Interim Report 2023

GENESIS ENERGY LIMITED

Chairman and Interim Chief Executive's joint letter

Tēnā koutou,

Genesis made great strides toward our renewable energy ambitions in the first half of the 2022-23 financial year. We also saw strong retail growth, while delivering an excellent financial performance.

The flexibility of our generation assets enabled us to take advantage of a wet half year to generate a record amount of electricity from our hydro power stations. Conversely, we could turn down Huntly to record lows, saving fuel costs and around 470,000 tonnes of carbon emissions over the six months.

EBITDAF was up 42% on the same period last year to $298.3m, NPAT was up 72% to $145.3m, and gross margin was up 28% to $454.9m. The Board approved an interim dividend of 8.8 cents per share, continuing a steady increase in dividends over the past eight and a half years, while retaining capital for investment.

We acknowledge these results fall at a challenging time for many New Zealanders, with Cyclone Gabrielle and the Auckland floods highlighting the need to accelerate New Zealand's decarbonisation.

It's pleasing to see these strong results come during a period when, off the back of strong hydro inflows, we have been able to significantly reduce our carbon emissions.

Future-gen in action

Genesis progressed our Future-gen strategy to be an active enabler of New Zealand's low carbon future.

In February we joined our solar joint venture partner, FRV Australia, in announcing we had secured a fully consented, large scale solar site near Lauriston on the Canterbury Plains. The site is expected to start generating electricity in 2024.

Located one hour's drive south of Christchurch, the 90 hectare site will hold approximately 80,000 solar panels with a capacity of 52 MW and generate around 80 GWh of renewable electricity annually - enough to power nearly 10,000 homes.

Competition for solar sites is high so to secure one that is fully consented and ready for installation and commissioning is a strong start to delivering on our ambition to develop up to 500 MW of solar over the next few years.

Lauriston is poised to be one of the first large scale solar farms to reach operational stage in New Zealand, and we look forward to making more announcements on solar during 2023.

We successfully completed a biomass burn trial at Huntly Power Station on 14 February. This was a significant step in our search for alternative fuel options for the plant which will remain a vital back-up to the country's increasingly renewable generation system.

The week-long trial was completed when two mills on one Rankine unit simultaneously operated on biomass for the first time. International experts involved in converting coal-fuelled power stations to biomass were on site, along with government officials and key business leaders whose organisations face similar challenges in decarbonising. Biomass is seen internationally as a viable alternative to fossil fuels, especially in manufacturing and some industrial processes. Compared to some other decarbonisation solutions, biomass conversion could be implemented much sooner and with broader cross-sector benefits.

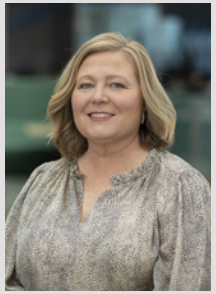
We will analyse the findings from the trial over the coming months, including the critical issue of supply. There is currently no local source of the pellets we need to make the move to biomass feasible. We will look at how Genesis and other businesses in a similar position might provide the scale to support the establishment of an economic, reliable and environmentally sustainable local supply chain.

EBITDAF[1]
$298.3m
HY22 $210.3m

NPAT[2]
$145.3m
HY22 $84.7m

1. EBITDAF: Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes, and other gains and losses. Refer to the consolidated comprehensive income statement on page 6 for reconciliation from EBITDAF to net profit after tax.
2. Net Profit After Tax.

Barbara Chapman, Chairman



Tracey Hickman, Interim Chief Executive

For example, we have signed a Memorandum of Understanding with Fonterra to work together on exploring the viability of biomass as a substitute for coal including the potential for a local supply chain. Our agreement, initially for a period of two years, will see us collaborate to share knowledge and foster innovation. We will act with collective responsibility for environmental sustainability and undertake strong community engagement as we explore the viability of biomass.

Our progress on Future-gen reflects the recommendations of the report by the Boston Consulting Group, *The Future is Electric*. We commissioned the independent report with other electricity sector participants to help provide a roadmap to decarbonisation. BCG found the 2020s will be a critical decade for the electricity sector and New Zealand's transition to net zero carbon. With decisive early action supported by the right policy, regulatory environment and market settings, the electricity system can, by 2030, transition to 98% renewables and kick start electrification of overall energy demands such as transport and industrial processes, reducing New Zealand's emissions by 8.7 Mt CO2 -e per year.

Genesis is proud to be at the forefront of investing in this exciting and important transition, however we remain concerned about the level of investment in new transmission, distribution and generation required to support the transition and the potential for supply chain and RMA reform to cause disruption and delays.

Maximising hydro to reduce emissions

We continue to maximise the efficiency and reliability of our existing assets through significant outage work at our Waikaremoana, Tongariro and Tekapo hydro schemes. They ran hard this half-year, together achieving a record 2,034 GWh of generation. This was 615 GWh more than HY22, providing enough extra renewable power for 88,000 households. The renewable share of our generation rose to 70% - the first time we've gone above 62%.

In turn, Huntly output was reduced to a record low of 873GWh. Reduced thermal burn resulted in significantly reduced fuel costs and carbon emissions savings of 470,000 tonnes between July and December.

These results highlight the environmental and financial value of our fuel diversity and thermal plant flexibility.

Security of supply

Huntly Power Station provides an essential service in backing up the electricity generated by New Zealand's highly renewable but weather dependent system. Genesis has been working hard to secure commercial arrangements that adequately reward and recognise the value Huntly provides to the market. Our traditional supply contracts with other market participants, called swaptions, ended in December 2022. There was no appetite by any party to renew swaptions, but in our view thermal generation will still be required for some time to firm an increasingly renewable market. In late 2022 we offered to the market an alternative to swaptions in the form of a new product we refer to as Market Security Options (MSO's). MSOs offer participants an opportunity to manage risk through a transparently priced product.

We continue to engage with participants and regulators regarding the role Huntly plays in security of supply.

Gas will play a critical role in the transition to more renewable generation, and a reliable supply is vital while the sector navigates the coming decade. In February 2023 Genesis and our joint venture partners NZ Oil & Gas, and the Kupe field's operator, Beach Energy, agreed to invest in the development of a new well within the existing permit area – KS9.

The well would allow extension of Kupe production. This will provide fuel for back-up electricity supply while New Zealand progresses to a higher level of renewable energy, lessening dependence on coal fired generation through the transition.

Customer growth

Genesis enjoyed strong customer growth this half year, gaining 10,273 customers to reach a total of 481,285, an increase of 2.2%. Churn also declined by 1% to 12% from the same period in FY22.

Our Frank brand had a very successful first year after rebranding from Energy Online in November 2021, growing customer numbers 5.3% to 93,700 by December 2022.

After absorbing a range of cost increases over the past two years, it became necessary to pass some of them on to customers at the start of 2023. We included the first stage of the mandatory phase-out of the low user fixed charge in these increases to simplify things for customers. It is unfortunate these price increases come during a time of other cost of living challenges and in the aftermath of the severe weather events, but our customer service team is doing a great job of offering a range of options to help weather-affected customers, and refer people to Te Tira Manaaki o Kenehi – our special care team for vulnerable customers – when appropriate.

