

# 2026 Interim Results Presentation

# Mike Roan – Chief Executive



Meridian has now installed 418 Zero charge points nationwide.

# Key points



Footnotes	GWh
1 Mt Munro Wind Farm	360
Te Rere Hau Wind Farm	750
Te Rahui Solar Farm (stage 2)	192
2 Waikato Solar Farm	180
Manawatū Solar Farm	190
Swannanoa Solar Farm	350
3 Waiinu Wind and Solar Farm	1,640
Canterbury Solar Farm	300
Western Bays Solar Farm (stage 1 & 2)	980

<sup>4</sup> Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges and asset related adjustments.

<sup>5</sup> 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.

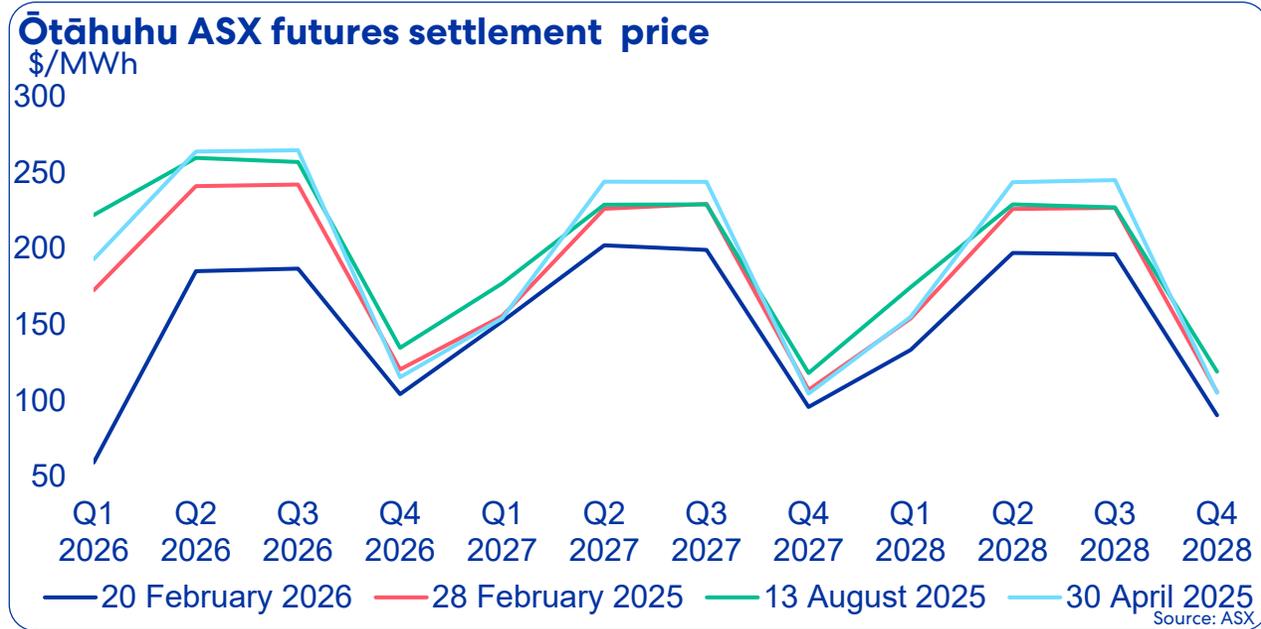
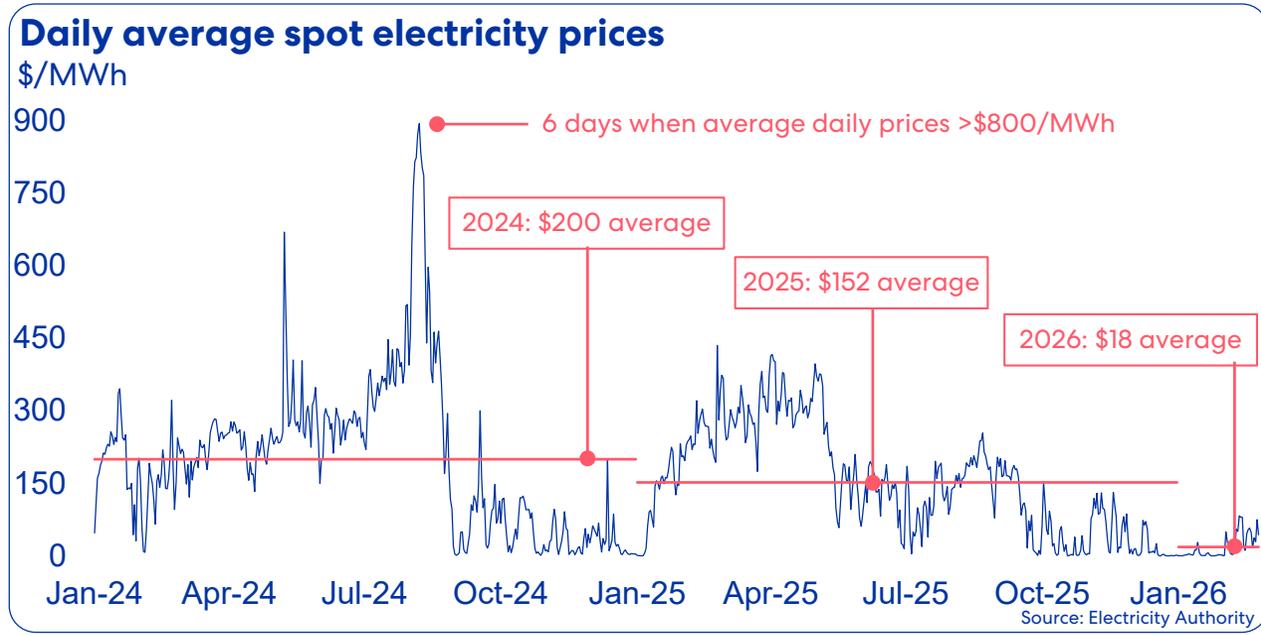
# Wholesale electricity pricing

Since the record dry period over summer and autumn 2025, spot and forward electricity prices have declined.

Current low spot prices show that the market continues to function well, with near full system hydro storage reflected in very low spot wholesale prices.

The Huntly Strategic Energy Reserve announced in August 2025 provides another option to support greater system security and increased price stability.

The forward wholesale curve, while declining, reflects risks priced in of further disruption to declining gas supply and thermal plant reliability.



# Residential electricity pricing

Household utilities are currently a significant upward contributor to inflation (December 2025 annual CPI running at 3.1%).

Residential gas costs reflect wider supply pressures - declining production, availability uncertainty and accelerated depletion of known reserves.

The risk of gas availability and pricing for electricity generation when needed has put upward pressure on wholesale and retail electricity prices.

Current and future regulated transmission and lines cost increases are significant.

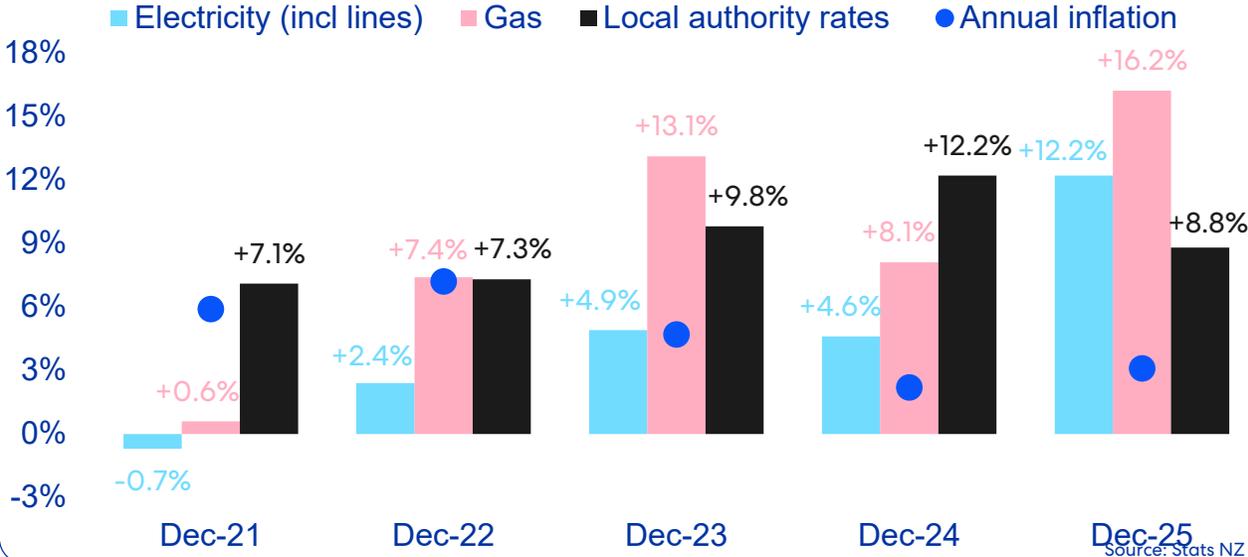
2025 was the first year of a 5-year period that will see regulated transmission and lines companies revenue increase more than 40% over the previous 5-year regulatory period.

Much of this increase is attributable to inflation and historic interest rate impacts on higher regulated costs of capital.

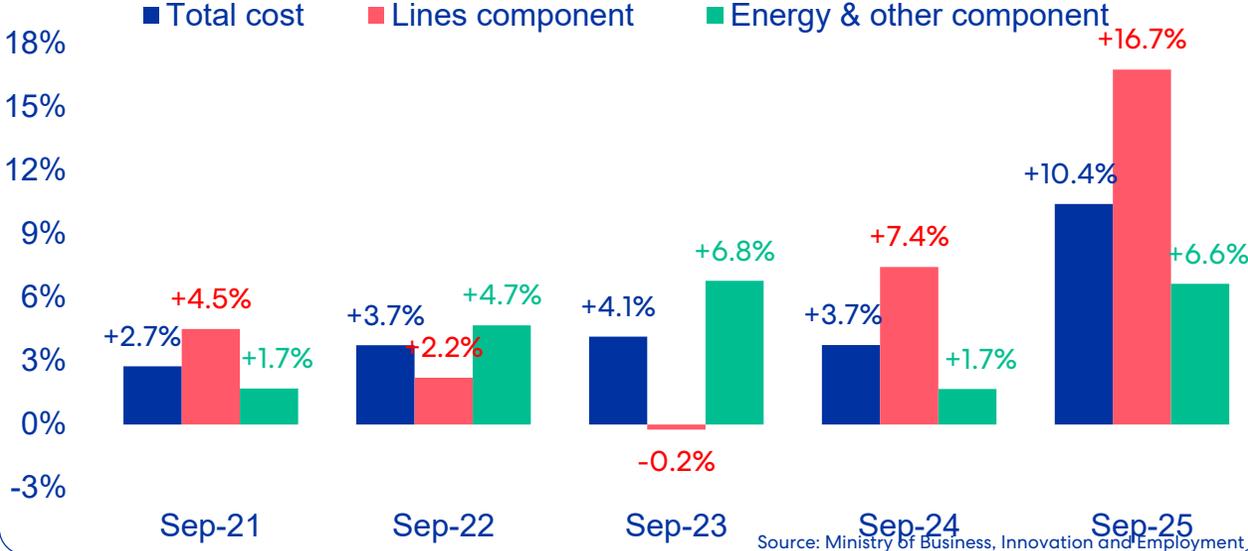
<sup>1</sup>Selected CPI household utility classes, comparisons are with the preceding December quarter.  
<sup>2</sup>Nominal residential cost of electricity (including GST), comparisons are with preceding September quarter.



