



MERIDIAN ENERGY LIMITED

# Interim Results

CONDENSED INTERIM FINANCIAL STATEMENTS AS AT  
AND FOR THE SIX MONTHS ENDED 31 DECEMBER 2025.



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# Comprehensive Income Statement

For the six months ended 31 December 2025

	NOTE	UNAUDITED 2025 \$M	UNAUDITED 2024 \$M
Operating revenue	A2	2,008	2,255
Operating expenses	A3	(1,311)	(1,700)
Depreciation and amortisation	B1, B2	(261)	(225)
Asset related adjustments		(3)	(8)
Net change in fair value of energy hedges	D1	(67)	(441)
Interest expense	C5	(47)	(42)
Interest income		2	4
Net change in fair value of treasury hedges	D1	(4)	(11)
<b>Net profit/(loss) before tax</b>		<b>317</b>	(168)
Tax (expense)/benefit		(90)	47
<b>Net profit/(loss) after tax</b>		<b>227</b>	(121)
<b>Items that may be reclassified to profit and loss</b>			
Change in cash flow hedge reserve (net of tax)		5	1
<b>Comprehensive income</b>		<b>232</b>	(120)
Earnings per share (EPS, in cents) - basic and diluted	C2	8.6	(4.7)

# Statement of Cash Flows

For the six months ended 31 December 2025

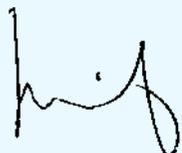
	NOTE	UNAUDITED 2025 \$M	UNAUDITED 2024 \$M
<b>Operating activities</b>			
Receipts from customers		1,950	2,410
Interest received		2	4
Payments to suppliers and employees		(1,531)	(2,165)
Interest paid		(42)	(44)
Income tax paid		(43)	(155)
<b>Operating cash flows</b>		<b>336</b>	50
<b>Investing activities</b>			
Purchase of property, plant and equipment		(71)	(104)
Purchase of intangible assets		(6)	(20)
Purchase of subsidiary, net of cash acquired	S2	(66)	-
Purchase of other investments	S3, S5	(125)	(4)
<b>Investing cash flows</b>		<b>(268)</b>	(128)
<b>Financing activities</b>			
Borrowings drawn	C4	346	256
Borrowings repaid	C4	(91)	(6)
Shares purchased for long term incentive		(3)	(6)
Dividends	C3	(260)	(276)
<b>Financing cash flows</b>		<b>(8)</b>	(32)
<b>Net cash flows</b>		<b>60</b>	(110)
Cash at the beginning of the six months		123	221
<b>Cash at the end of the six months</b>		<b>183</b>	111

# Balance Sheet

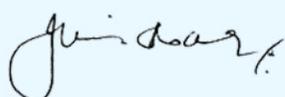
As at 31 December 2025

		UNAUDITED 31 DEC 2025 \$M	UNAUDITED 31 DEC 2024 \$M	AUDITED 30 JUN 2025 \$M
	NOTE			
<b>Current assets</b>				
Cash and cash equivalents		183	111	123
Trade receivables		295	310	406
Financial instruments	D1	134	110	65
Tax receivable		–	23	14
Other assets		69	52	72
<b>Total current assets</b>		<b>681</b>	<b>606</b>	<b>680</b>
<b>Non-current assets</b>				
Property, plant and equipment	B1	13,912	12,059	14,032
Intangible assets	B2	90	71	47
Financial instruments	D1	395	236	183
Investments in equity accounted joint ventures	S5	55	–	–
Other assets		–	19	32
<b>Total non-current assets</b>		<b>14,452</b>	<b>12,385</b>	<b>14,294</b>
<b>Total assets</b>		<b>15,133</b>	<b>12,991</b>	<b>14,974</b>

For and on behalf of the Board of Directors who authorised the issue of the condensed interim financial statements on 24 February 2026.