Along with other retailers and distributors, we contributed to a $5 million power credits scheme to support low-use households where residents are struggling to pay their power bills during the phase-out of the low fixed charge regulations and have contributed to a fund run by the Electricity Retailers' Association (ERANZ) to help New Zealanders in need with their power costs in the wake of the weather events.

Following the success of our first Power Shout Gifting campaign last year we ran an even more successful campaign this half-year. Customers were able to choose to either keep four free hours, or gift them to a Kiwi in financial hardship. In FY22 15,533 customers gifted 62,132 Power Shout hours. Genesis contributed an additional 67,868 hours – providing a total of 130,000 hours. This year, 46% more customers, 28,800, gifted 144,000 Power Shout hours. Genesis has topped

up this number by over 155,000 hours, making a total of 300,000 to be gifted in winter 2023. Te Tira Manaaki o Kenehi will work with budgeting services to identify Genesis customers who are struggling financially. Those customers will receive bundles of free hours of power as the colder months begin.

We are also turning our minds to how we can make a greater impact in supporting customers as a sector. In partnership with Mercury, community organisations, and specialists in this space we have been researching how we can identify and support households who haven't been well served by the industry in the past. We believe that we can make a greater impact working together than independently in some areas, and we aim for our research to complement the Government's work on this important issue.

Supporting healthy homes

Trying to heat a poorly insulated house is wasteful and costly, and Genesis appreciates many families are struggling with cost-of-living challenges that impact their ability to keep their homes warm and healthy. To help address this, we've entered a new and meaningful partnership with Habitat for Humanity's Northern branch to ramp up that organisation's positive impact.

Habitat's Winter Warm Up Packs, containing heaters, blankets and products to reduce condensation and increase energy efficiency, are delivered to families in need across Auckland and Northland during winter by Habitat volunteers and partner charities. In addition to helping resource this work, we're encouraging our staff to use their paid volunteer days to help our new partner. Genesis is proud to support Habitat's efforts to help families warm up their homes.

Energy roaming service a NZ first

A critical part of our purpose in empowering New Zealand's sustainable future is supporting decarbonisation of one of the highest emitting sectors – transport.

In a New Zealand first, Genesis launched an 'energy roaming' service for electric vehicle (EV) drivers, making it cheaper and easier to charge their electric vehicles when out and about.

Available on the country's largest public charging network, EVerywhere lets EV owners use ChargeNet's 280 hubs throughout New Zealand for the same rate they pay at home. This can save drivers up to 70% on the cost of charging, eliminating the variability and uncertainty of public charging rates.

EVerywhere is accessed through our Energy IQ app, linking to a ChargeNet account. Drivers are charged their home energy rate with the cost added seamlessly to their power bill.

Genesis is passionate about encouraging the transition to EVs and we embrace the opportunity to think differently to resolve challenges for EV owners and those considering making the switch. It was rewarding to see our in-house team take EVerywhere from initial customer research through to the product's launch.

Looking ahead

In the past few months we've farewelled Director Doug McKay from our Board, Chief Executive Marc England and Chief People Officer Nic Richardson, who have each set off to new roles and endeavours. We thank each of them for their contribution. In October we welcomed Warwick Hunt to the Board. Warwick brings extensive international leadership and governance experience to Genesis, having worked in a number of countries and in New Zealand over the past 30 years across a range of sectors, including energy.

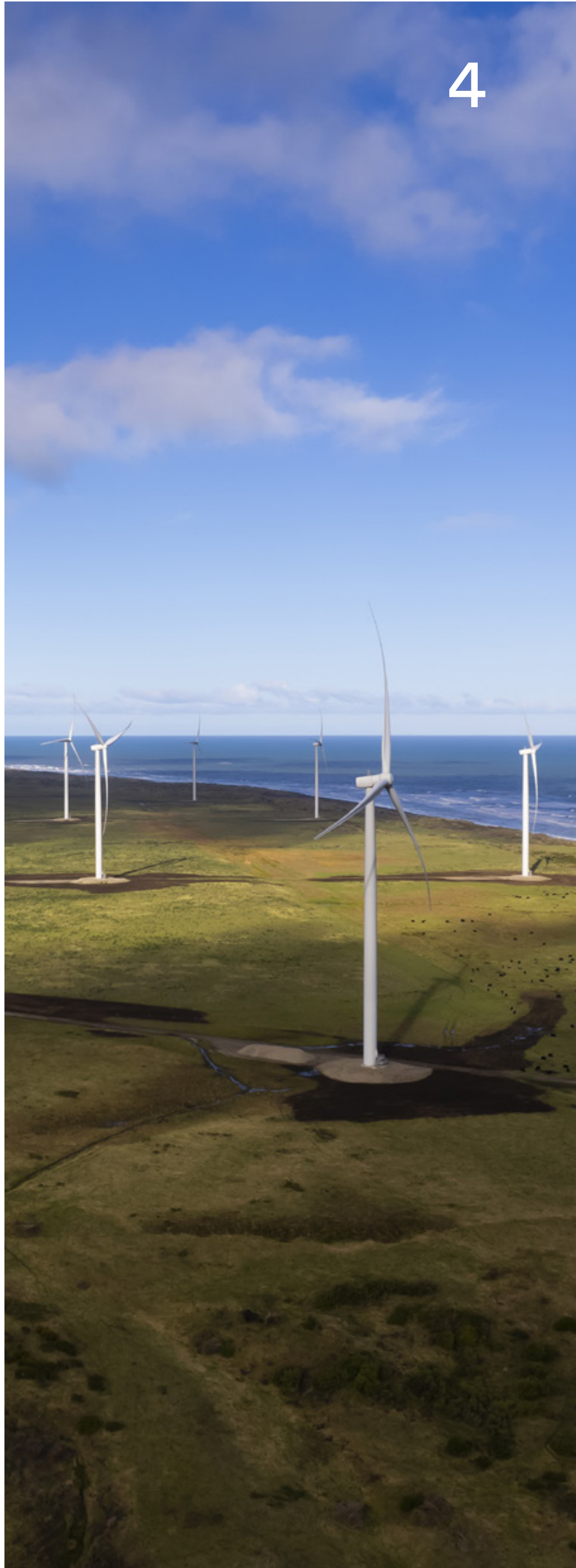
On March 6 we welcome Malcolm Johns as our new Chief Executive from his former role as Chief Executive of Christchurch International Airport, and in April our new Chief People Officer, Claire Walker, joins us from Sky City Entertainment Group. We look forward to the energy and new ideas they will bring to the company.

None of the achievements detailed in this letter would have been possible without our people. Those in the northern North Island weathered the January floods and Cyclone Gabrielle to maintain our operations and support our customers despite many of them being impacted themselves. Our thanks go to them and all our Genesis teams across the country as we continue to work towards a more sustainable future for New Zealand.

