



# A shift in energy



Meridian.



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# Income Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Unaudited 2024 \$M	Unaudited 2023 \$M
Operating revenue	A2	2,255	2,111
Operating expenses	A3	(1,700)	(1,701)
Depreciation and amortisation	B1, B2	(225)	(164)
Asset related adjustments		(8)	11
Net change in fair value of energy hedges	D1	(441)	44
Interest expense	A3	(42)	(31)
Interest income		4	6
Net change in fair value of treasury hedges	D1	(11)	(13)
<b>Net (loss)/profit before tax</b>		<b>(168)</b>	<b>263</b>
Income tax benefit/(expense)		47	(72)
<b>Net (loss)/profit after tax</b>		<b>(121)</b>	<b>191</b>
Earnings per share (EPS, in cents) – basic and diluted	C2	(4.7)	7.4

# Comprehensive Income Statement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Unaudited 2024 \$M	Unaudited 2023 \$M
<b>Net (loss)/profit after tax</b>	<b>(121)</b>	<b>191</b>
<i>Items that may be reclassified to profit or loss:</i>		
Net gain/(loss) on cash flow hedges	1	(7)
Income tax on the above items	-	2
	1	(5)
<b>Other comprehensive income/(loss) for the period, net of tax</b>	<b>1</b>	<b>(5)</b>
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<b>(120)</b>	<b>186</b>



# Balance Sheet

AS AT 31 DECEMBER 2024

	Note	Restated*		
		Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
<b>Current assets</b>				
Cash and cash equivalents		111	221	221
Trade receivables		297	458	536
Customer contract assets		13	13	12
Financial instruments	D1, S2	110	170	233
Current tax receivable		23	-	-
Other assets		52	42	49
<b>Total current assets</b>		<b>606</b>	<b>904</b>	<b>1,051</b>
<b>Non-current assets</b>				
Property, plant and equipment	B1	12,059	9,031	12,192
Intangible assets	B2	71	80	62
Financial instruments	D1, S2	236	99	224
Other assets		19	11	14
<b>Total non-current assets</b>		<b>12,385</b>	<b>9,221</b>	<b>12,492</b>
<b>Total assets</b>		<b>12,991</b>	<b>10,125</b>	<b>13,543</b>

For and on behalf of the Board of Directors who authorised the issue of the condensed interim financial statements on 25 February 2025.

**Mark Verbiest**  
Chair, 25 February 2025

**Julia Hoare**  
Chair, Audit and Risk Committee, 25 February 2025

	Note	Restated*		
		Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
<b>Current liabilities</b>				
Payables and accruals	S2	228	443	565
Employee entitlements		15	15	21
Customer contract liabilities		18	15	10
Current portion of borrowings	C4	490	382	234
Current portion of lease liabilities		3	3	3
Financial instruments	D1, S2	118	64	86
Current tax payable		-	44	85
<b>Total current liabilities</b>		<b>872</b>	<b>966</b>	<b>1,004</b>
<b>Non-current liabilities</b>				
Borrowings	C4	1,167	1,009	1,113
Deferred tax		2,857	2,071	2,949
Lease liabilities		27	28	27
Financial instruments	D1, S2	163	103	142
Term payables	S2	60	63	62
<b>Total non-current liabilities</b>		<b>4,274</b>	<b>3,274</b>	<b>4,293</b>
<b>Total liabilities</b>		<b>5,146</b>	<b>4,240</b>	<b>5,297</b>
<b>Net assets</b>		<b>7,845</b>	<b>5,885</b>	<b>8,246</b>
<b>Shareholders' equity</b>				
Share capital		1,834	1,719	1,729
Reserves		6,011	4,166	6,517
<b>Total shareholders' equity</b>		<b>7,845</b>	<b>5,885</b>	<b>8,246</b>

\* The Balance Sheet has been restated due to a change in presentation in the current period. Refer to the Significant Matters section Note S2 for more information.



# Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

\$M	Share capital	Share option reserve	Revaluation reserve	Cash flow hedge reserve	Retained earnings	Shareholders equity
<b>Balance at 1 July 2024 (audited)</b>	<b>1,729</b>	<b>3</b>	<b>8,145</b>	<b>-</b>	<b>(1,631)</b>	<b>8,246</b>
<b>Net (loss)/profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(121)</b>	<b>(121)</b>
<i>Other comprehensive income</i>						
Net gain/(loss) on cash flow hedges	-	-	-	1	-	1
Income tax relating to other comprehensive income	-	-	-	-	-	-
<b>Total other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(121)</b>	<b>(120)</b>
Share-based transactions	(3)	-	-	-	(2)	(5)
Dividend reinvestment plan	108	-	-	-	-	108
Dividends paid/reinvested	-	-	-	-	(384)	(384)
<b>Balance at 31 December 2024 (unaudited)</b>	<b>1,834</b>	<b>3</b>	<b>8,145</b>	<b>1</b>	<b>(2,138)</b>	<b>7,845</b>
<hr/>						
<b>Balance at 1 July 2023 (audited)</b>	<b>1,700</b>	<b>3</b>	<b>5,879</b>	<b>5</b>	<b>(1,600)</b>	<b>5,987</b>
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191</b>	<b>191</b>
<i>Other comprehensive income</i>						
Net gain/(loss) on cash flow hedges	-	-	-	(7)	-	(7)
Income tax relating to other comprehensive income	-	-	-	2	-	2
<b>Total other comprehensive income/(loss), net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>(5)</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>191</b>	<b>186</b>
Share-based transactions	(1)	-	-	-	-	(1)
Dividend reinvestment plan	20	-	-	-	-	20
Dividend paid/reinvested	-	-	-	-	(307)	(307)
<b>Balance at 31 December 2023 (unaudited)</b>	<b>1,719</b>	<b>3</b>	<b>5,879</b>	<b>-</b>	<b>(1,716)</b>	<b>5,885</b>

The notes to the condensed interim financial statements form an integral part of these financial statements.



# Statement of Cash Flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Unaudited 2024 \$M	Unaudited 2023 \$M
<b>Operating activities</b>			
Receipts from customers		2,410	2,044
Interest received		4	6
Payments to suppliers and employees		(2,165)	(1,605)
Interest paid		(44)	(38)
Income tax paid		(155)	(104)
<b>Operating cash flows</b>		<b>50</b>	<b>303</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(104)	(143)
Purchase of intangible assets		(20)	(12)
Purchase of other assets		(4)	(11)
<b>Investing cash flows</b>		<b>(128)</b>	<b>(166)</b>
<b>Financing activities</b>			
Borrowings drawn	C4	256	167
Borrowings repaid	C4	(5)	(5)
Shares purchases for long term incentive		(6)	(2)
Lease liabilities paid		(1)	(1)
Dividends	C3	(276)	(287)
<b>Financing cash flows</b>		<b>(32)</b>	<b>(128)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(110)</b>	<b>9</b>
Cash and cash equivalents at beginning of the six months		221	212
<b>Cash and cash equivalents at end of the six months</b>		<b>111</b>	<b>221</b>

The notes to the condensed interim financial statements form an integral part of these financial statements.



# About this report

## IN THIS SECTION

The summary notes to the unaudited condensed interim financial statements include information which is considered relevant and material to assist the reader in understanding changes in Meridian's financial position and performance. Information is considered relevant and material if:

- the amount is significant because of its size and nature;
- it is important for understanding the results of Meridian;
- it helps to explain changes in Meridian's business; or
- it relates to an aspect of Meridian's operations that is important to future performance.

These condensed interim financial statements are for Meridian Energy Limited (Meridian), its subsidiaries, controlled entities, interests in associates and joint arrangements (Group).

Meridian is a for-profit entity domiciled and registered under the Companies Act 1993 in New Zealand. It is a Financial Markets Conduct (FMC) reporting entity for the purposes of the Financial Markets Conduct Act 2013. Meridian is dual listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX). As a mixed ownership company, majority owned by His Majesty the King in Right of New Zealand, it is bound by the requirements of the Public Finance Act 1989.

These condensed interim financial statements for the six months ended 31 December 2024 have been prepared:

- in accordance with Generally Accepted Accounting Practice (GAAP) in New Zealand as appropriate for interim financial statements, complying with the New Zealand equivalents to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and International Accounting Standard 34 Interim Financial Reporting (IAS 34), as appropriate for a for-profit entity;
- using the same accounting policies, methods of computation, significant estimates and key judgments as disclosed in the 2024 Annual report, unless stated otherwise;
- on the basis of historical cost, modified by revaluation of certain assets and liabilities;
- in millions of New Zealand dollars (NZD), unless otherwise noted; and
- with certain comparative amounts reclassified to conform to current period presentation.

The information in these condensed interim financial statements should be read in conjunction with the 2024 Annual report.



# S Significant matters in the six months

## IN THIS SECTION

This section outlines significant matters which have impacted Meridian's financial position and performance.

### S1 New Zealand Aluminium Smelter (NZAS)

As detailed in the 2024 Annual report, the new NZAS contracts starting 3 July 2024 cause a significant change in how income, expenses, assets and liabilities are classified within these Interim financial statements.