**Mark Verbiest**  
Chair, 24 February 2026



**Julia Hoare**  
Chair, Audit and Financial Risk Committee, 24 February 2026

		UNAUDITED 31 DEC 2025 \$M	UNAUDITED 31 DEC 2024 \$M	AUDITED 30 JUN 2025 \$M
	NOTE			
<b>Current liabilities</b>				
Payables and accruals		284	261	401
Borrowings	C4	107	493	369
Financial instruments	D1	180	118	265
Tax payable		68	–	–
<b>Total current liabilities</b>		<b>639</b>	<b>872</b>	<b>1,035</b>
<b>Non-current liabilities</b>				
Payables and accruals		134	60	55
Borrowings	C4	1,759	1,194	1,200
Financial instruments	D1	479	163	496
Deferred tax		3,232	2,857	3,268
<b>Total non-current liabilities</b>		<b>5,604</b>	<b>4,274</b>	<b>5,019</b>
<b>Total liabilities</b>		<b>6,243</b>	<b>5,146</b>	<b>6,054</b>
<b>Shareholders' equity</b>				
Share capital		2,016	1,834	1,884
Reserves		6,874	6,011	7,036
<b>Total shareholders' equity</b>		<b>8,890</b>	<b>7,845</b>	<b>8,920</b>

# Statement of Changes in Equity

For the six months ended 31 December 2025

\$M	SHARE CAPITAL	SHARE OPTION RESERVE	ASSET REVALUATION RESERVE	CASH FLOW HEDGE RESERVE	RETAINED EARNINGS	SHAREHOLDERS EQUITY
<b>Balance at 1 July 2025 (audited)</b>	<b>1,884</b>	<b>5</b>	<b>9,657</b>	<b>(5)</b>	<b>(2,621)</b>	<b>8,920</b>
Net profit/(loss) for the period	-	-	-	-	227	227
Changes in cash flow hedge reserve (net of tax)	-	-	-	5	-	5
Recycling of asset revaluation (net of tax, where applicable)	-	-	-	-	-	-
Share-based transactions	4	(2)	-	-	(4)	(2)
Dividend reinvestment plan	128	-	-	-	-	128
Dividends paid/reinvested	-	-	-	-	(388)	(388)
<b>Balance at 31 December 2025 (unaudited)</b>	<b>2,016</b>	<b>3</b>	<b>9,657</b>	<b>-</b>	<b>(2,786)</b>	<b>8,890</b>
<b>Balance at 1 July 2024 (audited)</b>	<b>1,729</b>	<b>3</b>	<b>8,145</b>	<b>-</b>	<b>(1,631)</b>	<b>8,246</b>
Net (loss)/profit for the period	-	-	-	-	(121)	(121)
Changes in cash flow hedge reserve (net of tax)	-	-	-	1	-	1
Recycling of asset revaluation (net of tax, where applicable)	-	-	-	-	-	-
Share-based transactions	(3)	-	-	-	(2)	(5)
Dividend reinvestment plan	108	-	-	-	-	108
Dividends paid/reinvested	-	-	-	-	(384)	(384)
<b>Balance at 31 December 2024 (unaudited)</b>	<b>1,834</b>	<b>3</b>	<b>8,145</b>	<b>1</b>	<b>(2,138)</b>	<b>7,845</b>

# 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 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 unaudited condensed interim financial statements for the six months ended 31 December 2025 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 2025 Integrated 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 2025 Integrated Report.

# 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.

### Non-GAAP

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 and asset related adjustments.

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.

# 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 Hydrological and market conditions

The financial year commenced with dry conditions in the South Island. However, strong inflows in the North Island and upper South Island supported fuel availability through July. From September, a succession of westerly weather systems replenished South Island catchments, leading to some spill events during the period. That fuel availability, combined with Meridian's well-contracted portfolio, generation asset availability and growth in customer sales, resulted in strong interim financial performance. Meridian's hydro inflows during the reporting period were the second highest July to December inflows on record, helping deliver a record level of generation for an interim reporting period.

## S2 Acquisition of NZ Windfarms Limited

On 30 July 2025, Meridian acquired the remaining shares in NZ Windfarms Limited (NZWF) via a Scheme of Arrangement, increasing its ownership from 19.99% to 100% and thereby obtaining control. NZWF is a New Zealand based renewable energy company operating wind generation assets.

The acquisition has been accounted for as a business combination achieved in stages in accordance with NZ IFRS 3 *Business Combinations*. Meridian previously held a non-controlling interest in NZWF, which was remeasured to fair value at the acquisition date.