Ngā mihi,

Barbara Chapman
Chairman

Tracey Hickman
Interim Chief Executive



Condensed Consolidated Interim Financial Statements

Ngā Tauākī Pūtea Tōpū Whakarāpopoto Weherua

For the six months ended 31 December 2022

Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements

Consolidated comprehensive income statement

For the six months ended 31 December 2022

	Note	31 Dec 2022 unaudited $ million	31 Dec 2021 unaudited $ million
Revenue	A2	**1,155.1**	1,382.4
Expenses	A2	**(856.8)**	(1,172.1)
Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes and other gains and losses (EBITDAF)	A2	**298.3**	210.3
Depreciation, depletion and amortisation	A3	**(119.9)**	(106.0)
Impairment of non-current assets		**(2.8)**	(2.5)
Revaluation of generation assets	B1	**(3.2)**	-
Change in fair value of financial instruments	E2	**71.5**	37.0
Share of associates and joint ventures		**(0.4)**	(3.4)
Other gains (losses)		**(1.3)**	13.3
Profit before net finance expense and income tax		**242.2**	148.7
Finance revenue		**0.7**	0.2
Finance expense	D2	**(40.5)**	(30.6)
Profit before income tax		**202.4**	118.3
Income tax expense		**(57.1)**	(33.6)
Net profit for the period		**145.3**	84.7

Earnings per share (EPS) from operations attributable to shareholders	Cents	Cents
Basic and diluted EPS	**13.84**	8.12

	Note	31 Dec 2022 unaudited $ million	31 Dec 2021 unaudited $ million
Net profit for the period		**145.3**	84.7
Other comprehensive income			
Change in cash flow hedge reserve		**50.0**	59.1
Income tax expense relating to items above		**(14.0)**	(16.5)
Total items that may be reclassified to profit or loss		**36.0**	42.6
Change in asset revaluation reserve	B1	**436.5**	-
Income tax expense relating to items above		**(122.2)**	-
Total items that will not be reclassified to profit or loss		**314.3**	-
Total other comprehensive income for the period		**350.3**	42.6
Total comprehensive income for the period		**495.6**	127.3

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the six months ended 31 December 2022

	Note	Share capital unaudited $ million	Share-based payments reserve unaudited $ million	Asset revaluation reserve unaudited $ million	Cash flow hedge reserve unaudited $ million	Retained earnings unaudited $ million	Total unaudited $ million
Balance as at 1 July 2022		**670.5**	**2.2**	**1,756.3**	**(23.0)**	**(26.5)**	**2,379.5**
Net profit for the period		-	-	-	-	145.3	145.3
Other comprehensive income							
Change in cash flow hedge reserve		-	-	-	50.0	-	50.0
Change in asset revaluation reserve	B1	-	-	436.5	-	-	436.5
Income tax expense relating to other comprehensive income		-	-	(122.2)	(14.0)	-	(136.2)
Total comprehensive income for the period		**-**	**-**	**314.3**	**36.0**	**145.3**	**495.6**
Changes associated with share-based payments		-	(0.6)	-	-	0.7	0.1
Net change in treasury shares		(0.5)	-	-	-	-	(0.5)
Shares issued under dividend reinvestment plan	D3	20.2	-	-	-	-	20.2
Dividends	D3	-	-	-	-	(93.4)	(93.4)
Balance as at 31 December 2022		**690.2**	**1.6**	**2,070.6**	**13.0**	**26.1**	**2,801.5**

	Note	Share capital unaudited $ million	Share-based payments reserve unaudited $ million	Asset revaluation reserve unaudited $ million	Cash flow hedge reserve unaudited $ million	Retained earnings unaudited $ million	Total unaudited $ million
Balance as at 1 July 2021		**652.2**	**2.2**	**1,508.5**	**(50.3)**	**(66.1)**	**2,046.5**
Net profit for the period		-	-	-	-	84.7	84.7
Other comprehensive income							
Change in cash flow hedge reserve		-	-	-	59.1	-	59.1
Income tax expense relating to other comprehensive income		-	-	-	(16.5)	-	(16.5)
Total comprehensive income for the period		**-**	**-**	**-**	**42.6**	**84.7**	**127.3**
Changes associated with share-based payments		(0.2)	(0.6)	-	-	0.2	(0.6)
Net change in treasury shares		0.1	-	-	-	-	0.1
Dividends	D3	-	-	-	-	(91.8)	(91.8)
Balance as at 31 December 2021		**652.1**	**1.6**	**1,508.5**	**(7.7)**	**(73.0)**	**2,081.5**

The above statement should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 31 December 2022

	Note	31 Dec 2022 unaudited $ million	30 Jun 2022 audited $ million
Cash and cash equivalents		**114.0**	105.6
Receivables and prepayments	C1	**244.1**	243.1
Inventories	C2	**183.6**	202.9
Intangible assets		**65.2**	49.3
Tax receivable		**-**	8.0
Derivatives	E1	**91.8**	122.7
Total current assets		**698.7**	731.6
Receivables and prepayments	C1	**1.5**	3.6
Inventories	C2	**52.7**	-
Property, plant and equipment	B1	**4,125.7**	3,738.7
Oil and gas assets	B2	**263.7**	286.9
Intangible assets		**321.4**	327.3
Investments in associates and joint ventures		**44.0**	35.8
Derivatives	E1	**194.1**	148.5
Total non-current assets		**5,003.1**	4,540.8
Total assets		**5,701.8**	5,272.4

	Note	31 Dec 2022 unaudited $ million	30 Jun 2022 audited $ million
Payables and accruals		**259.8**	248.3
Tax payable		**25.6**	-
Borrowings	D1	**283.4**	292.0
Provisions		**9.6**	10.3
Derivatives	E1	**91.2**	144.1
Total current liabilities		**669.6**	694.7
Payables and accruals		**2.6**	3.8
Borrowings	D1	**1,150.1**	1,201.3
Provisions		**163.2**	176.9
Deferred tax		**885.3**	750.9
Derivatives	E1	**29.5**	65.3
Total non-current liabilities		**2,230.7**	2,198.2
Total liabilities		**2,900.3**	2,892.9
Share capital		**690.2**	670.5
Reserves		**2,111.3**	1,709.0
Total equity		**2,801.5**	2,379.5
Total equity and liabilities		**5,701.8**	5,272.4

The above statement should be read in conjunction with the accompanying notes.

The Directors of Genesis Energy Limited authorise these condensed consolidated interim financial statements for issue on behalf of the Board.

Barbara Chapman
Chairman of the Board

Date: 24 February 2023

Catherine Drayton
Chairman of the Audit and Risk Committee

Date: 24 February 2023

Consolidated cash flow statement

For the six months ended 31 December 2022

	Note	31 Dec 2022 unaudited $ million	31 Dec 2021 unaudited $ million
Receipts from customers		**1,245.6**	1,544.5
Interest received		**0.7**	0.3
Payments to suppliers and related parties		**(927.5)**	(1,349.5)
Payments to employees		**(69.1)**	(67.4)
Tax paid		**(25.2)**	(4.4)
Operating cash flows		**224.5**	123.5
Proceeds from disposal of property, plant and equipment		**0.1**	0.2
Proceeds from assets under finance lease		**4.0**	0.4
Payments to associates and joint ventures		**(8.7)**	(10.3)
Purchase of assets under finance lease		**(1.0)**	(5.5)
Purchase of property, plant and equipment		**(23.6)**	(24.0)
Purchase of oil and gas assets		**(6.3)**	(8.7)
Purchase of intangibles (excluding emission units and deferred customer acquisition costs)		**(4.9)**	(9.4)
Investing cash flows		**(40.4)**	(57.3)
Proceeds from borrowings		**-**	100.0
Repayment of borrowings		**(66.2)**	(78.3)
Interest paid and other finance charges		**(35.6)**	(28.3)
Dividends	D3	**(73.2)**	(91.8)
Acquisition of treasury shares		**(0.7)**	(0.5)
Financing cash flows		**(175.7)**	(98.9)
Net increase (decrease) in cash and cash equivalents		**8.4**	(32.7)
Cash and cash equivalents at 1 July		**105.6**	104.3
Cash and cash equivalents at 31 December		**114.0**	71.6

