

Meridian Energy Limited Green Bond Offer



Meridian.

Joint Arranger, Green Bond Co-Ordinator, Joint Lead Manager:

Joint Arranger, Joint Lead Manager:

Joint Lead Managers:



MARCH 2024

Important Notice

This presentation has been prepared by Meridian Energy Limited (**Meridian**) in relation to its offer of unsecured, unsubordinated fixed rate green bonds maturing on 21 March 2030 (**Green Bonds**) (**Offer**). The Offer of Green Bonds is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). Details of the Offer are contained in the Indicative Terms Sheet dated on or about the date of this presentation (**Indicative Terms Sheet**). Unless the context otherwise requires, capitalised terms in this presentation have the same meaning as given to them or incorporated in the Indicative Terms Sheet.

The Offer is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as:

- Meridian's green bonds maturing on 20 March 2024, which have a fixed interest rate of 4.88% per annum and are currently quoted on the NZX Debt Market under the ticker code MEL040;
- Meridian's green bonds maturing on 27 June 2025, which have a fixed interest rate of 4.21% per annum and are currently quoted on the NZX Debt Market under the ticker code MEL050; and
- Meridian's green bonds maturing on 20 September 2028, which have a fixed interest rate of 5.91% per annum and are currently quoted on the NZX Debt Market under the ticker code MEL060,

(together the **Existing Bonds**).

Accordingly, the Green Bonds are the same class as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Meridian is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/MEL.

The Existing Bonds are the only debt securities of Meridian that are currently quoted and in the same class as the Green Bonds.

Investors should look to the market price of the Existing Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds.

Offer Highlights



MARCH 2024

RETAIL BOND OFFER

Offer Highlights

Issuer	Meridian Energy Limited (Meridian).
Description	6 year unsecured, unsubordinated, fixed rate green bonds (Green Bonds). The Green Bonds are Green Debt instruments under Meridian's Green Finance Framework dated February 2023 (as amended from time to time) and are certified by the Climate Bonds Initiative based on the Climate Bonds Standard. A copy of the Green Finance Framework is available on Meridian's website.
Issue Amount	Up to \$200,000,000 (with the ability to accept oversubscriptions of up to an additional \$100,000,000 at Meridian's discretion).
Term and Maturity Date	6 years, maturing Thursday, 21 March 2030.
Use of Proceeds	Meridian intends to allocate (either directly or notionally) an amount equal to the proceeds from the Offer to finance or refinance renewable energy and energy efficiency projects and assets that meet the eligibility criteria as set out in the Green Finance Framework (Green Assets), including the refinance of the \$150,000,000 MEL040 green bonds which mature on 20 March 2024.
Credit Rating	Issuer Credit Rating: BBB+ (Stable) by S&P Global Ratings. Expected Issue Credit Rating for the Green Bonds: BBB+ by S&P Global Ratings.
Joint Arrangers and Joint Lead Managers	Craigs Investment Partners Limited (Craigs) and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch) (Westpac) are acting as Joint Arrangers. ANZ Bank New Zealand Limited, Craigs, Forsyth Barr Limited and Westpac have been appointed Joint Lead Managers.