The previously held 19.99% interest was remeasured to its fair value of \$18 million at the acquisition date. Fair value was determined by reference to the quoted market share price of NZWF at the acquisition date. This resulted in a gain of \$0.4 million, which has been recognised in profit or loss under "Asset related adjustments".

The total consideration transferred for the acquisition of the remaining shares was \$73 million, settled in cash.

At the acquisition date, Meridian recognised the following provisional fair values of NZWF's identifiable assets and liabilities:

ITEM	\$M
Property, plant and equipment	27
Intangible assets	33
Cash and cash equivalents	7
Trade receivables and other assets	6
Deferred tax assets	3
Payables, accruals and other liabilities	(2)
	<b>74</b>

The goodwill arising from the acquisition is calculated as follows:

Fair value of consideration transferred	73
Fair value of previously held interest	18
Less: Fair value of net identifiable assets acquired	(74)
<b>Goodwill recognised</b>	<b>17</b>

The goodwill reflected excess consideration over fair value of identifiable net assets and liabilities.

The initial accounting for the acquisition of NZWF is provisional at balance date, as permitted under NZ IFRS 3. The provisional amounts primarily relate to the fair values of property, plant and equipment and intangible assets. Draft valuations of these assets have been prepared, with the provisional amounts reflecting best estimates pending finalisation and validation of the valuation inputs and assumptions. Any adjustments to these provisional amounts will be recognised retrospectively within the measurement period, which will not exceed 12 months from the acquisition date, with a corresponding adjustment to goodwill.

From the acquisition date to 31 December 2025, NZWF contributed \$3 million in revenue and a \$3 million loss before tax to the Group. Had NZWF been consolidated for the full six-month period, the impact on the Group's results would have been an additional \$1m loss.

### S3 Acquisition of Flick Energy Limited assets

On 22 July 2025, Meridian completed the acquisition of certain assets from Flick Energy Limited (Flick) and Z Energy Limited for a final net consideration of \$69 million. The assets acquired include contracted electricity customers, a large book of energy derivatives and the Flick brand.

The acquisition has been fully completed and integrated into Meridian's operations. The transaction is accounted for as an asset acquisition under NZ IFRS, rather than a business combination, as the set of assets acquired does not constitute a business as defined in NZ IFRS 3 *Business Combinations*.

The purchase price was allocated over the relative fair values of the assets acquired, this resulted in the allocation of 100% of the consideration paid to the acquired electricity derivative portfolio. The fair value of these derivatives was determined using valuation techniques incorporating significant unobservable inputs and, accordingly, the derivatives are classified as level 3 under the NZ IFRS 13 *Fair Value Measurement* fair value hierarchy.

### S4 Huntly Strategic Energy Reserve

On 4 August 2025, Meridian entered into agreements with Genesis Energy, Mercury, and Contact Energy to establish the Huntly Strategic Energy Reserve (HSER) at the Huntly Power Station and a related energy option. This is in response to the ongoing challenges posed by gas supply shortages and aims to enhance the security of electricity supply and price stability in New Zealand. The long term agreements were subject to review and approval by the New Zealand Commerce Commission, who provided authorisation on 6 November 2025.

The arrangement took effect from 1 January 2026. The HSER has resulted in the below balance sheet impact at initial recognition.

The contract has been accounted for as an executory host contract containing a separated derivative component in accordance with NZ IFRS 9 *Financial Instruments*.

BALANCE SHEET	\$M
<b>Financial instruments</b>	
Current asset	13
Non-current asset	112
<b>Payables and accruals</b>	
Current liability	(10)
Non-current liability	(83)

### S5 Te Rāhui Solar Farm Joint Venture

On 29 August 2025, Meridian entered into a 50-50 joint venture with Nova Energy Limited (Nova) to build and operate the 400MW Te Rāhui solar farm at Rangitāiki near Taupō, which is expected to be completed in two stages of approximately 200MW each.

The project offtake will be shared 50-50 between Meridian and Nova by way of a power purchase agreement under which Meridian buys 100% of the offtake from the project, and a separate contract for difference under which Meridian sells 50% of the offtake to Nova.

