



MERIDIAN ENERGY LIMITED

Investor Letter

FOR THE SIX MONTHS ENDED 31 DECEMBER 2025.





MARK VERBIEST, CHAIR
MIKE ROAN, CHIEF EXECUTIVE.

DIVIDEND REINVESTMENT PLAN DATES

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



Meridian has announced an interim financial result that reflects a return to more favourable weather conditions, with record wind generation and near record lake inflows, and the benefits of investments made to strengthen the business over the past two years.

We have reported operating cash flows of \$336 million for the six months to 31 December 2025, a significant improvement on the \$50 million reported in the prior corresponding period when Meridian absorbed substantial costs associated with hedge and demand response contracts to support New Zealand's electricity system through Winter 2024.

Net profit after tax was \$227 million, compared with a net loss after tax of \$121 million in last year's interim result. EBITDAF¹ was \$506 million, up from \$257 million, while underlying NPAT² increased from -\$5 million to \$143 million. The latter two are both non-GAAP measures.

These outcomes were driven by a \$264 million (59%) year on year increase in energy margin, reflecting record wind generation and the second best lake inflows on record. These conditions placed downward pressure on wholesale electricity prices, with average daily spot prices of \$84 per MWh over the six months, falling to an average of \$12 per MWh in December. The combination of a strong financial result and a period of extremely low wholesale prices is a sign of an electricity market that continues to function well.

The Board has announced an interim ordinary dividend of 6.40 cents per share, up from 6.15 cents per share for the previous interim result. The Dividend Reinvestment

Plan will apply to this interim dividend at a 2% discount.

The interim dividend will be paid and new shares issued under the reinvestment plan on 24 March 2026.

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

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

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

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

<p>INFLOWS</p> <p>2nd</p> <p>Highest July–December on record</p>	<p>CUSTOMERS</p> <p>+13% ↑</p> <p>Including ex-Flick customers</p>	<p>SOLAR CONSTRUCTION</p> <p>Ruakākā Te Rahui STAGE 1</p>	<p>INTERIM DIVIDEND</p> <p>6.40 cps ↑</p> <p>4% increase</p>
<p>WIND GENERATION</p> <p>1st</p> <p>Highest July–December on record</p>	<p>CUSTOMER SALES</p> <p>+16% ↑</p> <p>Growth in all segments</p>	<p>CONSENTED</p> <p>1,302 GWh³</p>	<p>STRONG FINANCIAL RESULTS</p> <p>\$506m</p> <p>EBITDAF</p> <p>\$336m</p> <p>Operating cash flow</p> <p>\$143m</p> <p>Underlying profit</p>
		<p>CONSENTS APPLIED FOR</p> <p>720 GWh⁴</p>	
<p>WHOLESALE PRICES</p> <p>-51% ↓</p> <p>Lower generation price than last year</p>	<p>KRAKEN MIGRATION</p> <p>75,000</p> <p>Target completion: October 2026</p>	<p>UPCOMING CONSENTS</p> <p>2,920 GWh⁵</p> <p>to lodge in the next 18 months</p>	

Renewable development and construction

While weather conditions were certainly favourable, our focus remains on strengthening the underlying fundamentals of the business to ensure Meridian can continue to deliver returns to shareholders and support secure, affordable and sustainable electricity supply over the long term.

We have continued to move at pace towards the goal of having seven projects construction ready between 2023 and 2030. Harapaki Wind Farm and the Ruakākā Battery Energy Storage System are now completed and operational, providing important new renewable generation and firming capability. Construction is progressing well on the Ruakākā Solar Farm in Northland and Te Rahui Solar Farm at Rangitāiki near Taupō. Ruakākā is on schedule for first power in

November, while the first phase of Te Rahui – a 50:50 joint venture with Nova, who is leading construction – is scheduled for full power by mid-2027.

We are targeting final investment decisions this calendar year for the Mt Munro Wind Farm in the Wairarapa and the repowering of the Te Rere Hau Wind Farm in the Manawatū. By mid-2026, Meridian expects four consenting outcomes: Swannanoa Solar (200 MW), Waikato Solar (100 MW), Manawatū Solar (100 MW) and the re-consenting of the Waitaki Power Scheme.

With these projects, other secured developments and more advanced prospects, Meridian holds development options equivalent to – more than a third of New Zealand’s current electricity demand.

At the same time, as domestic gas supply continues to decline, we are sharpening our focus on the firming

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

capacity required to restore the energy balance New Zealand has historically enjoyed. This includes, for the first time in decades, exploring further hydro development options. We are also continuing to actively pursue better access to contingent storage at Lake Pūkaki.

Customers and retail momentum

Meridian achieved record retail sales volumes during the first half of the financial year (up 12%), supported by the acquisition of ex customers of Flick in August 2025. This, together with new products and great customer service has seen our market share increase from 17.5% to 19.5%.

The migration of customers to Meridian's new Kraken technology platform continued, with more than 75,000 customers now transitioned. We remain on track to complete all mass market customer migrations in the middle of 2026, with remaining corporate and industrial customer accounts expected to transition late in the year.

