	Percentage change
Revenue from continuing operations	\$2,255	+7%
Total Revenue	\$2,255	+7%
Net profit/(loss) from continuing operations	-\$121	-163%
Total net profit/(loss)	-\$121	-163%
Interim/Final Dividend		
Amount per Quoted Equity Security	NZ \$0.06150000 Interim Ordinary Dividend	
Imputed amount per Quoted Equity Security	NZ \$0.02032917	
Record Date	07/03/2025	
Dividend Payment Date	25/03/2025	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$2.92	\$2.18
A brief explanation of any of the figures above necessary to enable the figures to be understood	For commentary on the operational results please refer to the media announcement and final results presentation. This announcement should be read in conjunction with the attached Condensed Interim Financial Statements for the six months ended 31 December 2024.	
Authority for this announcement		
Name of person authorised to make this announcement	Jason Woolley	
Contact person for this announcement	Jason Woolley	
Contact phone number	+64 21 309 962	
Contact email address	Jason.Woolley@meridianenergy.co.nz	
Date of release through MAP	26/02/2025	

Audited financial statements accompany this announcement.

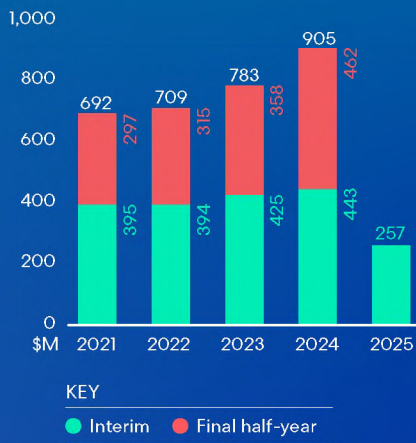


Financial Commentary

Five-year performance

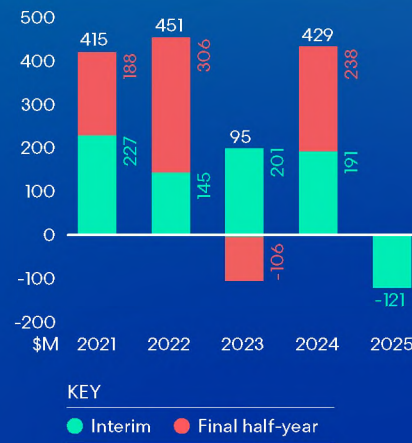
EBITDAF¹ (continuing operations)

Financial year ended 30 June



Net Profit after Tax (continuing operations)

Financial year ended 30 June



Underlying NPAT²

Financial year ended 30 June



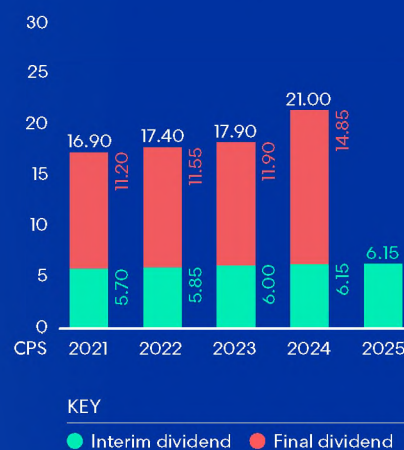
Operating cash flows

Financial year ended 30 June



Dividend declared

Financial year ended 30 June



Capital expenditure

Financial year ended 30 June

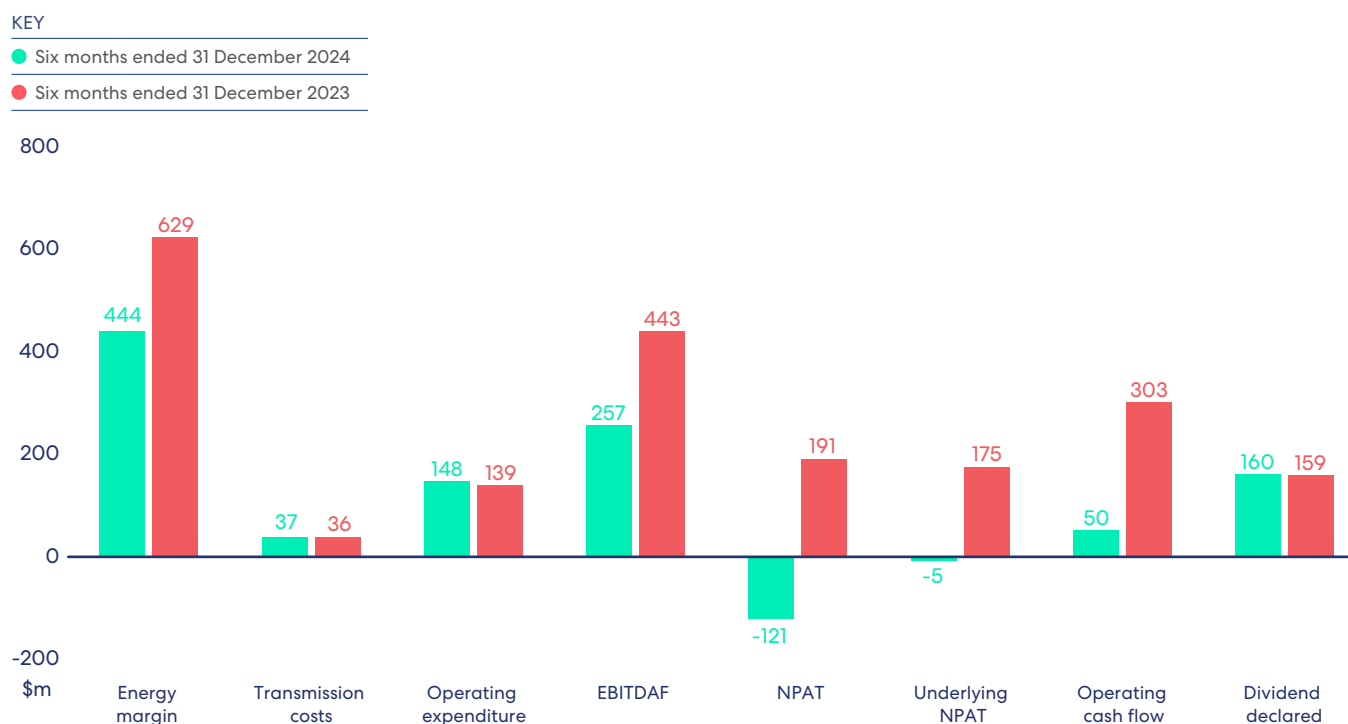


1. EBITDAF is a non-GAAP financial measure of earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, and asset related adjustments.
 2. Net profit after tax adjusted for the effects of changes in fair value of unrealised hedges, electricity option premiums and other non-cash items and their tax effects.



Overview

Financial performance against prior comparative period



Meridian has announced an interim financial result that reflects the costs of its major role in maintaining security of supply in the face of historically low lake levels and an unexpected and unprecedented shortage of gas during winter 2024.

Meridian has reported operating cash flows of \$50 million for the six months ending 31 December 2024, down from \$303 million in the same period last year, with net profit after tax at -\$121 million compared to \$191 million in last

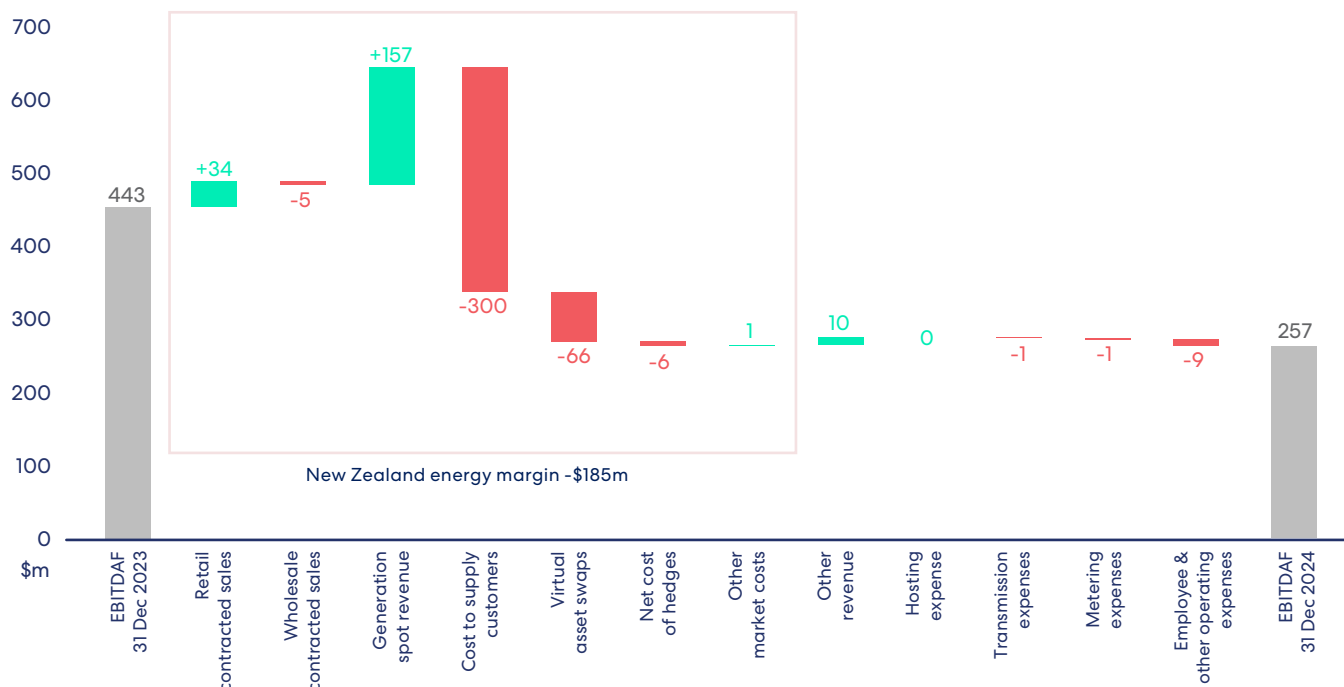
year's interim result. These results reflect the \$200 million cost required to replace hedge contracts for winter 2024 following the shortage of gas and calling the largest demand response option with New Zealand's Aluminium Smelter (NZAS).