The main changes are as follows:

- the main contract with NZAS changes from being an executory contract to being a financial instrument (derivative); and
- the demand response agreement (DRA) changes from being a derivative to an executory contract with an associated embedded derivative recognised.

The below table notes where the NZAS related income, expense and balance sheet values are presented, for the current and comparative periods.

	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M
<b>INCOME STATEMENT</b>		
Operating revenue	–	88
Operating expenses	(88)	(319)
Net change in fair value of energy hedges	(214)	(3)
<b>BALANCE SHEET</b>		
Financial instruments – current asset	29	7
Financial instruments – non-current asset	29	–
Financial instruments – non-current liability	(82)	–
Payables and accruals	(9)	(65)





## S2 Restatement of presentation of Financial Transmission Rights

Meridian has amended its balance sheet presentation of Financial Transmission Rights (FTRs). FTRs are Level 1 electricity derivatives used to manage locational price risk. Meridian previously disclosed FTRs gross, with:

- acquisition cost classified as a liability (in Payables and accruals for current amounts due, and in Term payables for non-current amounts due); and
- the hedge value classified as assets (in Financial instruments).

As FTRs are net settled, Meridian has changed its balance sheet presentation in the current period and restated the prior year. The effects of this change in presentation on the consolidated balance sheet are shown in the below table:

	Restated		
	Unaudited 31 Dec 2023 \$M	Unaudited 31 Dec 2023 \$M	Unaudited Change \$M
<b>BALANCE SHEET</b>			
Financial instruments – current asset	170	225	(55)
Financial instruments – non-current asset	99	118	(19)
Financial instruments – current liability	64	63	1
Financial instruments – non-current liability	103	102	1
Payables and accruals	443	499	(56)
Term payables	63	83	(20)

## S3 Hydrological and market conditions

The current period has seen significant volatility in energy prices, resulting from periods of low hydro lake storage and on-going tightness in the gas market. The occurrence of high wholesale prices at the same time as reduced hydro generation capacity has had a negative impact on Meridian's financial performance, as compared to the comparative period.



# N Non-GAAP measures

## IN THIS SECTION

This section contains explanations of non-GAAP measures that are used within the notes to the condensed interim financial statements.

Meridian uses non-GAAP financial measures within these condensed interim financial statements and accompanying notes. The limited use of non-GAAP measures is intended to supplement GAAP measures to provide readers with further information to broaden their understanding of Meridian's financial performance and position. They are not a substitute for GAAP measures.

As these measures are not defined by NZ GAAP, IFRS, or any other body of accounting standards, Meridian's calculations may differ from similarly titled measures presented by other companies. The measures are described here, including references to relevant notes to the condensed interim financial statements.

### EBITDAF

EBITDAF stands for earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains and losses on sale of assets.

EBITDAF allows the evaluation of Meridian's operating performance without the non-cash impact of depreciation, amortisation, unrealised fair value movements of hedging instruments and other one-off or infrequently occurring events and the effects of Meridian's capital structure and tax position. This allows the reader to compare operating performance with that of other electricity industry companies.

Meridian uses this measure within Note A1 Segment performance.

### Energy margin

Energy margin provides a measure of financial performance that, unlike total revenue, accounts for the variability of wholesale energy markets and the broadly offsetting impact of the wholesale prices on the cost of Meridian's energy purchases and revenue from generation.

Meridian uses this measure within Note A1 Segment performance.

### Net debt

Net debt is a metric commonly used by investors as a measure of Meridian's indebtedness that takes account of liquid financial assets.

Meridian uses this measure within Note C1 Capital management.



# A Financial performance

## IN THIS SECTION

This section provides an analysis of Meridian's financial performance for the six months by key area including operating segments, revenue and expenses.

### AI Segment performance

The Chief Executive (the chief operating decision-maker) monitors the operating performance of each segment for the purpose of making decisions on resource allocation and strategic direction. The Chief Executive considers the business according to the nature of the products and services, as set out below:

#### Wholesale

- Generation of electricity and its sale into the wholesale electricity market.
- Purchase of electricity from the wholesale electricity market and its sale to the Retail segment and to large industrial customers, including NZAS representing the equivalent of 25% (31 December 2023: 36%) of Meridian's generation production volume.
- Development of renewable electricity generation opportunities.