About Meridian



MARCH 2024

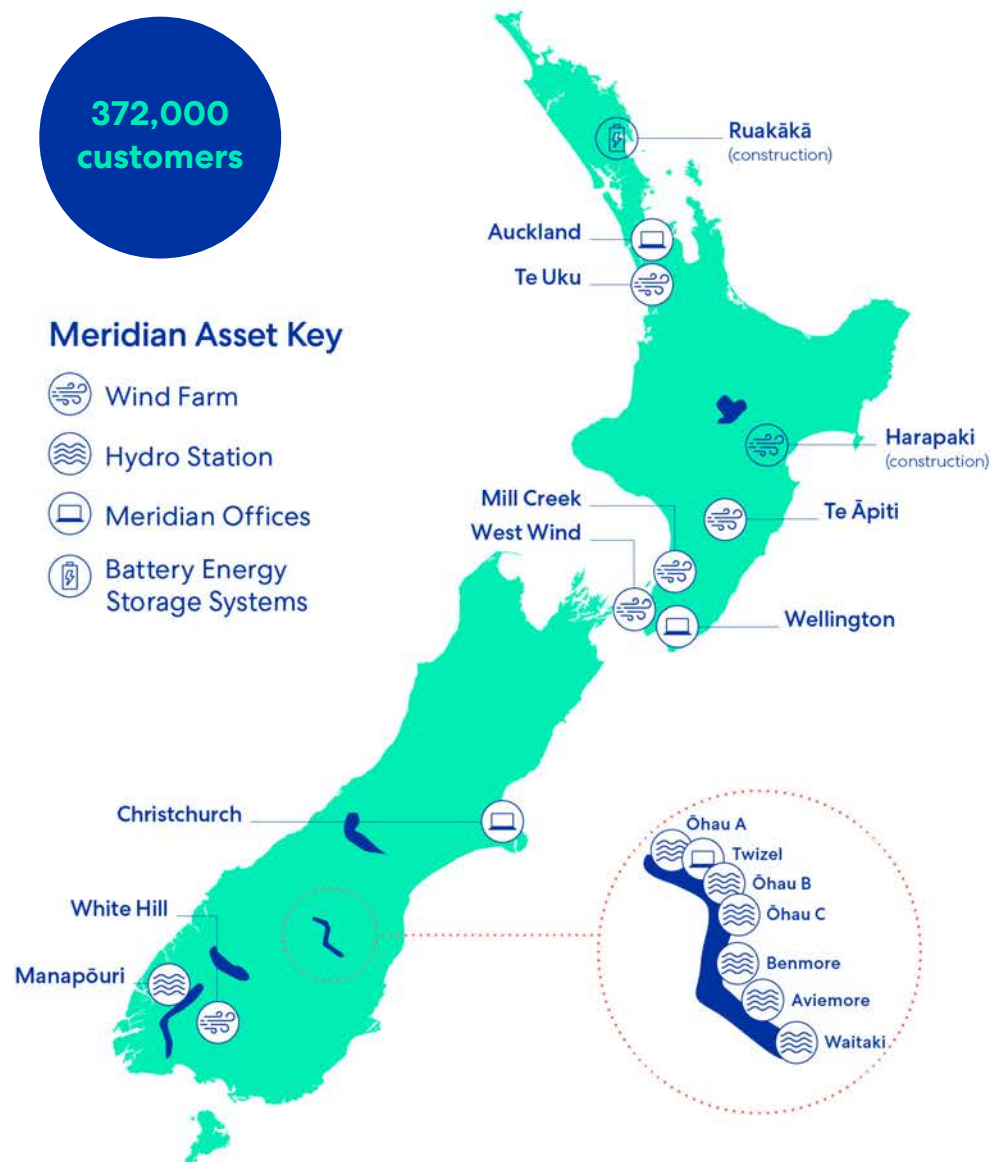
RETAIL BOND OFFER

About Meridian

372,000
customers

Meridian Asset Key

- Wind Farm
- Hydro Station
- Meridian Offices
- Battery Energy Storage Systems



- New Zealand's largest generator, all production from renewable sources
- Seven big hydro stations – flexible plant with the country's largest storage
- Low stay in business capital requirements
- Five New Zealand wind farms, with the first built in 2004
- Currently constructing a sixth wind farm and New Zealand's first grid scale battery storage system
- One of the largest retailers of electricity (by volume) in New Zealand
- Executing a renewables generation pipeline to support demand growth (driven by New Zealand's decarbonisation goals)
- Strong investment grade credit metrics
- Experienced leadership team and Board
- Majority Government shareholding (51%)

New Zealand Electricity Market



31 January 2024

5 major generators (all listed, 3 majority Government owned)

1 transmission grid owner (state owned)

1 very large industrial user (Rio Tinto/Sumitomo smelter), ~13% of national demand