## Annual inflation<sup>1</sup> - household utilities

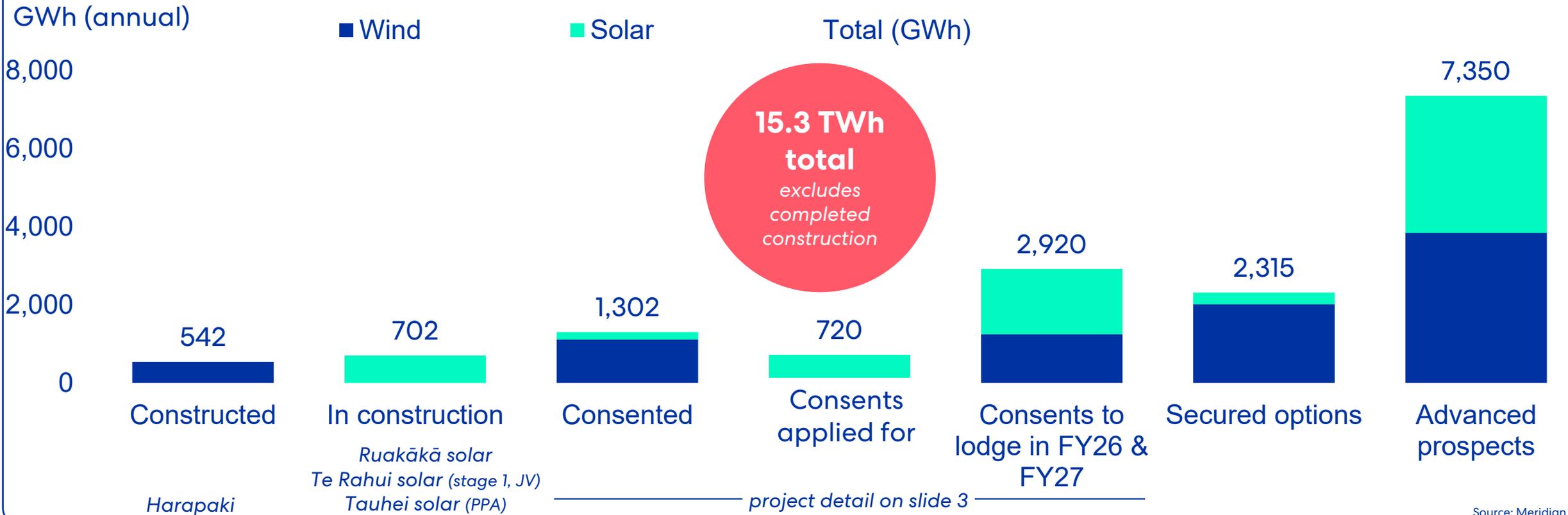


## Residential electricity cost increases<sup>2</sup>



# Meridian construction and development

## Construction and development pipeline



In addition, Meridian's pipeline includes 500MW | 2,400GWh of battery energy storage.

# Renewable Development Pipeline

**CONSTRUCTED:  
0.5TWh WIND &  
100MW BATTERY**

**15.3TWh DEVELOPMENT OPTIONS:  
8.0TWh SECURED, 7.3TWh ADVANCED PROSPECT**

**500MW | 2,400MWh BATTERY ENERGY STORAGE**

**KEY**

- Wind (Wind icon)
- Solar (Solar icon)
- Battery (Battery icon)
- Constructed (Green circle)
- In construction (Blue circle)
- Consented (Dark blue circle)
- Planned (Black circle)

**Wind**

CONSTRUCTED  
0.5TWh

OPTIONS  
8.2 TWh

**Solar**

OPTIONS  
7.1TWh

**Battery**

CONSTRUCTED  
100MW | 200MWh

OPTIONS  
500MW | 2,400MWh

POST 2033

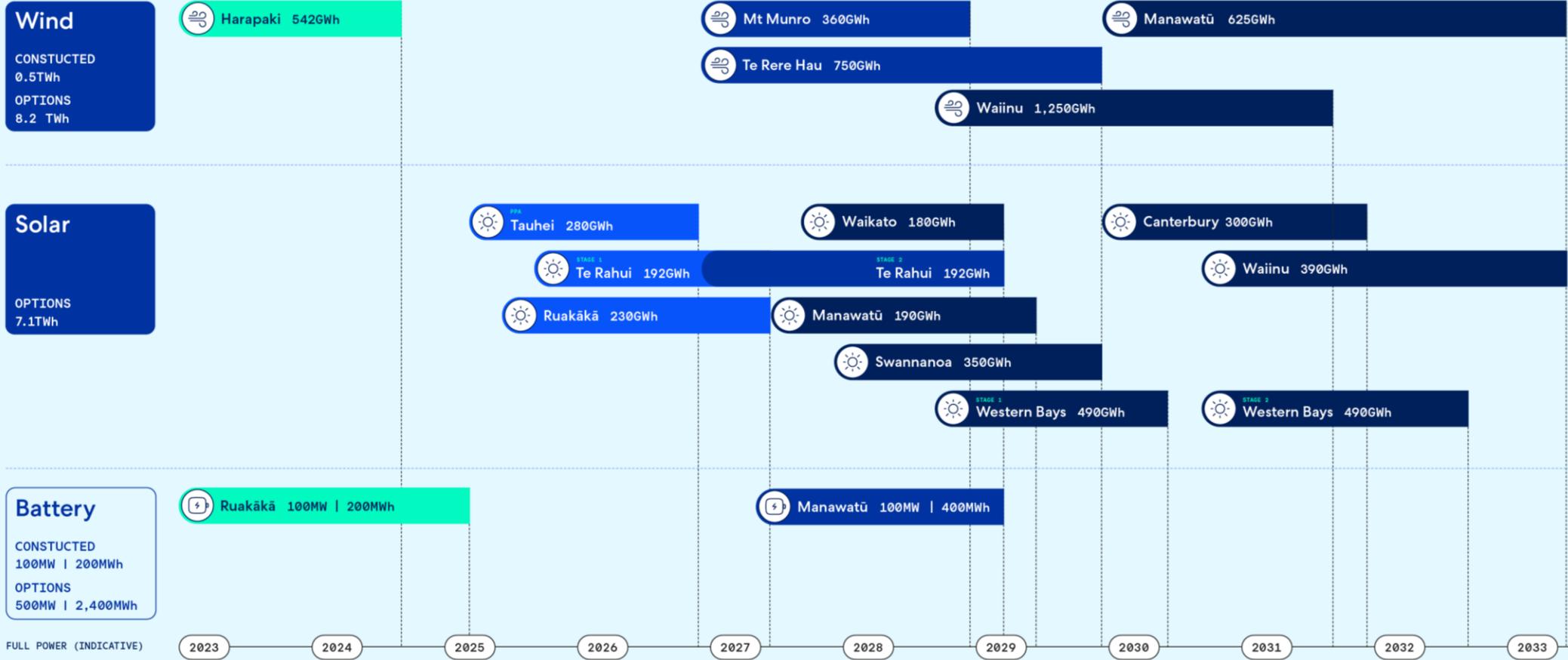
Secured options  
1,390GWh

Advanced prospects  
3,840GWh

Secured options  
300GWh

Advanced prospects  
3,510GWh

Secured options  
400MW | 2,000MWh



# In construction

## Ruakākā solar

130MW | 230GWh.

Capex \$227 million.

First power Q4 2026, full power Q1 2027.



## Te Rahui Stage 1 solar (50% Meridian)

200MW | 384GWh.

Capex \$346 million, Equity \$55 million.

Full power mid-2027.



# Consented and FID<sup>1</sup> in 2026

## Mt Munro wind

Indicative Capex range \$315–\$345 million | 85MW | 360GWh.

Considering enabling works to bring scheduled full power date forward.

Target FID Q4 2026.

## Manawatū solar & battery energy park

Battery consent obtained in Q4 2024. Transmission consent obtained in January 2026. Solar consent expected in Q1 2026.

FID expected in Q2 2027.

## Te Rahui Stage 2 solar (JV with Nova, 50% Meridian)

200MW | 384GWh. FID expected Q4 2026.

## Te Rere Hau wind

Capex \$695–720 million | 170MW | 750GWh for 39 or 40 turbines.

License to occupy at Marima Peak for new Airways facility. New consent progressing.

FID expected Q4 2026 prior to start of summer construction window.



<sup>1</sup>Meridian Board final investment decision.



Mt Munro impression.



Te Rere Hau early works.

# Consents applied for

## Swannanoa solar

200MW | 350GWh.

Lodged December 2024. Consents expected Q2 2026.

Transpower design underway.

## Waikato solar

100MW | 180GWh.

Lodged April 2025. Consents expected Q2 2026.

Transpower design underway.

## Manawatū solar

100MW | 190GWh.

Lodged in October 2025. Consents expected Q1 2026.

Transpower design underway.

## Waitaki re consenting

Decision expected Q3 2026.

Forest & Bird have appeal rights to the High Court.

## Pūkaki lake lowering (Fast-track)

Fast-track Convener conference occurred in late January 2026.



Swannanoa solar site in Canterbury.



Manawatū solar site.

# Fast-track applications and repowering

## Waiinu Energy Park

350MW | 1,250GWh wind.

200MW | 390GWh solar.

Iwi and community engagement ongoing.

Fast-track referral to be lodged Q1 2026. Substantive application expected by Q3 2026, subject to Ministerial referral.

## Western Bays solar

500MW | 980GWh two-stage solar.

Iwi and community engagement ongoing.

Fast-track referral to be lodged by Q2 2026.

Substantive application expected Q3 2026, subject to Ministerial referral.

## Waitaki repowering

FID expected in the second half of 2026.



Site of the Waiinu Energy Park near Whanganui.



Site of Western Bays solar near Taupō.

# Our customers

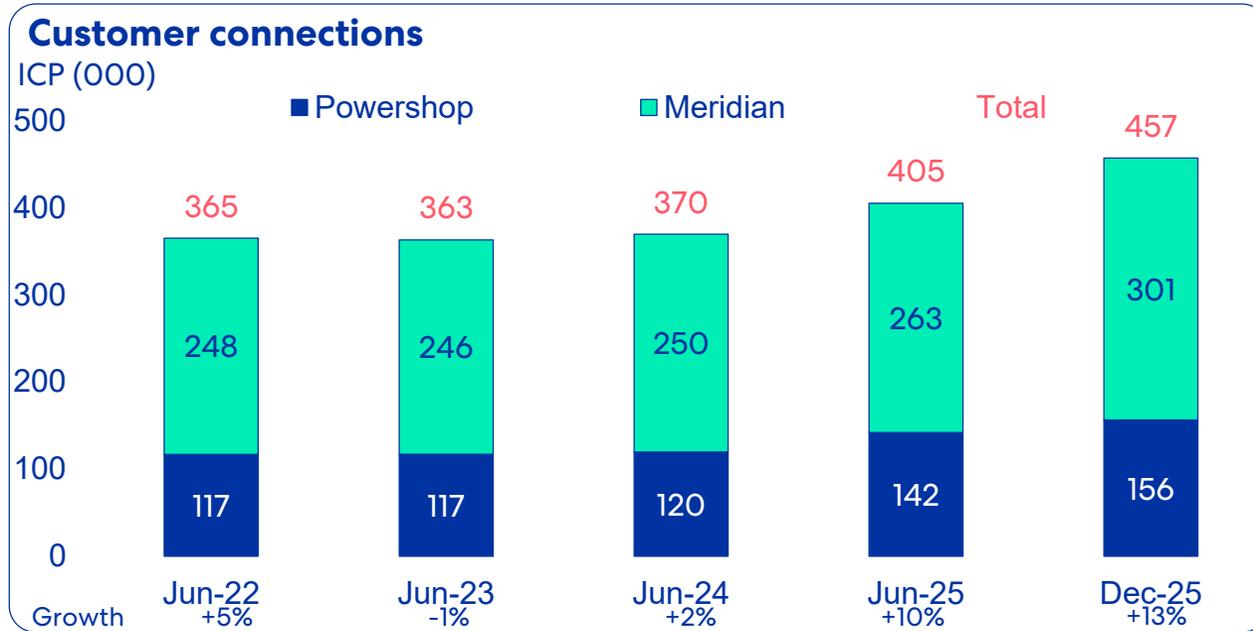
75k customers now migrated onto the Kraken platform.

Positive customer feedback on new app experience.

Mass market customer migration expected to be completed by June 2026, corporate & industrial customers by October 2026.

Record retail sales volumes, boosted by the acquisition of ex Flick customers in August 2025, increasing market share from 17.5% to 19.5%.

563GWh of higher retail contracted sales in 1H FY26 helped mitigate the low spot exposed price of 901GWh of higher generation volume.