### Retail

- Retailing of electricity and complementary products through two brands, Meridian and Powershop.
- Electricity sold to residential, business and industrial customers on fixed price variable volume contracts is purchased from the Wholesale segment at an average annual fixed price of \$137 per megawatt hour (MWh) (2023: \$133 per MWh). Electricity sold to business and industrial customers on spot (variable price) agreements is purchased from the Wholesale segment at prevailing wholesale spot market prices.
- Agency margin from spot sales is included within "Contracted sales, net of distribution costs and hedging".

### Other and unallocated

- Other operations that are not considered reportable segments, including licensing of the Flux developed electricity retailing platform.
- Activities and centrally based costs that are not directly allocated to other segments.

The financial performance of the operating segments is assessed using energy margin and EBITDAF (for definitions see the Non-GAAP Measure page) before unallocated central corporate expenses. Balance sheet items are not reported to the Chief Executive at an operating segment level.



## AI Segment performance continued

FOR THE SIX MONTHS ENDED 31 DECEMBER	Wholesale		Retail		Other and Unallocated		Inter-segment		Group	
	2024	2023	2024	2023	2024	2023	2024	2023	Unaudited	Unaudited
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Contracted sales, net of distribution costs and hedging	291	296	704	670	-	-	-	-	995	966
Costs to supply customers, net of hedging	(1,631)	(1,334)	(653)	(660)	-	-	719	729	(1,565)	(1,265)
Net cost of other hedges	(15)	51	-	-	-	-	-	-	(15)	51
Generation spot revenue, net of hedging	1,042	885	-	-	-	-	-	-	1,042	885
Inter-segment electricity sales	719	729	-	-	-	-	(719)	(729)	-	-
Virtual asset swap margins	(9)	(3)	-	-	-	-	-	-	(9)	(3)
Other market revenue/(costs)	(3)	(5)	(1)	-	-	-	-	-	(4)	(5)
<b>Energy margin (see reconciliation on next page)</b>	<b>394</b>	<b>619</b>	<b>50</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>444</b>	<b>629</b>
Other revenue	2	2	13	9	16	10	(5)	(5)	26	16
Hosting expense	-	-	-	-	(2)	(2)	-	-	(2)	(2)
Energy transmission expense	(37)	(36)	-	-	-	-	-	-	(37)	(36)
Energy metering expenses	-	-	(26)	(25)	-	-	-	-	(26)	(25)
<b>Gross margin</b>	<b>359</b>	<b>585</b>	<b>37</b>	<b>(6)</b>	<b>14</b>	<b>8</b>	<b>(5)</b>	<b>(5)</b>	<b>405</b>	<b>582</b>
Employee expenses	(16)	(16)	(20)	(18)	(32)	(32)	-	-	(68)	(66)
Other operating expenses	(40)	(35)	(21)	(19)	(23)	(23)	4	4	(80)	(73)
<b>EBITDAF (see reconciliation on next page)</b>	<b>303</b>	<b>534</b>	<b>(4)</b>	<b>(43)</b>	<b>(41)</b>	<b>(47)</b>	<b>(1)</b>	<b>(1)</b>	<b>257</b>	<b>443</b>
Depreciation and amortisation									(225)	(164)
Asset related adjustments									(8)	11
Net change in fair value of energy hedges (see reconciliation on next page)									(143)	11
Interest expense									(42)	(31)
Interest income									4	6
Net change in fair value of treasury hedges									(11)	(13)
<b>Net (loss)/profit before tax</b>									<b>(168)</b>	<b>263</b>
Income tax benefit/(expense)									47	(72)
<b>Net (loss)/profit after tax</b>									<b>(121)</b>	<b>191</b>



## AI Segment performance continued

RECONCILIATION OF ENERGY MARGIN	Note	Unaudited	Unaudited
		2024 \$M	2023 \$M
Energy sales to customers	A2	1,178	1,203
Generation revenue	A2	1,051	892
Energy expenses	A3	(1,094)	(1,136)
Energy distribution expenses	A3	(393)	(363)
Realised energy hedges (see below)		(298)	33
<b>Energy margin</b>		<b>444</b>	<b>629</b>

RECONCILIATION OF EBITDAF	Note	Unaudited	Unaudited
		2024 \$M	2023 \$M
Operating revenue	A2	2,255	2,111
Operating expenses	A3	(1,700)	(1,701)
Realised energy hedges (see below)		(298)	33
<b>EBITDAF</b>		<b>257</b>	<b>443</b>

RECONCILIATION OF NET CHANGE IN FAIR VALUE OF ENERGY HEDGES		Unaudited	Unaudited
		2024 \$M	2023 \$M
Realised energy hedges shown within energy margin (see above)		(298)	33
Unrealised changes in the fair value of energy hedges (as noted on previous page)		(143)	11
<b>Net change in fair value of energy hedges per the Income Statement</b>		<b>(441)</b>	<b>44</b>