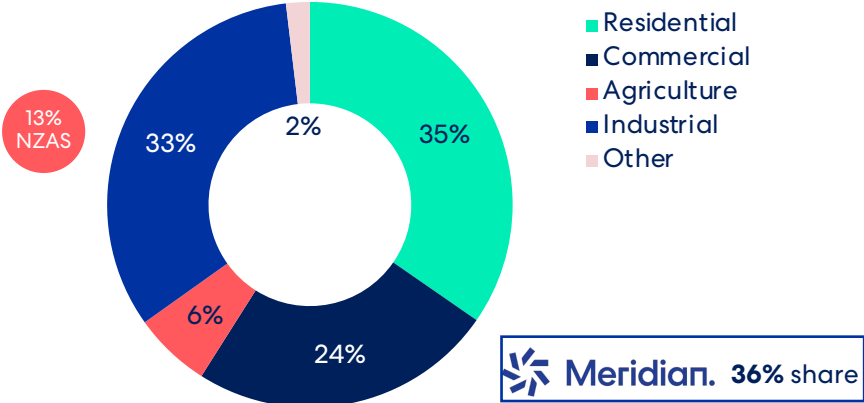
29 electricity distribution businesses (various ownership structures)

40 retailers

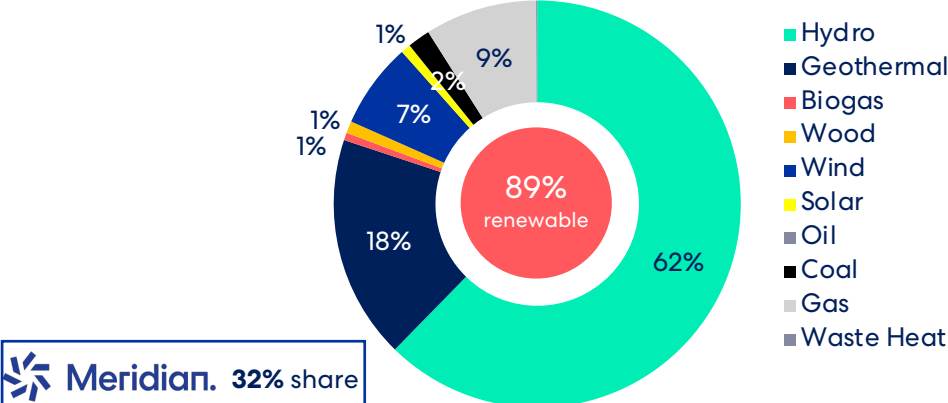
Over **2** million customer consumers (**41** TWh annual demand)

Sources: Electricity Authority and Ministry of Business, Innovation and Employment

Annual consumption (30 September 2023)



Annual generation (30 September 2023)



New Zealand Electricity Market continued

- A reliable, affordable and environmentally sustainable electricity system
- A well functioning competitive market with a high level of renewable resources and rational competition
- Vertical integration is the prevailing market structure
- Wholesale and retail market regulation provided by an independent regulator – The Electricity Authority (EA)
- Demand growth in the last decade has been modest. However, strong demand outlook from decarbonisation
- Significant new renewable generation build is occurring



West Wind farm near Wellington

Energy Policies from the New Coalition Government

Energy policy

- Cease work on Onslow pumped hydro
- Repeal offshore oil and gas exploration ban
- Net Zero by 2050 reiterated with doubling of renewable electricity included

Climate change

- Stop the current review of Emissions Trading Scheme
- Maintain separate approaches to methane and carbon dioxide emissions
- Cease further GIDI¹ funding and remove clean car discounts and the 'ute tax'
- Accelerate EV infrastructure investment including a nationwide public charging network



Lake Benmore in the Waitaki Valley

¹Government Investment in Decarbonising Industry

Energy Policies from the New Coalition Government continued

Hydrogen and other fuels

- Plan for transitional low carbon fuels including hydrogen infrastructure
- A Hydrogen National Policy Statement to be introduced to provide investment certainty