# Mandy Simpson – Chief Financial Officer



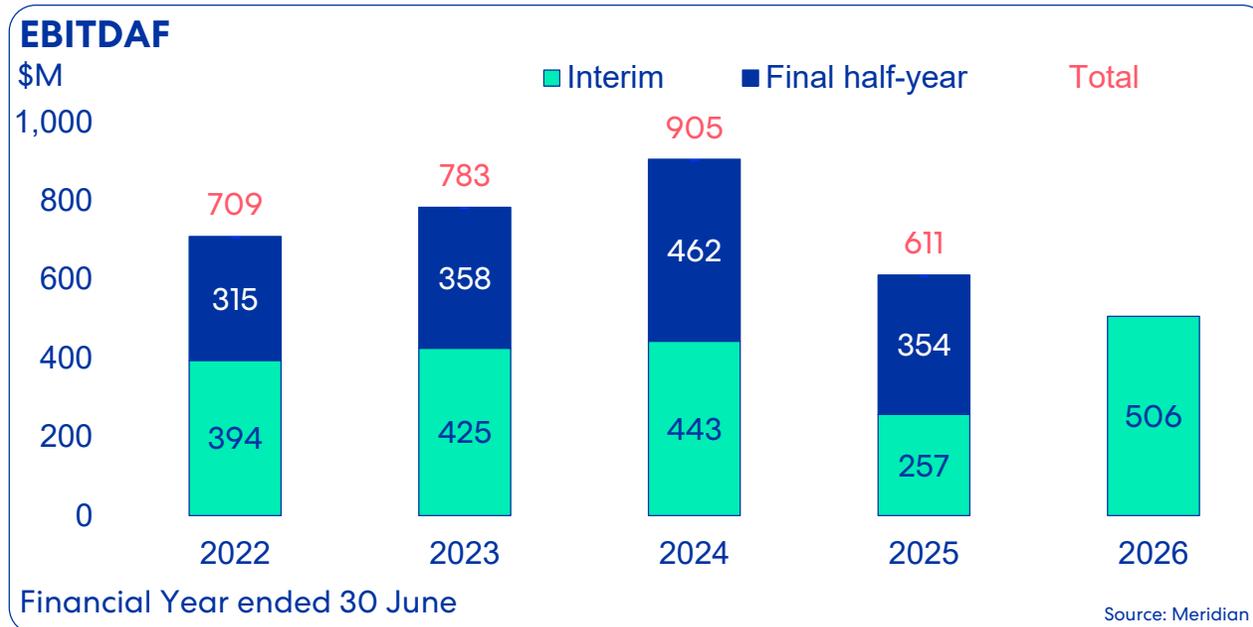
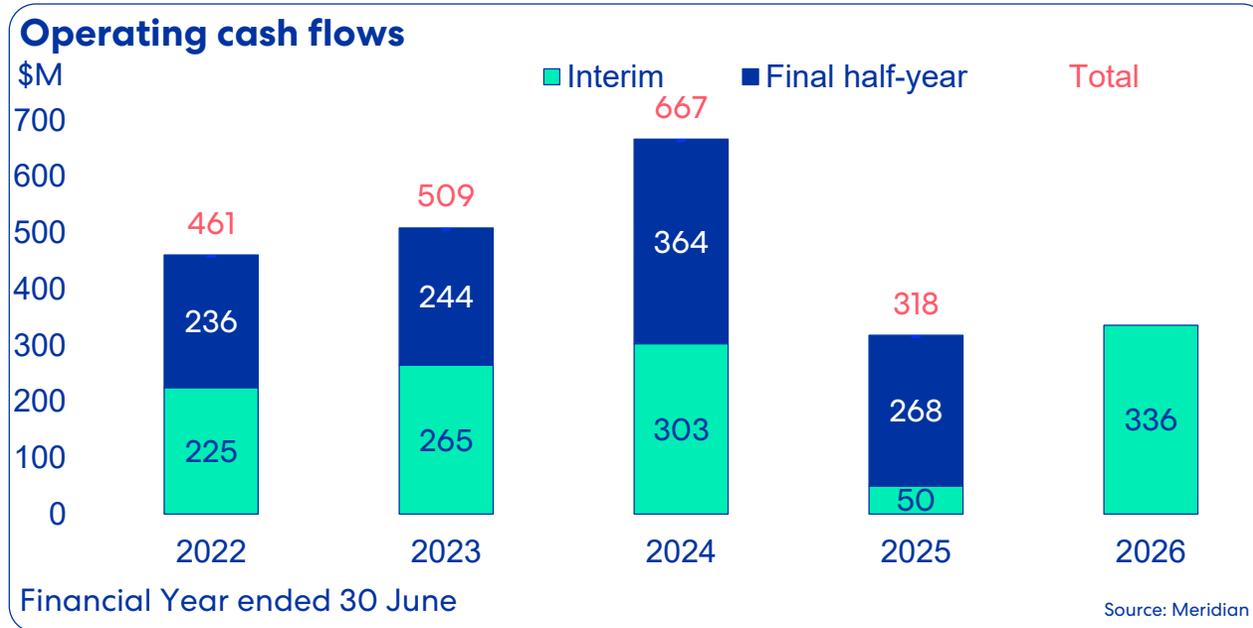
Meridian's Harapaki Wind Farm produced more generation than expected in its first full year of operation.

# Cash flows and EBITDAF

Record operating cash flows, \$286M increase on 1H FY25. 11% higher than 1H FY24.

Record EBITDAF, \$249M increase on 1H FY25. 14% higher than 1H FY24.

Six months ended 31 December 2025	1H FY26	YoY	1H FY26	YoY
	Operating	change	EBITDAF	change
	cash flows	\$M		\$M
\$M				
Receipts from customers	1,950			
Interest received	2			
Payments to suppliers & employees	(1,531)			
<b>Gross operating cash flows</b>	<b>421</b>	+ \$85m differences	<b>506</b>	<b>+249</b>
Interest paid	(42)			
Income tax paid	(43)			
<b>Total</b>	<b>336</b>	<b>+286</b>		



# Dividend

Interim ordinary dividend declared of 6.40cps, 4.1% increase on 1H FY25, 85% imputed.

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

## Dividends declared



Dividends declared	1H FY26		1H FY25	
	cents per share	imputation	cents per share	imputation
Ordinary dividends	6.40	85%	6.15	85%

## Dividend Reinvestment Plan Dates

Ex dividend date	5 March	Strike price announced	12 March
Record date	6 March	Dividend paid/shares issued	24 March
Elections close	9 March		

# Movement in EBITDAF

Record level of interim EBITDAF, 97% increase on 1H FY25.

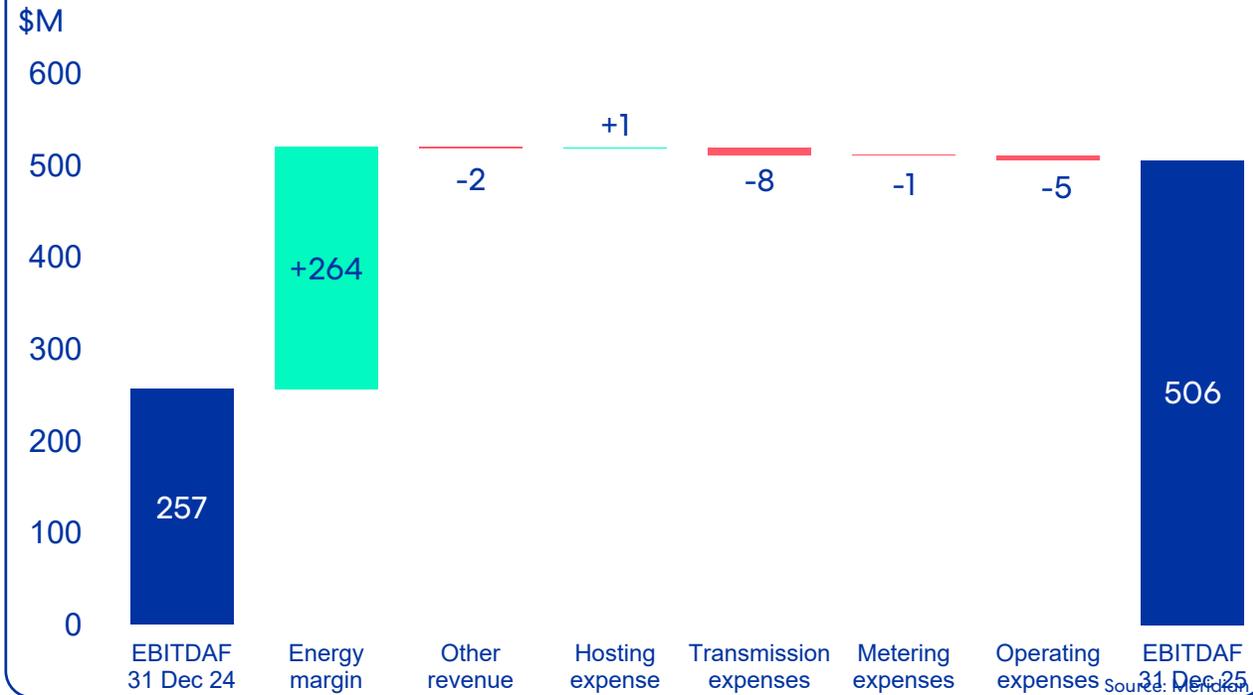
Higher customer and financial contract sales, lower purchase and demand response costs and higher generation volumes contributed to a 59% increase in energy margin.

Higher generation volumes reflected record wind output and the second highest July to December hydro inflows on record.

Transmission expenses and distribution costs include higher regulated costs in place from April 2025.

3% increase in employee and other operating costs from Kraken implementation, wind components and inclusion of NZ Windfarms.

## Movement in EBITDAF



# Energy margin

Volume growth in corporate sales, volume and price growth in mass market sales.

Record wind volumes and the second highest July to December hydro inflows on record drove a 14% increase in generation volumes compared to 1H FY25.

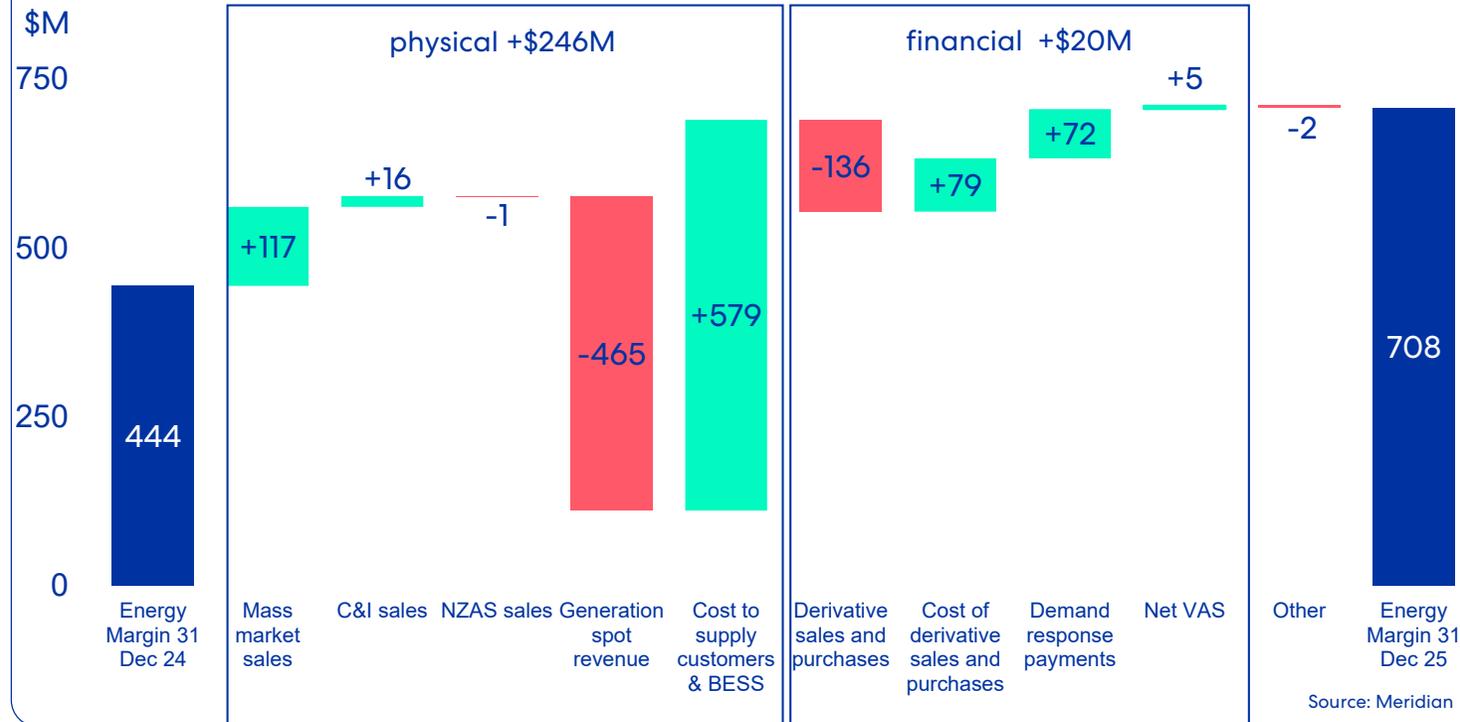
The abundant hydro fuel supply was reflected in lower wholesale spot prices; Meridian's average generation price was 51% lower than 1H FY25.

And that fuel supply supported a 59% increase in financial contract sales compared to 1H FY25.

The lower wholesale spot prices reduced both derivative sales and their purchase costs.

1H FY26 saw \$14M lower cost of financial contract close outs and \$72M lower demand response costs from significantly lower call volumes.

## Energy margin movement



# Retail sales

16% sales volume growth across mass market segments, including ex customers of Flick.

10% higher mass market net average sales price.

