Meridian.

Financial Commentary.

Five-year performance

EBITDAF[1] (continuing operations)

Financial year ended 30 June

Net Profit after Tax (continuing operations)

Financial year ended 30 June

Underlying NPAT

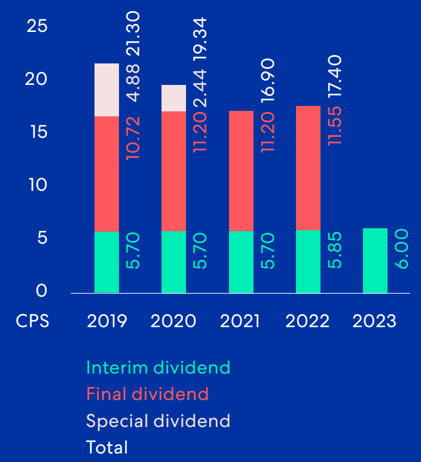
Financial year ended 30 June

Operating cash flows

Financial year ended 30 June

Dividend declared

Financial year ended 30 June



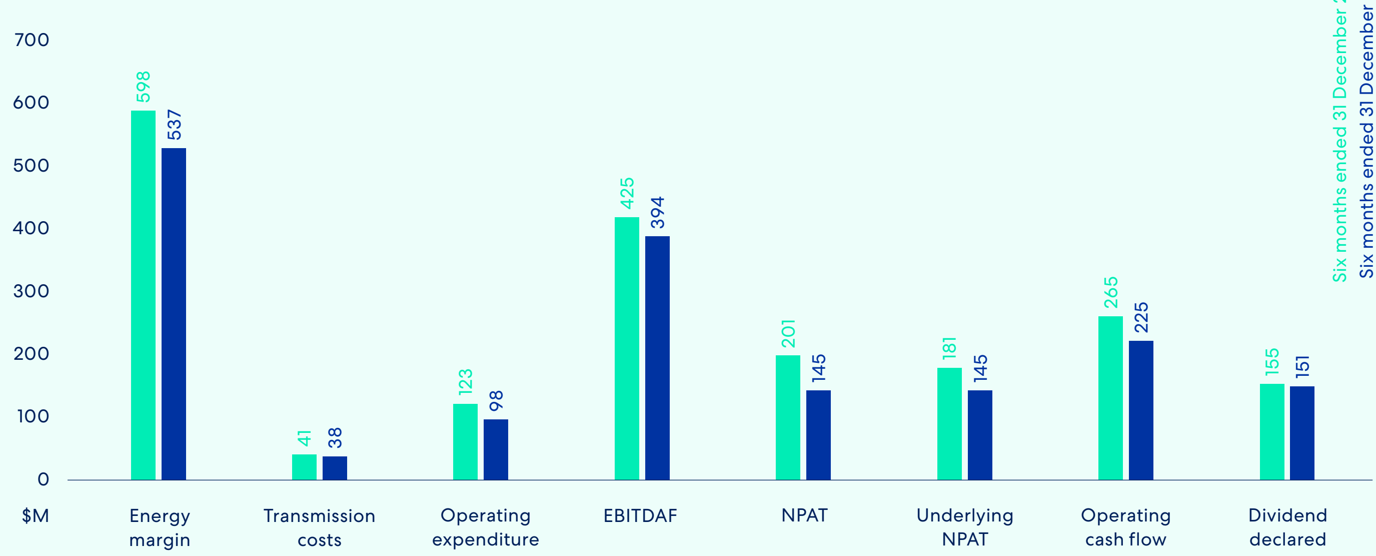
Capital expenditure (NZ operations)

Financial year ended 30 June

1. EBITDAF is a non-GAAP financial measure of earnings before interest, tax, depreciation, amortisation, changes in fair value of hedges, and other significant items.

Overview

Financial performance against prior comparative period



Meridian has reported net profit after tax of $201 million for the six months ended 31 December 2022, $56 million (39%) higher than the same period last year. Included in the result is an unrealised gain in the value of hedge instruments amounting to $27 million (vs a loss last year of $10 million) and a $16 million reduction in finance costs due to the retirement of debt following the sale of Meridian Energy Australia during January 2022. Meridian's operating earnings from continuing operations (EBITDAF) increased by $31 million (8%) over the prior period.

