



2025
Interim Financial
Statements

About these financial statements

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

These condensed interim financial statements are for Contact, a group made up of Contact Energy Limited, its subsidiaries and its interests in associates and joint arrangements.

Contact Energy Limited is registered in New Zealand under the Companies Act 1993. It is listed on the New Zealand stock exchange (NZX) and the Australian Securities Exchange (ASX) and has bonds listed on the NZX debt market. Contact is an FMC reporting entity under the Financial Markets Conduct Act 2013.

Contact's interim financial statements for the six months ended 31 December 2024 provide a summary of Contact's performance for the period and outline any significant changes to information reported in the financial statements for the year ended 30 June 2024 (2024 Integrated Report). The interim financial statements should be read with the [2024 Integrated Report](#).

Contact's interim financial statements are prepared:

- in accordance with New Zealand generally accepted accounting practice (GAAP) and comply with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.
- in millions of New Zealand dollars (NZD) unless otherwise noted.
- using the same accounting policies and significant estimates and critical judgments disclosed in the 2024 Integrated Report unless otherwise noted.
- with certain comparative amounts reclassified to conform to the current period's presentation.

The interim financial statements were authorised on behalf of the Contact Energy Limited Board of Directors on 14 February 2025:



Robert McDonald
Chair



Sandra Dodds
Chair, Audit & Risk Committee

Statement of comprehensive income

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

\$m	Note	Unaudited	Unaudited	Audited
		6 months ended 31 Dec 2024	6 months ended 31 Dec 2023	Year ended 30 June 2024
Revenue	A1	1,707	1,306	2,863
Operating expenses	A1	(1,263)	(942)	(2,188)
Net interest	B4	(52)	(20)	(40)
Depreciation and amortisation	C1	(130)	(126)	(255)
Asset impairment and write offs		-	(8)	(50)
Change in fair value of financial instruments	D4	(61)	3	8
Profit/(loss) before tax		201	213	338
Tax expense		(59)	(60)	(103)
Profit/(loss)		142	153	235
Items that may be reclassified to profit/(loss):				
Change in hedge reserves (net of tax)	D3	(5)	(125)	(176)
Comprehensive income		137	28	59
Profit/(loss) per share (cents) - basic and diluted		17.9	19.5	29.9

Statement of cash flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

\$m	Note	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited Year ended 30 June 2024
Receipts from customers		1,776	1,353	2,863
Payments to suppliers and employees		(1,456)	(1,027)	(2,165)
Interest paid		(43)	(9)	(21)
Tax paid		(74)	(66)	(97)
Operating cash flows		203	251	580
Purchase and construction of assets		(234)	(262)	(506)
Capitalised interest		(10)	(35)	(74)
Realised gains/losses on market derivatives		(13)	(2)	(6)
Investment in associates		(2)	(2)	(10)
Proceeds from sale of assets		-	-	1
Investing cash flows		(259)	(301)	(595)
Dividends paid	B2	(114)	(150)	(248)
Proceeds from borrowings		427	526	592
Repayment of borrowings		(266)	(191)	(238)
Financing costs		(4)	(1)	(2)
Financing cash flows		43	184	104
Net cash flow		(13)	134	89
Add: cash at the beginning of the period		229	140	140
Cash at the end of the period		216	274	229

Statement of financial position

AT 31 DECEMBER 2024

\$m	Note	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023	Audited 30 June 2024
Cash and cash equivalents		216	274	229
Trade and other receivables		213	219	275
Inventories		73	44	37
Intangible assets	C1	70	116	43
Derivative financial instruments	D1	110	40	68
Total current assets		682	692	652
Property, plant and equipment	C1	5,053	4,771	4,933
Intangible assets	C1	226	202	223
Inventories		65	37	40
Goodwill		214	214	214
Investment in associates		42	32	40
Derivative financial instruments	D1	101	111	106
Total non-current assets		5,701	5,367	5,556
Total assets		6,383	6,059	6,208
Trade and other payables		318	290	356
Tax payable		12	26	34
Borrowings	B3	482	356	359
Derivative financial instruments	D1	102	125	152
Provisions		12	5	18
Total current liabilities		926	802	919
Borrowings	B3	1,667	1,539	1,554
Derivative financial instruments	D1	283	191	253
Provisions		313	256	294
Deferred tax		523	542	524
Other non-current liabilities		26	45	45
Total non-current liabilities		2,812	2,573	2,670
Total liabilities		3,738	3,375	3,589
Net assets		2,645	2,684	2,619
Share capital	B1	2,092	2,008	2,021
Retained earnings		734	802	773
Hedge reserves		(190)	(134)	(185)
Share-based compensation reserve		9	8	10
Shareholders' equity		2,645	2,684	2,619