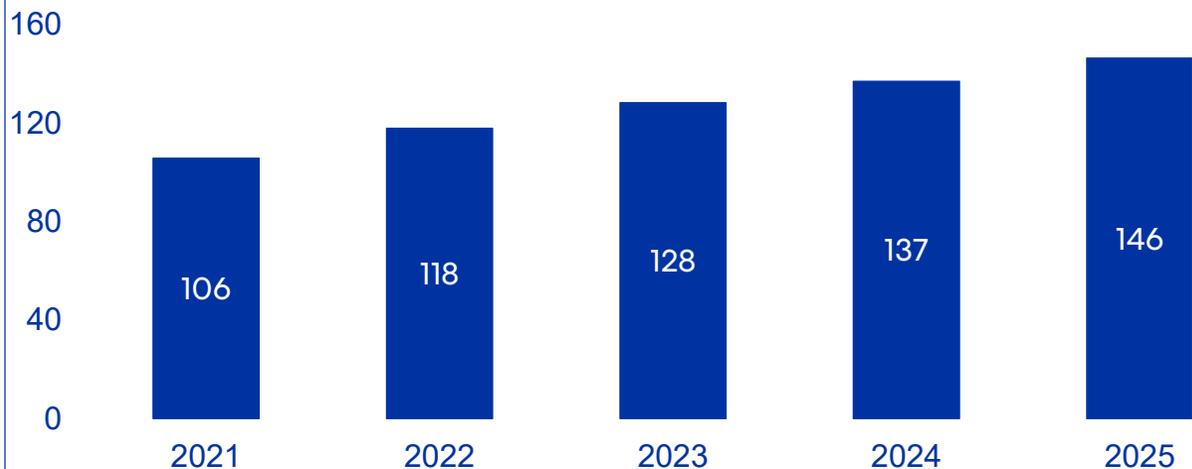
Mass market revenue increased \$117M (27%).

5% corporate sales volume at a flat net average sales price.

Corporate revenue increased \$16M (6%).

## Retail netback

\$/MWh



Six Months ended 31 December

Source: Meridian



<b>Retail customer sales</b>	<u>Average price</u> (\$/MWh)	<u>Total sales volume</u> (GWh)	<u>North Island sales volume</u> (GWh)	<u>South Island sales volume</u> (GWh)
<b>1H FY26</b>				
Residential		1,194	681	513
Small medium business		930	571	359
Agricultural		776	232	544
Large business		407	260	147
<b>Total mass market</b>	<b>\$166</b>	<b>3,307</b>	<b>1,744</b>	<b>1,563</b>
Corporate	\$143	2,005	1,006	999
<b>1H FY25</b>				
Residential		941	522	419
Small medium business		848	518	330
Agricultural		700	221	479
Large business		358	232	126
<b>Total mass market</b>	<b>\$152</b>	<b>2,847</b>	<b>1,493</b>	<b>1,354</b>
Corporate	\$143	1,902	971	932

# Generation

Second highest July to December period inflows on record.

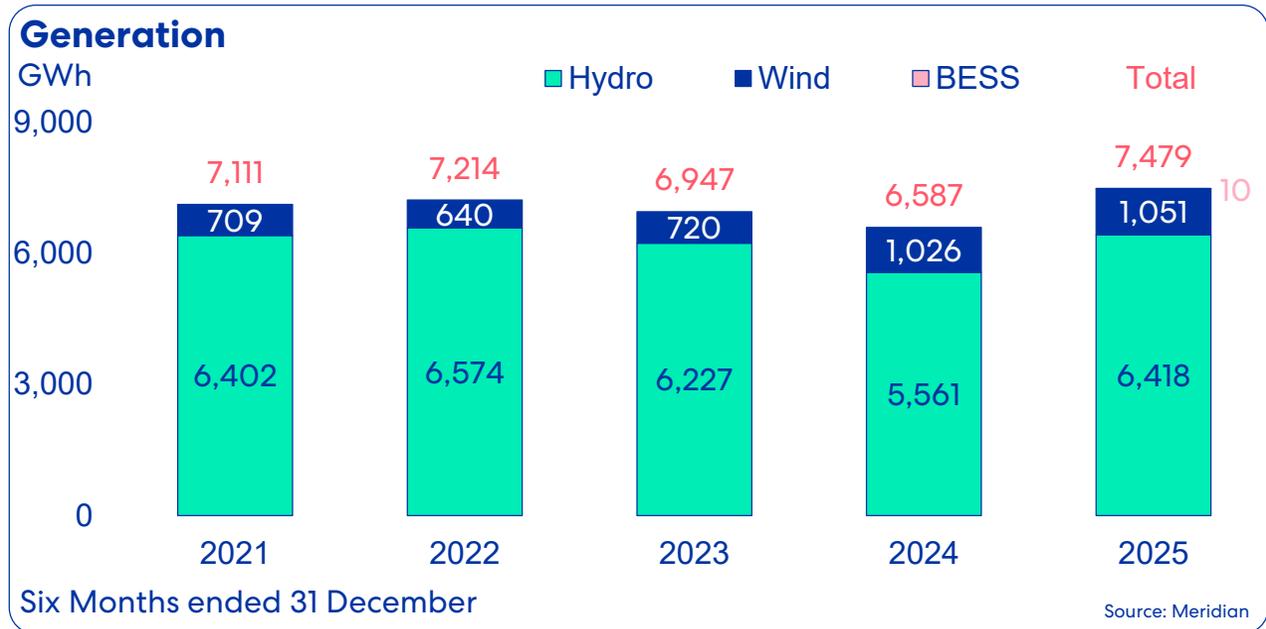
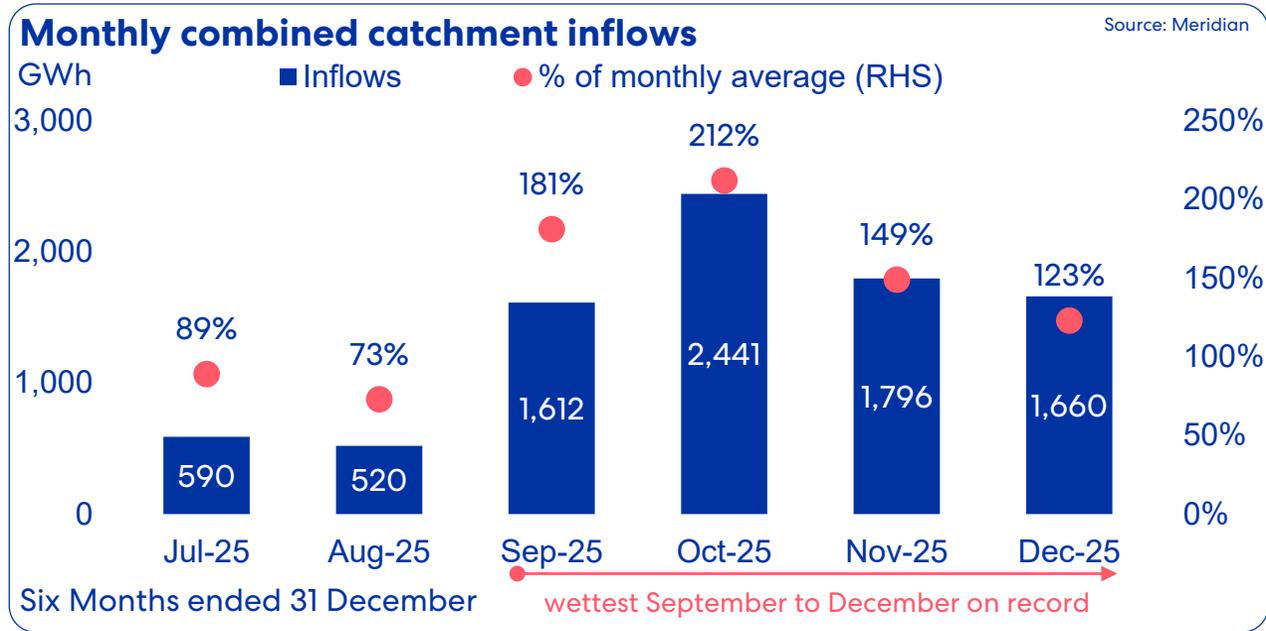
Wettest September to December period on record.

Significant spill was required to manage lake levels to maximum consented levels – Manapōuri 1,608GWh, Pūkaki 521GWh.

High plant availability maintained to manage extreme hydro inflows and periods of high wind speeds.

Significant maintenance projects ongoing at Manapōuri and Ōhau C.

Seismic strengthening work on Benmore penstocks being carried out from late 2025 to early 2029.



# Employee and other operating expenses

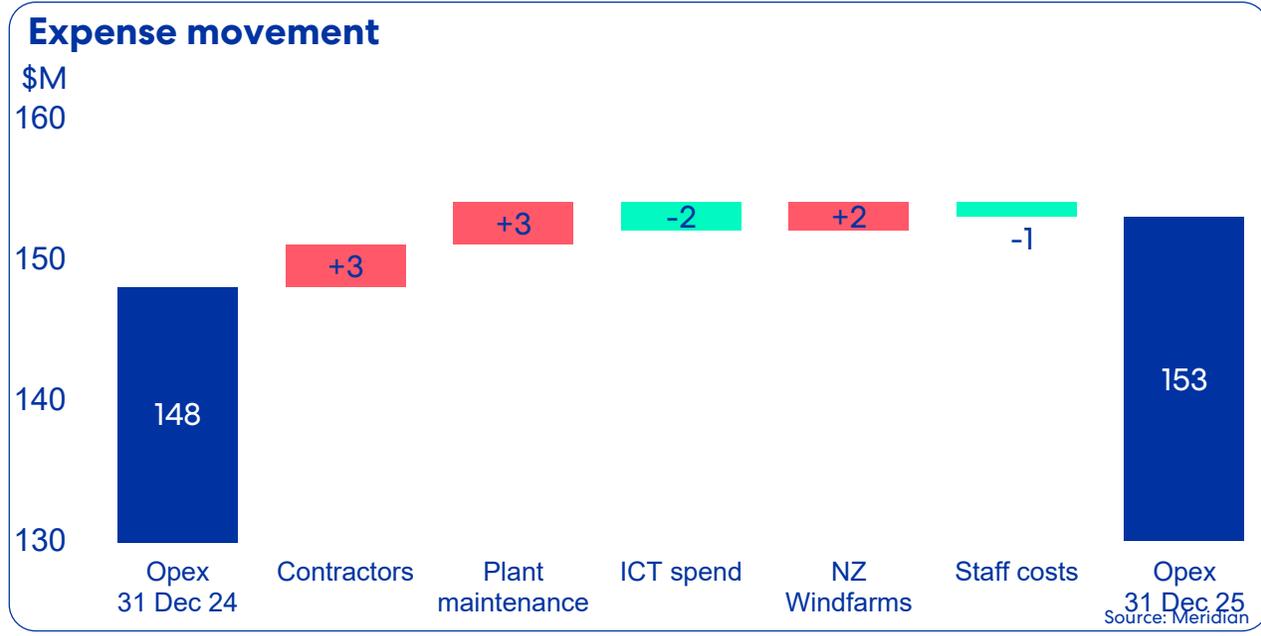
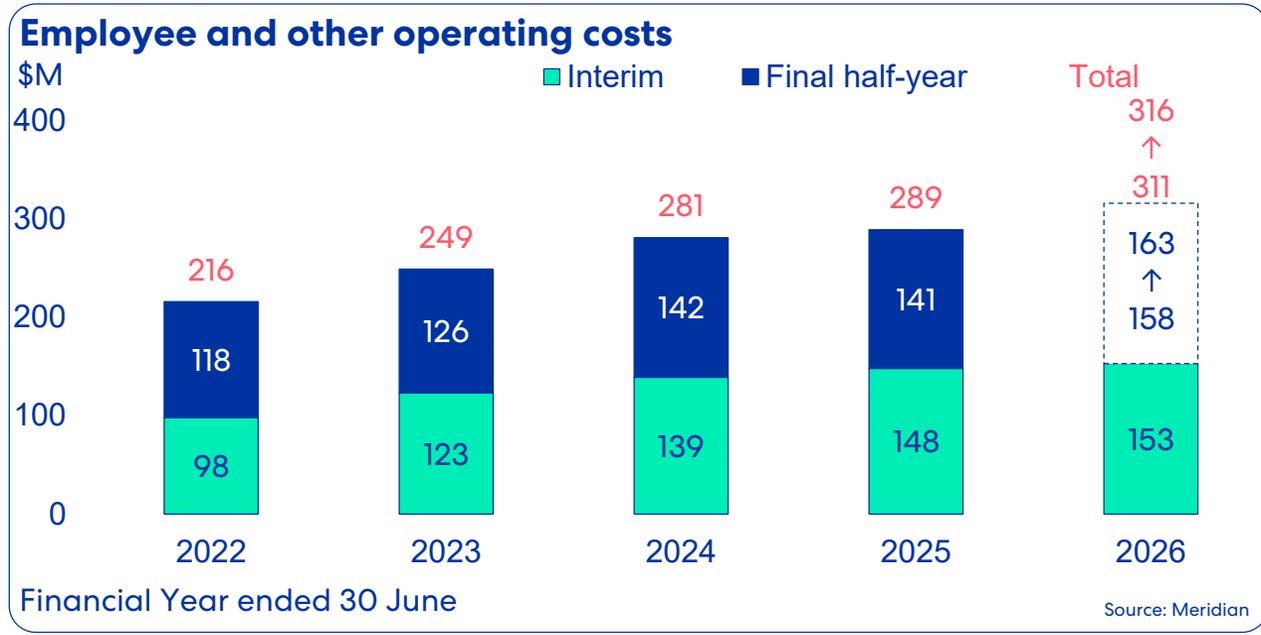
1H FY26 operating expenses \$5M (3%) higher than 1H FY25.