Meridian has accounted for the joint venture using the equity method of accounting in accordance with NZ IAS 28 *Investments in Associates and Joint Ventures*.

The \$55 million invested in the joint venture is recognised within "Investments in equity accounted joint ventures" in the balance sheet. This includes a long-term loan to the joint venture, with a fair value of \$4 million, that in substance forms part of the investment.

### S6 Establishment of syndicated facility

During the period, Meridian transitioned from multiple bilateral bank facilities to a single syndicated facility agreement executed in December 2025. The syndicated facility provides consolidated funding of NZ\$1 billion across multiple tranches. Refer to C4 Borrowings note for more information.

# 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, operating revenue and operating expenses.

## AI 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 New Zealand's Aluminium Smelter (NZAS) representing the equivalent of 22.02% (2024: 25%) 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 \$142 per megawatt hour (MWh) (2024: \$137 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 and gas 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 Measures 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

FOR THE SIX MONTHS ENDED 31 DECEMBER	WHOLESALE		RETAIL		OTHER AND UNALLOCATED		INTER-SEGMENT		GROUP	
	2025	2024	2025	2024	2025	2024	2025	2024	UNAUDITED	UNAUDITED
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Contracted sales, net of distribution costs and hedging	357	291	837	704	-	-	-	-	1,194	995
Costs to supply customers, net of hedging	(857)	(1,631)	(799)	(653)	-	-	832	719	(824)	(1,565)
Net cost of other hedges	(229)	(15)	-	-	-	-	-	-	(229)	(15)
Generation spot revenue, net of hedging	577	1,042	-	-	-	-	-	-	577	1,042
Inter-segment electricity sales	832	719	-	-	-	-	(832)	(719)	-	-
Virtual asset swap margins	(4)	(9)	-	-	-	-	-	-	(4)	(9)
Other market revenue/(costs)	(5)	(3)	(1)	(1)	-	-	-	-	(6)	(4)
<b>Energy margin (see reconciliation on next page)</b>	<b>671</b>	<b>394</b>	<b>37</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>708</b>	<b>444</b>
Other revenue	2	2	11	13	15	16	(4)	(5)	24	26
Hosting expense	-	-	-	-	(1)	(2)	-	-	(1)	(2)
Energy transmission expense	(45)	(37)	-	-	-	-	-	-	(45)	(37)
Energy metering expenses	-	-	(27)	(26)	-	-	-	-	(27)	(26)
<b>Gross margin</b>	<b>628</b>	<b>359</b>	<b>21</b>	<b>37</b>	<b>14</b>	<b>14</b>	<b>(4)</b>	<b>(5)</b>	<b>659</b>	<b>405</b>
Employee expenses	(19)	(16)	(18)	(20)	(30)	(32)	-	-	(67)	(68)
Other operating expenses	(46)	(40)	(24)	(21)	(20)	(23)	4	4	(86)	(80)
<b>EBITDAF (see reconciliation on next page)</b>	<b>563</b>	<b>303</b>	<b>(21)</b>	<b>(4)</b>	<b>(36)</b>	<b>(41)</b>	<b>-</b>	<b>(1)</b>	<b>506</b>	<b>257</b>
Depreciation and amortisation									(261)	(225)
Asset related adjustments									(3)	(8)
Unrealised changes in fair value of energy hedges (see reconciliation on next page)									124	(143)
Interest expense									(47)	(42)
Interest income									2	4
Net change in fair value of treasury hedges									(4)	(11)
<b>Net profit/(loss) before tax</b>									<b>317</b>	<b>(168)</b>
Tax (expense)/benefit									(90)	47
<b>Net profit/(loss) after tax</b>									<b>227</b>	<b>(121)</b>

## A1 Segment performance continued

FOR THE SIX MONTHS ENDED 31 DECEMBER		UNAUDITED	UNAUDITED
RECONCILIATION OF ENERGY MARGIN	NOTE	2025	2024
		\$M	\$M
Energy sales to customers	A2	1,391	1,178
Generation revenue	A2	593	1,051
Energy expenses	A3	(589)	(1,094)
Energy distribution expenses	A3	(496)	(393)
Realised energy hedges (refer below)		(191)	(298)
<b>Energy margin</b>		<b>708</b>	<b>444</b>

