

Tuesday 16 September 2025

Chair's address to ASM

Kia ora koutou,

On behalf of the Contact Energy Board of Directors, I would like to start by thanking our people, our customers and you, our shareholders, for what has been one of the most significant years in Contact's history.

We have delivered a strong performance, underpinned by our long-term investment in renewable generation.

As I share my reflections and insights of the past year, I want to acknowledge and talk about the challenges and opportunities in the energy sector, and how Contact is focused on supporting New Zealand's economic growth aspirations.

Strategic update and highlights of the year

Our Contact26 strategy is to be a leader in New Zealand's decarbonisation.

We have continued to deliver strongly against that strategy through renewable investment, growing electricity demand, continuing to decarbonise our own generation portfolio and creating outstanding customer experiences.

We are taking bold steps to support the country's energy transition to a renewable future.

In the past four years, Contact has committed to more than \$2.3 billion building critical energy infrastructure, and we are accelerating that investment for the long-term benefit of New Zealand.

We have completed \$1.2 billion of new renewable generation with Tauhara and Te Huka 3 coming online. Together, these have brought an additional 1.9 TWh of annual generation onstream, enough energy to power the equivalent of 260,000 homes.

Projects totalling another \$1.1 billion are currently under construction, spanning geothermal, solar and grid scale batteries. These investments will extend our operations on the Wairakei steamfield, delivering renewable power for future generations. They will bring on a further 0.6 TWh of net new generation and 100 MW of new storage onstream.

Our new long-term electricity agreements have created new energy demand in iconic companies such as NZ Steel, Fonterra, and Oji Fibre Solutions supporting their long-term future and demonstrating the part we play in the New Zealand economy.

It's almost a year to the day since Contact announced the proposed acquisition of Manawa Energy. Following the regulatory approvals this transaction was completed on 11 July.

The combination of our two companies is an important step forward in New Zealand's energy transition. It will enable a greater investment in future renewable generation, enhance market security, and ultimately contribute to reducing wholesale prices long term.

I look forward to reporting on our future progress as we integrate Manawa into Contact.

We remain on target to meet our ambition to be Net Zero in our generation operations by 2035. In the past decade, Contact's generation emissions have reduced 50 percent, and with the planned closure of our Taranaki Combined Cycle plant at the end of the year this will increase to 75 percent.

Our Contact26 strategy has served us well. We are now turning to the next strategic horizon and are undertaking a review to ensure we will be well positioned for the future.

Energy market

Geopolitical, economic and environmental uncertainty continues to be felt both here and internationally.

Yet in this, is opportunity.

The electricity sector has a key role to support New Zealand through these challenges and underpin a pathway to sustainable growth and energy independence.

As a country, we are in the midst of a renewable investment boom. In the past 18 months, almost 4.5TWh

of total new renewable generation has come online. To put this in context, that's more than 10 per cent of our nation's annual generation – and there is more to come.

According to Bloomberg global energy data between 2021 to 2024, New Zealand is a global leader investing \$240 per person, per year in renewable infrastructure, greater than the US, China, UK and Australia. And Contact is leading the way.

For those who say nothing is being done, these are the facts.

The market is not broken. Those who call the market broken, fail to come with a solution.

The solution to lower energy prices is more capacity and that comes from more investment. Investment is occurring at pace - insofar as we can get consents.

Notwithstanding ongoing challenges with the upstream gas market, gas will remain an important peaking fuel in the medium term and support security of supply.

We have long-term gas supply contracts to support the availability of our remaining peakers, and, more importantly, to ensure households and commercial gas customers have access to this energy source while we help them to transition to renewable energy over time.

The abrupt gas decline has hit the country faster, and with more impact that could have been foreseen. What we see

today, is the result of a cut in fuel supply. The change in government policy with the oil and gas ban led to unintended consequences. We need to be careful such mistakes are not repeated.

Transition

Contact remains focused on providing competitive value and innovation, while providing support for those facing energy hardship.

We recognise our role in ensuring New Zealand's electricity remains affordable, reliable and renewable – the energy trilemma. The World Energy Council continues to rank New Zealand as one of the top 10 countries globally against these benchmarks.

We are committed to playing our part to support New Zealand's security of supply. This winter we extended the operating hours of the Taranaki Combined Cycle plant. It will close later this year; a year later than planned. We are party to the Huntly Strategic Firming agreement, a strategic energy reserve to be used as a buffer when required and open to all electricity market participants.

Regulatory reform

Renewable generation investments deliver benefits to the community for decades. As a result, infrastructure investors always seek reasonable long-term investment certainty.

I acknowledge the work the government and regulators are doing to explore ways of continually improving and evolving the electricity market as we *all* navigate the energy transition.

However, we need policies that both encourage growth in electricity demand and support new investment in renewable energy.

We welcome the government's initiatives to improve resource consenting to accelerate renewable development. However, calls for fundamental – but undefined market reform – and its potential impact on investment confidence is of concern.

We need stable market settings that support investor confidence. Investment in renewable generation gives decades of benefit. A legacy for generations.

Acknowledgements

Contact's investment, growth and success would not be possible without the hard work of our CEO Mike Fuge, and the entire Contact team. To you, I say thank you.

I also want to take this opportunity to thank my fellow directors, and to acknowledge, in particular, Elena Trout, who after nine years of invaluable service is today stepping down from the Board. Elena has made a significant contribution not just to Contact, but to the wider New Zealand energy sector.

Now, as we look to the year ahead, one where Contact and Manawa Energy become one, we will continue to accelerate investment in the electrification efforts, and together with all our stakeholders help build a more sustainable, thriving New Zealand for all.

Ngā mihi nui.