Movement in 1H FY26 operating costs from:

- Contractor costs supporting Kraken implementation.
- Higher wind component costs.
- Lower ICT spend following last year's Oracle implementation.
- Inclusion of NZ Windfarms following July 2025 acquisition.
- Lower staff costs.

Full year guidance unchanged at \$311M-\$316M.

2H FY26 operating costs include continued Kraken implementation costs and the DigiGen programme.



# Capital expenditure

1H FY26 capital expenditure was \$86M, split \$53M growth and \$33M stay in business spend.

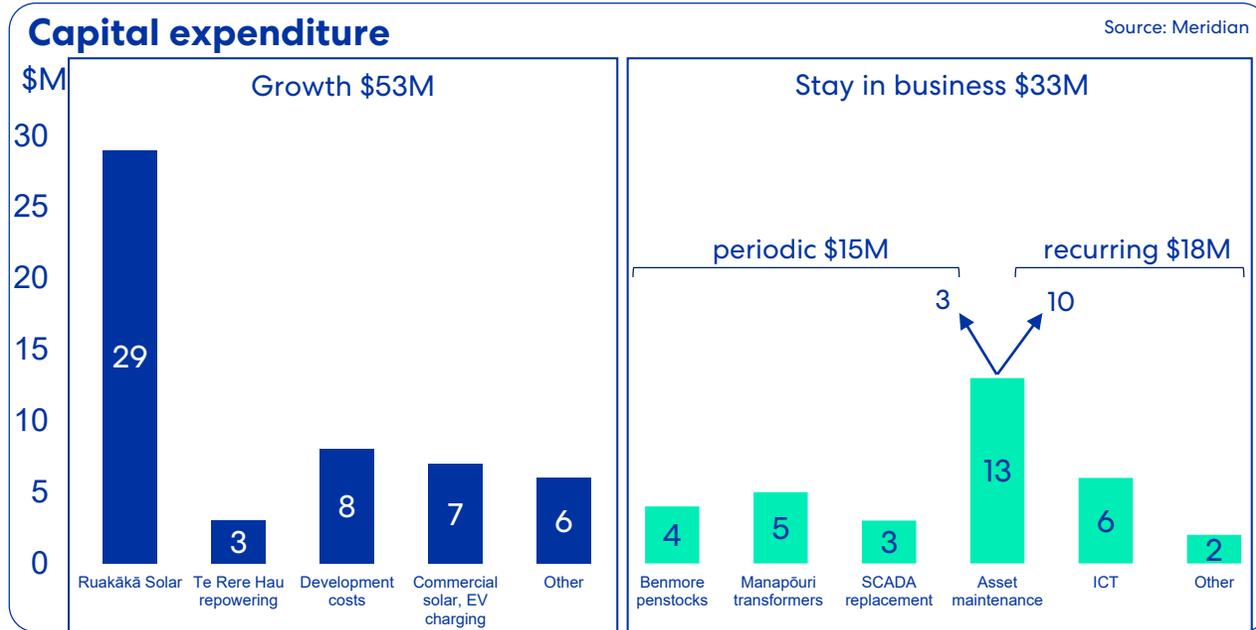
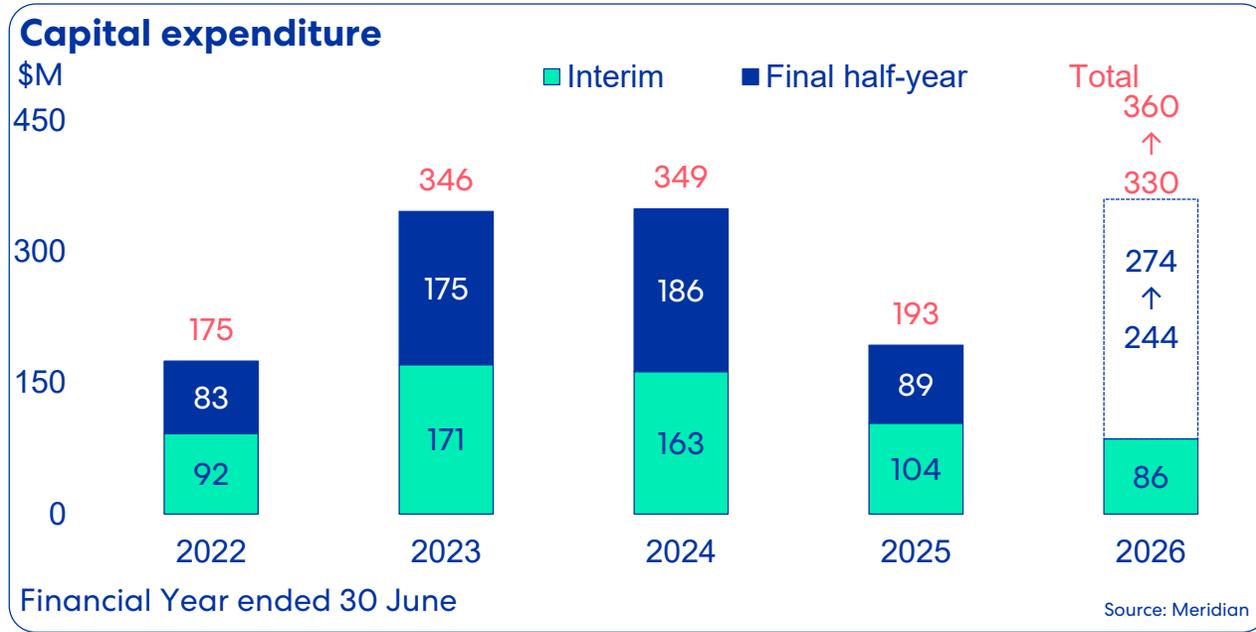
Growth spend included commencement of Ruakākā Solar Farm construction.

Other growth spend includes Kraken implementation.

Asset maintenance costs include new transformers.

Full year guidance unchanged at \$330M-\$360M.

2H FY26 capital expenditure includes higher spend on current projects.



# Below EBITDAF

\$36M increase in depreciation and amortisation largely from FY25 \$2B increase in generation and plant valuation.

\$120M increase in NPBT<sup>1</sup> from the net unrealised change in fair value of hedges<sup>2</sup> (\$154M decrease in 1H FY25).

\$7M increase in finance costs from higher net debt.

Resulted in NPAT<sup>3</sup> of \$227M compared with -\$121M in 1H FY25.

And underlying NPAT<sup>4</sup> of \$143M compared with -\$5M in 1H FY25.

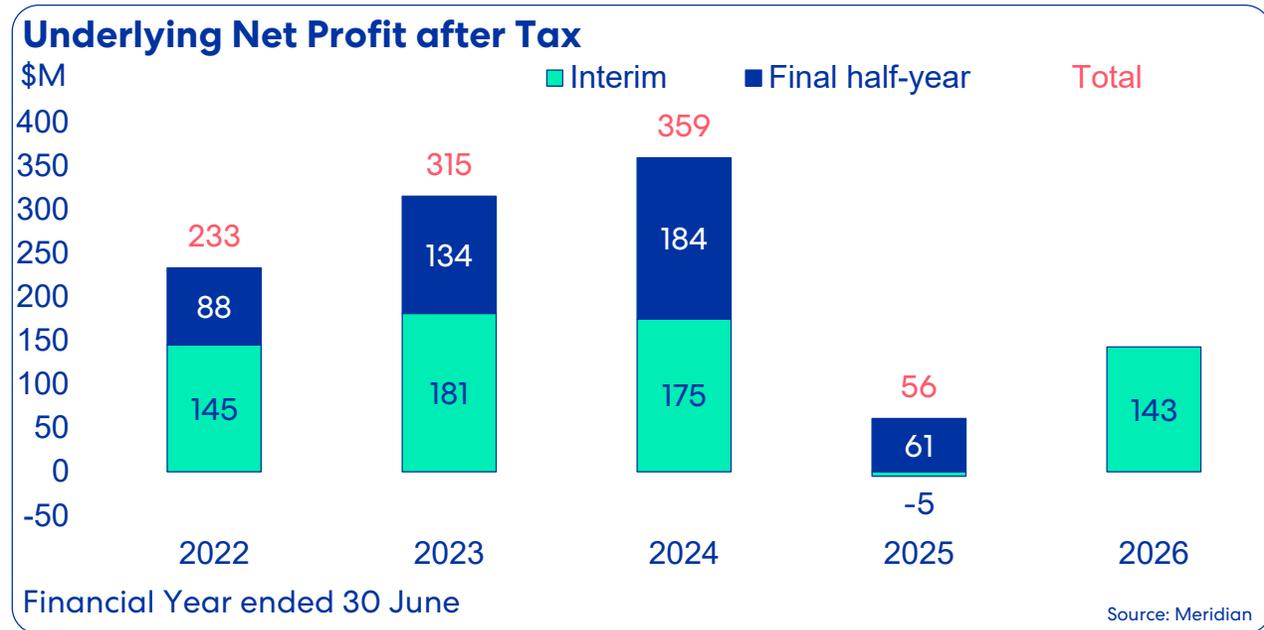
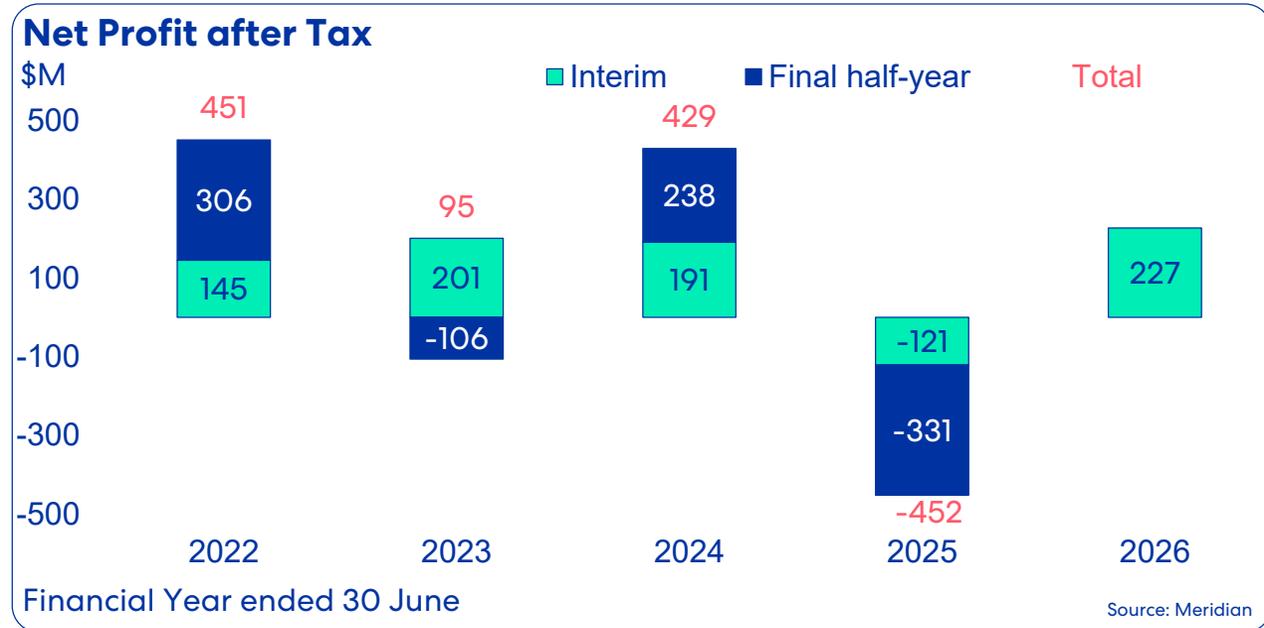
<sup>1</sup>Net profit before tax.

<sup>2</sup>Net changes in the fair value of unrealised energy hedges and treasury hedges.

<sup>3</sup>Net profit after tax.

<sup>4</sup>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.

A reconciliation of NPAT to Underlying NPAT is on page 42.



# Debt and funding

December 2025 total borrowings of \$1,866M.

In December 2025, Meridian transitioned from multiple bilateral bank facilities to a \$1B syndicated facility.

Meridian issued \$350M of 6.5-year unsecured, unsubordinated, fixed-rate green bonds in September 2025.

All borrowings are Green Debt instruments under Meridian’s 2026 Green Finance Framework, externally verified as aligned to relevant sustainable financial market standards.