## A2 Income

	Unaudited 2024 \$M	Unaudited 2023 \$M
<b>OPERATING REVENUE</b>		
<b>Six months ended 31 December</b>		
Energy sales to customers	1,178	1,203
Generation revenue	1,051	892
Energy-related services revenue	5	5
Other revenue	21	11
<b>Total operating revenue</b>	<b>2,255</b>	<b>2,111</b>

## A3 Expenses

	Unaudited 2024 \$M	Unaudited 2023 \$M
<b>OPERATING EXPENSES</b>		
<b>Six months ended 31 December</b>		
Energy expenses	1,094	1,136
Energy distribution expenses	393	363
Energy transmission expenses	37	36
Energy metering expenses	26	25
Hosting expenses	2	2
Employee expenses	68	66
Other expenses	80	73
<b>Total operating expenses</b>	<b>1,700</b>	<b>1,701</b>

	Unaudited 2024 \$M	Unaudited 2023 \$M
<b>INTEREST EXPENSE</b>		
<b>Six months ended 31 December</b>		
Interest on borrowings	46	40
Interest on option premiums	-	1
Interest on lease liabilities	1	1
Less capitalised interest	(5)	(11)
<b>Total interest expense</b>	<b>42</b>	<b>31</b>

### Capitalised interest

Meridian capitalises interest expense relating to building new assets. The average rate used to determine the amount of borrowing costs eligible for capitalisation was 5.71% (2023: 5.58%).



# B Assets used to generate and sell electricity

## IN THIS SECTION

This section shows the core tangible and intangible assets Meridian uses in the production and sale of electricity to generate operating revenues.

### B1 Property, plant and equipment

POSITION AS AT	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Opening net book value	12,192	8,989	8,989
Additions	81	200	375
Disposals	–	(6)	(17)
Adjustment of Right of use assets	1	(3)	(3)
Generation structures and plant revaluation – revaluation reserve	–	–	3,152
Depreciation expense	(215)	(149)	(304)
<b>Closing net book value</b>	<b>12,059</b>	<b>9,031</b>	<b>12,192</b>

### B2 Intangible assets

POSITION AS AT	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Opening net book value	62	73	73
Additions	22	22	37
Impairment	(3)	–	(18)
Amortisation expense	(10)	(15)	(30)
<b>Closing net book value</b>	<b>71</b>	<b>80</b>	<b>62</b>

### Fair value and revaluation of generation structures and plant

Within property, plant & equipment, generation structures and plant are carried at fair value. Revaluations are performed with sufficient regularity to ensure that carrying value does not differ materially from that which would be determined using fair values at balance date.

A review and assessment of key inputs included in the valuation of generation structures and plant has been undertaken as at 31 December 2024, indicating that the carrying value was materially in line with fair value and therefore a revaluation was unnecessary (2023: assets were not revalued). Generation structures and plant were last revalued at 30 June 2024.

### Capital Commitments

At 31 December 2024, Meridian has capital commitments of \$50 million (2023: \$165 million).



# C Managing funding

## IN THIS SECTION

This section summarises Meridian's capital position and returns to shareholders.

### C1 Capital management

POSITION AS AT	Note	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Share capital		1,834	1,719	1,729
Retained earnings		(2,138)	(1,716)	(1,631)
Other reserves		8,149	5,882	8,148
		<b>7,845</b>	<b>5,885</b>	<b>8,246</b>
Drawn borrowings	C4	1,582	1,383	1,331
add: Lease liabilities		30	31	30
less: Cash and cash equivalents		(111)	(221)	(221)
<b>Net debt</b>		<b>1,501</b>	<b>1,193</b>	<b>1,140</b>
<b>Net capital</b>		<b>9,346</b>	<b>7,078</b>	<b>9,386</b>

Net capital is defined by Meridian as the combination of shareholders equity, reserves and net debt.

### C2 Earnings per share

BASIC AND DILUTED EARNINGS PER SHARE (EPS)	Unaudited 31 Dec 2024	Unaudited 31 Dec 2023
Net (loss)/profit after tax (\$M)	(121)	191
Weighted average number of shares used in the calculation of EPS	2,596,488,167	2,583,937,890
Basic and diluted EPS (cents per share)	(4.7)	7.4

### C3 Dividends

DIVIDENDS DECLARED AND PAID Six months ended 31 December	Unaudited 2024 \$M	Unaudited 2023 \$M
Final ordinary dividend 2024: 14.85cps (2023: 11.90cps)	384	307
<b>Total dividends paid</b>	<b>384</b>	<b>307</b>
<b>Dividends declared and not recognised as a liability</b>		
Interim ordinary dividend 2025: 6.15cps (2024: 6.15cps)	160	159

Meridian's objective when managing capital is to provide appropriate returns to shareholders whilst maintaining a capital structure that safeguards its ability to remain a going concern and optimises the cost of capital. Refer to note C1 in the 2024 Annual report for further details on how Meridian manages its capital.