Resource Management Act (RMA) reform

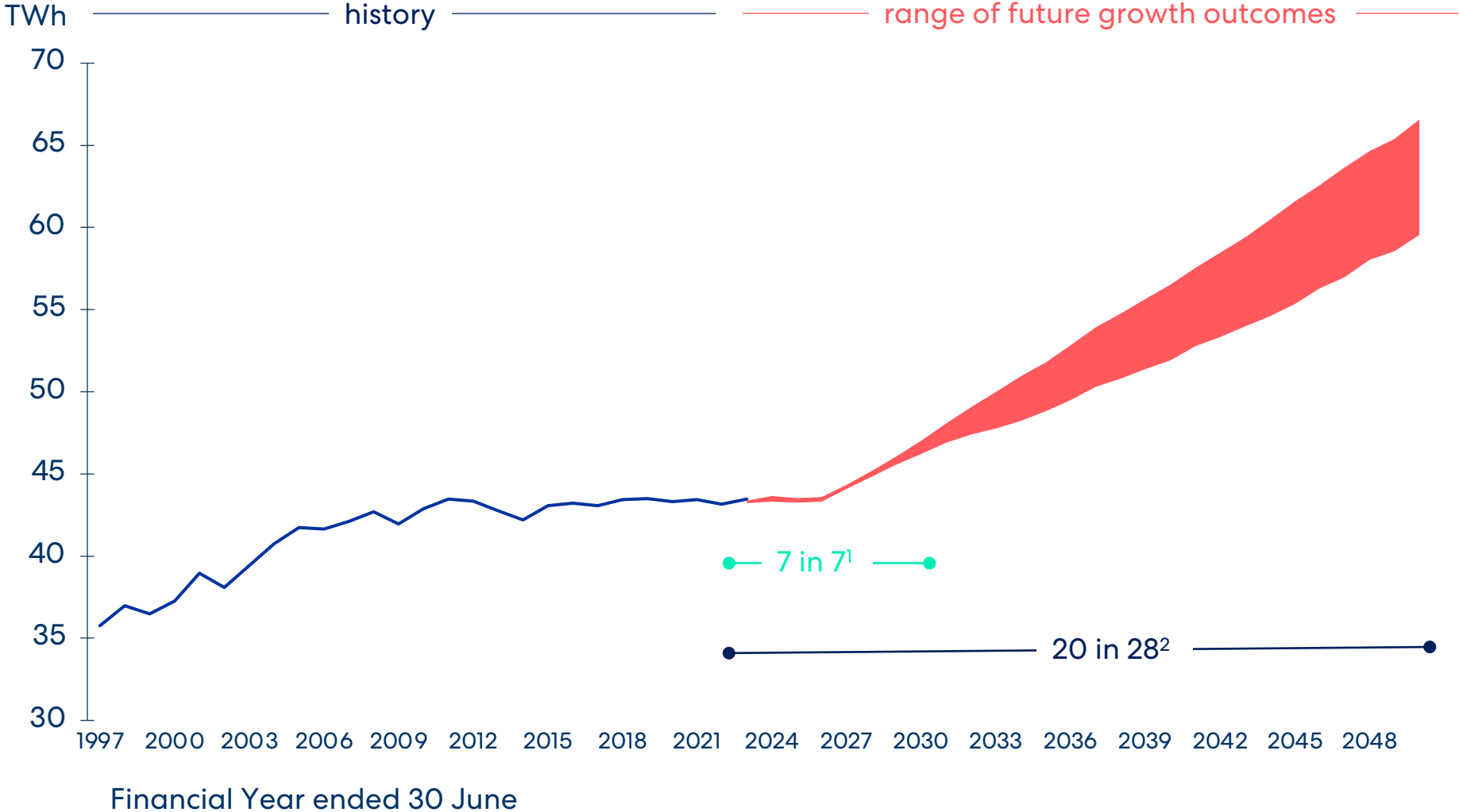
- Repeal Natural and Built Environment and Spatial Planning Acts
- Establish a fast-track consenting and permitting process for significant projects
- Replace the RMA with new resource management laws designed to make new infrastructure consenting easier
- Establish a National Infrastructure Agency



Lake Pukaki in the Waitaki Valley

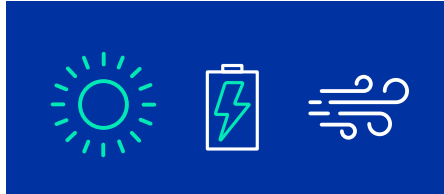
Renewable Growth

Annual Market Demand for Generation



\$30+
billion
of new
generation
investment by
2050

Source: Meridian



Source: Meridian

¹7 consented projects in 7 years from 2023
²20 consented projects in 28 years from 2023