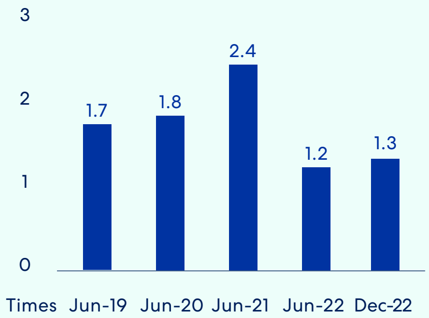
Higher retail and wholesale contracted sales and higher generation volumes helped to offset the impacts of lower generation prices. Those lower wholesale market prices also reduced the cost of supplying customers. Operating earnings also benefited from $51 million of electricity hedge close outs.

The Board has announced an interim ordinary dividend of 6.00 cents per share, 2.6% higher than last year's interim dividend. The interim ordinary dividend will be 80% imputed and Meridian's Dividend Reinvestment Plan will apply to this interim ordinary dividend. The interim dividend will be paid, and new shares issued under the reinvestment plan on 23 March 2023.

Dividends declared	1H FY2023		1H FY2022	
	cents per share	imputation	cents per share	imputation
Ordinary dividends	6.00	80%	5.85	86%

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

Net debt/EBITDAF



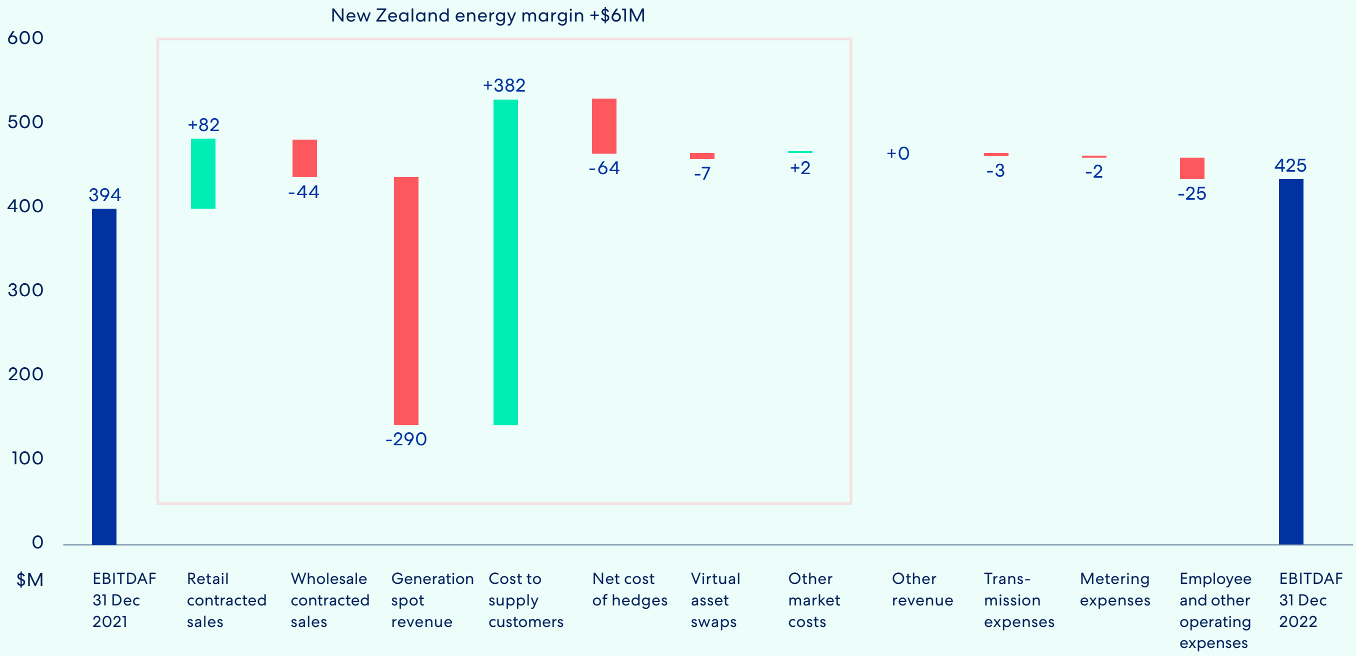
Cash flows

Operating cash flows were $265 million for 1H FY2023[2], $40 million (18%) higher than 1H FY2022[3], largely as a result of the impacts of lower wholesale prices on the cost of supplying customers and lower interest costs from the proceeds from the sale of Meridian Energy Australia completed in January 2022.

Total capital expenditure in 1H FY2023 was $171 million, of which $22 million was stay in business capital expenditure. Growth capital expenditure largely reflects Meridian's Harapaki wind farm development in Hawke's Bay, which began construction in June 2021.

Earnings

Movement in EBITDAF



EBITDAF was $425 million in 1H FY2023, $31 million (8%) higher than the same period last year.

2. The six months ended 31 December 2022
3. The six months ended 31 December 2021

New Zealand energy margin

Energy margin is a measure of the combined financial performance of Meridian's retail and wholesale businesses.

$M		1H FY2023	1H FY2022