RECONCILIATION OF EBITDAF	NOTE	UNAUDITED	UNAUDITED
		2025	2024
		\$M	\$M
Operating revenue	A2	2,008	2,255
Operating expenses	A3	(1,311)	(1,700)
Realised energy hedges (refer below)		(191)	(298)
<b>EBITDAF</b>		<b>506</b>	<b>257</b>

RECONCILIATION OF NET CHANGE IN FAIR VALUE OF ENERGY HEDGES		UNAUDITED	UNAUDITED
		2025	2024
		\$M	\$M
Realised energy hedges shown within energy margin (refer above)		(191)	(298)
Unrealised changes in the fair value of energy hedges (as noted on previous page)		124	(143)
<b>Net change in fair value of energy hedges in profit and loss</b>		<b>(67)</b>	<b>(441)</b>

## A2 Operating revenue

SIX MONTHS ENDED 31 DECEMBER	UNAUDITED 2025 \$M	UNAUDITED 2024 \$M
<b>OPERATING REVENUE</b>		
Energy sales to customers	1,391	1,178
Generation revenue	593	1,051
Energy related services revenue	6	5
Other revenue	18	21
<b>Total operating revenue</b>	<b>2,008</b>	<b>2,255</b>

## A3 Operating expenses

SIX MONTHS ENDED 31 DECEMBER	UNAUDITED 2025 \$M	UNAUDITED 2024 \$M
<b>OPERATING EXPENSES</b>		
Energy expenses	589	1,094
Energy distribution expenses	496	393
Energy transmission expenses	45	37
Energy metering expenses	27	26
Hosting expenses	1	2
Employee expenses	67	68
Other expenses	86	80
<b>Total operating expenses</b>	<b>1,311</b>	<b>1,700</b>

## 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 2025 \$M	UNAUDITED 31 DEC 2024 \$M	AUDITED 30 JUN 2025 \$M
Opening net book value	14,032	12,192	12,192
Additions	131	81	165
Disposals	-	-	(5)
Adjustment of right of use assets	-	1	1
Revaluation, taken to the asset revaluation reserve	-	-	2,108
Depreciation expense	(251)	(215)	(429)
<b>Closing net book value</b>	<b>13,912</b>	<b>12,059</b>	<b>14,032</b>

#### Fair value and revaluation of generation structures and plant

Within property, plant and 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 2025, indicating that the carrying value was materially in line with fair value and therefore a revaluation was unnecessary (2024: assets were

not revalued). Generation structures and plant were last revalued at 30 June 2025.

#### Additions to property, plant and equipment

Additions during the period include \$27 million of property, plant and equipment recognised on the acquisition of NZWF, as disclosed in Note S2, with the remainder relating to new assets and ongoing capital projects.

#### Capital commitments

At 31 December 2025, Meridian has capital commitments of \$240 million (30 June 2025: \$205 million, 31 December 2024: \$50 million).

## B2 Intangible assets

POSITION AS AT	UNAUDITED 31 DEC 2025 \$M	UNAUDITED 31 DEC 2024 \$M	AUDITED 30 JUN 2025 \$M
Opening net book value	47	62	62
Additions	54	22	36
Impairment	(1)	(3)	(33)
Amortisation expense (finite-lived intangibles)	(10)	(10)	(18)
<b>Closing net book value</b>	<b>90</b>	71	47

### Intangible assets

Additions during the period primarily relate to intangible assets recognised on the acquisition of NZWF, as disclosed in Note S2, including finite-lived intangible assets, indefinite-lived intangible assets and goodwill, together with capitalised additions to existing finite-lived intangibles. Goodwill and indefinite-lived intangible assets are not amortised.

Amortisation expense relates to finite-lived intangible assets only.

# C. Managing funding

## IN THIS SECTION

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

## C1 Capital management

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

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 2025 Integrated Report for further details on how Meridian manages its capital.