EBITDAF fell from \$443 million to \$257 million and underlying net profit from \$175 million to -\$5 million. Both of these are non-GAAP measures.



Earnings

Movement in EBITDAF



Cash flows

The Board has announced an interim ordinary dividend of 6.15 cents per share, the same level as last year's interim dividend. The interim ordinary dividend will be 85% imputed and Meridian's Dividend Reinvestment Plan will apply to this interim ordinary dividend at a 2% discount to the average market price over a five-day period ending on 12 March 2025. The interim dividend will be paid and new shares issued under the Dividend Reinvestment Plan on 25 March 2024.

Dividends declared

	1H FY2025		1H FY2024	
	cents per share	imputation	cents per share	imputation
Ordinary dividends	6.15	85%	6.15	80%

Meridian's balance sheet remains in a strong position, with the company maintaining a BBB+ credit rating as defined by rating agency Standard & Poor's.

DIVIDEND REINVESTMENT PLAN DATES

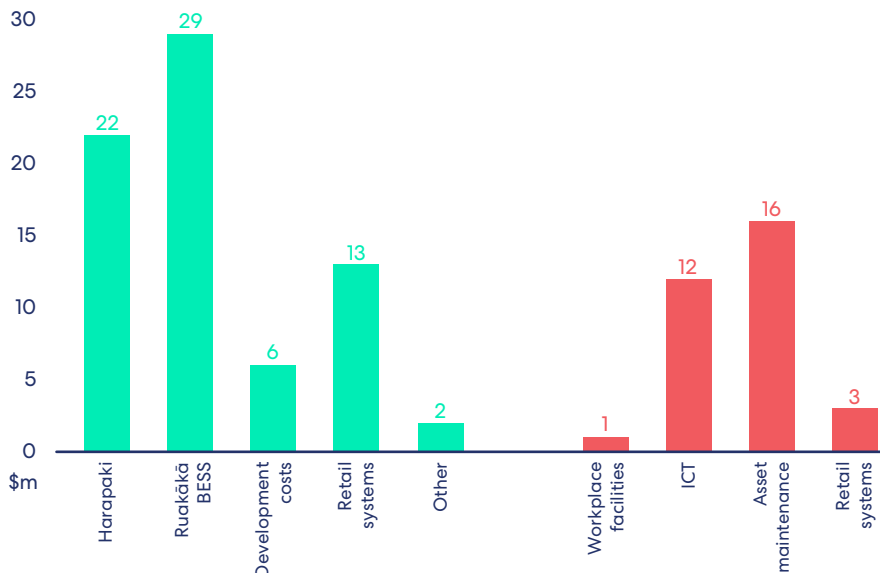
- ➔ **6 March 2025**
Ex-dividend date
- ➔ **7 March 2025**
Record date
- ➔ **10 March 2025**
Elections close
- ➔ **13 March 2025**
Strike price announced
- ➔ **25 March 2025**
Dividends paid/shares issues



Capital expenditure

KEY

● Growth ● Stay in business



Total Capital expenditure in 1H FY2025³ was \$104 million (\$163 million in 1H FY2024⁴), of which \$72 million was growth investment and includes the completion of the Harapaki Wind Farm in Hawke's Bay and the development of the Ruakākā Battery Energy Storage System, due to be fully operational by April 2025.

\$32 million of stay in business capital expenditure in 1H FY2025 included spend on retail transformation, finance and generation control system upgrades and asset maintenance.

3. The six months ended 31 December 2024

4. The six months ended 31 December 2023

Energy margin

Energy margin is a measure of the combined financial performance of Meridian's retail and wholesale businesses.

\$M		1H FY2025	1H FY2024
Retail contracted sales revenue	Revenues received from sales to retail customers net of distribution costs (fees to distribution network companies that cover the costs of distribution of electricity to customers)	704	670
Wholesale contracted sales revenue	Sales to large industrial customers and fixed price revenues from derivatives sold	291	296
Costs to supply customers	The volume of electricity purchased to cover contracted customer sales	-1,565	-1,265
Net cost of hedging	The fixed cost of derivatives used to manage market risk, net of the spot revenue received from those derivatives	-15	51
Generation spot revenue	Revenue from the volume of electricity that Meridian generates	1,042	885
Net VAS revenue	The net revenue position of virtual asset swaps (VAS) with Genesis Energy and Mercury New Zealand	-9	-3
Other	Other associated market revenues and costs including Electricity Authority levies and ancillary generation revenues such as frequency keeping	-4	-5
Total energy margin		444	629

Energy margin was \$444 million in 1H FY2025, -\$185 million (-29%) lower than the same period last year, reflecting the hedge contracts and demand response costs mentioned above.

Meridian continues to deliver strong sales momentum in its retail business with sales revenue growing 5% in both mass market and corporate segments.

Wholesale contracted sales revenue was -\$5 million (-2%) lower in 1H FY2025. Wholesale derivative sales volumes were -24% lower at a higher average price than the same period last year. Sales volumes to NZAS were -34% lower in 1H FY2025, reflecting load reduction called under the Demand Response Agreement.

Costs to supply customers were +\$300 million (+24%) in 1H FY2025 with a higher average price Meridian paid to supply customers, including demand response costs, on 15% lower sales volumes.

Overall, the net cost of hedging was \$66 million lower in 1H FY2025 despite higher hedging costs and a -\$17 million net position on forward contract close outs.

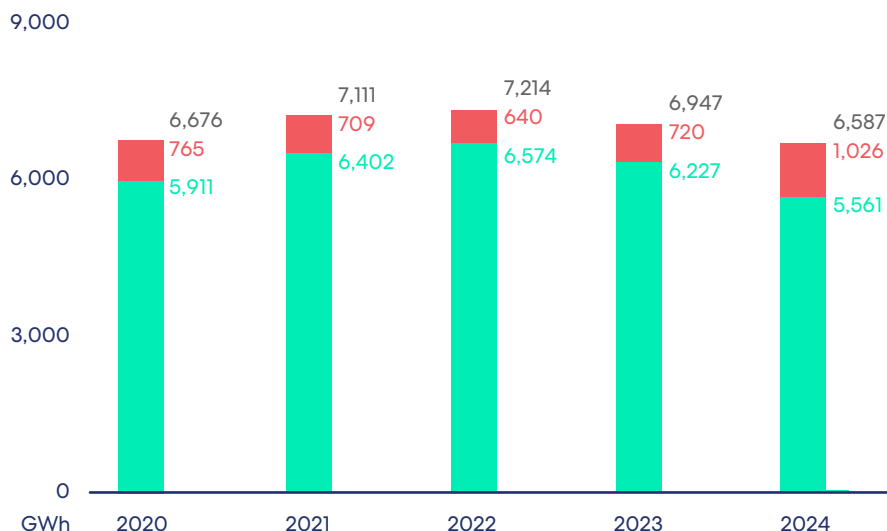


Generation volume

Six months ended 31 December

KEY

● Hydro ● Wind ● Total



While 1H FY2025 inflows were 126% of average, these were heavily skewed to spring and early summer inflows. Winter fuel scarcity drove an -11% decrease in 1H FY2025 hydro generation volumes.

Wind generation increased 306GWh (+42%) in 1H FY2025, despite calm winter periods, with additional Harapaki generation and return to full 143MW capacity at the West Wind Farm in October 2024.

Expenses

1H FY2025 saw a +\$9 million (+7%) increase in employee and other operating costs from workforce changes, remuneration increases, transformer costs, retail transformation and finance and generation control system upgrades.

Net profit after tax

1H FY2025 saw a -\$154 million decrease in net profit before tax from the net change in fair value of hedges (-\$2 million decrease in 1H FY2024).

Depreciation expense increased +\$61 million (+37%) in 1H FY2025 from the June 2024 asset revaluation and completion of the Harapaki Wind Farm.

-\$8 million of asset related adjustments were incurred in 1H FY2025, mainly impairments and transformer disposal losses.

Net finance costs increased +\$13 million in 1H FY2025 from higher funding costs and completed Harapaki capitalisation.