#### Dividend Reinvestment Plan (DRP)

Meridian operates a DRP under which shareholders can elect to receive dividends in additional shares rather than cash.

For the September 2024 final dividend payment, new shares were issued at a 2% discount to the prevailing market price of Meridian shares around the time of issue. Meridian investors were issued 18,204,174 new shares with a value of \$108 million (2024: 3,838,342 shares with a value of \$20 million).

Shares issued in lieu of cash are excluded from dividends paid in the Statement of Cash Flows.



#### Subsequent event – dividend declared

On 25 February 2025 the Board declared a partially imputed interim ordinary dividend of 6.15 cents per share.





## C4 Borrowings

	Unaudited 31 Dec 2024 \$M	Unaudited 31 Dec 2023 \$M	Audited 30 Jun 2024 \$M
Commercial paper	100	198	25
Drawn bank facilities	181	24	–
Retail bonds	700	550	700
Export credit agency facility	15	25	20
US Private placement notes	586	586	586
<b>Face value of borrowings</b>	<b>1,582</b>	<b>1,383</b>	<b>1,331</b>
Deferred financing costs	(2)	(2)	(2)
Fair value adjustment on hedged borrowings	77	10	18
<b>Total carrying value of borrowings</b>	<b>1,657</b>	<b>1,391</b>	<b>1,347</b>
<i>of which</i>			
Current portion of borrowings	490	382	234
Borrowings	1,167	1,009	1,113
<b>Total carrying value of borrowings</b>	<b>1,657</b>	<b>1,391</b>	<b>1,347</b>

The below table details changes in Meridian's borrowings over the current and comparative reporting period.

	Unaudited 2024 \$M	Unaudited 2023 \$M
Balance 30 June	1,347	1,236
Borrowings drawn	256	167
Borrowings repaid	(5)	(5)
Change in fair value adjustments on hedged borrowings	1	13
Movements due to changes in foreign exchange rates	58	(20)
<b>Balance 31 December</b>	<b>1,657</b>	<b>1,391</b>

Meridian has committed bank facilities of \$915 million of which \$196 million were drawn at 31 December 2024 (2023: facilities of \$650 million of which \$49 million were drawn).

Where facilities have expiry dates, these range from August 2025 to April 2027. \$350 million of facilities are evergreen and have no expiry dates.

All borrowings are Green Debt instruments under Meridian's Green Finance Programme. Further information is available on the Green Finance section of Meridian's website.

Within borrowings there are longer dated instruments with fixed rate coupons which are not in hedge accounting relationships. As at 31 December 2024, the fair value is \$24 million higher than the carrying value (2023: fair value \$4 million higher than carrying value). This is driven by the fixed rate Retail bonds.



# D Financial instruments used to manage risk

## IN THIS SECTION

This section summarises the financial (hedging) instruments Meridian uses to manage risk.

### D1 Financial instruments

A summary of financial instruments and their impact on Meridian's financial position and performance is noted opposite, grouped by type of hedge. There were no changes in valuation processes, valuation techniques or types of inputs used in the calculation of fair values and their movements during the period. Refer to the 2024 Annual report for information about the fair value hierarchy of our inputs.