POSITION AS AT	NOTE	UNAUDITED 31 DEC 2025 \$M	UNAUDITED 31 DEC 2024 \$M	AUDITED 30 JUN 2025 \$M
Share capital		2,016	1,834	1,884
Retained earnings		(2,786)	(2,138)	(2,621)
Other reserves		9,660	8,149	9,657
		8,890	7,845	8,920
add: Drawn borrowings	C4	1,789	1,612	1,531
less: Cash and cash equivalents		(183)	(111)	(123)
		1,606	1,501	1,408
<b>Net capital</b>		<b>10,496</b>	<b>9,346</b>	<b>10,328</b>
Drawn borrowings	C4	1,789	1,612	1,531
less: Cash and cash equivalents		(183)	(111)	(123)
add back: restricted cash		49	93	97
<b>Net debt</b>		<b>1,655</b>	<b>1,594</b>	<b>1,505</b>

## C2 Earnings per share

BASIC AND DILUTED EARNINGS PER SHARE (EPS)	UNAUDITED 31 DEC 2025	UNAUDITED 31 DEC 2024
Net profit/(loss) after tax (\$M)	227	(121)
Weighted average number of shares used in the calculation of EPS	2,629,230,964	2,596,488,167
Basic and diluted EPS (cps)	8.6	(4.7)

## C3 Dividends

SIX MONTHS ENDED 31 DECEMBER DIVIDENDS DECLARED & PAID	UNAUDITED 2025 \$M	UNAUDITED 2024 \$M
Final ordinary dividend 2025: 14.85cps (2024: 14.85cps)	388	384
<b>Total dividends paid</b>	<b>388</b>	<b>384</b>
<b>Dividends declared and not recognised as a liability</b>		
Interim ordinary dividend 2026: 6.40cps (2025: 6.15cps)	169	160

### 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 2025 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 22,734,270 new shares with a value of \$128 million (2024: 18,204,174 new shares with a value of \$108 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 2026 the Board declared a partially imputed interim ordinary dividend of 6.40cps.

## C4 Borrowings

POSITION AS AT	UNAUDITED 31 DEC 2025 \$M	UNAUDITED 31 DEC 2024 \$M	AUDITED 30 JUN 2025 \$M
Commercial paper	100	100	164
Drawn bank facilities	220	181	243
Retail bonds	850	700	500
Export credit agency facility	5	15	10
Lease liabilities	28	30	28
US Private placement notes	586	586	586
<b>Face value of borrowings</b>	<b>1,789</b>	<b>1,612</b>	<b>1,531</b>
Deferred financing costs	(3)	(2)	(2)
Fair value adjustment on hedged borrowings	80	77	40
<b>Total carrying value of borrowings</b>	<b>1,866</b>	<b>1,687</b>	<b>1,569</b>
<i>of which</i>			
Current	107	493	369
Non-current	1,759	1,194	1,200
<b>Total carrying value of borrowings</b>	<b>1,866</b>	<b>1,687</b>	<b>1,569</b>

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

MOVEMENTS IN BORROWINGS	UNAUDITED 2025 \$M	UNAUDITED 2024 \$M
<b>Balance 30 June</b>	<b>1,569</b>	<b>1,378</b>
Borrowings drawn	346	256
Borrowings repaid	(90)	(5)
Lease liabilities repaid	(1)	(1)
Change in fair value adjustments on hedged borrowings	2	1
Movements due to changes in foreign exchange rates	40	58
<b>Balance 31 December</b>	<b>1,866</b>	<b>1,687</b>

During the period, Meridian transitioned from multiple bilateral bank facilities to a single syndicated facility agreement executed in December 2025. The syndicated facility provides consolidated funding of \$1 billion across multiple tranches. In addition, Meridian issued \$350 million of unsecured, unsubordinated, fixed-rate green bonds in September 2025. As at 31 December 2025, Meridian had committed bank facilities of \$1 billion of which \$225 million were drawn (2024: facilities of \$915 million of which \$196 million were drawn). Where facilities have expiry dates, these range from December 2027

to December 2028. \$100 million of facilities are evergreen and have no expiry dates.

All borrowings other than leases 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 2025, the fair value is \$22 million higher than the carrying value (2024: fair value \$24 million higher than carrying value). This is driven by the fixed rate Retail bonds.