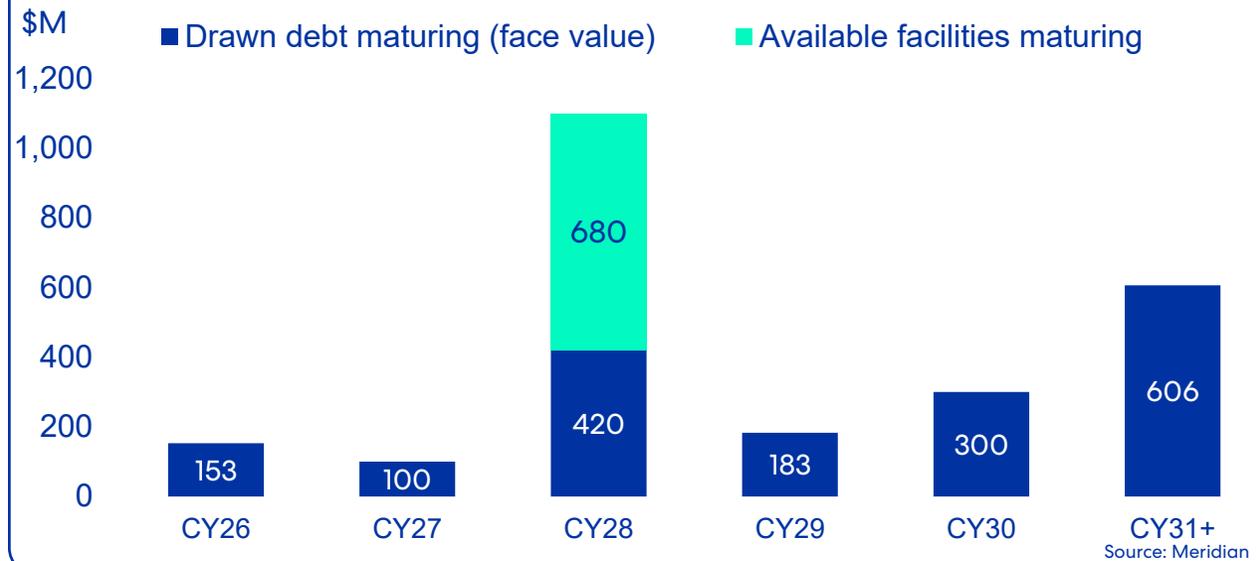
December 2025 net debt of \$1,655M, up 10% from June 2025.

December 2025 net debt to EBITDA<sup>1</sup> at 1.9 times (June 2025: 2.5 times).

<sup>1</sup>12-month EBITDAF to 31 December 2025, net debt as at 31 December 2025.

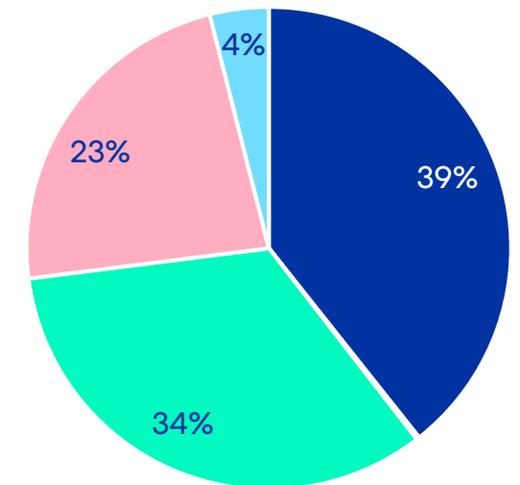


## Debt maturity profile as at 31 December 2025



## Sources of funding as at 31 December 2025

- NZ\$ bank facilities drawn/undrawn
- Retail Bonds
- US private placement
- Commercial paper



# January 2026 operating result

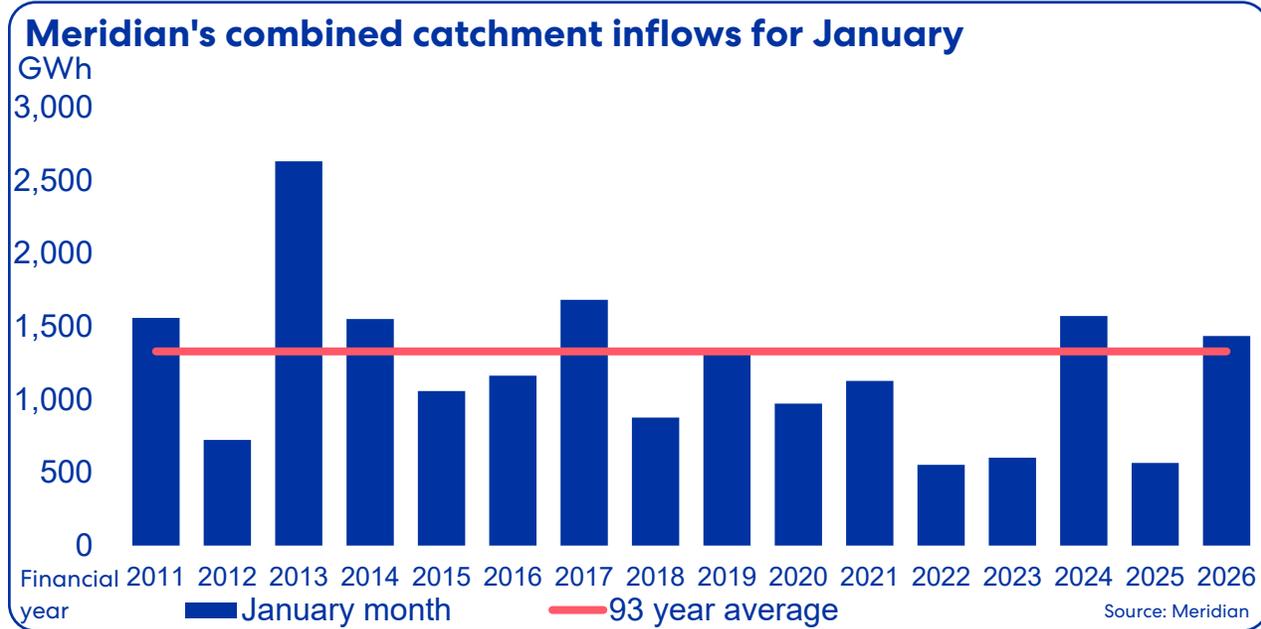
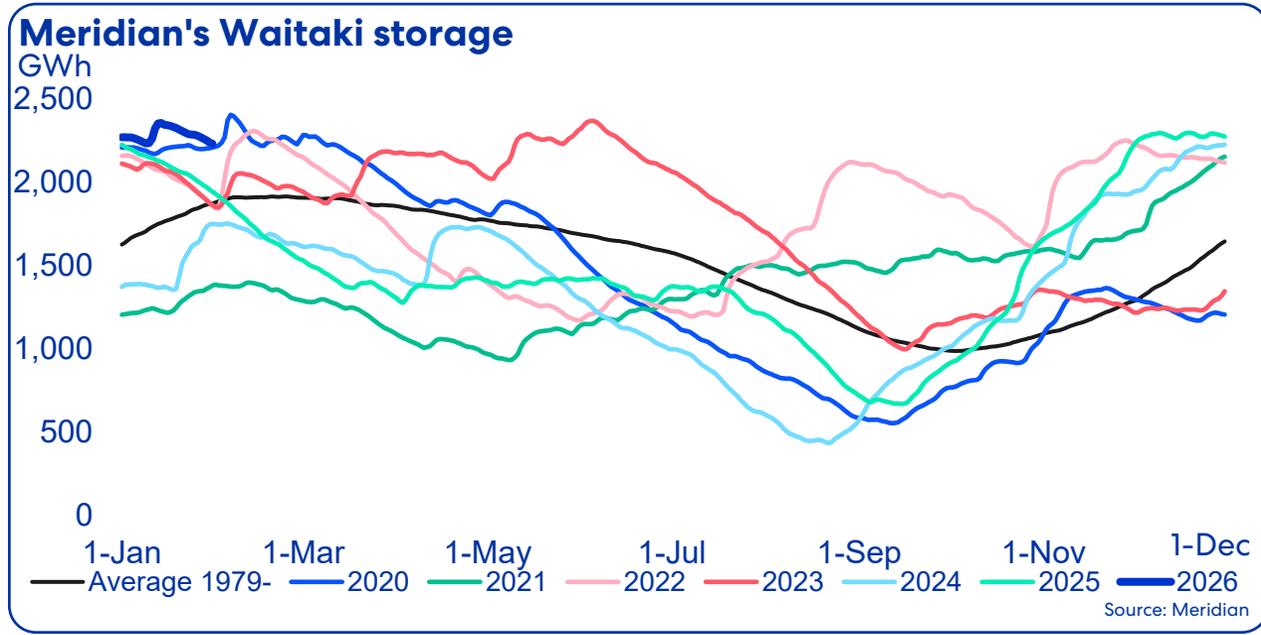
Earnings momentum continues with a solid January result.

Meridian inflows were 108% of average.

Waitaki hydro storage at 119% of average at 31 January 2026, snow storage at 177% of average in early February.

Retail sales volumes in January 2026 were 2.9% higher than January 2025, despite lower agricultural volumes.

Generation in January 2026 was 14.5% higher than January 2025.



# Mike Roan – Chief Executive



Waitaki Power Station – turbine inlet Unit 6.

# Closing comments

Strong earnings reversion in 1H FY26.

Momentum continued through January 2026, despite \$1/MWh average generation prices.

High storage ahead of winter – Pūkaki near 100% full, 250GWh of snow storage.

Kraken customer migration ongoing, dual retail system costs should cease in 2027.

Te Rere Hau delay will see Mt Munro construction brought forward.



Doubtful Sound in the Fiordland National Park.

# Questions

# Additional information

# Segment results

\$M	<u>Wholesale</u>		<u>Retail</u>		<u>Other &amp; unallocated</u>		<u>Inter-segment</u>		<u>Total</u>	
	1H FY26	1H FY25	1H FY26	1H FY25	1H FY26	1H FY25	1H FY26	1H FY25	1H FY26	1H FY25
Contracted sales	357	291	837	704	-	-	-	-	1,194	995
Cost to supply customers	(857)	(1,631)	(799)	(653)	-	-	832	719	(824)	(1,565)
Net cost of hedging	(229)	(15)	-	-	-	-	-	-	(229)	(15)
Generation spot revenue	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</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 expense	-	-	(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)
Operating expenses	(65)	(56)	(42)	(41)	(50)	(55)	4	4	(153)	(148)
<b>EBITDAF</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>

# EBITDAF reconciliation to the income statement

Six months ended 31 December	2025	2024		2025	2024
<b>Income statement</b>			<b>Segment earnings statement</b>		
Energy sales to customers	1,391	1,178	<b>Energy margin</b>	708	444
Generation revenue	593	1,051	Other revenue	24	26
Energy related services revenue	6	5	Energy transmission expense	(45)	(37)
Other revenue	18	21	Hosting expenses	(1)	(2)
<b>Total operating revenue</b>	<b>2,008</b>	<b>2,255</b>	Energy metering expense	(27)	(26)
Energy expenses	(589)	(1,094)	<b>Gross margin</b>	<b>659</b>	<b>405</b>
Energy distribution expenses	(496)	(393)	Employee expenses	(67)	(68)
Energy transmission expenses	(45)	(37)	Other operating expenses	(86)	(80)
Hosting expenses	(1)	(2)	<b>EBITDAF</b>	<b>506</b>	<b>257</b>
Electricity metering expenses	(27)	(26)			
Employee expenses	(67)	(68)			
Other expenses	(86)	(80)			
<b>Total operating expenses</b>	<b>(1,311)</b>	<b>(1,700)</b>			
Depreciation and amortisation	(261)	(225)			
Asset related adjustments	(3)	(8)			
<i>realised energy hedges</i>	(191)	(298)			
<i>unrealised energy hedges</i>	124	(143)			
Net change in fair value of energy hedges	(67)	(441)			
Net finance costs	(45)	(38)			
Net change in fair value of treasury hedges	(4)	(11)			
<b>Net profit before tax</b>	<b>317</b>	<b>(168)</b>			
Income tax expense	(90)	47			
<b>Net profit after tax</b>	<b>227</b>	<b>(121)</b>			

# Retail

13% increase in customer connections since June 2025.

## Mass market segment

27% increase in residential volumes.

10% increase in small medium business volumes.

14% increase in large business volumes.

11% increase in agricultural volumes.

10% increase in net average sales price.