Retail contracted sales revenue	Revenue received from sales to retail customers net of distribution costs (fees to distribution network companies that cover the costs of the distribution of electricity to customers)	**600**	518
Wholesale contracted sales revenue	Sales to large industrial customers and fixed-price revenue from derivatives sold	**226**	270
Costs to supply customers	The volume of electricity purchased to cover contracted customer sales	**-523**	-905
Net hedging position	The fixed cost of derivatives used to manage market risk, net of the spot revenue recovered from those derivatives	**-68**	-4
Generation spot revenue	Revenue from the volume of electricity that Meridian generates	**371**	661
Net VAS revenue	The net revenue position of virtual asset swaps (VAS) with Genesis Energy and Mercury New Zealand	**-4**	3
Other	Authority levies and ancillary generation revenue (such as frequency keeping)	**-4**	-6
Total New Zealand energy margin		**598**	**537**

Energy margin was $598 million in 1H FY2023, $61 million (11%) higher than the same period last year.

Meridian continues to deliver strong sales momentum in its retail businesses, particularly in the small, medium business and corporate and industrial segments. Sales volumes in small/medium business, large business, agricultural and corporate segments in the six months to December 2022 grew by 13%, 9%, 17% and 2% respectively. Residential volumes were 1% lower than last year.

Wholesale contracted sales revenue was $44 million (16%) lower in 1H FY2023. Wholesale derivative sales volumes were 10% lower at a 16% lower average price than the same period last year. Sales to the Tiwai Point aluminium smelter were at similar levels to 1H FY2022.

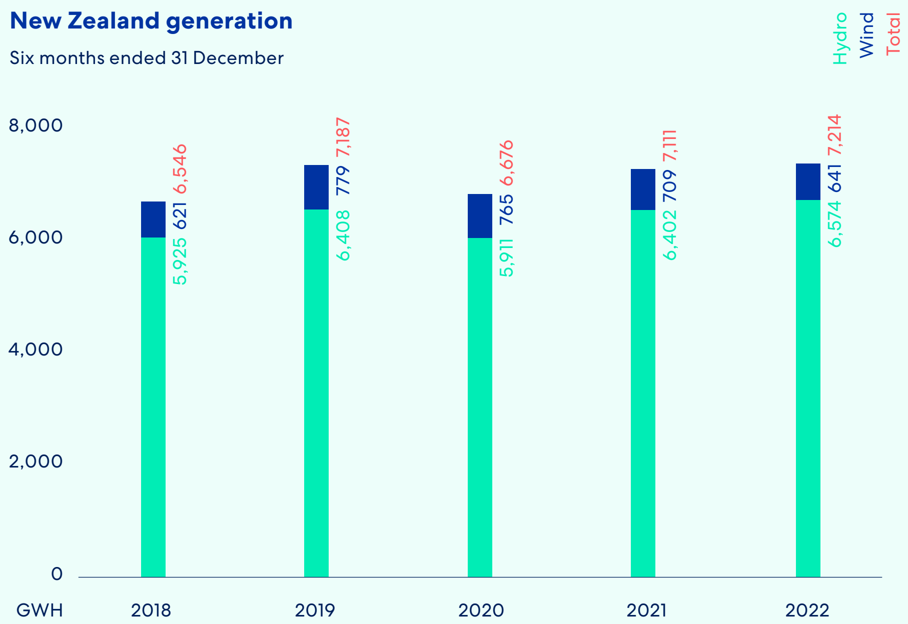
With inflows above average across the six months ended 31 December 2022, generation volumes were 2% higher than the same period last year. Average generation prices were 45% lower than the same period last year, resulting in generation revenue in 1H FY2023 being 44% lower than last year.

