

Tuesday 16 September 2025

CEO's address to ASM

Tēnā koutou, tēnā koutou, tēnā koutou katoa. Ngā mihi nui ki a koutou katoa.

It is my pleasure to be here today and to share my reflections on the past financial year; a year that has been characterised by bold aspiration, hard mahi and significant achievement.

Through intensive focus and unwavering commitment to our Contact26 strategy, we have delivered outcomes that will help shape New Zealand's energy future for generations.

As Rob has outlined, we have delivered growth, invested heavily and played our part in supporting New Zealand's economic development.

Before I get into the detail, I want to acknowledge our people and welcome our new Manawa colleagues to their first Contact Annual Shareholder Meeting.

I am incredibly proud of our team and what they have achieved. They are a group of high-performing professionals who come to work every day focused on the role they have in supporting the energy transition.

Business and Financial Performance

Contact has delivered a strong financial performance in the 2025 financial year.

Our EBITDAF of \$774million, was up 17 percent on the previous year, and profit after tax was \$261million - on an underlying basis.

This result excludes the release of the Ahuroa Gas Storage provision of \$98million before tax but includes the \$18million Manawa transaction and integration costs. Adjusting for these one-off Manawa-related costs, EBITDAF was \$792million.

Market conditions were impacted by the accelerated decline in gas availability. With two historically dry periods, as well as periods of intense hydro inflows, hydro storage was highly volatile. These conditions meant significant volatility of wholesale prices.

In this context, our financial performance reflects our resilient risk management as well as the benefits of our \$1.2billion investment in new geothermal capacity at Tauhara and Te Huka 3.

Contact also supported the market and played our part in New Zealand's energy security. We managed through dry conditions by securing gas, in the short-term, from Methanex.

We also ran our Taranaki Combined Cycle plant and used flexible gas storage at Ahuroa to support economic thermal generation.

This was the first year our new geothermal power stations Tauhara and Te Huka 3 were both operational. In a challenging year, Contact's baseload geothermal generation increased to 4.5TWh, up 34 per cent on the previous year.

It has reinforced the importance of geothermal and our commitment to delivering a secure and reliable electricity supply for New Zealand. We have delivered the right projects, at the right time.

In light of our financial results, we will pay shareholders 39 cents per share annual dividend, up five percent from the previous financial year.

Strategy

We are now four years into our Contact26 strategy to:

- Grow demand
- Grow renewable development
- Decarbonise our portfolio and
- Create outstanding customer experiences

In this short time, we have committed more than \$2billion to build the critical energy infrastructure our country needs.

Now more than ever, we must continue to play a leading role in ensuring secure, sustainable and affordable energy for New Zealanders.

The FY25 year saw a significant investment in growth and continued focus on project delivery, with our entire net profit - and some - invested in developing renewable energy projects.

As Rob said, 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.

It is our profound belief that our role is to enable the electrification of the economy. We are walking alongside our commercial, industrial and residential customers to help them in the energy transition. We will continue our orderly investment in renewable generation to support this.

Manawa

Rob has spoken about the combination of Contact and Manawa being an important step forward in the country's energy transition.

Together we have highly complementary, geographically diverse hydro generation. Contact's hydro assets in the South produce more energy in the summer following the

snowmelt, while Manawa's hydro schemes in the North Island catch more rain in the winter. These complementary assets will enable a smoother transition away from fossil fuels and help us manage dry year risk.

Our leadership team and I have spent the past two months visiting Manawa sites and spending time with our new colleagues as we integrate the two businesses.

We expect to be operating as one company by Christmas.

Grow demand and renewable development

We were delighted, last November, to host alongside the Tauhara hapū, the Prime Minister for the opening of Tauhara, the world's largest single shaft geothermal power turbine. In the same month Te Huka 3 also came online.

Following behind our two new geothermal power stations, the Kōwhai Park solar farm, and the Glenbrook-Ohurua grid scale battery are expected come online next March.