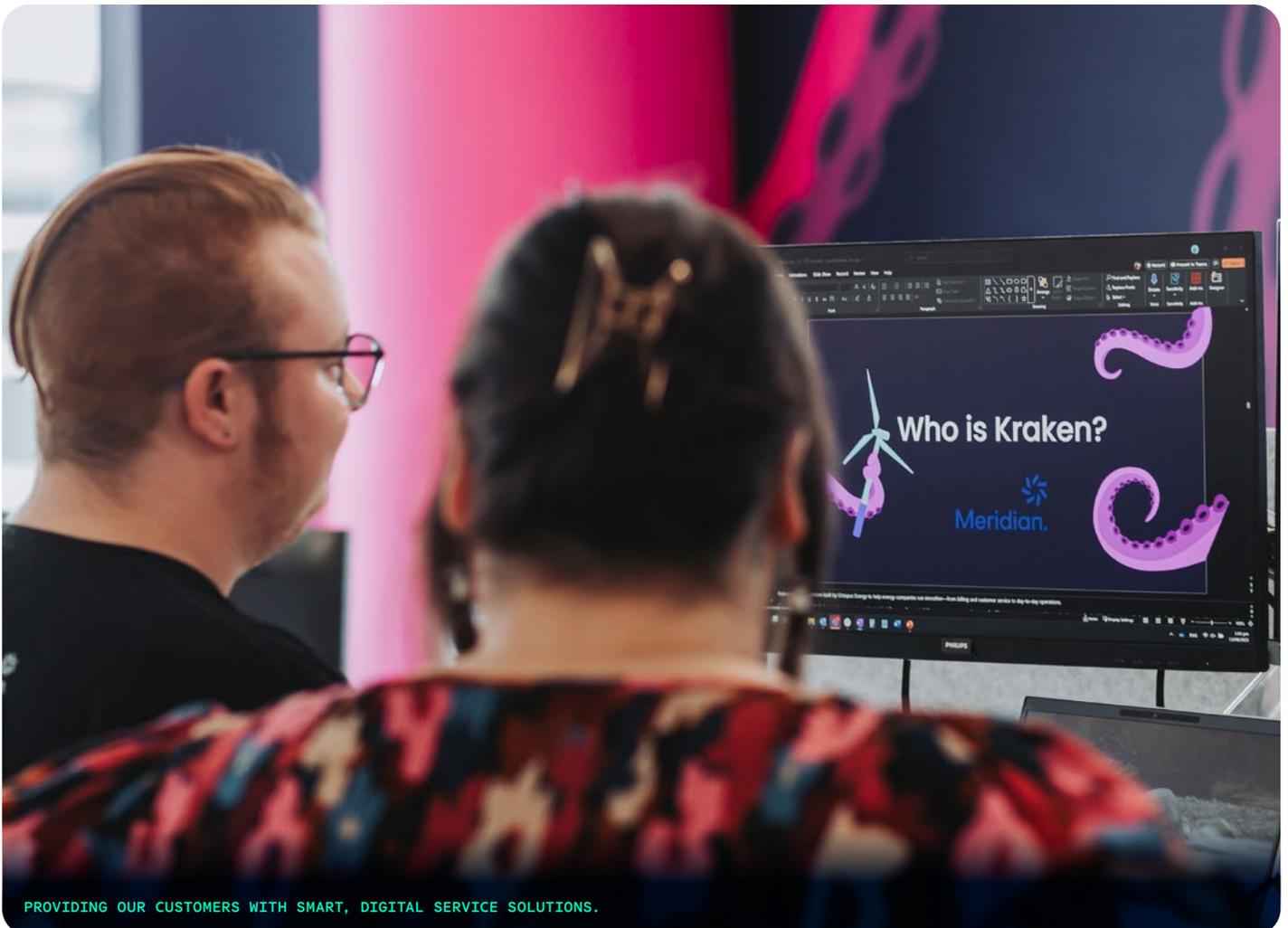
New Zealand has a highly competitive retail electricity market, and it's vital that we invest in technology like Kraken that will enable us to provide even better customer experiences and make the development of new products quicker and easier.

We recognise that people want more affordable energy and an increasing range of options for how and when they use it. So, while Kraken will be a game-changer, we're not holding back and waiting. We've been busy ramping up the rollout of our Smart Hot Water product, which gives discounts to customers for allowing us to control when their cylinder heats so we can take pressure off the grid in peak periods, and our competitive solar buyback rates and EV plans are also helping Kiwis reduce their overall energy bills.

Generation performance and discipline

Meridian's generation fleet performed strongly in the six months to 31 December. High plant availability meant we could manage elevated inflows and wind conditions, and the team achieved this while also delivering significant maintenance programmes such as a rotor replacement at Ōhau C and major works at Manapōuri.

The Generation team's increasing use of AI and advanced analytics is contributing to improved asset performance through initiatives like technology-led asset condition monitoring.





Sustainability and long-term value

Meridian's sustainability credentials continued to strengthen. In December we achieved our best ever result in the Dow Jones Best in Class Index in December, scoring 83 out of 100. This marks Meridian's eleventh consecutive year in the Index and reflects consistent performance across environmental, social and governance measures.

Looking ahead

While the first half of the financial year benefited from favourable wind and hydro, we remain focused on disciplined execution of our strategy – advancing new renewable generation, investing in firming solutions, improving asset performance and using technology to deliver better outcomes for customers.

Security of supply has improved materially. As conditions normalise, affordability remains our top priority, alongside the continued build of generation and storage needed to support New Zealand's electrification.

On behalf of the Board and the Executive Team, thank you for your continued support.

Ngā mihi nui

Mike Roan
Chief Executive

Mark Verbiest
Chair



VISIT [MERIDIAN.CO.NZ/INVESTORS](https://www.meridian.co.nz/investors) TO DOWNLOAD
THE FULL MERIDIAN CONDENSED INTERIM FINANCIAL
STATEMENTS AS AT AND FOR THE SIX MONTHS ENDED
31 DECEMBER 2025.