The costs to supply customers decreased $382 million (42%) in 1H FY2023 with a 44% lower average price Meridian paid to supply customers partially offset by higher customer sales volumes.

The net cost of hedging was $64 million higher in 1H FY2023 with lower wholesale prices partly offset by 15% higher hedging volumes and a $51 million benefit from forward contract close outs in 1H FY2023.

New Zealand generation

Six months ended 31 December



West Wind, Wellington

Expenses

1H FY2023 saw increases in transmission and metering costs. Employee and other operating costs were $123 million in 1H FY2023, $25 million (26%) higher than 1H FY2022, reflecting higher staff salary costs and growth in Meridian's generation development capability and the Flux business.

Net profit after tax

NPAT from continuing operations was $201 million in 1H FY2023, $56 million (38%) higher than the same period last year. 1H FY2023 saw movements in the fair value of electricity hedges and treasury instruments.

These fair value movements relate to non-cash changes in the carrying value of derivative instruments and are influenced by changes in forward prices and rates on these derivative instruments.

Fair value movements in electricity hedges decreased net profit before tax by $5 million in 1H FY2023, compared to $68 million decrease in the same period last year, reflecting changes in forward electricity prices.

Fair value movements in treasury instruments increased net profit before tax by $32 million in 1H FY2023, compared to a $58 million increase in the same period last year.

Net financing costs decreased by $16 million (41%)compared to the same period last year, reflecting the proceeds from the sale of Meridian Energy Australia completed in January 2022. Meridian has maintained its BBB+ (stable outlook) credit rating from Standard & Poor's.

Income tax expense was $78 million in 1H FY2023, $22 million (39%) higher than the same period last year, reflecting higher net profit before tax.

After removing the impact of fair value movements and other one-off or infrequently occurring events, Meridian's underlying NPAT (reconciliation on page 6) was $181 million in 1H FY2023. This was $37 million (26%) higher than the same period last year.

Income statement

Six months ended 31 December

$M	2022	2021
New Zealand energy margin	**598**	537
Other revenue	**14**	14
Energy transmission expense	**(41)**	(38)
Energy metering expenses	**(23)**	(21)
Employee and other operating expenses	**(123)**	(98)
EBITDAF	**425**	**394**
Depreciation and amortisation	**(144)**	(144)
Impairment of assets	**(6)**	–
Gain/(loss) on sale of assets	**–**	–
Net change in fair value of electricity and other hedges	**(5)**	(68)
Net finance costs	**(23)**	(39)
Net change in fair value of treasury instruments	**32**	58
Net profit before tax	**279**	**201**
Income tax expense	**(78)**	(56)
Net profit after tax from continuing operations	**201**	**145**

Underlying net profit after tax

Six months ended 31 December

$M	2022	2021
Net profit after tax	**201**	145
Underlying adjustments		
Hedging instruments		
Net change in fair value of energy hedges	**5**	68
Net change in fair value of treasury instruments	**(32)**	(58)
Premiums paid on electricity options net of interest	**(9)**	(10)
Assets		
(Gain)/loss on sale of assets	**–**	–
Impairment of assets	**6**	–
Total adjustments before tax	**(30)**	–
Taxation		
Tax effect of above adjustments	**10**	–
Underlying net profit after tax	**181**	**145**