A negative tax expense was attributed to the pre-tax loss, resulting in a -\$121 million net profit after tax. After removing the impact of fair value movements and other one-off or infrequently occurring events, Meridian's underlying NPAT (reconciliation on page 6) was -\$5 million, largely from lower EBITDAF and tax, with higher depreciation and financing costs.



Income statement

\$M

For the six months to 31 December	2024	2023
Energy margin	444	629
Other revenue	26	16
Hosting expense	(2)	(2)
Energy transmission expense	(37)	(36)
Electricity metering expense	(26)	(25)
Employee and other operating expenses	(148)	(139)
EBITDAF	257	443
Depreciation and amortisation	(225)	(164)
Asset related adjustments	(8)	11
Net change in fair value of energy hedges	(143)	11
Net finance costs	(38)	(25)
Net change in fair value of treasury instruments	(11)	(13)
Net profit before tax	(168)	263
Income tax expense	47	(72)
Net profit after tax	(121)	191

Underlying net profit after tax

\$M

For the six months to 31 December	2024	2023
Net profit after tax	(121)	191
Underlying adjustments		
<i>Hedging instruments</i>		
Net change in fair value of energy hedges	143	(11)
Net change in fair value of treasury instruments	11	13
Premiums paid on electricity options net of interest	(4)	(10)
Assets		
Assets related adjustments	8	(11)
Total adjustments before tax	158	(19)
Taxation		
Tax effect of above adjustments	42	3
Underlying net profit after tax	(5)	175



A shift in energy



Meridian.

**DIVIDEND DATES**

- ➔ **7 March 2025**
Record date
- ➔ **6–12 March 2025**
Dividend Reinvestment
Plan price determination
period
- ➔ **25 March 2025**
Dividend paid and
new shares issued
under the Dividend
Reinvestment Plan

Meridian has announced an interim financial result that reflects the costs of its major role in maintaining security of supply in the face of historically low lake levels and an unexpected and unprecedented shortage of gas during winter 2024.

We have reported operating cash flows of \$50 million for the six months ending 31 December 2024, down from \$303 million in the same period last year, with net profit after tax at -\$121 million compared to \$191 million in last year's interim result. These results reflect the \$200 million cost required to replace hedge contracts for winter 2024 following the shortage of gas and calling the largest demand response option with New Zealand's Aluminium Smelter (NZAS).

EBITDAF¹ fell from \$443 million to \$257 million and underlying net profit² from \$175 million to -\$5 million. Both of these are non-GAAP measures.

The Board has announced an interim ordinary dividend of 6.15 cents per share, the same level as last year's interim dividend. The interim ordinary dividend will be 85% imputed and Meridian's Dividend Reinvestment Plan will apply to this interim ordinary dividend at a 2% discount to the average market price over a five-day period ending on 12 March 2025.

The interim dividend will be paid and new shares issued under the reinvestment plan on 25 March 2025.

Meridian's balance sheet remains in a strong position, with the company maintaining a BBB+ credit rating as defined by the agency Standard & Poor's.

Some key highlights of the first six months of this financial year are outlined below. If you'd like more information about our financial performance during this period, the full financial commentary is available at meridianenergy.co.nz/about-us/investors/reports/interim-results-and-reports

¹ Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, and asset related adjustments. EBITDAF is a non-GAAP financial measure but is commonly used within the electricity industry as a measure of performance as it shows the level of earnings before impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use the measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector.

² Net profit after tax adjusted for the effects of changes in fair value of unrealised hedges, electricity option premiums and other non-cash items and their tax effects. Underlying net profit after tax is a non-GAAP financial measure. Because they are not defined by GAAP or IFRS, Meridian's calculation of such measures may differ from similarly titled measures presented by other companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although Meridian believes they provide useful information in measuring the financial performance and condition of Meridian's business, readers are cautioned not to place undue reliance on these non-GAAP financial measures.



Hydrology

During the six months ended 31 December 2024, Meridian experienced one in 90 year, record low inflows from May to mid-August. Calm and dry conditions followed, which meant cumulative inflows were below average for much of 2024. Dry conditions in the lower South Island once again see catchment storage levels at the end of January 2025 below average.

Gas scarcity

As a renewable energy business we know the role that mother nature plays. While Meridian experienced historically low lake levels and a severe shortage of wind in winter 2024, the most telling factor for the system was the acute shortage of gas, reflected in high wholesale electricity prices during August 2024.

However, despite media reports, the risk of an energy shortage was very low and the electricity market responded by ensuring security was maintained, which reduced wholesale prices. Meridian played a significant role in this; we incentivised NZAS to reduce demand and made energy available to other users.

We also underwrote gas purchases from Methanex through hedge contracts with other generators, playing a significant role in maintaining security of supply for New Zealand homes and businesses, at a significant cost to the business.

Regulatory focus

The impacts of the low hydro levels and gas shortages last winter prompted both the government and regulator to announce initiatives focused on the wider energy sector. Many of these are part of existing work or policy programmes. We are supportive of these and the Government Policy Statement on electricity, which reinforces current market settings and the role of the Government and regulator.

However, most of what has been announced doesn't address the immediate issue of fuel scarcity. We believe the fundamental issue is how the electricity sector responds to the gas supply decline and the low confidence in the future of the gas industry.

We believe the most immediate and logical solution to help address the fuel supply issues ahead of future winters is to use the contingent hydro storage that exists today.

Contingent storage

Contingent storage is something that Meridian has been working on since 2012 as a way to ensure that we have as much energy available as we possibly can. Access to contingent storage is likely impossible in many situations even if New Zealand's actual risk of energy shortage is significant, as was the case last winter.

We believe that New Zealand's security of supply regime is not fit for purpose, as it doesn't give participants confidence that contingent storage will be available when it is needed. This ongoing uncertainty as to whether contingent storage will be granted will see a more cautious approach, requiring hydro generators to conserve water in case access to additional storage isn't available. This leads to greater reliance on thermal generation, increased greenhouse gas emissions and potentially higher wholesale market prices both in the lead up to and during winter.

We remain focused on improving access to contingent storage as it's a source of fuel the country already has and should be used to mitigate the gas shortage.



Transmission and distribution costs

The Commerce Commission has now finalised regulatory revenues for the next five years. While there is investment in the resilience and growth of networks, a significant amount of the cost increases customers will face relate to past levels of inflation and interest rates. Due to the significant impact that this could have on customers, the Commerce Commission has applied an element of smoothing to moderate the cost increases over the next year and push some of that out to later years.

With the future network investment, which is likely around \$100 billion needed to decarbonise this country ultimately being paid for by customers, we believe we need to question whether the existing regulatory model for transmission and distribution is fit for purpose. Currently, the average household bill will increase 5% on average in the next year from regulated cost increases. That's before any energy price changes are considered. Our newly developed customer propositions will be used to help mitigate the impact of price changes for customers, along with further use of our energy wellbeing programme.

Transformers replaced

Meridian has been operating at reduced capacity at our Manapōuri Hydro Station for around two years now, due to faults in two of the seven transformers. In October we successfully received a replacement transformer on site which has taken a couple of months to be installed and commissioned.

We were delighted to bring unit 6 at Manapōuri back into service just before Christmas. This means that 128 more MWs are now available, lifting station capacity from a restricted limit of 640MW to around 768MW.

While we are still down a unit, we are now able to generate close to the maximum 800MW allowed at Manapōuri under its current consent conditions.

Our West Wind Farm, just outside of Wellington, returned to full capacity in October, following installation of a leased transformer. A permanent replacement transformer will be installed later this year.

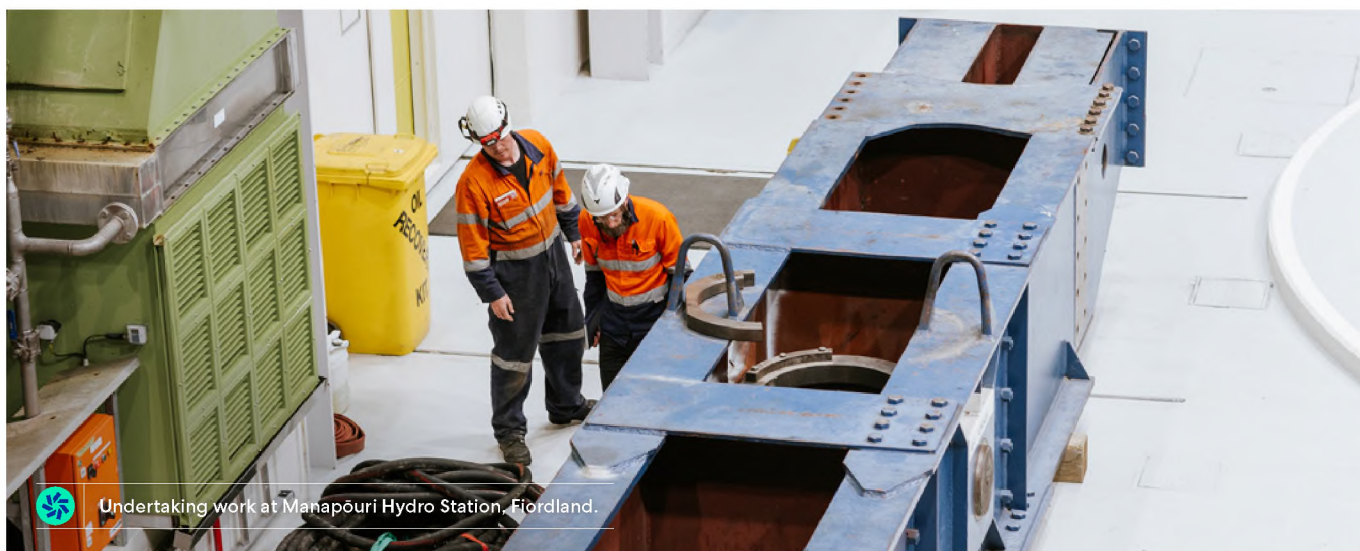
Renewable construction and development

We continue to accelerate our renewable construction and development programme.