Statement of changes in equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

\$m	Note	Share-based				
		Share capital	Retained earnings	Hedge reserves	compensation reserves	Shareholders' equity
Balance at 1 July 2023		1,988	813	(9)	11	2,804
Profit/(loss)	A2	-	153	-	-	153
Change in hedge reserves (net of tax)		-	-	(125)	-	(125)
Change in share-based compensation reserve	B1	-	-	-	(3)	(3)
Change in share capital	B1	20	-	-	-	20
Dividends paid	B2	-	(165)	-	-	(165)
Unaudited balance at 31 December 2023		2,008	802	(134)	8	2,684
Profit/(loss)	A2	-	82	-	-	82
Change in hedge reserves (net of tax)		-	-	(51)	-	(51)
Change in share-based compensation reserve	B1	5	-	-	7	12
Change in share capital	B1	8	-	-	(5)	3
Dividends paid	B2	-	(110)	-	-	(110)
Audited balance at 30 June 2024		2,021	773	(185)	10	2,619
Profit/(loss)	A2	-	142	-	-	142
Change in hedge reserves (net of tax)		-	-	(5)	-	(5)
Change in share-based compensation reserve	B1	4	-	-	3	7
Change in share capital	B1	67	-	-	(4)	63
Dividends paid	B2	-	(181)	-	-	(181)
Unaudited balance at 31 December 2024		2,092	734	(190)	9	2,646

A. Our performance

Notes to the interim financial statements for the six months ended 31 December 2024

A1. SEGMENTS

Contact reports activities under the Wholesale segment and the Retail segment. There have been no significant changes to Contact's operating segments in the current period.

The Wholesale segment includes revenue from the sale of electricity to the wholesale electricity market, to Commercial & Industrial (C&I) customers, and to the Retail segment, less the cost to generate and/or purchase the electricity and costs to serve and distribute electricity to C&I customers.

The results of Western Energy Services Limited are included in the Wholesale segment. The results of Contact Energy Risk Limited have been allocated across the operating segments.

The Retail segment includes revenue from delivering electricity, natural gas, broadband, mobile and other products and services to mass market customers less the cost of purchasing those products and services, and the cost to serve and distribute electricity to customers. The Retail segment purchases electricity from the Wholesale segment at a fixed price in a manner similar to transactions with third parties.

'Unallocated' includes corporate functions not directly allocated to the operating segments, including transaction costs.

Realised gains/(losses) relating to risk management derivatives not in a hedge relationship are included in 'Change in fair value of financial instruments' within the Statement of Comprehensive Income but not in the Segment results. In the Segment results they are included in wholesale electricity revenue or purchases within EBITDAF.

These derivatives are ineligible to be designated into a hedge relationship for accounting purposes, however they are commercial hedges and therefore are included within EBITDAF. Further information on hedge accounting is included in note D5.

The below table provides a reconciliation between the Statement of Comprehensive Income and Segment results.

\$m	Statement of Comprehensive Income	Realised gains/(losses) on risk management derivatives not in a hedge relationship	Segment results
6 months ended 31 December 2024			
Revenue	1,707	(34)	1,673
Operating expenses	(1,263)	(6)	(1,269)
Change in fair value of financial instruments	(61)	40	(21)
6 months ended 31 December 2023			
Revenue	1,306	3	1,309
Operating expenses	(942)	(5)	(947)
Change in fair value of financial instruments	3	2	5
Year ended 30 June 2024			
Revenue	2,863	4	2,867
Operating expenses	(2,188)	(4)	(2,192)
Change in fair value of financial instruments	8	-	8

A2. SEGMENT RESULTS

The table below provides a breakdown of Contact's revenue, expenses and earnings before interest, tax, depreciation and amortisation, asset impairment and write offs and changes in fair value of financial instruments (EBITDAF) by segment, and a reconciliation from EBITDAF to profit/(loss) reported under NZ GAAP. EBITDAF is used to monitor performance and is a non-GAAP profit measure.

