

Monthly Operating Report

February 2023



February overview¹.

For the month of February 2023

- » The Customer business recorded:
 - Mass market electricity and gas sales of 251GWh (February 2022: 262GWh)
 - Mass market netback of \$119.90/MWh (February 2022: \$109.14/MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 509GWh (February 2022: 557GWh)
 - Electricity and steam net revenue of \$99.80/MWh (February 2022: \$93.65MWh)
 - Electricity generated (or acquired) of 542GWh (February 2022: 597GWh)
 - The unit generation cost, which includes acquired generation was \$37.30/MWh (February 2022: \$36.80/MWh)
 - Own generation cost in the month of \$37.30/MWh (February 2022: \$32.10/MWh)
- » Tauhara project progress vs. target for February 2023 was 87% vs. 89%²
- » Otahuhu futures settlement wholesale price for the 2nd quarter of 2023 (ASX):
 - As at 10 March 2023: \$195/MWh
 - As at 28 February 2023: \$202/MWh
 - As at 31 January 2023: \$215/MWh
- » As at 12th March 2023, South Island controlled storage was 95% of mean and North Island controlled storage was 193% of mean
 - As at 12th March 2023, total Clutha scheme storage was 75% of mean
 - Inflows into Contact's Clutha catchment for February 2023 were 19% of mean. (January 2023: 50%, December 2022: 76%, November 2022: 117%)
- » Contact's contracted gas volume (including contracted swaps) for the next 12 months is 14.6PJ³

Prior periods restated to account for metering costs, previously included within 'Cost to serve', have been reclassified to 'Electricity direct pass thru costs' to better reflect the direct nature of these costs and to improve comparability with the industry.

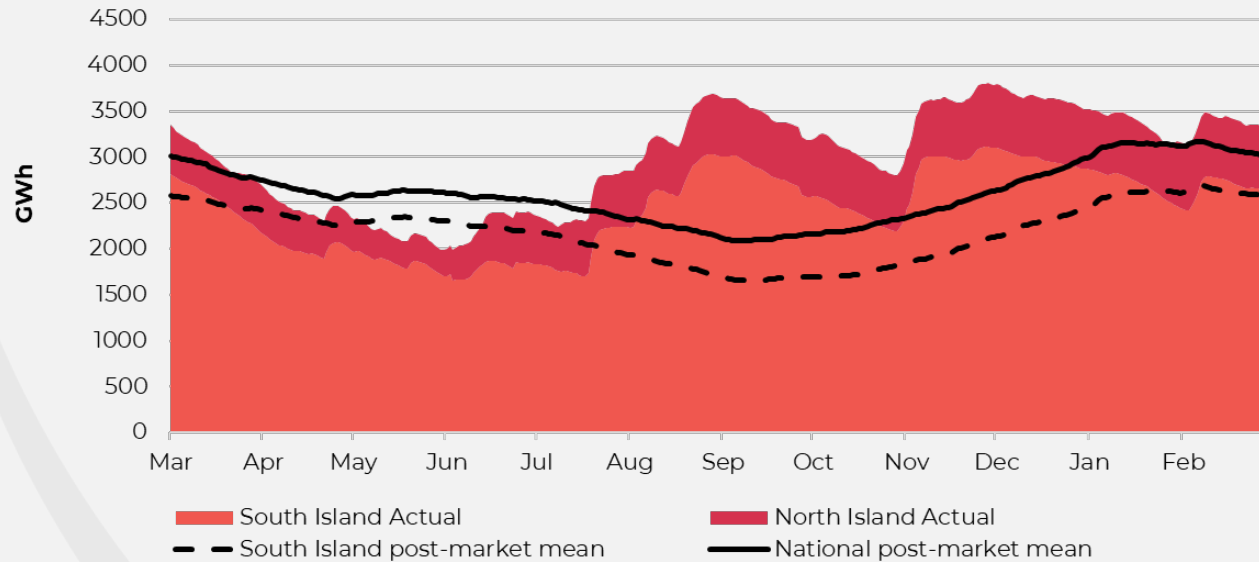
¹ All amounts in this operating report are shown excluding a \$120 million onerous contract provision (\$86 million after tax) for AGS recognized in December 2022.