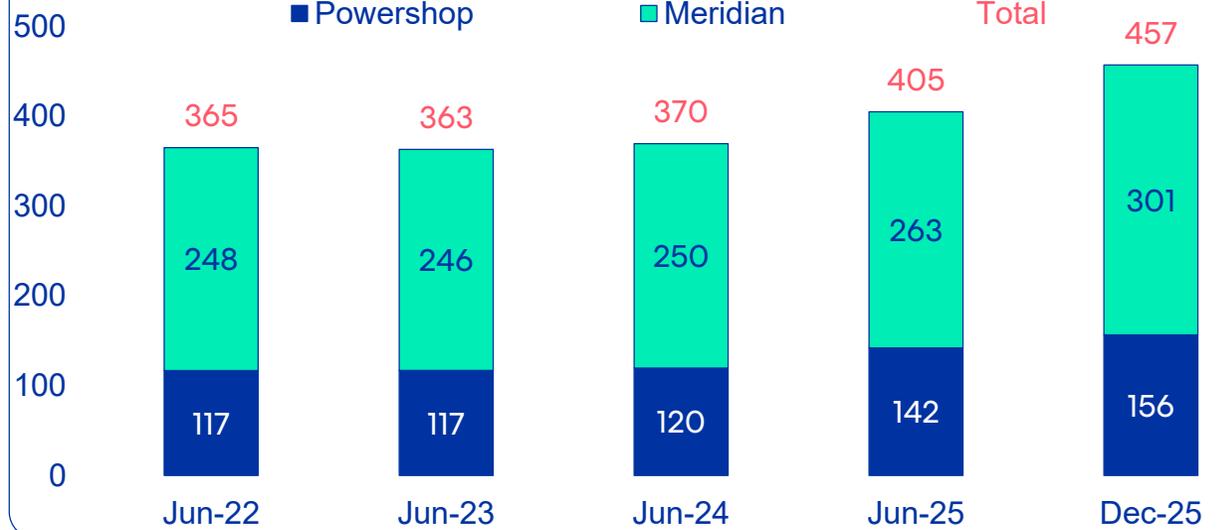
## Corporate Segment

5% increase in volumes.

Flat net average sales price.

### Customer connections

ICP (000)



### Retail sales volume

GWh

6,000

5,000

4,000

3,000

2,000

1,000

0

0

0

0

0

0

0

0

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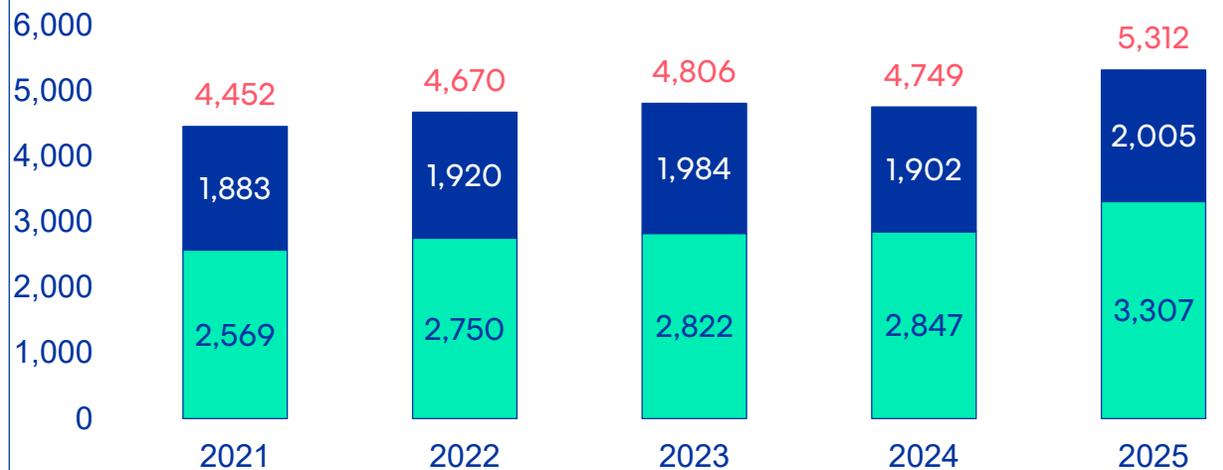
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0

Residential, SMB, Agri

Corporate

Total



Six Months ended 31 December

Source: Meridian

# Hydrology

## Inflows

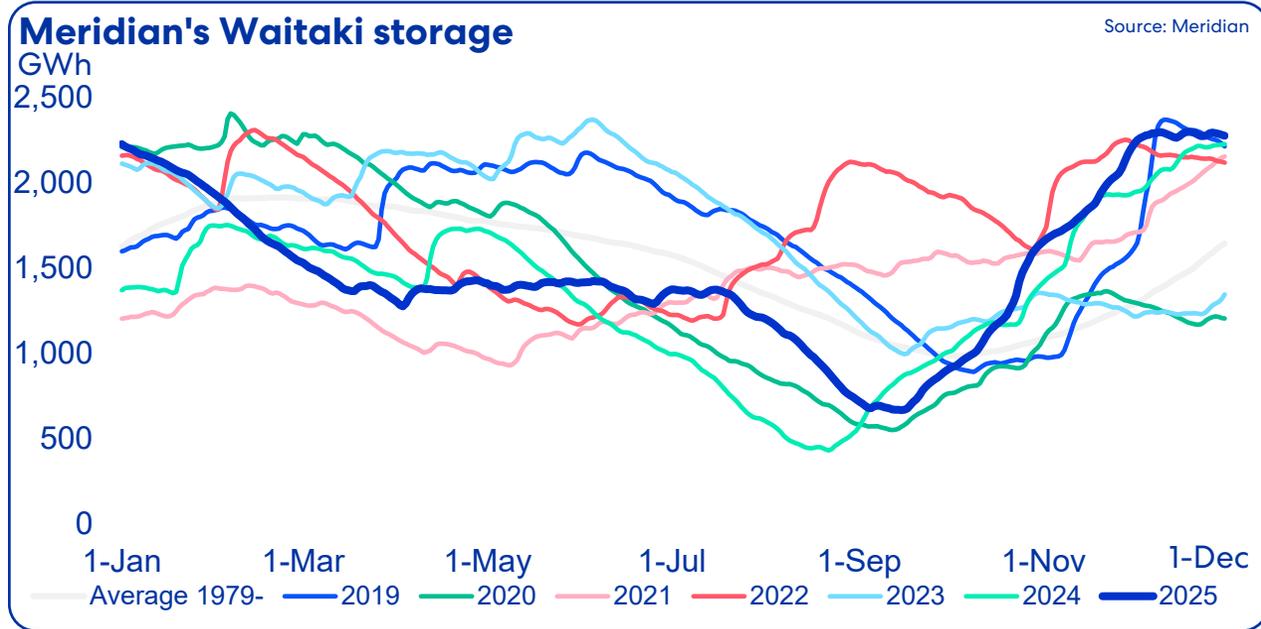
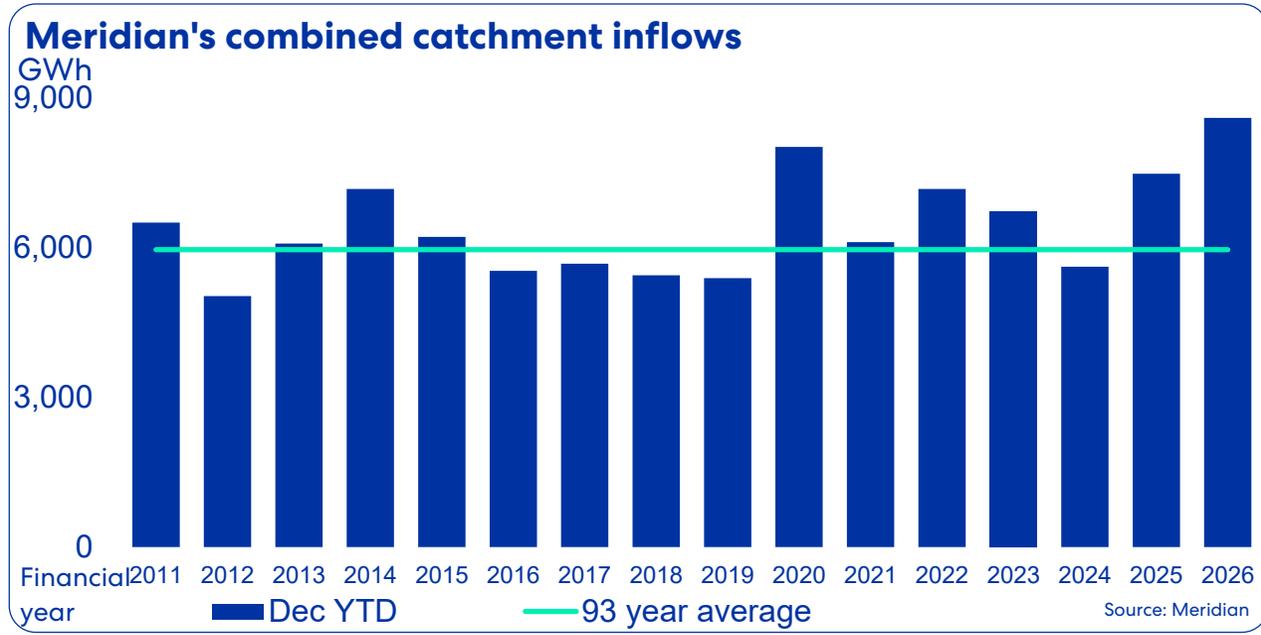
1H FY26 inflows were 144% of historical average.

January 2026 inflows were 108% of historical average.

## Storage

Meridian's Waitaki storage as at 31 December 2025 was 138% of historical average.

By 31 January 2026, Waitaki storage was 119% of historical average.



# Generation

## Volumes

1H FY26 generation was 13% higher than 1H FY25, with higher hydro generation and higher wind generation.

## Price

1H FY26 average price Meridian received for its generation was 51% lower than 1H FY25.



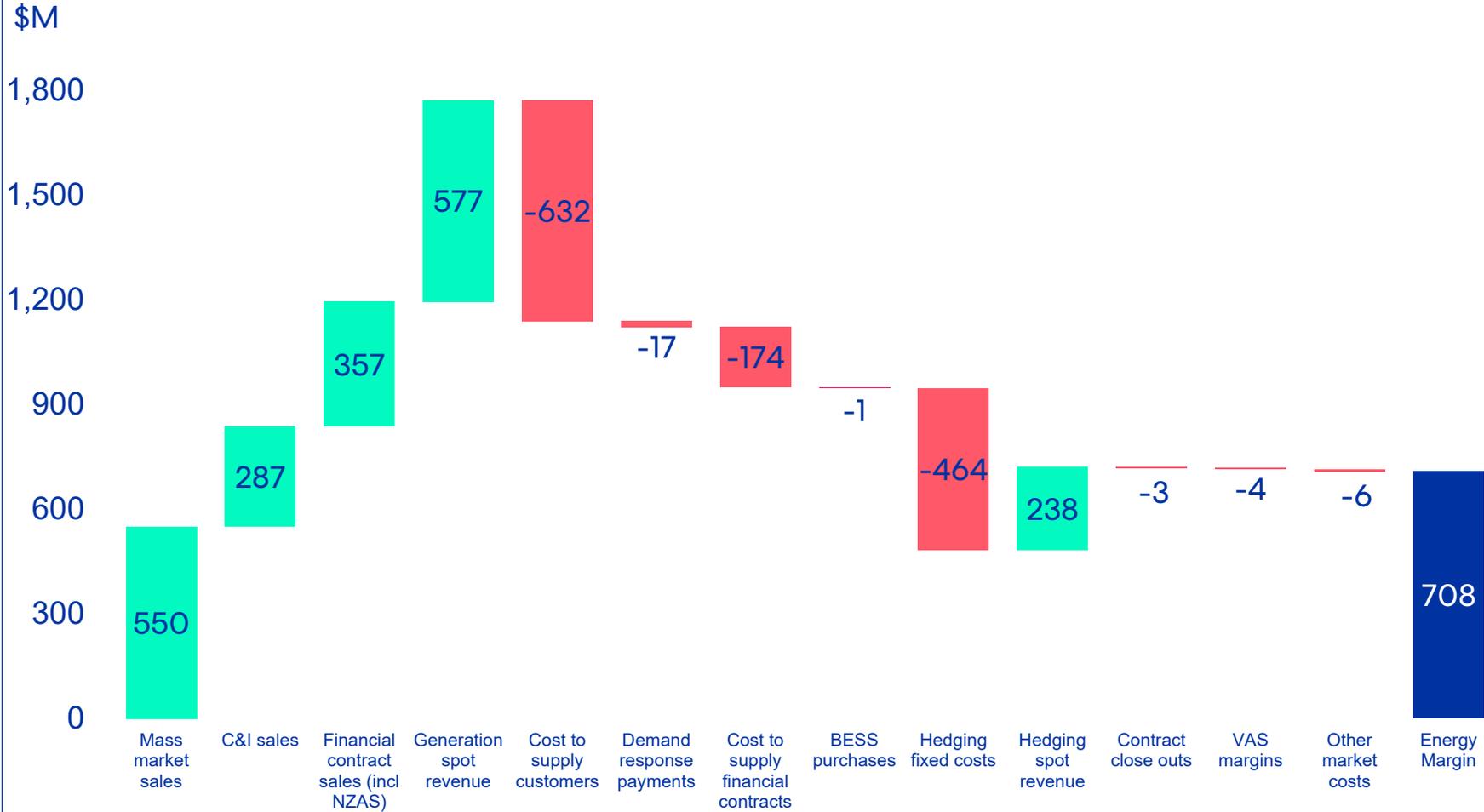
# EBITDAF to NPAT

Six months ended 31 December	2025	2024
<b>EBITDAF</b>	<b>506</b>	<b>257</b>
Depreciation and amortisation	(261)	(225)
Premiums paid on electricity options net of interest	(3)	(4)
Net finance costs	(45)	(38)
Tax	(54)	5
<b>Underlying NPAT</b>	<b>143</b>	<b>(5)</b>
Net change in fair value hedges*	120	(154)
Asset related adjustments	(3)	(8)
Premiums paid on electricity options net of interest	3	4
Tax	(36)	42
<b>Net profit after tax</b>	<b>227</b>	<b>(121)</b>