The definition of EBITDAF was updated in the 2024 financial year to exclude assets impairment and write off expenses from EBITDAF. Previously included in operating expenditure, these are now presented separately as its own line item in the Statement of Comprehensive Income and Segment results (below EBITDAF). The change was made to provide greater focus on material asset impairment and write offs.

Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2024					Unaudited 6 months ended 31 Dec 2023					Audited year ended 30 June 2024				
	Wholesale	Retail	Unallocated	Eliminations	Total	Wholesale	Retail	Unallocated	Eliminations	Total	Wholesale	Retail	Unallocated	Eliminations	Total
Mass market electricity	-	544	-	(1)	543	-	524	-	(1)	523	-	1,018	-	(1)	1,017
C&I electricity - fixed price	130	-	-	-	130	112	-	-	-	112	252	-	-	-	252
C&I electricity - pass through	22	-	-	-	22	18	-	-	-	18	47	-	-	-	47
Wholesale electricity, net of hedging	840	-	-	-	840	548	-	-	-	548	1,321	-	-	-	1,321
Electricity-related services revenue	4	-	-	-	4	2	-	-	-	2	7	-	-	-	7
Inter-segment electricity sales	304	-	-	(304)	-	280	-	-	(280)	-	561	-	-	(561)	-
Gas	16	52	-	-	68	7	51	-	-	58	8	96	-	-	104
Steam	2	-	-	-	2	2	-	-	-	2	3	-	-	-	3
Geothermal services	4	-	-	-	4	3	-	-	-	3	12	-	-	-	12
Telco	-	48	-	-	48	-	39	-	-	39	-	82	-	-	82
Other income	8	4	-	-	12	-	4	-	-	4	12	10	-	-	22
Total revenue	1,330	648	-	(305)	1,673	972	618	-	(281)	1,309	2,223	1,206	-	(562)	2,867
Electricity purchases, net of hedging	(581)	(1)	-	-	(583)	(380)	-	-	-	(380)	(990)	(1)	-	-	(991)
Electricity purchases - pass through	(18)	-	-	-	(18)	(13)	-	-	-	(13)	(37)	-	-	-	(37)
Electricity related services cost	(3)	-	-	-	(3)	(3)	-	-	-	(3)	(7)	-	-	-	(7)
Inter-segment electricity purchases	-	(304)	-	304	-	-	(280)	-	280	-	-	(561)	-	561	-
Gas and diesel expenses	(95)	(13)	-	-	(108)	(60)	(13)	-	-	(74)	(118)	(23)	-	-	(141)
Gas storage costs	(7)	-	-	-	(7)	15	-	-	-	15	(15)	-	-	-	(15)
Carbon emissions costs	(33)	(5)	-	-	(38)	(29)	(4)	-	-	(33)	(62)	(7)	-	-	(69)
Generation transmission & levies	(16)	-	-	-	(16)	(14)	-	-	-	(14)	(29)	-	-	-	(29)
Electricity networks, levies & meter costs - fixed price	(32)	(243)	-	-	(275)	(28)	(225)	-	-	(253)	(60)	(449)	-	-	(509)
Electricity networks, levies & meter costs - pass through	(3)	-	-	-	(3)	(4)	-	-	-	(4)	(7)	-	-	-	(7)
Gas networks, transmission, meter & service costs	(3)	(28)	-	-	(31)	(3)	(26)	-	-	(29)	(5)	(51)	-	-	(56)
Geothermal service costs	(2)	-	-	-	(2)	(2)	-	-	-	(2)	(6)	-	-	-	(6)
Telco costs	-	(43)	-	-	(43)	-	(34)	-	-	(34)	-	(72)	-	-	(72)
Other operating expenses	(71)	(36)	(37)	1	(143)	(64)	(37)	(23)	1	(123)	(129)	(74)	(51)	1	(253)
Total operating expenses	(864)	(673)	(37)	305	(1,269)	(585)	(619)	(23)	281	(947)	(1,465)	(1,238)	(51)	562	(2,192)
EBITDAF	466	(25)	(37)	-	404	387	(1)	(23)	-	362	758	(32)	(51)	-	675
Depreciation and amortisation					(130)					(126)					(255)
Net interest expense					(52)					(20)					(40)
Asset impairment and write offs					-					(8)					(50)
Change in fair value of financial instruments					(21)					5					8
Tax expense					(59)					(60)					(103)
Profit/(loss)					142					153					235

A3. FREE CASH FLOW

Free cash flow is a non-GAAP cash measure that shows the amount of cash Contact has available to distribute to shareholders, reduce debt or reinvest in growing the business. A reconciliation from EBITDAF to NZ GAAP operating cash flows and to free cash flow is provided below.