² The progress target for Tauhara follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the project nears completion in Q4 of 2023.

³ Forecast gas volumes as notified by suppliers, actual gas received is dependent on field delivery. This excludes gas available at AGS.

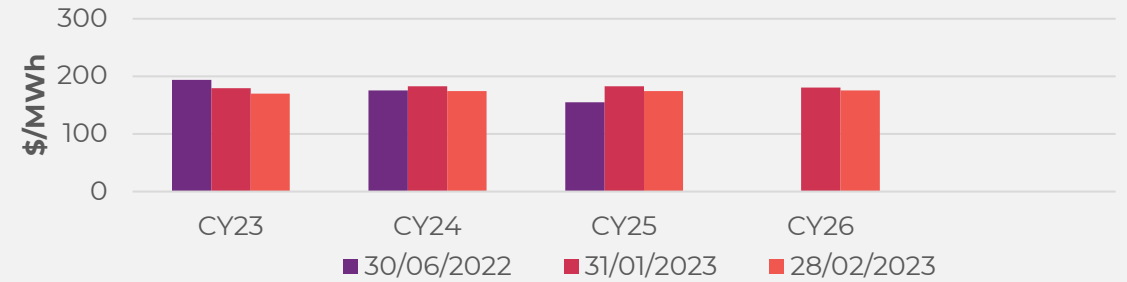
Hydro storage and forward prices.