## C5 Interest expense

SIX MONTHS ENDED 31 DECEMBER	UNAUDITED 2025 \$M	UNAUDITED 2024 \$M
<b>INTEREST EXPENSE</b>		
Interest on borrowings	47	46
Interest on lease liabilities	1	1
Less capitalised interest	(1)	(5)
<b>Total interest expense</b>	<b>47</b>	<b>42</b>

### Capitalised interest

Meridian capitalises interest expenses relating to building new assets. The average rate used to determine the amount of borrowing costs eligible for capitalisation was 5.56% (2024: 5.71%)

# 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 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 2025 Integrated Report for information about the fair value hierarchy of our inputs.

	LEVEL	FAIR VALUE ON THE BALANCE SHEET						FAIR VALUE MOVEMENTS IN PROFIT AND LOSS		
		UNAUDITED		UNAUDITED		AUDITED		UNAUDITED	UNAUDITED	
		31 DEC 2025		31 DEC 2024		30 JUN 2025		SIX MONTHS ENDED 31 DEC 2025	SIX MONTHS ENDED 31 DEC 2024	
\$M		ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES			
<b>Treasury hedges</b>										
Fair value movements in profit and loss	2	(28)	-	(51)	-	(28)	(1)	-	-	
CCIRS – basis and margin risk	2	-	-	4	(3)	-	(2)	-	-	
CCIRS – foreign exchange risk	2	108	-	129	-	70	-	-	-	
<b>Total CCIRS</b>		<b>80</b>	<b>-</b>	<b>82</b>	<b>(3)</b>	<b>42</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	
Foreign exchange hedges	2	1	-	-	-	-	(5)	1	-	
Interest rate swaps	2	38	(25)	37	(19)	33	(16)	(5)	(11)	
<b>Total treasury hedges</b>		<b>119</b>	<b>(25)</b>	<b>119</b>	<b>(22)</b>	<b>75</b>	<b>(24)</b>	<b>(4)</b>	<b>(11)</b>	
<b>Energy hedges</b>										
Market traded energy hedges	1	10	(67)	10	(74)	7	(121)	(42)	(119)	
Other energy hedges	3	207	(112)	88	(103)	99	(103)	(29)	(107)	
Energy options	3	161	-	71	-	52	-	(14)	(1)	
New Zealand's Aluminium Smelter	3	32	(455)	58	(82)	15	(513)	18	(214)	
<b>Total energy hedges</b>		<b>410</b>	<b>(634)</b>	<b>227</b>	<b>(259)</b>	<b>173</b>	<b>(737)</b>	<b>(67)</b>	<b>(441)</b>	
<b>Total hedges</b>		<b>529</b>	<b>(659)</b>	<b>346</b>	<b>(281)</b>	<b>248</b>	<b>(761)</b>	<b>(71)</b>	<b>(452)</b>	
<i>of which</i>										
Current		134	(180)	110	(118)	65	(265)			
Non-current		395	(479)	236	(163)	183	(496)			
<b>Total hedges</b>		<b>529</b>	<b>(659)</b>	<b>346</b>	<b>(281)</b>	<b>248</b>	<b>(761)</b>			

## D1 Financial instruments continued

### Analysis of fair value movements on energy hedges

The table below 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.

\$M	UNAUDITED SIX MONTHS ENDED 31 DEC 2025					UNAUDITED SIX MONTHS ENDED 31 DEC 2024				
	MARKET TRADED ENERGY HEDGES	OTHER ENERGY HEDGES	ENERGY OPTIONS	NZAS	TOTAL	MARKET TRADED ENERGY HEDGES	OTHER ENERGY HEDGES	ENERGY OPTIONS	NZAS	TOTAL
Realised movements in energy hedges	(92)	(73)	1	(27)	(191)	(44)	(83)	24	(195)	(298)
Unrealised movements in energy hedges	50	44	(15)	45	124	(75)	(24)	(25)	(19)	(143)
<b>Total fair value movements in energy hedges</b>	<b>(42)</b>	<b>(29)</b>	<b>(14)</b>	<b>18</b>	<b>(67)</b>	<b>(119)</b>	<b>(107)</b>	<b>(1)</b>	<b>(214)</b>	<b>(441)</b>