Our Te Mihi Stage 2 binary plant that will partially replace the 60-year-old Wairākei plant, is also well underway, with an on-stream date of mid-2027.

This level of activity is unprecedented in our history. Not only is it fulfilling an urgent need for renewable energy in New Zealand, it is supporting the transition and creating new opportunities for the nation's economy. You only need to walk through Taupō, and you witness the impact such investment is having on heartland communities.

This is partly why we were disappointed when the Southland Wind Farm fast track resource consent was declined in March. While we have now been accepted to lodge an application under the new Fast Track legislation, and have done so, the reality is an exorbitant amount of time, and expense, was consumed with the previous planning regime, with little productive outcomes for society at large.

We have hope that projects such as the Southland Wind Farm will be built at pace for the benefit of all. This project alone will bring more than \$200million to the Southland economy and generate enough renewable energy to power the equivalent of 150,000 homes.

We have also lodged a consent application to extend the Glenbrook-Ohurua grid scale battery to 500MW, and lodged a consent application to build an additional 500MW grid-scale battery at Stratford. We are also working on several projects to improve the efficiency, safety and reliability of our hydro assets. This will help improve energy supply in dry years and during peak winter demand.

Decarbonising our portfolio

We are acutely aware that we have a responsibility to ensure reliable, secure energy supply for the country while we manage the energy transition.

The rapid, and unexpected decline in gas availability has now got to the point where some hard choices are having to be made. That, with dry hydrological conditions, led to a short period of high spot prices in August 2024.

Our response has been swift and comprehensive.

We signed gas agreements with Methanex last August and again in May this year, to ensure winter periods of high demand were covered. We also extended the operation of TCC until the end of the year when it will be decommissioned. And along with other major gentailers, we have signed the Huntly Strategic Firming agreement.

Contact has also recently secured a seven-year gas agreement from Greymouth Gas Limited.

Contact will now be able to support hundreds more New Zealand businesses, critical gas consumers such as schools and hospitals, and thousands of Kiwi households as they transition in a managed, orderly way from fossil fuels to a renewable energy future.

Our commitment to decarbonisation remains resolute. We have taken pragmatic steps to ensure reliability of supply as we transition, helping bridge the gap while we scale up renewable development.

Creating outstanding customer experiences

Home is everything. It is where life happens, connections are made, and futures are built.

Our financial year finished with 646,000 customer connections across energy, broadband and mobile, a growth of 21,000 connections on the previous year. As of this morning, we now have 651,472 customer connections.

We recognise that creating outstanding customer experiences is more than growth. This is also about fronting into the challenges New Zealanders face at a time of increasing pressures on household budgets.

More than a third of our customers are now on our Time of Use plans, receiving free power in return for off peak use. Since launch in August 2021, Kiwis have received more than 260 million hours of free energy. These tools, where we engage with ordinary Kiwi households, help navigate supply challenges, help with budgets, and have transformed energy peaks reducing the reliance on fossil fuels.

In August 2024 we removed disconnection and reconnection fees for non-payment for all Contact customers, resulting in disconnection rates dropping 30 percent year on year.

Earlier this year, the Commerce Commission reviewed lines and transmission charges. These charges are passed onto consumers, accounting for up to 40 percent of the average bill. We recognise these pass-on charges put more pressure on consumers.

Thank you, and our people

Finally, to our people.

I would like to thank everyone at Contact for their outstanding work and focus throughout the year. I am proud of you all and the contribution you have made. Not just to Contact, but for the difference we are creating.

I would also like to acknowledge and welcome our new Chief Retail Officer, Carolyn Luey, who joined Contact in July. Carolyn was appointed following Matt Bolton's appointment to Transition Director, last year.

Looking ahead, one thing is clear. Progress will require both visionary aspiration and the ability to remain responsive to New Zealand's energy needs.

We are excited about the future, and the leading role we play in the country's energy transition.

Ngā mihi nui.