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

# Energy margin

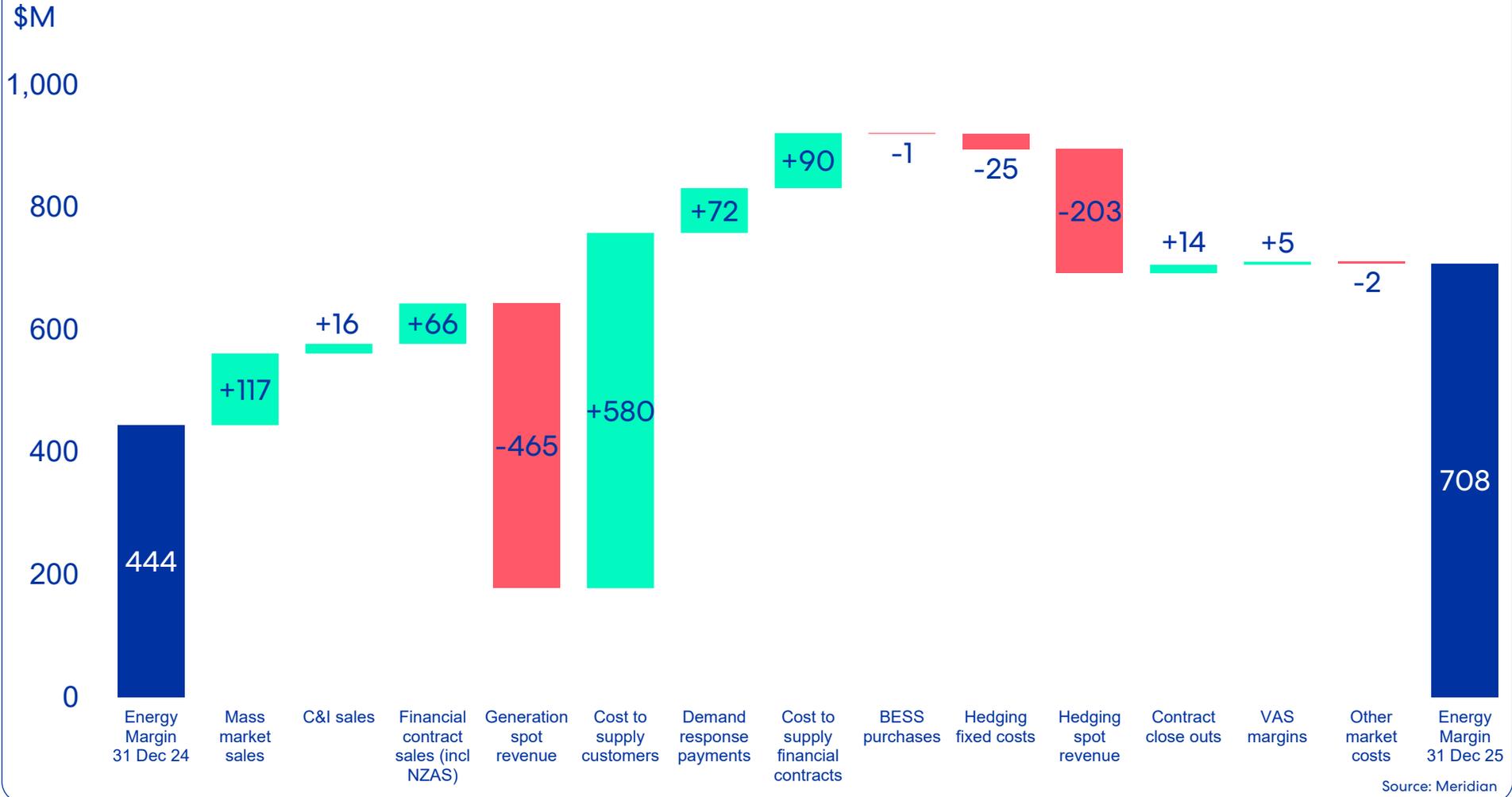
## Energy margin



Source: Meridian

# Energy margin movement

## Energy margin movement



# 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.

# Energy margin

	1H FY26			1H FY25		
	Volume	VWAP	\$M	Volume	VWAP	\$M
Res, business, agri sales	3,307	\$166	550	2,847	\$152	433
Corporate and industrial sales	2,005	\$143	287	1,902	\$143	271
Retail contracted sales	5,312	\$158	837	4,749	\$148	704
NZAS sales	1,646	\$64	105	1,663	\$64	106
Financial contract sales	2,125	\$119	252	1,337	\$138	185
Wholesale contracted sales	3,771	\$95	357	3,000	\$97	291
Cost to supply retail customers	5,605	-\$89	(500)	4,998	-\$182	(911)
Cost to supply wholesale customers	1,646	-\$80	(132)	1,663	-\$181	(301)
Demand response payments			(17)			(89)
Cost of financial contracts	2,125	-\$82	(174)	1,337	-\$198	(264)
Battery supply costs	16	-\$44	(1)	0		-
Cost to supply customers	9,392	-\$88	(824)	7,998	-\$196	(1,565)
Hedging costs	2,714	-\$171	(464)	2,346	-\$187	(439)
Hedging spot revenue	2,714	\$88	238	2,346	\$188	441
Close-outs			(3)			(17)
Net cost of hedging			(229)			(15)
Hydro generation	6,418	\$78	501	5,561	\$162	900
Wind generation	1,051	\$71	75	1,026	\$138	142
BESS generation	10	\$115	1	0		-
Generation revenue	7,479	\$77	577	6,579	\$158	1,042
Virtual asset swap margins			(4)			(9)
Other			(6)			(4)
<b>Energy margin</b>			<b>708</b>			<b>444</b>

# NZAS demand response agreement 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

If previous call was Option 1, 30 days for any Option.

If previous call was Option 2, 50 days for any Option.

If previous call was Option 3, 60 days for Options 1 & 2, 270 days for Options 3&4.

If previous call was Option 4, 60 days for Option 1, 90 days for Option 2, 365 days for Option 3&4.

# Fair value movements

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

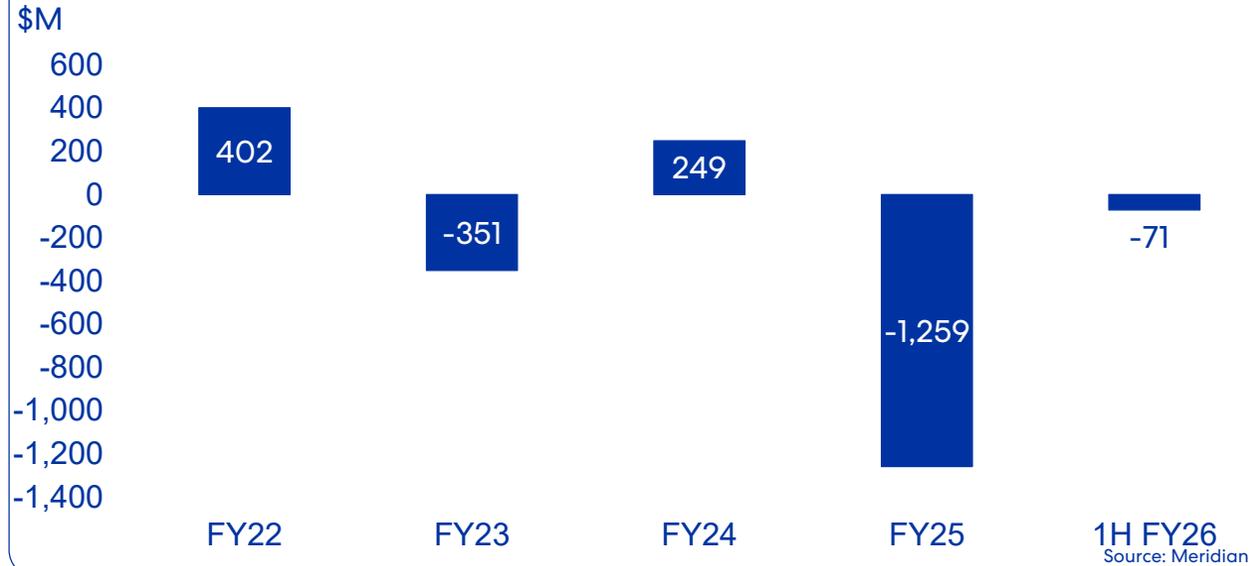
As forward prices and rates on these instruments move, non-cash changes to their carrying value are reflected in NPAT.

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

\$67M decrease in NPBT from fair value of energy hedges (\$441M decrease in 1H FY25).

\$4M decrease in NPBT from fair value of treasury hedges (\$11M decrease in 1H FY25).

## Net change in fair value of hedges



# Segment earnings statement

<b>Segment earnings statement</b>		
<b>Six months ended 31 December</b>	<b>2025</b>	<b>2024</b>
<b>\$M</b>		
Energy margin	708	444
Other revenue	24	26
Hosting expense	(1)	(2)
Energy transmission expense	(45)	(37)
Electricity metering expenses	(27)	(26)
Employee and other operating expenses	(153)	(148)
<b>EBITDAF</b>	<b>506</b>	<b>257</b>
Depreciation and amortisation	(261)	(225)
Asset related adjustments	(3)	(8)
Net change in fair value of energy hedges	124	(143)
Net finance costs	(45)	(38)
Net change in fair value of treasury hedges	(4)	(11)
<b>Net profit before tax</b>	<b>317</b>	<b>(168)</b>
Income tax expense	(90)	47
<b>Net profit after tax</b>	<b>227</b>	<b>(121)</b>

# Underlying NPAT reconciliation

<u>Underlying net profit after tax</u>		
Six months ended 31 December	2025	2024
\$M		
Net profit after tax	227	(121)
Underlying adjustments		
<u>Hedging instruments</u>		
Unrealised changes in fair value of energy hedges	(124)	143
Net change in fair value of treasury hedges	4	11
Premiums paid on electricity options net of interest	(3)	(4)
<u>Assets</u>		
Asset related adjustments	3	8
Total adjustments before tax	(120)	158
<u>Taxation</u>		
Tax effect of above adjustments	36	(42)
<b>Underlying net profit after tax</b>	<b>143</b>	<b>(5)</b>

# Cash flow statement

<b>Cash flow statement</b>		
<b>Six months ended 31 December</b>	<b>2025</b>	<b>2024</b>
<b>\$M</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>	<b>50</b>
Purchase of property, plant and equipment	(71)	(104)
Purchase of intangible assets	(6)	(20)
Purchase of subsidiary, net of cash acquired	(66)	
Purchase of other investments	(125)	(4)
<b>Investing cash flows</b>	<b>(268)</b>	<b>(128)</b>
Borrowings drawn	346	256
Borrowings repaid	(91)	(6)
Shares purchased for long term incentive	(3)	(6)
Dividends	(260)	(276)
<b>Financing cash flows</b>	<b>(8)</b>	<b>(32)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>60</b>	<b>(110)</b>

# Balance sheet

<b>Balance sheet</b>		
<b>Six months ended 31 December</b>	<b>2025</b>	<b>2024</b>
<b>\$M</b>		
Cash and cash equivalents	183	111
Trade receivables	295	310
Financial instruments	134	110
Other assets	69	75
<b>Total current assets</b>	<b>681</b>	<b>606</b>
Property, plant and equipment	13,912	12,059
Intangible assets	90	71
Financial instruments	395	236
Investment in equity accounted joint ventures	55	-
Other assets	-	19
<b>Total non-current assets</b>	<b>14,452</b>	<b>12,385</b>
Payables, and accruals	284	261
Borrowings	107	493
Financial instruments	180	118
Tax payable	68	-
<b>Total current liabilities</b>	<b>639</b>	<b>872</b>
Payables and accruals	134	60
Borrowings	1,759	1,194
Deferred tax	3,232	2,857
Financial instruments	479	163
<b>Total non-current liabilities</b>	<b>5,604</b>	<b>4,274</b>
Share capital	2,016	1,834
Reserves	6,874	6,011
<b>Total shareholders' equity</b>	<b>8,890</b>	<b>7,845</b>

# 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 93 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 <a href="http://www.emi.ea.govt.nz">www.emi.ea.govt.nz</a>
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

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[www.meridianenergy.co.nz/about-us/investors](http://www.meridianenergy.co.nz/about-us/investors)

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