	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited Year ended 30 June 2024
\$m			
EBITDAF	404	362	675
Tax paid	(74)	(66)	(97)
Change in working capital, net of investing and financing activities	(80)	(10)	31
Non-cash items included in EBITDAF	(4)	(18)	(8)
Net interest paid, excluding capitalised interest	(43)	(9)	(21)
Operating cash flows	203	259	580
Stay-in-business capital expenditure	(65)	(85)	(156)
Operating free cash flow	138	174	424
Proceeds from sale of assets	-	-	1
Free cash flow	138	174	425
Operating free cash flow per share (cents)	17.4	22.1	53.9

There has been a reclassification between stay-in-business and growth capital expenditure to ensure that the spend is classified according to which assets receive the most benefits under a revised scope of the Te Mihi Stage 2 project. For the six months ended 31 December 2023 and the year ended 30 June 2024 stay-in-business capital expenditure has been reclassified, increasing by \$21 million and \$46 million respectively, and therefore also decreasing operating free cash flow by the same amounts. There is no impact to total capital expenditure.

A4. RELATED PARTY TRANSACTIONS

Contact's related parties include the Directors, the Leadership Team (LT), Drylandcarbon One Limited Partnership, Forest Partners Limited Partnership, Kowhai Park and Glorit Solar entities.

	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited Year ended 30 June 2024
\$m			
Forest Partners Limited Partnership			
Capital contributions	(2)	(2)	(9)
Key management personnel			
Directors' fees	(1)	(1)	(1)
LT - salary and other short-term benefits	(5)	(4)	(7)
LT - share-based compensation expense	(1)	(1)	(2)

LT salary and other short-term benefits are the cash amount paid in the year. Directors and LT may purchase goods and services from Contact for domestic purposes. For the LT this includes the staff discount available to all eligible employees.

A5. AGS ONEROUS CONTRACT PROVISION

Contact recognises an onerous contract provision relating to the Ahuroa Gas Storage (AGS) contract with Flex gas as the value of the contract is expected to be less than total contract payments. There are ongoing discussions with Flexgas in relation to improving the capacity and operations of the AGS facility.

The provision is calculated as the difference between the contract payments and the estimated value received from access to available storage over the remaining term of contract, discounted to present value using a discount rate of 4.7% (31 December 2023: 4.4%, 30 June 2024: 4.7%).

The provision assumes that Contact has available storage of 2.1PJs (31 December 2023: 2.1 PJs, 30 June 2024: 2.1PJs) based on studies from the Technical Working Group in the prior year and actual performance of the facility. The available storage assumption for the provision considers a range of possible scenarios over the remaining term of the contract and is not an indication of Contact's storage as at 31 December 2024.

The estimated value received from access to AGS storage is based on the ability for Contact to store gas in AGS, and extract this for generating electricity when favourable to Contact.

	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited Year ended 30 June 2024
\$m			
Opening provision balance	(109)	(116)	(116)
Reassessment (impacts EBITDAF)	-	35	35
Utilised/(increased) (impacts EBITDAF)	7	(7)	(23)
Unwind of discount (impacts Interest)	(2)	(3)	(5)
Closing balance	(104)	(90)	(109)

A6. CONTINGENCIES

In the normal course of business, Contact is subject to inquiries, claims and investigations. There are no material matters to disclose at 31 December 2024.

A7. SUBSEQUENT EVENTS

Contact acquired an additional 8% interest in Forest Partners Limited Partnership for \$23 million on 31 January 2025, bringing total interests to 22%.

This is a non-adjusting event that is not reflected in the 31 December 2024 financial statements. The additional interest will be recognised as an investment in associate on the balance sheet in the next reporting period.