Reconciliation of net profit to operating cash flows	Note	31 Dec 2022 unaudited $ million	31 Dec 2021 unaudited $ million
Net profit for the period		**145.3**	84.7
Finance expense excluding time value of money adjustments on provisions		**37.4**	28.4
Change in advances to associates and joint ventures receivable and change in lease receivable		**(2.8)**	4.5
Change in rehabilitation and contractual arrangement provisions		**15.1**	1.8
Items classified as investing/financing activities		**49.7**	34.7
Depreciation, depletion and amortisation expense	A3	**119.9**	106.0
Revaluation of generation assets	B1	**3.2**	-
Impairment of non-current assets		**2.8**	2.5
Change in fair value of financial instruments	E2	**(71.5)**	(37.0)
Deferred tax expense		**(1.8)**	7.2
Change in capital expenditure accruals		**2.3**	2.1
Share of associates and joint ventures		**0.4**	3.4
Other non-cash items		**(6.4)**	1.4
Total non-cash items		**48.9**	85.6
Change in receivables and prepayments		**1.1**	110.4
Change in inventories		**(33.4)**	(90.8)
Change in emission units on hand		**(15.9)**	(26.7)
Change in deferred customer acquisition costs		**(0.7)**	0.9
Change in payables and accruals		**10.3**	(98.7)
Change in tax receivable/payable		**33.6**	21.8
Change in provisions		**(14.4)**	1.6
Movements in working capital		**(19.4)**	(81.5)
Net cash inflow from operating activities		**224.5**	123.5

The above statement should be read in conjunction with the accompanying notes.

Notes to the condensed consolidated interim financial statements

For the six months ended 31 December 2022

General information and significant matters

General information

The unaudited condensed consolidated interim financial statements comprise Genesis Energy Limited ('Genesis'), its subsidiaries, controlled entities and the Group's interests in associates and joint arrangements (together, the 'Group') for the six month period ended 31 December 2022.

Genesis is registered under the Companies Act 1993. It is a mixed ownership model company, majority owned by the Crown, bound by the requirements of the Public Finance Act 1989. Genesis is listed on the New Zealand Stock Exchange ('NZX') and the Australian Securities Exchange ('ASX') and has bonds listed on the NZX debt market. Genesis is an FMC reporting entity under the Financial Markets Conduct Act 2013.

The core business of the Group and activities carried out by each segment is disclosed in note A2.

Basis of preparation

The condensed consolidated interim financial statements:

- Comply with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* and International Accounting Standard 34 *Interim Financial Reporting*;
- Do not include all the information and disclosures required in the annual financial statements. Consequently, they should be read in conjunction with the annual financial statements and related notes included in Genesis Energy's Annual Report for the year ended 30 June 2022 ('2022 Annual Report');
- Are presented in New Zealand dollars rounded to the nearest 100,000.

Critical accounting estimates and judgements

The basis of critical accounting estimates and judgements are the same as those disclosed in the 2022 Annual Report.

Seasonality of operations

Fluctuations in seasonal weather patterns can have a significant impact on supply and demand and therefore the generation of electricity, which in turn can have a positive or negative impact on reported results.

Accounting policies

The accounting policies set out in the 2022 Annual Report have been applied consistently to all periods presented. There have been no significant changes in accounting policies or methods of computation since 30 June 2022.

Amendment to NZ IFRS 9, NZ IAS 39 and NZ IFRS 7 - *Interest rate benchmark reform*

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). In the case of USD LIBOR, certain tenors will no longer be published after 30 June 2023. As noted in the 2022 Annual Report, the IBOR reform only impacts the Group's Cross Currency Interest Rate Swaps ('CCIRS') that are linked to USD LIBOR. The Group manages interest rate risk on the fixed rate United States Private Placement ('USPP') notes (notional value US$150.0 million) by swapping back to floating rates, maturing in 2026 and 2027. As such, LIBOR is documented in hedge relationships for CCIRS.

As at 31 December 2022, no hedging instruments or related hedged items have transitioned to alternative risk-free rates. The Group has identified the Secured Overnight Financing Rate ('SOFR') as a potential alternative and expects to transition to this benchmark by 30 June 2023. The Group does not expect the transition to SOFR to change the overall economics of the hedging transactions as there is no direct exposure to LIBOR; however, the benchmark rate changes will affect the underlying hedge relationships. The Group does not expect this to lead to discontinuation of hedge accounting relationships and continues to work through the transition plan including actions required to update processes, systems and documentation.

A. Financial performance

A1. Underlying EBITDAF and underlying earnings

Underlying EBITDAF and underlying earnings are performance measures used internally to provide insight into the operating performance of the Group by adjusting for items that are outside Management's control or items that relate to strategic rather than operational decisions. Items are excluded from underlying EBITDAF and underlying earnings when they meet the criteria outlined in the Group's non-GAAP financial information policy (refer to www.genesisenergy.co.nz/investors/governance/documents for a copy of the policy). These measures are considered to be non-GAAP performance measures. They should not be viewed in isolation nor considered a substitute for measures reported in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS'). Underlying EBITDAF and underlying earnings are used by many companies; however, because these measures are not defined by NZ IFRS they may not be uniformly defined or calculated by all companies. Accordingly, these measures may not be comparable.

There were no differences between reported EBITDAF and underlying EBITDAF.

		6 months ended	
Reconciliation of reported net profit to underlying earnings	Note	31 Dec 2022 unaudited $ million	31 Dec 2021 unaudited $ million
Net profit for the period		**145.3**	84.7
Change in fair value of financial instruments	E2	**(71.5)**	(37.0)
Revaluation of generation assets	B1	**3.2**	-
Impairment of non-current assets		**2.8**	2.5
Unrealised loss on revaluation of carbon units held for trading		**1.3**	0.6
Adjustments before tax expense		**(64.2)**	(33.9)
Tax expense on adjustments		**18.0**	9.5
Adjustments after tax expense		**(46.2)**	(24.4)
Underlying earnings		**99.1**	60.3

	Cents	Cents
Underlying EPS	**9.44**	5.78

A2. Segment reporting

The Group reports activities under four segments as follows:

Segment	Activity
Retail	Supply of energy (electricity, gas and LPG) and related services to end users being Residential customers, Small & Medium Enterprises, Large Businesses and customers of Frank Energy.
Wholesale	Supply of electricity to the wholesale electricity market, supply of gas and LPG to wholesale customers and the Retail segment and the sale and purchase of derivatives to fix the price of electricity.
Kupe	Exploration, development and production of gas, oil and LPG. Supply of gas and LPG to the Wholesale segment and supply of light oil.
Corporate	Head office functions, including human resources, finance, corporate relations, property management, legal, corporate governance and strategy.