New Zealand controlled hydro storage against mean
12 MONTHS

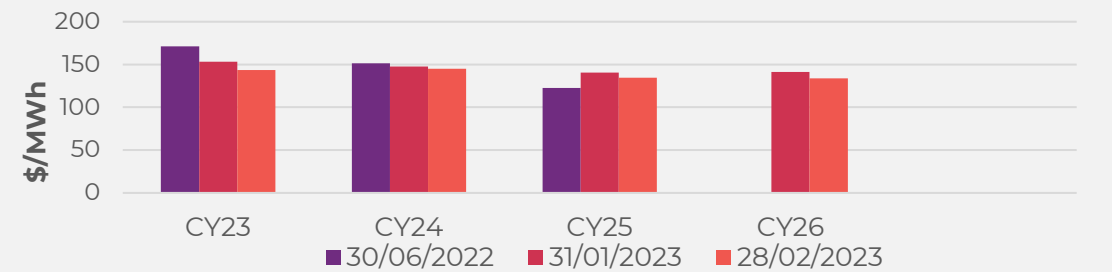


ASX futures settlement

Otahuhu

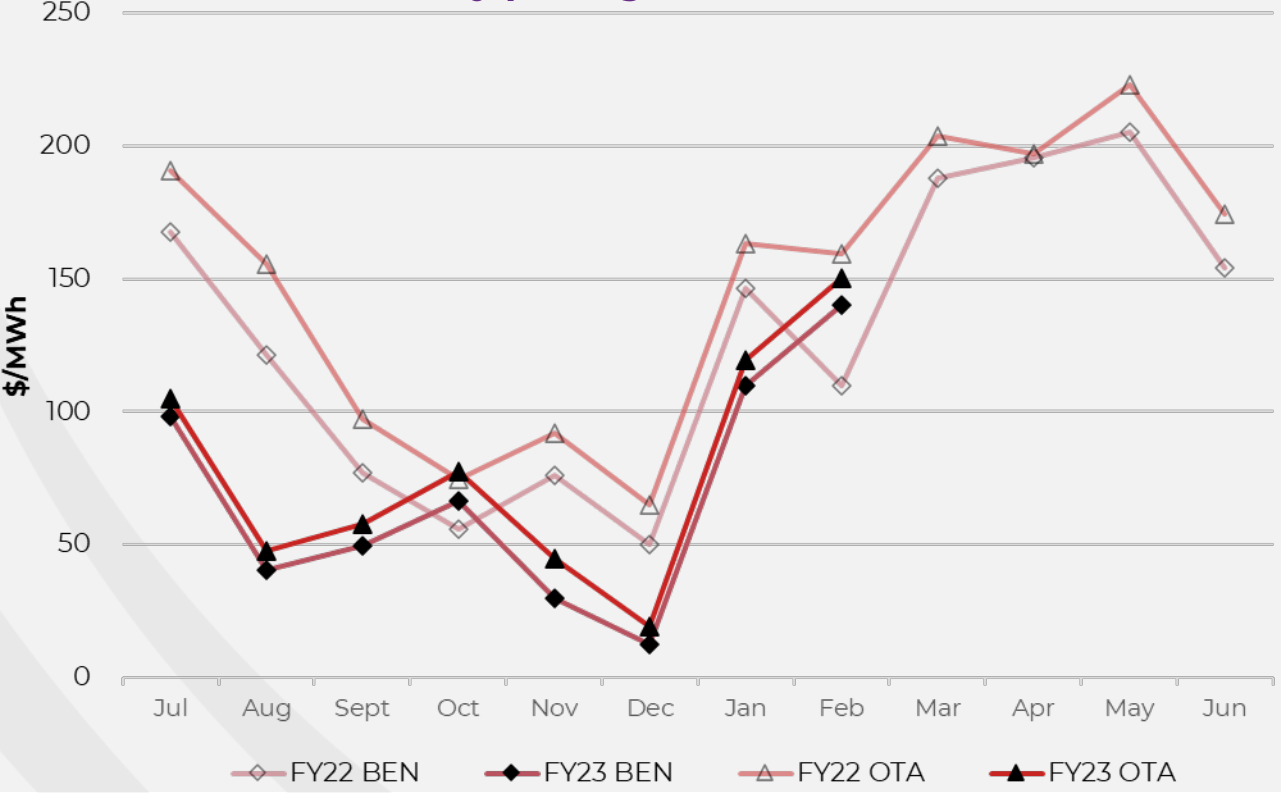


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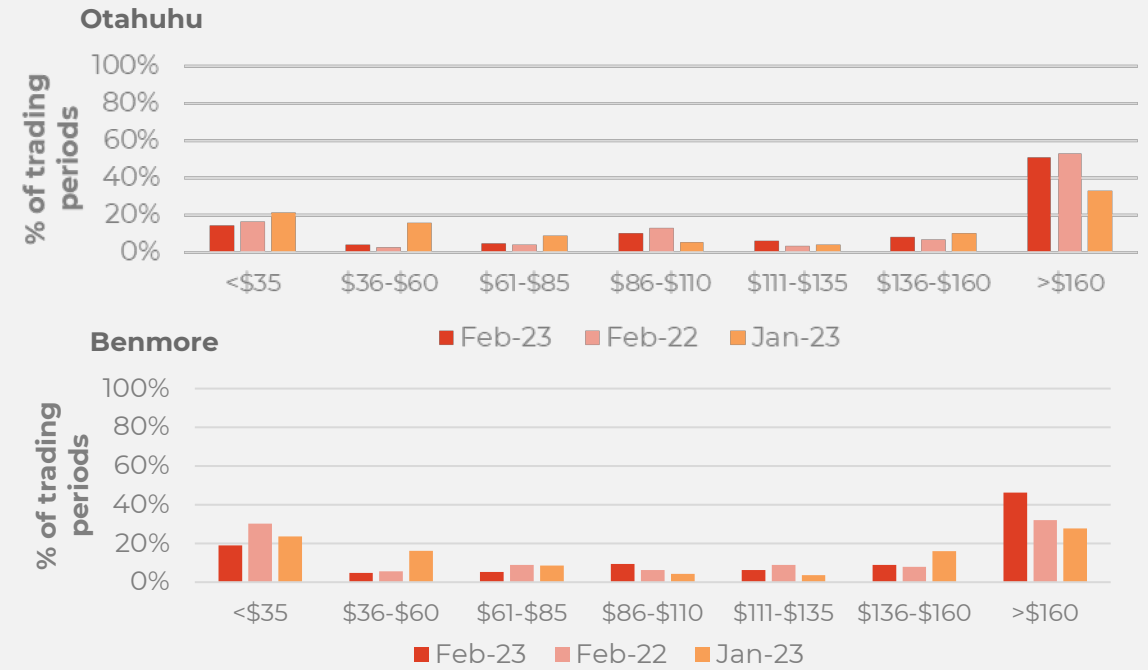