	Level	Fair value on the balance sheet						Fair value movements in the income statement	
		Unaudited 31 Dec 2024		Unaudited 31 Dec 2023		Audited 30 Jun 2024		Unaudited 31 Dec 2024	Unaudited 31 Dec 2023
		Assets \$M	Liabilities \$M	Assets \$M	Liabilities \$M	Assets \$M	Liabilities \$M	\$M	\$M
<b>Treasury hedges</b>									
Cross currency interest rate swap (CCIRS) – interest rate risk	2	(51)	–	(26)	(10)	(39)	(13)	–	–
CCIRS – basis and margin risk	2	4	(3)	–	(3)	–	(1)	–	–
CCIRS – foreign exchange risk	2	129	–	46	–	71	–	–	–
<b>Total CCIRS</b>		<b>82</b>	<b>(3)</b>	<b>20</b>	<b>(13)</b>	<b>32</b>	<b>(14)</b>	<b>–</b>	<b>–</b>
Foreign exchange hedges	2	–	–	3	–	1	–	–	–
Interest rate swaps	2	37	(19)	35	(14)	44	(14)	(11)	(13)
<b>Total treasury hedges</b>		<b>119</b>	<b>(22)</b>	<b>58</b>	<b>(27)</b>	<b>77</b>	<b>(28)</b>	<b>(11)</b>	<b>(13)</b>
<b>Energy hedges</b>									
Market traded energy hedges	1	10	(74)	54	(46)	79	(15)	(119)	1
Other energy hedges	3	88	(103)	123	(94)	152	(111)	(107)	52
Energy options	3	71	–	34	–	93	–	(1)	(9)
NZAS	3	58	(82)	–	–	56	(74)	(214)	–
<b>Total energy hedges</b>		<b>227</b>	<b>(259)</b>	<b>211</b>	<b>(140)</b>	<b>380</b>	<b>(200)</b>	<b>(441)</b>	<b>44</b>
<b>Total hedges</b>		<b>346</b>	<b>(281)</b>	<b>269</b>	<b>(167)</b>	<b>457</b>	<b>(228)</b>	<b>(452)</b>	<b>31</b>
<i>of which</i>									
Current		110	(118)	170	(64)	233	(86)		
Non current		236	(163)	99	(103)	224	(142)		
<b>Total hedges</b>		<b>346</b>	<b>(281)</b>	<b>269</b>	<b>(167)</b>	<b>457</b>	<b>(228)</b>		



## DI Financial instruments continued

### Analysis of fair value movements on energy hedges

The following table provides an analysis of fair value movements on energy hedges. In Note A1 Segment performance, realised movements on energy hedges are presented within Energy Margin and EBITDAF.

\$M	Unaudited Six months ended 31 Dec 2024					Unaudited Six months ended 31 Dec 2023				
	Market traded energy hedges	Other energy hedges	Energy options	NZAS	Total	Market traded energy hedges	Other energy hedges	Energy options	NZAS	Total
Realised movements in energy hedges	(44)	(83)	24	(195)	(298)	(6)	38	1	–	33
Unrealised movements in energy hedges	(75)	(24)	(25)	(19)	(143)	7	14	(10)	–	11
<b>Total fair value movements in energy hedges</b>	<b>(119)</b>	<b>(107)</b>	<b>(1)</b>	<b>(214)</b>	<b>(441)</b>	<b>1</b>	<b>52</b>	<b>(9)</b>	<b>–</b>	<b>44</b>

### Level 3 financial instrument analysis

The following provides a summary of the movements through EBITDAF and movements in the fair value of level 3 financial instruments:

\$M	Unaudited 31 Dec 2024				Unaudited 31 Dec 2023			
	Other energy hedges	Energy options	NZAS	Total	Other energy hedges	Energy options	NZAS	Total
Net change in fair value of energy hedges:								
Realised movements	(83)	24	(195)	(254)	38	1	–	39
Unrealised movements	(24)	(25)	(19)	(68)	14	(10)	–	4
<b>Total net change in fair value of energy hedges</b>	<b>(107)</b>	<b>(1)</b>	<b>(214)</b>	<b>(322)</b>	<b>52</b>	<b>(9)</b>	<b>–</b>	<b>43</b>
<b>Balance at the beginning of the period</b>	<b>41</b>	<b>93</b>	<b>(19)</b>	<b>115</b>	<b>(5)</b>	<b>33</b>	<b>–</b>	<b>28</b>
Fair value movements in the Income Statement	(107)	(1)	(214)	(322)	52	(9)	–	43
Remeasurement	51	(28)	209	232	(18)	–	–	(18)
New hedge recognised	–	7	–	7	–	10	–	10
<b>Balance at the end of the period</b>	<b>(15)</b>	<b>71</b>	<b>(24)</b>	<b>32</b>	<b>29</b>	<b>34</b>	<b>–</b>	<b>63</b>



## D1 Financial instruments continued

### Fair value technique and key inputs

In estimating the fair value of an asset or liability, Meridian uses market-observable data to the extent that it is available. The Audit and Risk Committee determines the overall appropriateness of key valuation techniques and inputs for fair value measurement. The Chief Financial Officer explains fair value movements in his report to the Board.

Where the fair value of a financial instrument is calculated as the present value of the estimated future cash flows of the instrument (DCF), a number of inputs and assumptions are used by the valuation technique. These are:

- forward price curves referenced to the ASX for electricity, published market interest rates and published forward foreign exchange rates;
- Meridian's best estimate of volumes called over the life of energy options;
- discount rates based on the market wholesale interest rate curves, adjusted for counterparty risk;
- calibration factor applied to forward price curves as a consequence of initial recognition differences;
- NZAS continues to operate to 31 December 2044; and
- contracts run their full term.