B. Our funding

Notes to the interim financial statements for the six months ended 31 December 2024

B1. SHARE CAPITAL

	Number	\$m
Balance at 1 July 2023	784,963,454	1,988
Share capital issued	2,542,748	20
Balance at 31 December 2023	787,506,202	2,008
Share capital issued	1,611,006	13
Balance at 30 June 2024	789,117,208	2,021
Share capital issued	8,829,329	71
Balance at 31 December 2024	797,946,537	2,092

B2. DIVIDENDS PAID

	Cents per share	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited Year ended 30 June 2024
\$m				
2023 Final dividend	21	-	165	165
2024 Interim dividend	14	-	-	110
2024 Final dividend	23	181	-	-
		181	165	275
Comprising:				
Cash dividends		114	150	248
Dividend reinvestment plan		67	15	27

On 14 February 2025 the Board declared an interim dividend of 16 cents per share to be paid on 18 March 2025.

B3. BORROWINGS

	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023	Audited 30 June 2024
\$m			
Lease obligations	50	46	47
Drawn bank facilities	-	-	26
Commercial paper	295	250	250
Retail bonds	550	650	650
Capital bonds	475	225	225
Export credit agency facility	22	29	25
USPP notes	224	224	224
Australian medium-term notes	434	434	434
Face value of borrowings	2,050	1,858	1,881
Deferred financing costs	(13)	(10)	(9)
Total borrowings at amortised cost	2,037	1,848	1,872
Fair value adjustment on hedged borrowings	112	47	41
Carrying value of borrowings	2,149	1,895	1,913
Current	482	356	359
Non-current	1,667	1,539	1,554

All borrowings other than leases are Green Debt Instruments under Contact's Green Borrowing Programme, which has been certified by the Climate Bonds Initiative. At 31 December 2024 Contact remains compliant with the requirements of the programme. Further information is available on the [Sustainability](#) section of Contact's website.

B4. NET INTEREST EXPENSE

	Unaudited 6 months ended 31 Dec 2024	Unaudited 6 months ended 31 Dec 2023	Audited Year ended 30 June 2024
\$m			
Interest expense on borrowings	(58)	(50)	(105)
Interest expense on finance leases	(1)	(1)	(3)
Unwind of discount on provisions	(8)	(7)	(14)
Unwind of deferred financing costs	(1)	(1)	(2)
Other interest	-	(1)	(1)
Capitalised interest	10	35	74
Interest income	6	5	11
Net interest expense	(52)	(20)	(40)

C. Our assets

Notes to the interim financial statements for the six months ended 31 December 2024

C1. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023	Audited 30 June 2024
\$m			
Opening balance	4,933	4,615	4,615
Additions	234	273	587
Disposals	-	(4)	(44)
Depreciation charge	(114)	(113)	(226)
Closing balance	5,053	4,771	4,933

Included within additions is capitalised interest of \$10 million (31 December 2023: \$35 million, 30 June 2024: \$74 million) in relation to, Tauhara, Te Huka Unit 3, Te Mihi Stage 2 project and associated steamfields, and the Glenbrook Battery.

Intangibles	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023	Audited 30 June 2024
\$m			
Opening balance	266	235	235
Additions	46	102	125
Disposals	-	(6)	(65)
Amortisation charge	(16)	(13)	(29)
Closing balance	296	318	266
Current	70	116	43
Non-current	226	202	223

Contracted capital commitments	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023	Audited 30 June 2024
\$m			
Contracted capital expenditure	442	252	209
Carbon forward contracts	97	89	120
Closing balance	539	341	329
Due within 12 months	283	257	195
Due beyond 12 months	256	84	134

D. Financial risks

Notes to the interim financial statements for the six months ended 31 December 2024

D1. SUMMARY OF DERIVATIVE FINANCIAL INSTRUMENTS

A summary of derivatives and the impact on Contact's financial position is provided below grouped by type of hedge relationship. There were no changes in the valuation processes, valuation techniques, or types of inputs used in the fair value measurements during the period. Refer to the [2024 Integrated Report](#) for information about fair value hierarchy of our inputs. In the two tables below, 31 December 2024 and 31 December 2023 numbers are unaudited, whereas 30 June 2024 numbers are audited.