Ruakākā Battery Energy Storage System officially connected to the grid on 16 January. We have a few things to finalise along with a required commissioning period and are looking at being fully operational by April 2025.

We recently announced a finalised consent for our 120MW Ruakākā Solar Farm and our 90MW Mt Munro Wind Farm. We have entered a Scheme Implementation Agreement as part of our bid to acquire the remaining shares in NZ Windfarms. In January we signed a Power Purchase Agreement with Harmony Energy / First Renewables in respect of their joint venture to build the 150MW Tauhei Solar Farm in the Waikato. These followed December's announcement of Meridian's intent to form a 50-50 joint venture with Nova Energy Limited to build the 400MW Te Rahui Solar Farm at Rangitāiki near Taupō.

This year we expect to commit over \$1 billion of capital to these new development projects.



Undertaking work at Manapōuri Hydro Station, Fiordland.



Meridian customers embracing solar generation for their home and EV, Waitaki Valley.

Customers

The last six months has seen tremendous progress in Meridian's Retail business. Having completed a strategic reset and restructuring to enable the business to meet changing technology and consumer needs, the company has launched three new products (Smart Hot Water, Smart EV Charging and the Four Hours Free Plan), with more to come over the remainder of the financial year.

We achieved our highest ever market share of electricity connections, with 16.6% across the Meridian and Powershop brands. Our brands also led the industry rankings for new connections in December, with Powershop first and Meridian second, and more than 4,000 connections that month across both brands. In total across the six months ended 31 December 2024, customer numbers have grown by 4%.

Thank you for your support

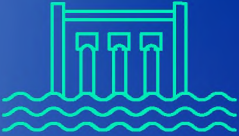



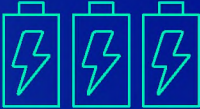







We continue to deliver on our strategy and help decarbonise Aotearoa's economy.

We are moving forward on our new customer approach that focuses on energy wellbeing and new solutions in transport, distributed generation and storage (e.g. rooftop solar with batteries), process heat and demand flexibility. A supportive regulatory approach, strong partnerships and timely investment in transmission and distribution are critical to this country's future success.

We are working hard to have assets and fuel available for when they are needed most and delivering new renewable generation projects from our development pipeline.

On behalf of the Board and the Executive Team, ngā mihi to our customers, the communities we work in, our partners and our investors. And to our talented Meridian team, thanks for doing the mahi to ensure we continue to deliver on our purpose of 'clean energy for a fairer and healthier world'.



WINTER INFLOWS   1 IN 90 YEAR LOW WINTER INFLOWS	CUSTOMERS +4%  CUSTOMERS SINCE JUNE	RETAIL +5%  RETAIL REVENUE V 1H FY24
HEDGES V 1H FY25 \$200M OF HEDGE COVER COSTS	RUAKĀKĀ BESS  COMMISSIONING COMMENCED AT RUAKĀKĀ BESS	RUAKĀKĀ SOLAR & MT MUNRO WIND  FINAL CONSENTS FOR RUAKĀKĀ SOLAR AND MT MUNRO WIND
EBITDAF -\$186M  -42% EBITDAF V 1H FY24	DIVIDEND 6.15cps  INTERIM DIVIDEND	NZ HOUSEHOLDS  NEW RETAIL PROPOSITIONS NOW AVAILABLE TO HALF OF NZ HOUSEHOLDS
JOINT VENTURE  WITH NOVA FOR 400MW TE RAHUI SOLAR FARM	SIGNED  SIA WITH NZ WINDFARMS, PPA FOR 150MW TAUHEI SOLAR FARM OFFTAKE	REPLACEMENT  TRANSFORMERS AT MANAPŌURI AND WEST WIND





A shift in energy



Meridian.



Contents

CONDENSED INTERIM FINANCIAL STATEMENTS

02 Income Statement

The income earned and operating expenditure incurred by the Meridian Group during the six months.

02 Comprehensive Income Statement

Items of income and operating expense that are not recognised in the income statement and hence taken to reserves in equity.

03 Balance Sheet

A summary of the Meridian Group assets and liabilities at the end of the six months.

04 Statement of Changes in Equity

Components that make up the capital and reserves of the Meridian Group and the changes of each component during the six months.

05 Statement of Cash Flows

Cash generated and used by the Meridian Group.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

06 About this report

07 S Significant matters in the six months

09 N Non-GAAP measures

10 A Financial performance

- A1. Segment performance
- A2. Income
- A3. Expenses

14 B Assets used to generate and sell electricity

- B1. Property, plant and equipment
- B2. Intangible assets

15 C Managing funding

- C1. Capital management
- C2. Earnings per share
- C3. Dividends
- C4. Borrowings

17 D Financial instruments used to manage risk

- D1. Financial risk management

20 E Other

- E1. Group structure
- E2. Contingent assets and liabilities
- E3. Subsequent events

21 Signed report

Independent auditor's report



Income Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Unaudited 2024 \$M	Unaudited 2023 \$M
Operating revenue	A2	2,255	2,111
Operating expenses	A3	(1,700)	(1,701)
Depreciation and amortisation	B1, B2	(225)	(164)
Asset related adjustments		(8)	11
Net change in fair value of energy hedges	D1	(441)	44
Interest expense	A3	(42)	(31)
Interest income		4	6
Net change in fair value of treasury hedges	D1	(11)	(13)
Net (loss)/profit before tax		(168)	263
Income tax benefit/(expense)		47	(72)
Net (loss)/profit after tax		(121)	191
Earnings per share (EPS, in cents) – basic and diluted	C2	(4.7)	7.4

Comprehensive Income Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Unaudited 2024 \$M	Unaudited 2023 \$M
Net (loss)/profit after tax	(121)	191
<i>Items that may be reclassified to profit or loss:</i>		
Net gain/(loss) on cash flow hedges	1	(7)
Income tax on the above items	–	2
	1	(5)
Other comprehensive income/(loss) for the period, net of tax	1	(5)
Total comprehensive (loss)/income for the period, net of tax	(120)	186



Balance Sheet

AS AT 31 DECEMBER 2024

			Restated*	
	Note	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Current assets				
Cash and cash equivalents		111	221	221
Trade receivables		297	458	536
Customer contract assets		13	13	12
Financial instruments	D1, S2	110	170	233
Current tax receivable		23	–	–
Other assets		52	42	49
Total current assets		606	904	1,051
Non-current assets				
Property, plant and equipment	B1	12,059	9,031	12,192
Intangible assets	B2	71	80	62
Financial instruments	D1, S2	236	99	224
Other assets		19	11	14
Total non-current assets		12,385	9,221	12,492
Total assets		12,991	10,125	13,543

For and on behalf of the Board of Directors who authorised the issue of the condensed interim financial statements on 25 February 2025.

Mark Verbiest
Chair, 25 February 2025

Julia Hoare
Chair, Audit and Risk Committee, 25 February 2025

			Restated*	
	Note	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Current liabilities				
Payables and accruals	S2	228	443	565
Employee entitlements		15	15	21
Customer contract liabilities		18	15	10
Current portion of borrowings	C4	490	382	234
Current portion of lease liabilities		3	3	3
Financial instruments	D1, S2	118	64	86
Current tax payable		–	44	85
Total current liabilities		872	966	1,004
Non-current liabilities				
Borrowings	C4	1,167	1,009	1,113
Deferred tax		2,857	2,071	2,949
Lease liabilities		27	28	27
Financial instruments	D1, S2	163	103	142
Term payables	S2	60	63	62
Total non-current liabilities		4,274	3,274	4,293
Total liabilities		5,146	4,240	5,297
Net assets				
		7,845	5,885	8,246
Shareholders' equity				
Share capital		1,834	1,719	1,729
Reserves		6,011	4,166	6,517
Total shareholders' equity		7,845	5,885	8,246

* The Balance Sheet has been restated due to a change in presentation in the current period. Refer to the Significant Matters section Note S2 for more information.



Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

\$M	Share capital	Share option reserve	Revaluation reserve	Cash flow hedge reserve	Retained earnings	Shareholders equity
Balance at 1 July 2024 (audited)	1,729	3	8,145	–	(1,631)	8,246
Net (loss)/profit for the period	–	–	–	–	(121)	(121)
<i>Other comprehensive income</i>						
Net gain/(loss) on cash flow hedges	–	–	–	1	–	1
Income tax relating to other comprehensive income	–	–	–	–	–	–
Total other comprehensive income, net of tax	–	–	–	1	–	1
Total comprehensive income/(loss) for the period, net of tax	–	–	–	1	(121)	(120)
Share-based transactions	(3)	–	–	–	(2)	(5)
Dividend reinvestment plan	108	–	–	–	–	108
Dividends paid/reinvested	–	–	–	–	(384)	(384)
Balance at 31 December 2024 (unaudited)	1,834	3	8,145	1	(2,138)	7,845
Balance at 1 July 2023 (audited)	1,700	3	5,879	5	(1,600)	5,987
Net profit for the period	–	–	–	–	191	191
<i>Other comprehensive income</i>						
Net gain/(loss) on cash flow hedges	–	–	–	(7)	–	(7)
Income tax relating to other comprehensive income	–	–	–	2	–	2
Total other comprehensive income/(loss), net of tax	–	–	–	(5)	–	(5)
Total comprehensive income/(loss) for the period, net of tax	–	–	–	(5)	191	186
Share-based transactions	(1)	–	–	–	–	(1)
Dividend reinvestment plan	20	–	–	–	–	20
Dividend paid/reinvested	–	–	–	–	(307)	(307)
Balance at 31 December 2023 (unaudited)	1,719	3	5,879	–	(1,716)	5,885

The notes to the condensed interim financial statements form an integral part of these financial statements.



Statement of Cash Flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Unaudited 2024 \$M	Unaudited 2023 \$M
Operating activities			
Receipts from customers		2,410	2,044
Interest received		4	6
Payments to suppliers and employees		(2,165)	(1,605)
Interest paid		(44)	(38)
Income tax paid		(155)	(104)
Operating cash flows		50	303
Investing activities			
Purchase of property, plant and equipment		(104)	(143)
Purchase of intangible assets		(20)	(12)
Purchase of other assets		(4)	(11)
Investing cash flows		(128)	(166)
Financing activities			
Borrowings drawn	C4	256	167
Borrowings repaid	C4	(5)	(5)
Shares purchases for long term incentive		(6)	(2)
Lease liabilities paid		(1)	(1)
Dividends	C3	(276)	(287)
Financing cash flows		(32)	(128)
Net (decrease)/increase in cash and cash equivalents		(110)	9
Cash and cash equivalents at beginning of the six months		221	212
Cash and cash equivalents at end of the six months		111	221

The notes to the condensed interim financial statements form an integral part of these financial statements.



About this report

IN THIS SECTION

The summary notes to the unaudited condensed interim financial statements include information which is considered relevant and material to assist the reader in understanding changes in Meridian's financial position and performance. Information is considered relevant and material if:

- ➔ the amount is significant because of its size and nature;
- ➔ it is important for understanding the results of Meridian;
- ➔ it helps to explain changes in Meridian's business; or
- ➔ it relates to an aspect of Meridian's operations that is important to future performance.

These condensed interim financial statements are for Meridian Energy Limited (Meridian), its subsidiaries, controlled entities, interests in associates and joint arrangements (Group).

Meridian is a for-profit entity domiciled and registered under the Companies Act 1993 in New Zealand. It is a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Markets Conduct Act 2013. Meridian is dual listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX). As a mixed ownership company, majority owned by His Majesty the King in Right of New Zealand, it is bound by the requirements of the Public Finance Act 1989.

These condensed interim financial statements for the six months ended 31 December 2024 have been prepared:

- in accordance with Generally Accepted Accounting Practice (GAAP) in New Zealand as appropriate for interim financial statements, complying with the New Zealand equivalents to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and International Accounting Standard 34 Interim Financial Reporting (IAS 34), as appropriate for a for-profit entity;
- using the same accounting policies, methods of computation, significant estimates and key judgments as disclosed in the 2024 Annual report, unless stated otherwise;
- on the basis of historical cost, modified by revaluation of certain assets and liabilities;
- in millions of New Zealand dollars (NZD), unless otherwise noted; and
- with certain comparative amounts reclassified to conform to current period presentation.

The information in these condensed interim financial statements should be read in conjunction with the 2024 Annual report.



S Significant matters in the six months

IN THIS SECTION

This section outlines significant matters which have impacted Meridian's financial position and performance.

S1 New Zealand Aluminium Smelter (NZAS)

As detailed in the 2024 Annual report, the new NZAS contracts starting 3 July 2024 cause a significant change in how income, expenses, assets and liabilities are classified within these Interim financial statements.

The main changes are as follows:

- the main contract with NZAS changes from being an executory contract to being a financial instrument (derivative); and
- the demand response agreement (DRA) changes from being a derivative to an executory contract with an associated embedded derivative recognised.

The below table notes where the NZAS related income, expense and balance sheet values are presented, for the current and comparative periods.

	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M
INCOME STATEMENT		
Operating revenue	–	88
Operating expenses	(88)	(319)
Net change in fair value of energy hedges	(214)	(3)
BALANCE SHEET		
Financial instruments – current asset	29	7
Financial instruments – non-current asset	29	–
Financial instruments – non-current liability	(82)	–
Payables and accruals	(9)	(65)



S2 Restatement of presentation of Financial Transmission Rights

Meridian has amended its balance sheet presentation of Financial Transmission Rights (FTRs). FTRs are Level 1 electricity derivatives used to manage locational price risk. Meridian previously disclosed FTRs gross, with:

- acquisition cost classified as a liability (in Payables and accruals for current amounts due, and in Term payables for non-current amounts due); and
- the hedge value classified as assets (in Financial instruments).

As FTRs are net settled, Meridian has changed its balance sheet presentation in the current period and restated the prior year. The effects of this change in presentation on the consolidated balance sheet are shown in the below table:

	Restated		
	Unaudited 31 Dec 2023 \$M	Unaudited 31 Dec 2023 \$M	Unaudited Change \$M
BALANCE SHEET			
Financial instruments – current asset	170	225	(55)
Financial instruments – non-current asset	99	118	(19)
Financial instruments – current liability	64	63	1
Financial instruments – non-current liability	103	102	1
Payables and accruals	443	499	(56)
Term payables	63	83	(20)

S3 Hydrological and market conditions

The current period has seen significant volatility in energy prices, resulting from periods of low hydro lake storage and on-going tightness in the gas market. The occurrence of high wholesale prices at the same time as reduced hydro generation capacity has had a negative impact on Meridian's financial performance, as compared to the comparative period.



N Non-GAAP measures

IN THIS SECTION

This section contains explanations of non-GAAP measures that are used within the notes to the condensed interim financial statements.

Meridian uses non-GAAP financial measures within these condensed interim financial statements and accompanying notes. The limited use of non-GAAP measures is intended to supplement GAAP measures to provide readers with further information to broaden their understanding of Meridian's financial performance and position. They are not a substitute for GAAP measures.

As these measures are not defined by NZ GAAP, IFRS, or any other body of accounting standards, Meridian's calculations may differ from similarly titled measures presented by other companies. The measures are described here, including references to relevant notes to the condensed interim financial statements.

EBITDAF

EBITDAF stands for earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains and losses on sale of assets.

EBITDAF allows the evaluation of Meridian's operating performance without the non-cash impact of depreciation, amortisation, unrealised fair value movements of hedging instruments and other one-off or infrequently occurring events and the effects of Meridian's capital structure and tax position. This allows the reader to compare operating performance with that of other electricity industry companies.

Meridian uses this measure within Note A1 Segment performance.

Energy margin

Energy margin provides a measure of financial performance that, unlike total revenue, accounts for the variability of wholesale energy markets and the broadly offsetting impact of the wholesale prices on the cost of Meridian's energy purchases and revenue from generation.

Meridian uses this measure within Note A1 Segment performance.

Net debt

Net debt is a metric commonly used by investors as a measure of Meridian's indebtedness that takes account of liquid financial assets.

Meridian uses this measure within Note C1 Capital management.



A Financial performance

IN THIS SECTION

This section provides an analysis of Meridian's financial performance for the six months by key area including operating segments, revenue and expenses.

A1 Segment performance

The Chief Executive (the chief operating decision-maker) monitors the operating performance of each segment for the purpose of making decisions on resource allocation and strategic direction. The Chief Executive considers the business according to the nature of the products and services, as set out below:

Wholesale

- Generation of electricity and its sale into the wholesale electricity market.
- Purchase of electricity from the wholesale electricity market and its sale to the Retail segment and to large industrial customers, including NZAS representing the equivalent of 25% (31 December 2023: 36%) of Meridian's generation production volume.
- Development of renewable electricity generation opportunities.

Retail

- Retailing of electricity and complementary products through two brands, Meridian and Powershop.
- Electricity sold to residential, business and industrial customers on fixed price variable volume contracts is purchased from the Wholesale segment at an average annual fixed price of \$137 per megawatt hour (MWh) (2023: \$133 per MWh). Electricity sold to business and industrial customers on spot (variable price) agreements is purchased from the Wholesale segment at prevailing wholesale spot market prices.
- Agency margin from spot sales is included within "Contracted sales, net of distribution costs and hedging".

Other and unallocated

- Other operations that are not considered reportable segments, including licensing of the Flux developed electricity retailing platform.
- Activities and centrally based costs that are not directly allocated to other segments.