The segments are based on the different products and services offered by the Group. All segments operate in New Zealand. No operating segments have been aggregated. The Group has no individual customers that account for 10.0 per cent or more of the Group's external revenue (31 December 2021: none).

Reconciliation of expenses in the consolidated comprehensive income statement to the segment note

Expenses in the consolidated comprehensive income statement includes the following line items in the segment note: external costs, employee benefits and other operating expenses.

Intersegment revenue

Sales between segments is based on transfer prices developed in the context of long-term contracts. The electricity transfer price per MWh charged between Wholesale and Retail was $120.95 (31 December 2021: $105.53).

A2. Segment reporting (continued)

	Six months ended 31 December 2022					Six months ended 31 December 2021				
	Retail unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Total unaudited $ million	Retail unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Total unaudited $ million
Electricity	676.9	238.6	-	-	915.5	685.0	409.8	-	-	1,094.8
Gas	111.6	18.6	-	-	130.2	95.5	68.6	-	-	164.1
LPG	51.8	3.0	-	-	54.8	45.7	9.9	-	-	55.6
Oil	-	-	11.5	-	11.5	-	-	13.7	-	13.7
Emissions on fuel sales and electricity contracts	0.7	6.3	-	-	7.0	0.3	18.2	-	-	18.5
Emission unit revenue from trading	-	33.6	-	-	33.6	-	33.7	-	-	33.7
Other revenue	0.7	0.7	0.5	0.6	2.5	0.8	0.1	0.5	0.6	2.0
Total external revenue	**841.7**	**300.8**	**12.0**	**0.6**	**1,155.1**	**827.3**	**540.3**	**14.2**	**0.6**	**1,382.4**
Intersegment revenue *	-	449.9	44.7	-	494.6	-	411.4	54.9	-	466.3
Total segment revenue	**841.7**	**750.7**	**56.7**	**0.6**	**1,649.7**	**827.3**	**951.7**	**69.1**	**0.6**	**1,848.7**
Electricity purchases	-	(201.4)	-	-	(201.4)	-	(405.5)	-	-	(405.5)
Electricity network, transmission, levies and meters	(266.2)	(7.1)	-	-	(273.3)	(266.6)	(7.6)	-	-	(274.2)
Fuel consumed in electricity generation	-	(43.3)	-	-	(43.3)	-	(106.6)	-	-	(106.6)
Gas purchases	-	(56.3)	-	-	(56.3)	-	(107.1)	-	-	(107.1)
Gas network, transmission, levies and meters	(38.2)	(3.0)	-	-	(41.2)	(35.9)	(8.8)	-	-	(44.7)
LPG purchases, inventory changes and transportation costs	(9.3)	(8.7)	-	-	(18.0)	(7.5)	(7.6)	(0.1)	-	(15.2)
Oil inventory changes, storage and transportation costs	-	-	(0.1)	-	(0.1)	-	-	(0.5)	-	(0.5)
Emissions associated with electricity generation	-	(5.1)	-	-	(5.1)	-	(17.5)	-	-	(17.5)
Emissions associated with fuel sales	-	(13.8)	(11.4)	-	(25.2)	-	(16.2)	(11.9)	-	(28.1)
Emission unit expenses from trading	-	(31.1)	-	-	(31.1)	-	(22.9)	-	-	(22.9)
Other costs	(0.4)	-	(4.8)	-	(5.2)	(0.2)	-	(5.3)	-	(5.5)
Total external costs	**(314.1)**	**(369.8)**	**(16.3)**	**-**	**(700.2)**	**(310.2)**	**(699.8)**	**(17.8)**	**-**	**(1,027.8)**
Intersegment costs *	(449.9)	(44.7)	-	-	(494.6)	(411.4)	(54.9)	-	-	(466.3)
Total segment costs	**(764.0)**	**(414.5)**	**(16.3)**	**-**	**(1,194.8)**	**(721.6)**	**(754.7)**	**(17.8)**	**-**	**(1,494.1)**
Gross margin	**77.7**	**336.2**	**40.4**	**0.6**	**454.9**	**105.7**	**197.0**	**51.3**	**0.6**	**354.6**
Employee benefits	(34.9)	(17.4)	-	(14.7)	(67.0)	(32.0)	(16.5)	-	(15.5)	(64.0)
Other operating expenses	(46.4)	(22.6)	(12.6)	(8.0)	(89.6)	(39.6)	(20.3)	(11.0)	(9.4)	(80.3)
EBITDAF	**(3.6)**	**296.2**	**27.8**	**(22.1)**	**298.3**	**34.1**	**160.2**	**40.3**	**(24.3)**	**210.3**

* The intersegment revenue and expenses have been split out in full on the next page.

A2. Segment reporting (continued)

	Six months ended 31 December 2022					Six months ended 31 December 2021				
	Retail unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Total unaudited $ million	Retail unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Total unaudited $ million
EBITDAF	**(3.6)**	**296.2**	**27.8**	**(22.1)**	**298.3**	**34.1**	**160.2**	**40.3**	**(24.3)**	**210.3**
Depreciation, depletion and amortisation	(13.5)	(85.1)	(17.9)	(3.4)	(119.9)	(11.9)	(69.9)	(20.6)	(3.6)	(106.0)
Impairment of non-current assets	-	(2.8)	-	-	(2.8)	(2.0)	(0.5)	-	-	(2.5)
Revaluation of generation assets	-	(3.2)	-	-	(3.2)	-	-	-	-	-
Change in fair value of financial instruments	(0.2)	73.1	(1.7)	0.3	71.5	-	37.1	-	(0.1)	37.0
Share of associates and joint ventures	0.1	(0.5)	-	-	(0.4)	(3.0)	(0.4)	-	-	(3.4)
Other gains (losses)	-	(1.6)	-	0.3	(1.3)	0.1	12.9	-	0.3	13.3
Profit (loss) before net finance expense and income tax	**(17.2)**	**276.1**	**8.2**	**(24.9)**	**242.2**	**17.3**	**139.4**	**19.7**	**(27.7)**	**148.7**
Finance revenue	-	0.1	-	0.6	0.7	0.1	-	-	0.1	0.2
Finance expense	(0.3)	(3.9)	(2.2)	(34.1)	(40.5)	(0.2)	(1.8)	(1.4)	(27.2)	(30.6)
Profit (loss) before income tax	**(17.5)**	**272.3**	**6.0**	**(58.4)**	**202.4**	**17.2**	**137.6**	**18.3**	**(54.8)**	**118.3**
Other segment information										
Capital expenditure excluding leased assets	7.9	15.7	6.8	-	30.4	11.0	20.0	6.5	0.6	38.1