### Level 3 financial instrument analysis

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

\$M	UNAUDITED 31 DEC 2025				UNAUDITED 31 DEC 2024			
	OTHER ENERGY HEDGES	ENERGY OPTIONS	NZAS	TOTAL	OTHER ENERGY HEDGES	ENERGY OPTIONS	NZAS	TOTAL
Net change in fair value of energy hedges:								
Realised movements	(73)	1	(27)	(99)	(83)	24	(195)	(254)
Unrealised movements	44	(15)	45	74	(24)	(25)	(19)	(68)
<b>Total net change in fair value of energy hedges</b>	<b>(29)</b>	<b>(14)</b>	<b>18</b>	<b>(25)</b>	<b>(107)</b>	<b>(1)</b>	<b>(214)</b>	<b>(322)</b>
<b>Balance at the beginning of the period</b>	<b>(4)</b>	<b>52</b>	<b>(498)</b>	<b>(450)</b>	<b>41</b>	<b>93</b>	<b>(19)</b>	<b>115</b>
Fair value movements in the Income Statement	(29)	(14)	18	(25)	(107)	(1)	(214)	(322)
Remeasurement	59	(1)	57	115	51	(28)	209	232
New hedge recognised	69	124	-	193	-	7	-	7
<b>Balance at the end of the period</b>	<b>95</b>	<b>161</b>	<b>(423)</b>	<b>(167)</b>	<b>(15)</b>	<b>71</b>	<b>(24)</b>	<b>32</b>

## 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 Financial Risk Committee of Meridian determines the overall appropriateness of key valuation techniques and inputs for fair value measurement. The Chief Financial Officer explains fair value movements in their 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 (DCFs), 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 below table 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
<b>Other electricity hedges and NZAS</b>	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.	\$59/MWh to \$214/MWh (30 June 2025: \$59/MWh to \$139/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.
<b>NZAS</b>	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.	CPI 0%–2% Probability 60% (30 June 2025: CPI 0%–2%, Probability 57%)	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

The Group comprises Meridian Energy Limited and its controlled entities, together with interests in joint arrangements.

During the six months ended 31 December 2025, the Group acquired NZ Windfarms Limited, as detailed in Note S2. Following the acquisition, NZWF's subsidiaries, NZWL – TRH Limited and TRH Services Limited, were amalgamated into NZWF. These amalgamations did not result in a change in control.

During the period, the Group entered into a 50% joint venture with Nova Energy Limited through TM Solar Holdings Limited to develop and operate the 400 MW Te Rāhui solar farm. This arrangement is detailed in Note S5 Te Rāhui Solar Farm Joint Venture.

There were no other changes to the Group structure during the period.

## E2 Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 December 2025 (30 June 2025: Nil, 31 December 2024: Nil).

## E3 Subsequent events

The Directors declared an interim dividend on 25 February 2026. 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 21 which comprise the balance sheet as at 31 December 2025, the 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.

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 2025, 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 as applicable to the audits and reviews of public interest entities, 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 supervisor reporting, assurance services relating to the securities and fixed rate bonds

registers, selected greenhouse gas emissions disclosed in the Group Climate Statements, greenhouse gas emissions reported in the greenhouse gas emission Inventory Report, the sustainability content in the integrated report prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards, vesting of the executive long-term incentive plan, the solvency return of Meridian Energy Captive Insurance Limited and an agreed upon procedures engagement for Meridian Energy Captive Insurance Limited.

We also carried out non-assurance assignments for the Group relating to cyber security services and services to the Corporate Taxpayers Group of which Meridian Energy Limited is a member. These services are compatible with those independence requirements.

In addition, partners and employees of our firm 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, and in our capacity as auditor acting on behalf of the Auditor-General, 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 these 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 might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.



**Anthony Smith, Partner**

for Deloitte Limited  
On behalf of the Auditor-General  
Christchurch, New Zealand  
24 February 2026



MERIDIAN ENERGY LIMITED.  
CONDENSED INTERIM FINANCIAL STATEMENTS AS AT  
AND FOR THE SIX MONTHS ENDED 31 DECEMBER 2025.