The financial performance of the operating segments is assessed using energy margin and EBITDAF (for definitions see the Non-GAAP Measure page) before unallocated central corporate expenses. Balance sheet items are not reported to the Chief Executive at an operating segment level.



A1 Segment performance continued

	Wholesale		Retail		Other and Unallocated		Inter-segment		Group	
	2024 \$M	2023 \$M	2024 \$M	2023 \$M	2024 \$M	2023 \$M	2024 \$M	2023 \$M	Unaudited 2024 \$M	Unaudited 2023 \$M
FOR THE SIX MONTHS ENDED 31 DECEMBER										
Contracted sales, net of distribution costs and hedging	291	296	704	670	–	–	–	–	995	966
Costs to supply customers, net of hedging	(1,631)	(1,334)	(653)	(660)	–	–	719	729	(1,565)	(1,265)
Net cost of other hedges	(15)	51	–	–	–	–	–	–	(15)	51
Generation spot revenue, net of hedging	1,042	885	–	–	–	–	–	–	1,042	885
Inter-segment electricity sales	719	729	–	–	–	–	(719)	(729)	–	–
Virtual asset swap margins	(9)	(3)	–	–	–	–	–	–	(9)	(3)
Other market revenue/(costs)	(3)	(5)	(1)	–	–	–	–	–	(4)	(5)
Energy margin (see reconciliation on next page)	394	619	50	10	–	–	–	–	444	629
Other revenue	2	2	13	9	16	10	(5)	(5)	26	16
Hosting expense	–	–	–	–	(2)	(2)	–	–	(2)	(2)
Energy transmission expense	(37)	(36)	–	–	–	–	–	–	(37)	(36)
Energy metering expenses	–	–	(26)	(25)	–	–	–	–	(26)	(25)
Gross margin	359	585	37	(6)	14	8	(5)	(5)	405	582
Employee expenses	(16)	(16)	(20)	(18)	(32)	(32)	–	–	(68)	(66)
Other operating expenses	(40)	(35)	(21)	(19)	(23)	(23)	4	4	(80)	(73)
EBITDAF (see reconciliation on next page)	303	534	(4)	(43)	(41)	(47)	(1)	(1)	257	443
Depreciation and amortisation									(225)	(164)
Asset related adjustments									(8)	11
Net change in fair value of energy hedges (see reconciliation on next page)									(143)	11
Interest expense									(42)	(31)
Interest income									4	6
Net change in fair value of treasury hedges									(11)	(13)
Net (loss)/profit before tax									(168)	263
Income tax benefit/(expense)									47	(72)
Net (loss)/profit after tax									(121)	191



A1 Segment performance continued

	Note	Unaudited 2024 \$M	Unaudited 2023 \$M
RECONCILIATION OF ENERGY MARGIN			
Energy sales to customers	A2	1,178	1,203
Generation revenue	A2	1,051	892
Energy expenses	A3	(1,094)	(1,136)
Energy distribution expenses	A3	(393)	(363)
Realised energy hedges (see below)		(298)	33
Energy margin		444	629

	Note	Unaudited 2024 \$M	Unaudited 2023 \$M
RECONCILIATION OF EBITDAF			
Operating revenue	A2	2,255	2,111
Operating expenses	A3	(1,700)	(1,701)
Realised energy hedges (see below)		(298)	33
EBITDAF		257	443

	Unaudited 2024 \$M	Unaudited 2023 \$M
RECONCILIATION OF NET CHANGE IN FAIR VALUE OF ENERGY HEDGES		
Realised energy hedges shown within energy margin (see above)	(298)	33
Unrealised changes in the fair value of energy hedges (as noted on previous page)	(143)	11
Net change in fair value of energy hedges per the Income Statement	(441)	44



A2 Income

	Unaudited 2024 \$M	Unaudited 2023 \$M
OPERATING REVENUE		
Six months ended 31 December		
Energy sales to customers	1,178	1,203
Generation revenue	1,051	892
Energy-related services revenue	5	5
Other revenue	21	11
Total operating revenue	2,255	2,111

A3 Expenses

	Unaudited 2024 \$M	Unaudited 2023 \$M
OPERATING EXPENSES		
Six months ended 31 December		
Energy expenses	1,094	1,136
Energy distribution expenses	393	363
Energy transmission expenses	37	36
Energy metering expenses	26	25
Hosting expenses	2	2
Employee expenses	68	66
Other expenses	80	73
Total operating expenses	1,700	1,701

	Unaudited 2024 \$M	Unaudited 2023 \$M
INTEREST EXPENSE		
Six months ended 31 December		
Interest on borrowings	46	40
Interest on option premiums	–	1
Interest on lease liabilities	1	1
Less capitalised interest	(5)	(11)
Total interest expense	42	31

Capitalised interest

Meridian capitalises interest expense relating to building new assets. The average rate used to determine the amount of borrowing costs eligible for capitalisation was 5.71% (2023: 5.58%).



B Assets used to generate and sell electricity

IN THIS SECTION

This section shows the core tangible and intangible assets Meridian uses in the production and sale of electricity to generate operating revenues.

B1 Property, plant and equipment

POSITION AS AT	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Opening net book value	12,192	8,989	8,989
Additions	81	200	375
Disposals	–	(6)	(17)
Adjustment of Right of use assets	1	(3)	(3)
Generation structures and plant revaluation – revaluation reserve	–	–	3,152
Depreciation expense	(215)	(149)	(304)
Closing net book value	12,059	9,031	12,192

B2 Intangible assets

POSITION AS AT	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Opening net book value	62	73	73
Additions	22	22	37
Impairment	(3)	–	(18)
Amortisation expense	(10)	(15)	(30)
Closing net book value	71	80	62

Fair value and revaluation of generation structures and plant

Within property, plant & equipment, generation structures and plant are carried at fair value. Revaluations are performed with sufficient regularity to ensure that carrying value does not differ materially from that which would be determined using fair values at balance date.

A review and assessment of key inputs included in the valuation of generation structures and plant has been undertaken as at 31 December 2024, indicating that the carrying value was materially in line with fair value and therefore a revaluation was unnecessary (2023: assets were not revalued). Generation structures and plant were last revalued at 30 June 2024.

Capital Commitments

At 31 December 2024, Meridian has capital commitments of \$50 million (2023: \$165 million).



C Managing funding

IN THIS SECTION

This section summarises Meridian's capital position and returns to shareholders.

C1 Capital management

POSITION AS AT	Note	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Share capital		1,834	1,719	1,729
Retained earnings		(2,138)	(1,716)	(1,631)
Other reserves		8,149	5,882	8,148
		7,845	5,885	8,246
Drawn borrowings	C4	1,582	1,383	1,331
add: Lease liabilities		30	31	30
less: Cash and cash equivalents		(111)	(221)	(221)
Net debt		1,501	1,193	1,140
Net capital		9,346	7,078	9,386

Net capital is defined by Meridian as the combination of shareholders equity, reserves and net debt.

C2 Earnings per share

BASIC AND DILUTED EARNINGS PER SHARE (EPS)	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023
Net (loss)/profit after tax (\$M)	(121)	191
Weighted average number of shares used in the calculation of EPS	2,596,488,167	2,583,937,890
Basic and diluted EPS (cents per share)	(4.7)	7.4

C3 Dividends

DIVIDENDS DECLARED AND PAID Six months ended 31 December	Unaudited 2024 \$M	Unaudited 2023 \$M
Final ordinary dividend 2024: 14.85cps (2023: 11.90cps)	384	307
Total dividends paid	384	307
Dividends declared and not recognised as a liability		
Interim ordinary dividend 2025: 6.15cps (2024: 6.15cps)	160	159

Meridian's objective when managing capital is to provide appropriate returns to shareholders whilst maintaining a capital structure that safeguards its ability to remain a going concern and optimises the cost of capital. Refer to note C1 in the 2024 Annual report for further details on how Meridian manages its capital.

Dividend Reinvestment Plan (DRP)

Meridian operates a DRP under which shareholders can elect to receive dividends in additional shares rather than cash.

For the September 2024 final dividend payment, new shares were issued at a 2% discount to the prevailing market price of Meridian shares around the time of issue. Meridian investors were issued 18,204,174 new shares with a value of \$108 million (2024: 3,838,342 shares with a value of \$20 million).

Shares issued in lieu of cash are excluded from dividends paid in the Statement of Cash Flows.



Subsequent event – dividend declared

On 25 February 2025 the Board declared a partially imputed interim ordinary dividend of 6.15 cents per share.



C4 Borrowings

	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Commercial paper	100	198	25
Drawn bank facilities	181	24	–
Retail bonds	700	550	700
Export credit agency facility	15	25	20
US Private placement notes	586	586	586
Face value of borrowings	1,582	1,383	1,331
Deferred financing costs	(2)	(2)	(2)
Fair value adjustment on hedged borrowings	77	10	18
Total carrying value of borrowings	1,657	1,391	1,347
<i>of which</i>			
Current portion of borrowings	490	382	234
Borrowings	1,167	1,009	1,113
Total carrying value of borrowings	1,657	1,391	1,347

The below table details changes in Meridian's borrowings over the current and comparative reporting period.