The table below describes the additional key inputs and techniques used in the valuation of level 3 financial instruments:

Financial asset or liability	Description of input	Range of significant unobservable inputs	Relationship of input to fair value
<b>Other electricity hedges and NZAS,</b> valued using DCFs	Where quoted prices are not available or not relevant (i.e. for long dated contracts), Meridian's best estimate of long-term forward wholesale electricity price is used. This is based on a fundamental analysis of expected demand and the cost of new supply and any other relevant wholesale market factors. It takes into account any fixed discount applicable at inception.	\$56/MWh to \$77/MWh (30 June 2024: \$56/MWh to \$77/MWh) (in nominal terms, excludes observable ASX prices).	An increase in forward wholesale electricity price increases the fair value of buy hedges and decreases the fair value of sell hedges. A decrease in forward wholesale electricity price has the opposite effect.
<b>NZAS</b>	The NZAS CFD and DRA contain price adjustments for inflation, subject to movements in average annual aluminium price. Actual and forecast Consumer Price Inflation (CPI), as published by the New Zealand Treasury, is used as an input. This is adjusted for the probability of CPI increases applying to the contracts. Meridian assesses probability of CPI increases by historical analysis of aluminium prices.	31 December 2024: CPI 0%–2%, Probability 54% 30 June 2024: CPI 0%–2%, Probability 54%	For the CFD, as CPI rises, its value increases. A decrease in CPI has the opposite effect. For the DRA embedded derivative, as CPI rises, the value decreases. A decrease in the CPI has the opposite effect.



# E Other

## E1 Group structure

No changes occurred to Meridian's Group structure in the six months ended 31 December 2024.

## E2 Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 December 2024 (31 Dec 2023: Nil, 30 Jun 2024: Nil).

## E3 Subsequent events

In January 2025 Meridian signed a Power Purchase Agreement with Harmony Energy/First Renewables in respect of their joint venture to build the Tauhei Solar Farm. The Tauhei Solar Farm is due to be completed in late 2026 and will generate 280 gigawatt hours of electricity each year. Meridian will purchase 100% of the output from the farm for its first 10 years of operation.

In February 2025, Meridian entered into a Scheme Implementation Agreement (SIA) with NZ Windfarms Limited (NZWF) to purchase the remaining shares (80.01%) in NZWF via a court-approved Scheme of Arrangement for \$0.25 cash per share, this corresponds to a total equity value for NZWF of \$91 million as at 19 February 2025. The Scheme is subject to NZWF shareholder approval, High Court approval, and other customary conditions relating to regulatory approvals and certain events or occurrences prior to implementation, as detailed in the SIA.

There are no other subsequent events other than dividends declared on 25 February 2025 (refer to Note C3 Dividends for further details).



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF MERIDIAN ENERGY LIMITED

**Deloitte.**

The Auditor-General is the auditor of Meridian Energy Limited (the "Company") and its subsidiaries (the "Group"). The Auditor-General has appointed me, Anthony Smith, 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 2 to 20, which comprise the balance sheet as at 31 December 2024, income statement, comprehensive income statement, statement of changes in equity and statement of cash flows for the six months ended on that date, and notes to the interim financial statements, including material accounting policy information 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 2024 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 independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this review and the audit of the Group annual financial statements, our firm carries out other assurance assignments for the Group in the areas of greenhouse gas inventory assurance,

limited assurance of the sustainability content in the integrated report, audits of the securities registers, audit of the fixed rate bond registers, and the solvency returns of Meridian Energy Captive Insurance Limited, as well as a review of the vesting of the executive long-term incentive plan, and supervisor reporting, which are compatible with those independence requirements. We also provide non – assurance services to the Corporate Taxpayers Group of which Meridian Energy is a member, along with a number of other organisations. Principals and employees of our firm also deal with the Group on arm's length terms within the ordinary course of trading activities of the Group. These services and trading activities have not impaired our independence as auditor of the Group.

Other than these engagements and arm's length terms transactions, 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 the 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.

The directors are also responsible for the publication of the interim financial statements, whether in printed or electronic form.

### 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 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 the interim financial statements.

A handwritten signature in blue ink, appearing to read 'Anthony Smith'.

**Anthony Smith, Partner**

for Deloitte Limited

On behalf of the Auditor-General

Christchurch, New Zealand

25 February 2025



# Meridian.

The Power to  
Make a Difference.