Wholesale market.

Wholesale electricity pricing



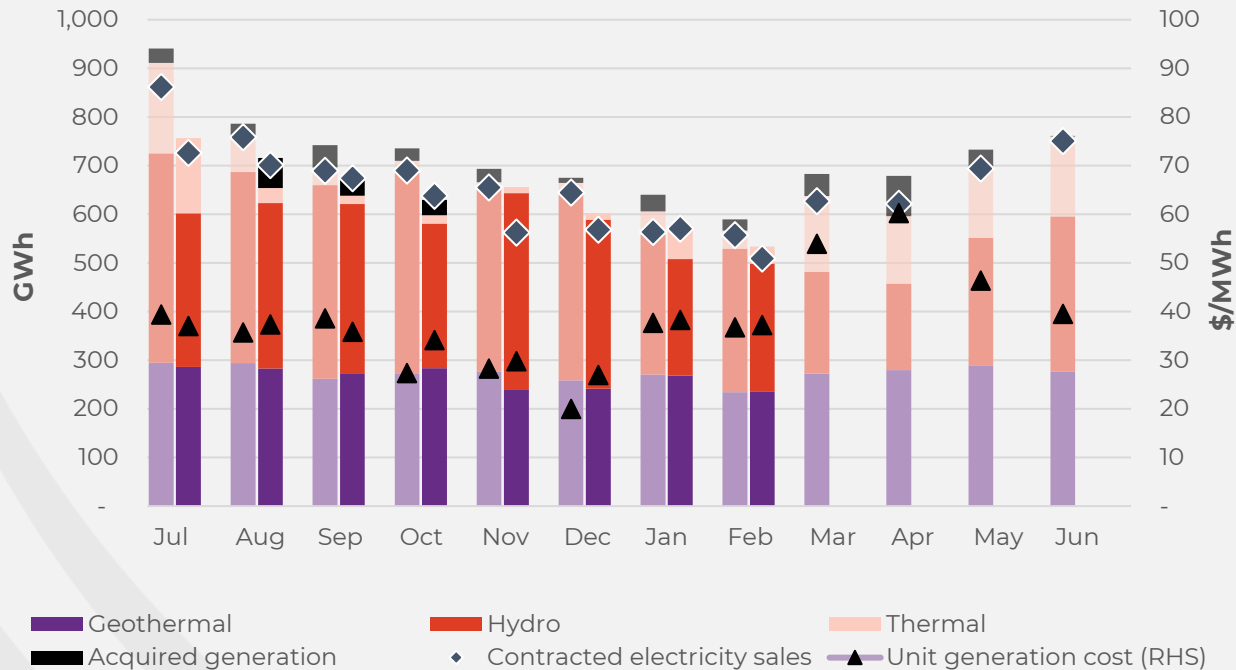
Distribution of wholesale market price by trading periods



Business performance.