	Six months ended 31 December 2022					Six months ended 31 December 2021				
Intersegment analysis	Retail unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Total unaudited $ million	Retail unaudited $ million	Wholesale unaudited $ million	Kupe unaudited $ million	Corporate unaudited $ million	Total unaudited $ million
Electricity - intersegment	-	373.0	-	-	373.0	-	347.1	-	-	347.1
Gas - intersegment	-	60.4	31.3	-	91.7	-	49.2	38.1	-	87.3
LPG - intersegment	-	16.5	8.3	-	24.8	-	15.1	10.7	-	25.8
Emissions on fuel sales - intersegment	-	-	5.1	-	5.1	-	-	6.1	-	6.1
Intersegment revenue	**-**	**449.9**	**44.7**	**-**	**494.6**	**-**	**411.4**	**54.9**	**-**	**466.3**
Electricity purchases - intersegment	(373.0)	-	-	-	(373.0)	(347.1)	-	-	-	(347.1)
Fuel consumed in electricity generation - intersegment	-	(31.3)	-	-	(31.3)	-	(38.1)	-	-	(38.1)
Gas purchases - intersegment	(60.4)	-	-	-	(60.4)	(49.2)	-	-	-	(49.2)
LPG purchases, inventory changes and transportation costs - intersegment	(16.5)	(8.3)	-	-	(24.8)	(15.1)	(10.7)	-	-	(25.8)
Emission costs - intersegment	-	(5.1)	-	-	(5.1)	-	(6.1)	-	-	(6.1)
Intersegment costs	**(449.9)**	**(44.7)**	**-**	**-**	**(494.6)**	**(411.4)**	**(54.9)**	**-**	**-**	**(466.3)**

A3. Depreciation, depletion and amortisation

	6 months ended 31 Dec 2022 unaudited $ million	6 months ended 31 Dec 2021 unaudited $ million
Property, plant and equipment	**91.0**	75.3
Oil and gas assets	**17.1**	19.5
Intangibles (excluding amortisation of deferred customer acquisition costs)	**11.8**	11.2
Total	**119.9**	106.0

B. Operating assets

B1. Property, plant and equipment

	6 months ended 31 Dec 2022 unaudited $ million	Year ended 30 Jun 2022 audited $ million
Opening balance	**3,738.7**	3,485.4
Additions	**47.3**	58.8
Revaluation of generation assets		
Increase taken to revaluation reserve	**436.5**	344.1
(Decrease)/increase taken to the income statement	**(3.2)**	9.6
Change in rehabilitation and contractual arrangement assets	**-**	0.8
Transfer from/(to) intangible assets	**0.4**	(0.9)
Disposals	**(0.1)**	(2.4)
Impairment	**(2.8)**	(1.8)
Depreciation expense recognised in inventories	**(0.1)**	(1.2)
Depreciation expense	**(91.0)**	(153.7)
Closing balance	**4,125.7**	**3,738.7**

Property, plant and equipment includes $89.7 million of leased assets (30 June 2022: $65.8 million).

Generation assets

Generation assets were revalued at 31 December 2022 to $3,897.5 million (30 June 2022: $3,531.2 million) resulting in a net gain on revaluation of $433.3 million (30 June 2022: $353.7 million). The revaluation gain was principally driven by an increase in wholesale electricity prices and delays in future build assumptions, partially offset by higher fuel costs and an increase in the Weighted Average Cost of Capital assumptions. The revaluation decrease recognised in the income statement reflects a small valuation decrease for Huntly Rankine units.

The valuation is based on a discounted cash flow model prepared by Management, calculated by generating scheme, except for the Huntly site where it is calculated by type of unit (Rankine units, unit 5 and unit 6). As the key inputs into the valuation are based on unobservable market data, the valuation is classified as level three in the fair value hierarchy. It requires significant judgement, and therefore there is a range of reasonably possible assumptions that could be used in estimating the fair value. Refer to the 2022 Annual Report for an overview of the fair value hierarchy.

B1. Property, plant and equipment (continued)

Key estimates and judgements

Wholesale electricity price path
The wholesale electricity price path is the key driver of changes in the valuation. The price path is an average of the internally generated price path and price paths published by two independent third parties, and as a result reflects the uncertainty surrounding Tiwai Point smelter operating beyond 2024 and the impact of the New Zealand Government's climate change policy, both of which could have an impact on future prices.

Internally generated price path
The internally generated price path assumes wholesale electricity demand will continue to grow based on the latest available industry analysis and Genesis' view of future economic growth. As the internally generated price path is underpinned by 83 years of historical hydrological inflow data, the impact of climate change on hydrology over this period has been reflected in the internally generated price path. New and retiring generation plant assumptions are based on publicly available information and Genesis' view on wholesale electricity prices required to support the plant. The internally generated price path assumes that Tiwai Point smelter will continue to operate beyond 2024.

Price paths published by independent third parties
Independent third party price path assumptions on the future of Tiwai Point smelter range from Tiwai Point smelter exiting in 2025 through to operating beyond 2025 or the generation load consumed by Tiwai Point smelter being replaced by other major industrial loads beyond 2025. However, consensus is now shifting towards Tiwai Point remaining open which is reflected in the 2025 ASX energy futures pricing.

Significant unobservable inputs in the valuation model were:

Significant unobservable inputs	Method used to determine input	Sensitivity range	Increase/ (decrease) in fair value	Interrelationships between unobservable inputs
Wholesale electricity price path	The average annual wholesale electricity price ranged between $115 per MWh and $186 per MWh referenced to the Otahuhu 220KV locational node from January 2023 to June 2042.	+10% - 10%	$598 million ($598) million	Hydrological inflows affect generation volumes, as well as wholesale electricity prices.
Generation volumes	In-house modelling of the wholesale electricity market has been used to determine the generation volumes required to meet energy demand both on a wholesale market and asset level basis. The generation volumes used in the valuation range between 2,692 GWh and 6,724 GWh per annum. The low end of the range is where there is no thermal generation.	+10% - 10%	$485 million ($485) million	Wholesale electricity prices affect the amount of generation.
Discount rate	Pre-tax equivalent discount rate of 10.8%.	+1% - 1%	($299) million $371 million	Discount rate is independent of wholesale electricity prices and generation volumes.

Other key assumptions

The valuation also includes assumptions around market fuel and electricity supply and demand. Our longer term demand assumption increases from industrial electrification and electric vehicle fleet growth in response to climate change. Changes in these interrelated factors will impact the wholesale electricity price path and generation volumes. These factors are reviewed for reasonableness by senior management personnel who are responsible for the price path used by the business.

B2. Oil and gas assets

	6 months ended 31 Dec 2022 unaudited $ million	Year ended 30 Jun 2022 audited $ million
Opening balance	**286.9**	293.9
Additions	**6.8**	10.3
Change in rehabilitation asset	**(12.9)**	20.1
Depreciation and depletion expense	**(17.1)**	(37.4)
Closing balance	**263.7**	286.9

Depletion of oil and gas producing assets, excluding major inspection costs, is calculated on a unit-of-production basis using proved remaining reserves ('1P') estimated to be obtained from, or processed by, the specific asset. Since 30 June 2022 the only change to the estimated remaining reserves disclosed in the 2022 Annual Report was in relation to actual production for the six months ended 31 December 2022 of 12.6 PJe. The estimated remaining reserves balance as at 31 December 2022 was 196.0 PJe for proved reserves (1P) and 237.8 PJe for proved and probable reserves (2P) (30 June 2022: 208.6 PJe and 250.4 PJe respectively).