	Fair value hedge			Cash flow and fair value hedge			Cash flow hedge									No hedge relationship		
	IRS			CCIRS			IRS			Electricity derivatives			Foreign exchange contracts			Electricity derivatives		
	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24
\$m																		
Financial year of maturity	2025-30	2025-29	2025-29	2026-31	2026-31	2026-31	2025-31	2024-31	2025-31	2025-39 GWh	2024-39 GWh	2025-39 GWh	2025-28	2024-26	2025-26	2025-45 GWh	2024-28 GWh	2025-28 GWh
Notional amount of derivatives	1,025	875	875	658	658	658	2,000	1,835	1,885	13,932	15,253	14,644	247	137	74	26,016	1,799	1,614 h
Carrying amount of hedged borrowings	(1,042)	(871)	(862)	(753)	(709)	(712)	-	-	-	-	-	-	-	-	-	-	-	-
Fair value adjustments to borrowings	(17)	4	13	(95)	(51)	(54)	-	-	-	-	-	-	-	-	-	-	-	-
Fair value of derivatives - asset	21	15	6	95	58	61	15	37	44	32	17	22	13	-	1	35	24	40
Fair value of derivatives - liability	(5)	(20)	(20)	(2)	(9)	(10)	(45)	(27)	(11)	(288)	(218)	(317)	(1)	(4)	(3)	(44)	(37)	(44)

D2. CHANGE IN FAIR VALUE OF DERIVATIVES IN THE STATEMENT OF COMPREHENSIVE INCOME - UNREALISED

	Note	Fair value hedge			Cash flow and fair value hedge			Cash flow hedge									No hedge relationship		
		IRS			CCIRS			IRS			Electricity derivatives			Foreign exchange contracts			Electricity derivatives		
		31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24	31 Dec 24	31 Dec 23	30 Jun 24
\$m																			
Change in fair values recognised in:																			
- Change in fair value of financial instruments (Profit/(loss))	D4	-	-	-	-	1	1	2	2	4	-	-	-	-	-	-	(8)	4	6
- Hedge effectiveness recognised in OCI	D3	-	-	-	1	(2)	(2)	(61)	(44)	(14)	(13)	(98)	(189)	12	(4)	(2)	-	-	-
- Amounts reclassified to profit/(loss) or balance sheet	D3	-	-	-	-	-	-	(4)	-	(10)	52	(29)	(32)	2	1	1	-	-	-
- Premiums derecognised in receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	3	10
Total unrealised movement		-	-	-	1	(1)	(1)	(63)	(42)	(20)	39	(127)	(221)	14	(3)	(1)	(5)	7	16

Change in fair value of financial instruments recognised in profit/(loss) also includes realised gains/(losses). Cash flow hedge reserves and the total change in fair value recognised in profit/(loss) and has been reconciled in notes D3 and D4.

D3. MOVEMENT IN HEDGE RESERVE

\$m	Note	Unaudited	Unaudited	Audited
		31 Dec 2024	31 Dec 2023	30 June 2024
Opening balance		(185)	(9)	(9)
Effective portion of cash flow hedges	D2	(61)	(148)	(207)
Transferred to profit/loss or balance sheet	D2	50	(28)	(41)
Transferred to deferred tax		7	48	69
Amortisation of hedge reserve		(1)	3	3
Closing balance		(190)	(134)	(185)

D4. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS IN PROFIT/(LOSS)

\$m	Note	Unaudited	Unaudited	Audited
		31 Dec 2024	31 Dec 2023	30 June 2024
Within EBITDAF:				
Realised gains/(losses) on risk management derivatives	A1	(40)	(2)	-
Below EBITDAF:				
Realised gains/(losses) on market derivatives		(14)	(2)	(3)
Unrealised gains/(losses) on unhedged derivatives	D1	(8)	4	6
Unrealised gains/(losses) - hedge ineffectiveness	D1	2	3	5
Total below EBITDAF per segment results	A1	(21)	5	8
Change in fair value of financial instruments		(61)	3	8

Realised gains/(losses) on risk management derivatives are higher for the 6 months period 31 December 2024 compared to prior reporting periods due to the recognition of realised losses of the new long term electricity derivative with New Zealand Aluminium Smelter (NZAS).

The new long term electricity derivative with NZAS is not eligible for hedge accounting, therefore in the Statement of Comprehensive Income, realised gains/(losses) relating to the derivative are required to be recognised in Change in fair value of financial instruments instead of Revenue. Further information on hedge accounting is discussed in D5.