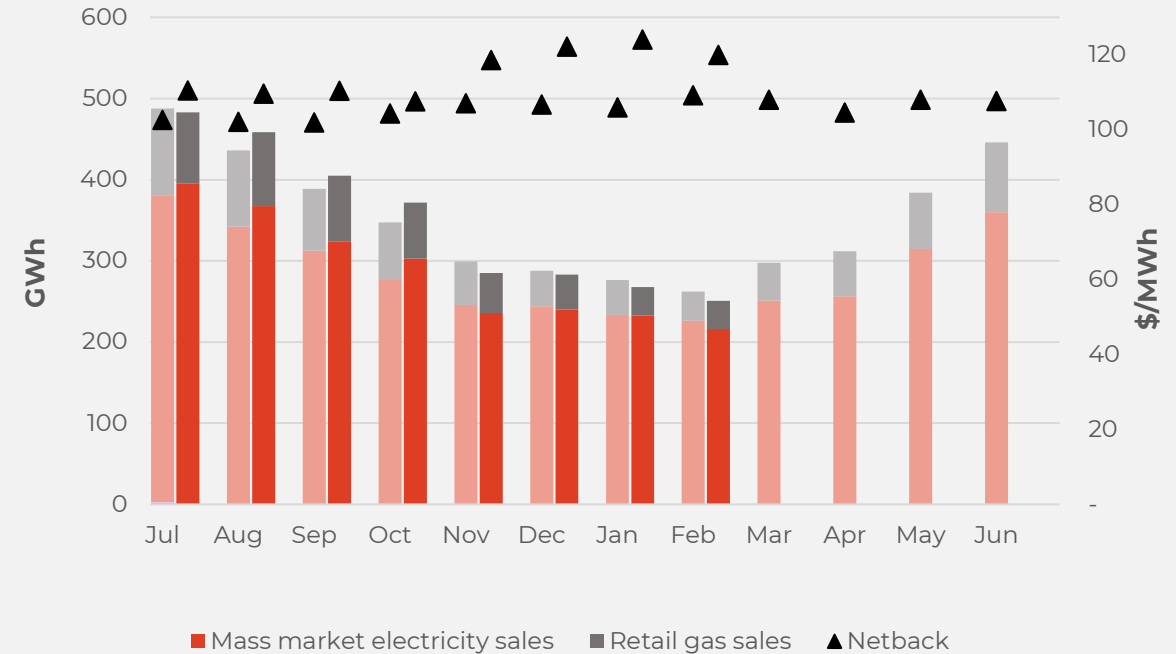
Wholesale

Generation mix, gross sales position and unit generation cost (FY22 and 23 respectively)



Retail

Retail sales volumes and netback (FY22 and 23 respectively)



Operational data.