C. Working capital

C1. Receivables and prepayments

	31 Dec 2022 unaudited $ million	30 Jun 2022 audited $ million
Total trade receivables and accrued revenue	**187.9**	200.1
Advances to associates and joint ventures	**0.7**	0.6
Lease receivable	**6.9**	9.9
Emission units receivable	**26.8**	20.5
Other receivables	**5.8**	10.2
Prepayments	**17.5**	5.4
Total	**245.6**	246.7
Current	**244.1**	243.1
Non-current	**1.5**	3.6
Total	**245.6**	246.7

C2. Inventories

	31 Dec 2022 unaudited $ million	30 Jun 2022 audited $ million
Fuel	**164.5**	150.5
Petroleum products	**2.8**	2.4
Consumables and spare parts	**31.4**	30.3
Emission units held for trading	**37.6**	19.7
Total	**236.3**	202.9
Current	**183.6**	202.9
Non-current	**52.7**	-
Total	**236.3**	202.9

Fuel, petroleum, consumables and spare parts

Fuel inventories mainly consist of coal used in electricity production. Fuel inventories (excluding natural gas) expensed during the period amounted to $3.0 million (31 December 2021: $28.8 million).

Emission units held for trading

Emission units held for trading are measured at fair value. Changes in the fair value are recognised in the income statement within other gains (losses). The fair value is determined using CommTrade's forward curve. As the fair value is calculated using inputs that are not quoted prices, the units are classified as level two in the fair value hierarchy. Refer to the 2022 Annual Report for an overview of the fair value hierarchy.

D. Funding

D1. Borrowings

	31 Dec 2022 unaudited $ million	30 Jun 2022 audited $ million
Sustainable Financing		
Green bonds	**122.2**	123.6
Green capital bonds	**271.9**	280.9
Other Financing		
Revolving credit facility	-	20.0
Term loan facility	**30.0**	30.0
Money market	**6.5**	5.5
Commercial paper	**149.3**	144.5
Wholesale term notes	**272.3**	322.6
Capital bonds	**238.6**	238.5
United States Private Placement ('USPP')	**226.5**	238.6
Lease liability	**116.2**	89.1
Total	**1,433.5**	1,493.3
Current	**283.4**	292.0
Non-current	**1,150.1**	1,201.3
Total	**1,433.5**	1,493.3

Revolving credit facilities

Available revolving credit facilities	31 Dec 2022 unaudited $ million	30 Jun 2022 audited $ million
Sustainable Financing	**250.0**	250.0
Other Financing	**225.0**	275.0
Total available revolving credit facilities	**475.0**	525.0
Revolving credit drawn down (excluding accrued interest)	-	20.0
Total undrawn revolving credit facilities	**475.0**	505.0

The Group has $250.0 million of sustainability linked revolving credit facilities. The Sustainable Finance facilities have variable payments that are linked to performance against the Group's sustainability targets.

During the period $75.0 million of facilities matured and there was $25.0 million of other financing secured.

The undrawn facilities ensure the Group will have sufficient funds to meet its liabilities when due, under both normal and stressed conditions.

Fair value of borrowings held at amortised cost

	31 Dec 2022 Carrying value unaudited $ million	31 Dec 2022 Fair value unaudited $ million	30 Jun 2022 Carrying value audited $ million	30 Jun 2022 Fair value audited $ million
Level one				
Green bonds	**122.2**	**116.6**	123.6	120.5
Green capital bonds	**271.9**	**276.7**	280.9	283.2
Capital bonds	**238.6**	**239.7**	238.5	240.4
Level two				
Term loan facility	**30.0**	**29.8**	30.0	30.1
Wholesale term notes	**272.3**	**257.6**	322.6	314.6
USPP	**226.5**	**230.3**	238.6	241.7

The carrying value of all other borrowings approximates their fair values.

Level two - Fair value calculation

The valuation of the term loan facility and the wholesale term notes is based on estimated discounted cash flow analyses, using applicable market yield curves adjusted for the Group's credit rating. The credit-adjusted market yield curves used in the valuation at the reporting date ranged from 5.0 per cent to 6.3 per cent (30 June 2022: 2.8 per cent to 5.3 per cent).

The valuation of USPP is based on estimated discounted cash flow analyses, using applicable United States market yield curves adjusted for the Group's credit rating. The credit-adjusted market yield used in the valuation at the reporting date was 4.8 per cent (30 June 2022: 3.8 per cent).

D2. Finance expense

	6 months ended 31 Dec 2022 unaudited $ million	6 months ended 31 Dec 2021 unaudited $ million
Interest on borrowings (excluding capital bonds and lease liability)	**18.7**	13.6
Interest on capital bonds	**14.5**	12.8
Interest on lease liability	**3.7**	1.8
Total interest on borrowings	**36.9**	28.2
Other interest and finance charges	**0.6**	0.7
Time value of money adjustments on provisions	**3.1**	2.2
Capitalised finance expenses	**(0.1)**	(0.5)
Total	**40.5**	30.6

D3. Dividends

	6 months ended 31 Dec 2022 Cents per share unaudited	6 months ended 31 Dec 2022 $ million unaudited	6 months ended 31 Dec 2021 Cents per share unaudited	6 months ended 31 Dec 2021 $ million unaudited
Dividends declared and paid during the period				
Prior period final dividend	**8.90**	**93.4**	8.80	91.8
Less shares issued under the dividend reinvestment plan		**(20.2)**		-
Cash dividend paid		**73.2**		91.8
Dividends declared subsequent to reporting date				
Current period interim dividend	**8.80**	**93.1**	8.70	90.8

The proposed interim dividend will be imputed at 100%, all other dividends noted above were imputed at 80%.

E. Risk management

E1. Derivatives

	31 Dec 2022 unaudited $ million	30 Jun 2022 audited $ million
Electricity swaps and options and Power Purchase Agreements ('PPAs')	**100.7**	(4.1)
Oil price swaps	**(1.5)**	(11.6)
Interest rate swaps	**36.3**	34.3
Cross currency interest rate swaps ('CCIRS')	**27.7**	40.6
Foreign exchange contracts	**0.3**	(0.3)
Other derivatives	**1.7**	2.9
Total	**165.2**	61.8
Current assets	**91.8**	122.7
Non-current assets	**194.1**	148.5
Current liabilities	**(91.2)**	(144.1)
Non-current liabilities	**(29.5)**	(65.3)
Total	**165.2**	61.8

The process and method of valuing derivatives is outlined in note E3.

E2. Change in fair value of financial instruments

	6 months ended 31 Dec 2022 unaudited $ million	6 months ended 31 Dec 2021 unaudited $ million
CCIRS	**(7.9)**	(5.2)
Interest rate swaps	**(11.3)**	(6.4)
Fair value interest rate risk adjustment on borrowings	**19.3**	11.9
Fair value hedges – gain (loss)	**0.1**	0.3
Oil swaps	**(1.7)**	-
Cash flow hedges – hedge ineffectiveness – gain (loss)	**(1.7)**	-
Electricity swaps and options and PPAs	**74.4**	41.5
Other derivatives	**(1.3)**	(4.8)
Derivatives not designated as hedges – gain (loss)	**73.1**	36.7
Total change in fair value of financial instruments	**71.5**	37.0

E3. Fair value measurement

Fair value hierarchy

Generation assets disclosed in note B1, emission units held for trading disclosed in note C2 and derivatives disclosed in note E1 are the only assets and liabilities carried at fair value in the balance sheet. The Group's assets and liabilities measured at fair value are categorised into one of three levels. The levels are outlined in the 2022 Annual Report.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels at the date the change in circumstances occurred. There were no transfers between levels one, two and three during the period (31 December 2021: nil).