	Unaudited 2024 \$M	Unaudited 2023 \$M
Balance 30 June	1,347	1,236
Borrowings drawn	256	167
Borrowings repaid	(5)	(5)
Change in fair value adjustments on hedged borrowings	1	13
Movements due to changes in foreign exchange rates	58	(20)
Balance 31 December	1,657	1,391

Meridian has committed bank facilities of \$915 million of which \$196 million were drawn at 31 December 2024 (2023: facilities of \$650 million of which \$49 million were drawn).

Where facilities have expiry dates, these range from August 2025 to April 2027. \$350 million of facilities are evergreen and have no expiry dates.

All borrowings are Green Debt instruments under Meridian's Green Finance Programme. Further information is available on the Green Finance section of Meridian's website.

Within borrowings there are longer dated instruments with fixed rate coupons which are not in hedge accounting relationships. As at 31 December 2024, the fair value is \$24 million higher than the carrying value (2023: fair value \$4 million higher than carrying value). This is driven by the fixed rate Retail bonds.



D Financial instruments used to manage risk

IN THIS SECTION

This section summarises the financial (hedging) instruments Meridian uses to manage risk.

D1 Financial instruments

A summary of financial instruments and their impact on Meridian's financial position and performance is noted opposite, grouped by type of hedge. There were no changes in valuation processes, valuation techniques or types of inputs used in the calculation of fair values and their movements during the period. Refer to the 2024 Annual report for information about the fair value hierarchy of our inputs.

Fair value on the balance sheet								Fair value movements in the income statement	
	Level	Unaudited 31 Dec 2024		Unaudited 31 Dec 2023		Audited 30 Jun 2024		Unaudited 31 Dec 2024	Unaudited 31 Dec 2023
		Assets \$M	Liabilities \$M	Assets \$M	Liabilities \$M	Assets \$M	Liabilities \$M	\$M	\$M
Treasury hedges									
Cross currency interest rate swap (CCIRS) – interest rate risk	2	(51)	–	(26)	(10)	(39)	(13)	–	–
CCIRS – basis and margin risk	2	4	(3)	–	(3)	–	(1)	–	–
CCIRS – foreign exchange risk	2	129	–	46	–	71	–	–	–
Total CCIRS		82	(3)	20	(13)	32	(14)	–	–
Foreign exchange hedges	2	–	–	3	–	1	–	–	–
Interest rate swaps	2	37	(19)	35	(14)	44	(14)	(11)	(13)
Total treasury hedges		119	(22)	58	(27)	77	(28)	(11)	(13)
Energy hedges									
Market traded energy hedges	1	10	(74)	54	(46)	79	(15)	(119)	1
Other energy hedges	3	88	(103)	123	(94)	152	(111)	(107)	52
Energy options	3	71	–	34	–	93	–	(1)	(9)
NZAS	3	58	(82)	–	–	56	(74)	(214)	–
Total energy hedges		227	(259)	211	(140)	380	(200)	(441)	44
Total hedges		346	(281)	269	(167)	457	(228)	(452)	31
of which									
Current		110	(118)	170	(64)	233	(86)		
Non current		236	(163)	99	(103)	224	(142)		
Total hedges		346	(281)	269	(167)	457	(228)		



D1 Financial instruments continued

Analysis of fair value movements on energy hedges

The following table provides an analysis of fair value movements on energy hedges. In Note A1 Segment performance, realised movements on energy hedges are presented within Energy Margin and EBITDAF.

	Unaudited Six months ended 31 Dec 2024					Unaudited Six months ended 31 Dec 2023				
	Market traded energy hedges	Other energy hedges	Energy options	NZAS	Total	Market traded energy hedges	Other energy hedges	Energy options	NZAS	Total
\$M										
Realised movements in energy hedges	(44)	(83)	24	(195)	(298)	(6)	38	1	–	33
Unrealised movements in energy hedges	(75)	(24)	(25)	(19)	(143)	7	14	(10)	–	11
Total fair value movements in energy hedges	(119)	(107)	(1)	(214)	(441)	1	52	(9)	–	44

Level 3 financial instrument analysis

The following provides a summary of the movements through EBITDAF and movements in the fair value of level 3 financial instruments:

	Unaudited 31 Dec 2024				Unaudited 31 Dec 2023			
	Other energy hedges	Energy options	NZAS	Total	Other energy hedges	Energy options	NZAS	Total
\$M								
Net change in fair value of energy hedges:								
Realised movements	(83)	24	(195)	(254)	38	1	–	39
Unrealised movements	(24)	(25)	(19)	(68)	14	(10)	–	4
Total net change in fair value of energy hedges	(107)	(1)	(214)	(322)	52	(9)	–	43
Balance at the beginning of the period	41	93	(19)	115	(5)	33	–	28
Fair value movements in the Income Statement	(107)	(1)	(214)	(322)	52	(9)	–	43
Remeasurement	51	(28)	209	232	(18)	–	–	(18)
New hedge recognised	–	7	–	7	–	10	–	10
Balance at the end of the period	(15)	71	(24)	32	29	34	–	63



D1 Financial instruments continued

Fair value technique and key inputs

In estimating the fair value of an asset or liability, Meridian uses market-observable data to the extent that it is available. The Audit and Risk Committee determines the overall appropriateness of key valuation techniques and inputs for fair value measurement. The Chief Financial Officer explains fair value movements in his report to the Board.

Where the fair value of a financial instrument is calculated as the present value of the estimated future cash flows of the instrument (DCF), a number of inputs and assumptions are used by the valuation technique. These are:

- forward price curves referenced to the ASX for electricity, published market interest rates and published forward foreign exchange rates;

- Meridian's best estimate of volumes called over the life of energy options;
- discount rates based on the market wholesale interest rate curves, adjusted for counterparty risk;
- calibration factor applied to forward price curves as a consequence of initial recognition differences;
- NZAS continues to operate to 31 December 2044; and
- contracts run their full term.

The table below describes the additional key inputs and techniques used in the valuation of level 3 financial instruments:

Financial asset or liability	Description of input	Range of significant unobservable inputs	Relationship of input to fair value
Other electricity hedges and NZAS , valued using DCFs	Where quoted prices are not available or not relevant (i.e. for long dated contracts), Meridian's best estimate of long-term forward wholesale electricity price is used. This is based on a fundamental analysis of expected demand and the cost of new supply and any other relevant wholesale market factors. It takes into account any fixed discount applicable at inception.	\$56/MWh to \$77/MWh (30 June 2024: \$56/MWh to \$77/MWh) (in nominal terms, excludes observable ASX prices).	An increase in forward wholesale electricity price increases the fair value of buy hedges and decreases the fair value of sell hedges. A decrease in forward wholesale electricity price has the opposite effect.
NZAS	The NZAS CFD and DRA contain price adjustments for inflation, subject to movements in average annual aluminium price. Actual and forecast Consumer Price Inflation (CPI), as published by the New Zealand Treasury, is used as an input. This is adjusted for the probability of CPI increases applying to the contracts. Meridian assesses probability of CPI increases by historical analysis of aluminium prices.	31 December 2024: CPI 0%–2%, Probability 54% 30 June 2024: CPI 0%–2%, Probability 54%	For the CFD, as CPI rises, its value increases. A decrease in CPI has the opposite effect. For the DRA embedded derivative, as CPI rises, the value decreases. A decrease in the CPI has the opposite effect.



E Other

E1 Group structure

No changes occurred to Meridian's Group structure in the six months ended 31 December 2024.

E2 Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 December 2024 (31 Dec 2023: Nil, 30 Jun 2024: Nil).

E3 Subsequent events

In January 2025 Meridian signed a Power Purchase Agreement with Harmony Energy/First Renewables in respect of their joint venture to build the Tauhei Solar Farm. The Tauhei Solar Farm is due to be completed in late 2026 and will generate 280 gigawatt hours of electricity each year. Meridian will purchase 100% of the output from the farm for its first 10 years of operation.

In February 2025, Meridian entered into a Scheme Implementation Agreement (SIA) with NZ Windfarms Limited (NZWF) to purchase the remaining shares (80.01%) in NZWF via a court-approved Scheme of Arrangement for \$0.25 cash per share, this corresponds to a total equity value for NZWF of \$91 million as at 19 February 2025. The Scheme is subject to NZWF shareholder approval, High Court approval, and other customary conditions relating to regulatory approvals and certain events or occurrences prior to implementation, as detailed in the SIA.

There are no other subsequent events other than dividends declared on 25 February 2025 (refer to Note C3 Dividends for further details).



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF MERIDIAN ENERGY LIMITED



The Auditor-General is the auditor of Meridian Energy Limited (the "Company") and its subsidiaries (the "Group"). The Auditor-General has appointed me, Anthony Smith, using the staff and resources of Deloitte Limited, to carry out the review of the condensed consolidated interim financial statements ("interim financial statements") of the Group on his behalf.

Conclusion

We have reviewed the interim financial statements of the Group on pages 2 to 20, which comprise the balance sheet as at 31 December 2024, income statement, comprehensive income statement, statement of changes in equity and statement of cash flows for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the Auditor's Responsibilities for the *Review of the Interim Financial Statements* section of our report.