		Measure	The month ended February 23	The month ended February 22	The month ended January 23	Eight months ending February 23	Eight months ending February 22
Retail	Mass market electricity sales	GWh	216	226	232	2,314	2,260
	Retail gas sales	GWh	35	36	35	491	523
	Mass market electricity and gas sales	GWh	251	262	268	2,805	2,782
	Average electricity sales price	\$/MWh	284.83	263.85	290.23	264.30	251.79
	Electricity direct pass thru costs	\$/MWh	(131.44)	(123.60)	(135.10)	(120.16)	(117.35)
	Cost to serve	\$/MWh	(21.97)	(22.80)	(20.69)	(16.34)	(16.12)
	Customer netback	\$/MWh	119.90	109.14	124.05	114.07	104.49
	Energy cost	\$/MWh	(117.88)	(101.72)	(110.31)	(112.33)	(96.70)
	Actual electricity line losses	%	7%	9%	6%	6%	7%
	Retail gas sales	PJ	0.1	0.1	0.1	1.8	1.9
	Electricity ICPs	#	425,500	426,500	424,500	428,000	418,000
Gas ICPs	#	69,500	69,500	69,500	70,500	67,500	
Broadband connections	#	82,000	66,000	79,000	76,500	59,500	
Wholesale	Electricity sales to Customer business	GWh	233	249	248	2,470	2,426
	Electricity sales to Commercial and Industrial	GWh	123	112	135	1,084	946
	Electricity CFD sales	GWh	152	196	187	1,397	2,049
	Contracted electricity sales	GWh	509	557	570	4,951	5,421
	Steam sales	GWh	53	50	41	430	456
	Total electricity and steam net revenue	\$/MWh	99.80	93.65	97.18	99.91	98.21
	C&I netback (at the ICP)	\$/MWh	110.58	97.01	107.20	115.11	86.59
	C&I line losses	%	4%	12%	4%	4%	5%
	Thermal generation	GWh	35	37	61	341	446
	Geothermal generation	GWh	235	235	268	2,109	2,164
	Hydro generation	GWh	264	294	239	2,556	2,973
	Spot electricity sales	GWh	534	566	568	5,007	5,583
	Electricity sales – Direct	GWh	8	7	9	62	63
	Acquired generation	GWh	0	23	-	131	219
	Electricity generated (or acquired)	GWh	542	597	577	5,200	5,865
	Unit generation cost (including acquired generation) ¹	\$/MWh	(37.26)	(36.78)	(38.30)	(34.65)	(33.24)
	Spot electricity purchases	GWh	(349)	(354)	(374)	(3,493)	(3,310)
	CFD sale settlements	GWh	(152)	(196)	(187)	(1,397)	(2,049)
	Spot exposed purchases / CFD settlement	GWh	(501)	(550)	(562)	(4,890)	(5,358)
	Spot revenue and settlement on acquired generation (GWAP)	\$/MWh	151.84	138.59	114.66	73.87	112.56
	Spot purchases and settlement on CFDs sold (LWAP)	\$/MWh	(158.50)	(146.98)	(128.89)	(82.19)	(121.49)
	LWAP/GWAP	%	104%	106%	112%	111%	108%
	Gas used in internal generation	PJ	0.5	0.5	0.8	4.8	5.6
Gas storage net movement (extraction) / injection	PJ	0.1	0.1	0.0	2.2	2.0	
Tauhara progress tracking actual (<i>target</i>)			87% (89%)	N/A	84% (85%)	N/A	N/A
Contact	Total customer connections	#	583,000	568,000	579,000	580,000	552,500

¹ Unit generation costs is calculated excluding a \$120 million onerous contract provision (\$86 million after tax) for AGS.

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q2 FY23	Q2 FY22
Climate Change	Greenhouse Gas (GHG) Emissions from generation assets ¹	kt CO ² -e	111	118
	GHG intensity of generation ²	kt CO ² -e / GWh	0.060	0.058
Water	Water Freshwater take ³	Million cubic metres	0.60	0.76
	Non-consumptive water usage ⁴	Million cubic metres	4,630	4,801
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	2.90	3.58
Biodiversity	Native rakau (trees) planted by Contact ⁵	#	26,364	18,434
	Pests caught ⁶	#	643	1,893
Community	Community initiatives and organisations supported	#	22	23
Inclusion and Diversity	Board	% Women/ % Men	57% / 43%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	27% / 73%
Inclusion and Diversity	Employee Gender balance ⁷	% Women/ % Men	46% / 53%	45% / 54%

Note: This information is updated quarterly (September, December, March, June)

¹ Scope 1 – Stationary combustion. In FY22 stationary combustion was 99.96% of Contact's total Scope 1 emissions

² Carbon equivalent from stationary combustion / electricity generated and sold via the spot wholesale market

³ Freshwater taken to support operations at geothermal and thermal

⁴ Water that flows through our Roxburgh power station and cooling water for our geothermal power stations

⁵ Does not include DrylandsCarbon/Forest Partners activities

⁶ Predominantly stoats, rats and possums

⁷ Includes all permanent, fixed term and casual employees. 1.4% and 0.5% unspecified in Q1 FY23 and Q1 FY22 respectively.

*Data has not historically been collected by quarter






Keep in touch.

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