Meridian's Strategy

Te kaupapa
Our purpose

Clean energy for a fairer and healthier world

Te rautaki
Our strategy

An all-encompassing focus on climate action

Te kaupapa matua
Our priorities

Grow renewable generation

Deliver cleaner, cheaper energy

Deliver operational excellence

Grow capability and culture

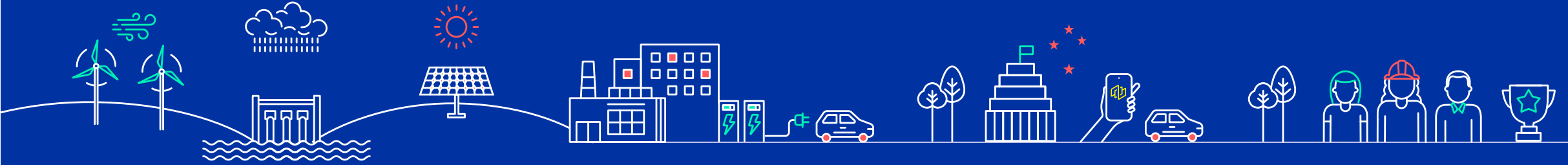
Te arotahinga
Our focus

To speed our path to a resilient, net zero future

Because customers must benefit from innovations and lower energy costs

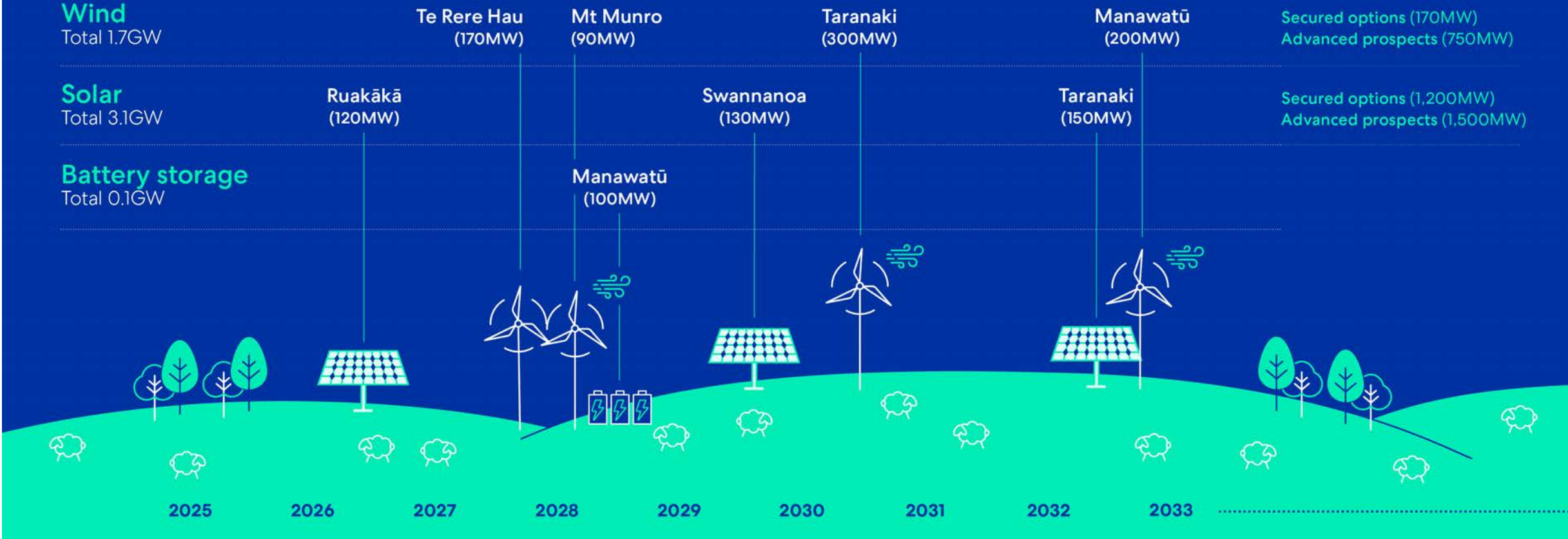
So everything we do aligns to deliver on our goals