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this review and the audit of the Group annual financial statements, our firm carries out other assurance assignments for the Group in the areas of greenhouse gas inventory assurance,

limited assurance of the sustainability content in the integrated report, audits of the securities registers, audit of the fixed rate bond registers, and the solvency returns of Meridian Energy Captive Insurance Limited, as well as a review of the vesting of the executive long-term incentive plan, and supervisor reporting, which are compatible with those independence requirements. We also provide non – assurance services to the Corporate Taxpayers Group of which Meridian Energy is a member, along with a number of other organisations. Principals and employees of our firm also deal with the Group on arm's length terms within the ordinary course of trading activities of the Group. These services and trading activities have not impaired our independence as auditor of the Group.

Other than these engagements and arm's length terms transactions, we have no relationship with, or interests in the Group.

**Directors' responsibilities for the interim financial statements**

The directors are responsible on behalf of the Group for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

The directors are also responsible for the publication of the interim financial statements, whether in printed or electronic form.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

A review of the interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion on the interim financial statements.

**Anthony Smith, Partner**

for Deloitte Limited

On behalf of the Auditor-General

Christchurch, New Zealand

25 February 2025



Meridian.

The Power to
Make a Difference.

Release

Stock Exchange Listings NZX (MEL) ASX (MEZ)

Winter '24 hedging costs impact interim financial result

26 February 2025

Meridian Energy has reported a net loss after tax of \$121 million for the six months ending 31 December 2024, compared to a net profit after tax of \$191 million in last year's interim result. Operating cash flows were \$50 million, down from \$303 million in the same period last year. These results were heavily impacted by the cost of hedge contracts for winter 2024 in the face of 1 in 90-year record low inflows and an unexpected and unprecedented shortage of domestic gas. The hedge contracts included calling the largest demand response option with New Zealand's Aluminum Smelter (NZAS).

EBITDAF¹ fell from \$443 million to \$257 million and underlying net profit² fell from \$175 million to a \$5 million loss. Both of these are non-GAAP measures.

"The combination of particularly low hydro inflows, low wind and gas shortages made the operating environment for the first half of this financial year as tough as I can recall experiencing," says Meridian Chief Executive Neal Barclay.

"We took a hit for New Zealand. Meridian put this country's security of supply first and as New Zealand's largest renewable electricity generator, our balance sheet tends to underwrite the mitigation of extended droughts, and that's one of the ways the country benefits from having large and financially strong gentailers. While the situation was particularly challenging, we know we rely on Mother Nature for our fuel and accept the financial impact droughts bring. We prepare the business to deal with these kinds of eventualities, including maintaining a strong and flexible balance sheet."

"There is plenty of time before the coming winter, but we are highly focused on managing risks to winter 2025 security. We have reached a new agreement with NZAS for them to reduce demand by 50MW and are looking for simple rule changes to access this country's existing contingent hydro storage. The bigger issue, though, is the structural and significant shortage of domestic gas. New Zealand needs to take urgent action to address this. Gas is the biggest factor in setting spot and future electricity prices," says Neal Barclay.

¹Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges and asset related adjustments. EBITDAF is a non-GAAP financial measure but is commonly used within the electricity industry as a measure of performance as it shows the level of earnings before impact of gearing levels and non-cash charges such as depreciation and amortisation. Market analysts use the measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector.

²Net profit after tax adjusted for the effects of changes in fair value of unrealised hedges, electricity option premiums and other non-cash items and their tax effects. Underlying net profit after tax is a non-GAAP financial measure. Because they are not defined by GAAP or IFRS, Meridian's calculation of such measures may differ from similarly titled measures presented by other companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although Meridian believes they provide useful information in measuring the financial performance and condition of Meridian's business, readers are cautioned not to place undue reliance on these non-GAAP financial measures. A reconciliation of underlying net profit after tax is included on page 3.

With a challenging first half to the financial year, the Meridian Board has decided to maintain the interim dividend at the same level as the prior period, and declared an interim ordinary dividend of 6.15 cents per share. The dividend reinvestment plan will apply to this interim dividend at a 2% discount.

Mr Barclay says that Meridian has continued to build strong momentum to set the business up for future growth. This year, the company expects to commit over \$1 billion of capital to new development projects.

“The relatively fast decline in gas resources has put even greater emphasis on the need to deploy new renewable developments as quickly as possible and also get more out of our existing fleet of hydro and wind generation. In that regard, we’ve had a few wins recently. We’ve reinstated capacity in the generation fleet after resolving transformer issues at Manapōuri and West Wind, and we’ve begun commissioning our Ruakākā grid scale battery. We’ve also made great progress in advancing a development pipeline that that will deliver additional megawatts for many years to come,” says Neal Barclay.

Meridian recently announced:

- A finalised consent for its 120MW Ruakākā solar development (February)
- Consent for its 90MW Mt Munro Wind Farm near Eketāhuna (February)
- A Scheme Implementation Agreement as part of its bid to acquire the remaining shares in NZ Windfarms (February)
- A Power Purchase Agreement with Harmony Energy / First Renewables in respect of their joint venture to build the 150MW Tauhei Solar Farm in the Waikato. (January)
- A 50-50 joint venture with Nova Energy Limited to build the 400MW Te Rahui solar farm at Rangitāiki near Taupō. (December).

The first half of FY25 has also seen tremendous progress in Meridian’s Retail business. Having completed a strategic reset and restructure to enable the business to meet changing technology and consumer needs, the company has launched three new products (Smart Hot Water, Smart EV Charging and the Four Hours Free Plan), with more to come over the remainder of the financial year.

“Customers are responding to these changes, with record numbers signing up. As of 1 January, we had achieved our highest ever market share of electricity connections, with 16.58% across the Meridian and Powershop brands. Our brands also led the industry rankings for new connections in December, with Powershop first and Meridian second, and more than 4,000 connections that month across both brands,” says Neal Barclay.

“The business has weathered an extraordinarily difficult set of circumstances and leveraged our financial strength to ensure the lights stayed on for New Zealand. At the same time, we’ve not backed away from our strategic goals one bit and our customer market share has continued to grow as has our renewable development pipeline.”

<u>Income statement</u>		
Six months ended 31 December	2024	2023
\$M		
Energy margin	444	629
Other revenue	26	16
Hosting expense	(2)	(2)
Energy transmission expense	(37)	(36)
Electricity metering expenses	(26)	(25)
Employee and other operating expenses	(148)	(139)
EBITDAF	257	443
Depreciation and amortisation	(225)	(164)
Asset related adjustments	(8)	11
Net change in fair value of energy hedges	(143)	11
Net finance costs	(38)	(25)
Net change in fair value of treasury instruments	(11)	(13)
Net profit before tax	(168)	263
Income tax expense	47	(72)
Net profit after tax	(121)	191
<u>Underlying net profit after tax</u>		
Six months ended 31 December	2024	2023
\$M		
Net profit after tax	(121)	191
Underlying adjustments		
<u>Hedging instruments</u>		
Net change in fair value of energy hedges	143	(11)
Net change in fair value of treasury instruments	11	13
Premiums paid on electricity options net of interest	(4)	(10)
<u>Assets</u>		
Asset related adjustments	8	(11)
Total adjustments before tax	158	(19)
<u>Taxation</u>		
Tax effect of above adjustments	(42)	3
Underlying net profit after tax	(5)	175

ENDS

Neal Barclay
Chief Executive
Meridian Energy Limited

For investor relations queries, please contact:

Owen Hackston
Investor Relations Manager
021 246 4772

For media queries, please contact:

Lachlan Forsyth
Media & Content Manager
021 243 5342

Section 1: Issuer information				
Name of issuer	Meridian Energy Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	MEL			
ISIN (If unknown, check on NZX website)	NZMELE0002S7			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies	X		
Record date	Close of trading on 07/03/2025			
Ex-Date (one business day before the Record Date)	06/03/2025			
Payment date (and allotment date for DRP)	25/03/2025			
Total monies associated with the distribution ¹	\$160,285,536			
Source of distribution (for example, retained earnings)	Retained Earnings			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution ²	\$0.08182917			
Gross taxable amount ³	\$0.08182917			
Total cash distribution ⁴	\$0.06150000			
Excluded amount (applicable to listed PIEs)	\$0.00000000			
Supplementary distribution amount	\$0.00922500			
Section 3: Imputation credits and Resident Withholding Tax ⁵				
Is the distribution imputed	Partial imputation			
If fully or partially imputed, please state imputation rate as % applied ⁶	85%			
Imputation tax credits per financial product	\$0.02032917			

¹ Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

² "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (RWT).

³ "Gross taxable amount" is the gross distribution minus any excluded income.

⁴ "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

⁵ The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

⁶ Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

Resident Withholding Tax per financial product	\$0.00667446	
Section 4: Distribution re-investment plan (if applicable)		
DRP % discount (if any)	2.0%	
Start date and end date for determining market price for DRP	06 March 2025	12 March 2025
Date strike price to be announced (if not available at this time)	13 March 2025	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	New Issue	
DRP strike price per financial product	\$TBC	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	10 March 2025	
Section 5: Authority for this announcement		
Name of person authorised to make this announcement	Jason Woolley	
Contact person for this announcement	Jason Woolley	
Contact phone number	+64 21 309 962	
Contact email address	jason.woolley@meridianenergy.co.nz	
Date of release through MAP	26/02/2025	