The Realised gain/(loss) lines in the table above are unfavourable because overall, the fixed contract price for the electricity derivatives have been lower than wholesale electricity prices during the reporting period.

D5. ELECTRICITY DERIVATIVES

Contact uses a range of derivatives contracts to manage interest rate risks, foreign exchange risks and commodity price risks, including electricity prices. Where possible, hedge accounting is applied under NZ IFRS 9 and the derivatives are designated into fair value or cash flow hedge relationships.

Hedge accounting

Where eligible, Contact designates electricity derivatives into a cash flow hedge against forecast electricity sales and purchases. Unrealised gains or losses that are hedge effective are recognised in cash flow hedge reserves until the derivatives are settled and at such time, the unrealised gains or losses are reclassified to profit/(loss).

Not in a hedge relationship

Some electricity derivatives may not be eligible for hedge accounting, including when they include termination options, have variable volume structures (e.g solar power purchase agreements), or they have been entered into for market making or trading. Unrealised gains or losses relating to these derivatives are recognised in profit/loss within "Change in fair value of financial instruments" below EBITDAF.

Contact uses discounted cash flow valuations to fair value the electricity derivatives at each reporting period. A key variable used in these valuations are future wholesale electricity prices. Therefore, the fair value of the electricity price derivatives will change depending on changes to future wholesale electricity prices, which may cause significant volatility to profit/(loss) where these derivatives are not in a hedge relationship.

The table below summarises the impact on profit/(loss) from possible changes in fair value of these derivative (unrealised gains/(losses) due to change in forward wholesale electricity prices. This analysis assumes a flat percentage change of forward wholesale electricity prices across the remaining term of the contracts and all other variables were held constant.

Favourable/(unfavourable) impact on profit/(loss) (post tax)	Unaudited	Unaudited	Audited
	6 months ended 31 Dec 2024	6 months ended 31 Dec 2023	Year ended 30 June 2024
+10% forward wholesale electricity prices	(48)	3	2
-10% forward wholesale electricity prices	44	(3)	(3)

Profit/(loss) is subject to more volatility for the 6 months ended 31 December 2024 and in future periods, due to the recognition of the new long term electricity derivative with NZAS. Although the contract is a commercial hedge providing a fixed price in real terms on future generation revenue, it is ineligible to be designated into a hedge relationship for accounting purposes under NZ IFRS 9 due to the ability for NZAS to terminate the contract after 10 years.

Independent Auditor's review report



To the shareholders of Contact Energy Limited Report on the review of the interim financial statements

Conclusion

We have reviewed the condensed interim financial statements of Contact Energy Limited (the "Company") and its subsidiaries (together "the Group") on pages 2 to 19 which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six month period ended on that date, and explanatory notes. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements on pages 2 to 19 of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the six month period ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting (NZ IAS 34)* and International Accounting Standard 34: *Interim Financial Reporting (IAS 34)*.

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our review procedures, for this report, or for the conclusion we have formed.

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*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial statements* section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Ernst & Young provides services to the Group in relation to trustee reporting, market remuneration surveys, due diligence in relation to proposed Manawa acquisition and

other assurance services relating to the Company's Global Reporting Initiative disclosures, greenhouse gas emissions reporting and Green Borrowings Programme reporting. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Directors' responsibility for the interim financial statements

The directors are responsible, on behalf of the Company, for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 and IAS 34 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 and IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, 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 do 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 those interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Lianne Austin.

Chartered Accountants
Wellington
14 February 2025

Corporate directory

Board of Directors

Robert McDonald (Chair)
Sandra Dodds
David Gibson
Jon Macdonald
David Smol
Rukumoana Schaaflhausen
Elena Trout

Leadership team

Mike Fuge
Chief Executive Officer
Chris Abbott
Chief Corporate Affairs Officer
Jack Ariel
Major Projects Director
Jan Bibby
Chief People Experience Officer
Matt Bolton
Transition Director
John Clark
Chief Generation Officer
Dorian Devers
Chief Development and Major Projects Officer
Matthew Forbes
Chief Financial Officer (Acting)
Michael Robertson
Chief Retail Officer (Acting)
Tighe Wall
Chief Digital Officer

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Registry

Change of address, payment instructions and investment portfolios can be viewed and updated online:

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