Valuation of level two derivatives

The fair values of level two derivatives are determined using discounted cash flow models. The key inputs in the valuation models are the same as those disclosed in the 2022 Annual Report.

Valuation of level three derivatives

Valuation method and process

The method and process used to value level three derivatives is consistent with that disclosed in the 2022 Annual Report.

Level two and three derivatives carried at fair value

All derivatives disclosed in E1 other than electricity swaps and options and PPAs are considered level two. The $100.7 million electricity swaps and options and PPAs net asset comprises a $1.1 million asset classified as level two and a $99.6 million asset classified as level three (30 June 2022: $2.2 million asset and $6.3 million liability respectively).

Reconciliation of level three electricity swaps and options and PPAs	6 months ended 31 Dec 2022 unaudited $ million	Year ended 30 Jun 2022 audited $ million
Opening balance	**(6.3)**	(129.1)
Electricity revenue	**40.7**	50.6
Change in fair value of financial instruments	**75.5**	134.4
Total gain in the income statement	**116.2**	185.0
Total gain (loss) recognised in other comprehensive income	**28.2**	(49.5)
Settlements	**(27.6)**	13.5
Sales	**(10.9)**	(26.2)
Closing balance	**99.6**	(6.3)

The change in fair value of financial instruments includes an unrealised net gain of $69.0 million (30 June 2022: $136.2 million gain) that is attributable to financial instruments held at 31 December 2022.

Valuation of electricity swaps and options and PPAs

The valuation is based on a discounted cash flow model. The key inputs and assumptions are: the callable volumes, strike price and option fees outlined in the agreement, the wholesale electricity price path ('price path'), the probability of the underlying plant construction proceeding, the most likely operations commencement date, 'day one' gains and losses and the discount rate. The options are deemed to be called when the price path is higher than the strike prices after taking into account obligations relating to the specific terms of each contract. The price path is the significant unobservable input in the valuation model. Refer to B1 for information in relation to the method and judgements used to determine the price path.

	31 Dec 2022 unaudited	30 Jun 2022 audited
Price path	$115 per MWh to $186 per MWh over the period from 1 January 2023 to 31 August 2045.	$98 per MWh to $191 per MWh over the period from 1 July 2022 to 28 February 2045.
Impact of increase/ decrease in price path on fair value	A 10% increase would increase the asset by $67.9 million. A 10% decrease would decrease the asset by $65.6 million.	A 10% increase would decrease the liability by $67.5 million. A 10% decrease would increase the liability by $57.4 million.
Discount rate	4.7% - 8.8%	2.8% - 8.45%

Deferred 'day one' gains (losses)

There is a presumption that when derivative contracts are entered into on an arm's length basis, and no payment is received or paid on day one, the fair value at inception would be nil. The contract price of non-exchange traded electricity derivative contracts and PPAs are agreed on a bilateral basis, the pricing for which may differ from the prevailing derived market price for a variety of reasons. In these circumstances an adjustment is made to bring the initial fair value of the contract to zero at inception. The adjustment is called a 'day one' gain (loss) and is deferred and amortised, based on expected volumes over the term of the contract. The following table details the movements and amounts of deferred 'day one' gains (losses) included in the fair value of level three electricity swaps and options and PPAs:

	6 months ended 31 Dec 2022 unaudited $ million	Year ended 30 Jun 2022 audited $ million
Opening balance	**103.3**	100.7
New derivatives	**7.6**	24.4
Amortisation of existing derivatives	**(10.4)**	(21.8)
Closing balance	**100.5**	103.3

F. Other

F1. Related party transactions

The majority shareholder of Genesis is the Crown. The Group transacts with Crown-controlled and related entities independently for the following goods and services: royalties, emission obligations, scientific consultancy services, electricity transmission, postal services, rail services and energy-related products (including electricity derivatives).

During the period the Crown received $47.9 million in dividends (31 December 2021: $47.0 million) of which $37.5 million was paid in cash (31 December 2021: $47.0 million) and $10.4 million was paid in shares (31 December 2021: nil). The Group is also subject to the Emission Trading Scheme (ETS) which requires the Group to acquire and surrender emission units either directly to the Crown or to third parties who ultimately remit the units to the Crown. Refer to note A2 for information on the amount expensed in relation to the ETS. The amount payable in relation to ETS at 31 December 2022 was $83.4 million (30 June 2022: $53.2 million). There were no other individually significant transactions with the Crown during the period (31 December 2021: nil).

The Group has three significant electricity swap contracts with Meridian Energy, a Crown-controlled entity. The electricity swap contracts profile and period vary between the range of 12.5MW and 25MW, from the period 1 January 2011 to 31 December 2025. Additionally, the Group has two significant power purchase agreements with Mercury NZ, a Crown-controlled entity. The agreements are for variable volumes based on the production of the related site, with the latest expiry date expecting to be August 2045.

Other transactions with Crown-controlled and related entities, which are collectively but not individually significant, relate to the sale of electricity derivatives. Approximately 21.9 per cent of the value of electricity derivative assets and approximately 25.1 per cent of the value of electricity derivative liabilities held at the reporting date were held with Crown-controlled and related entities (30 June 2022: 25.7 per cent and 38.2 per cent respectively). The contracts expire at various times; the latest expiry date is expected to be August 2045.

F2. Commitments

As at 31 December 2022 the Group had $49.2 million of capital commitments (30 June 2022: $22.1 million).

F3. Contingent assets and liabilities

No new contingent assets or liabilities have arisen since 30 June 2022 and there has been no change in the contingent liabilities disclosed in the 2022 Annual Report.

F4. Subsequent events

The following events occurred subsequent to the reporting date:

- $93.1 million of dividends were declared on 24 February 2023 (refer to note D3);
- Genesis, together with the Kupe Joint Venture parties NZ Oil & Gas and Beach Energy, have committed to invest in a development well within the existing permit area to access undeveloped field reserves.

Deloitte.

Pūrongo Arotake Motuhake
Independent auditor's review report

To The Shareholders Of Genesis Energy Limited

Auditor General

The Auditor-General is the auditor of Genesis Energy Limited ('the Company') and its subsidiaries (the Group). The Auditor-General has appointed me, Bryce Henderson, 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 6 to 20, which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement for the six months ended on that date, and the notes including a summary of significant accounting policies and other explanatory 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 2022, 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 Auditor General's ethical requirements relating to the audit of the annual financial statements, which incorporate the relevant independence requirements issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for the Group in the areas of trustee reporting and non-assurance services to the Corporate Taxpayer Group and general sustainability training. These services have not impaired our independence as auditor of the Group.

In addition to these assignments, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the Group. Other than these assignments and trading activities, 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.

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 does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Bryce Henderson
for Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand
24 February 2023

GENESIS ENERGY LIMITED
Interim Report 2023

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