Because how we do the mahi is what will make the real difference



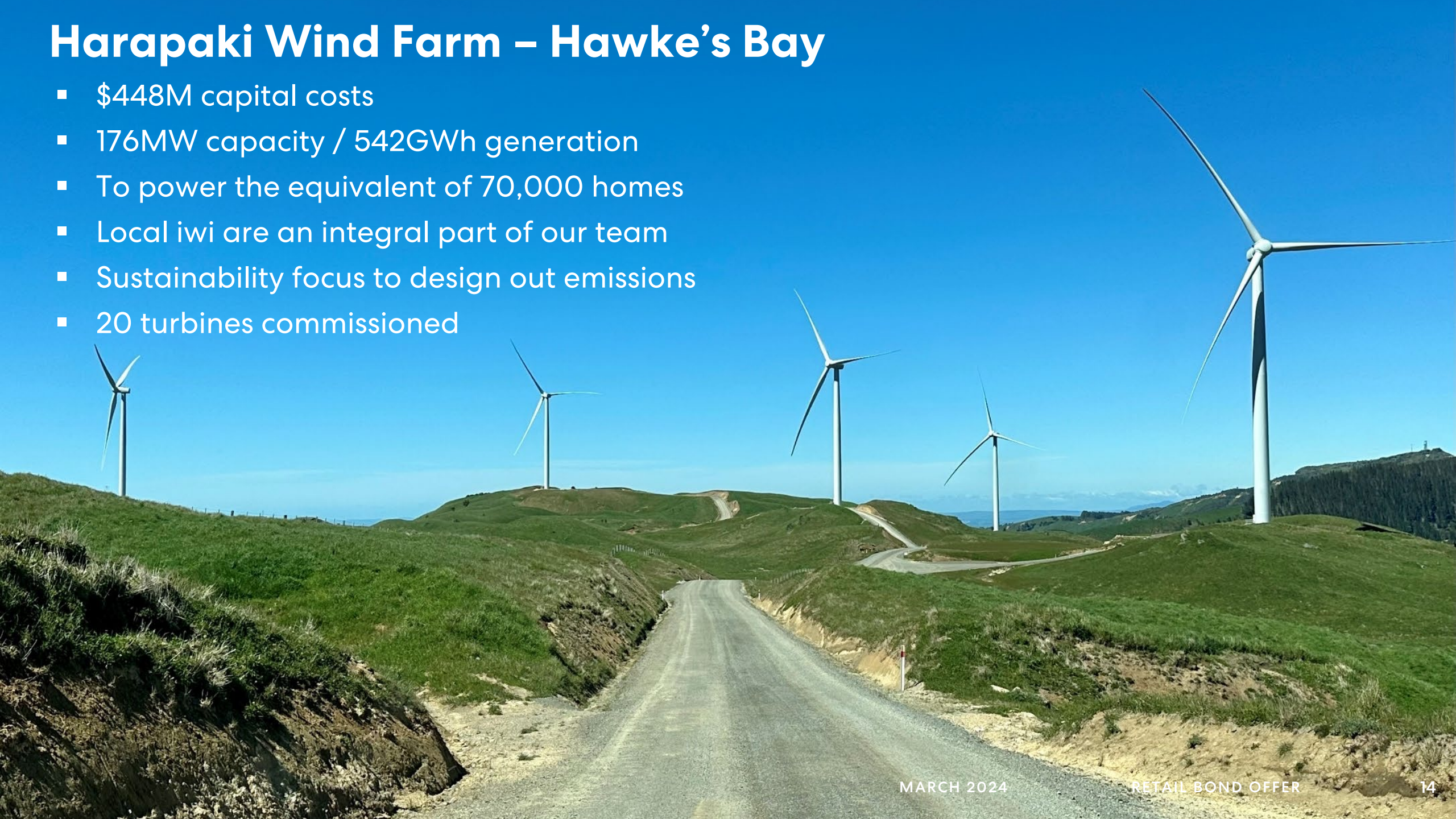
Meridian's Renewable Development Pipeline

- 4.9GW (11TWh) of development options
- 2.1GW secured, 2.8GW in advanced prospects

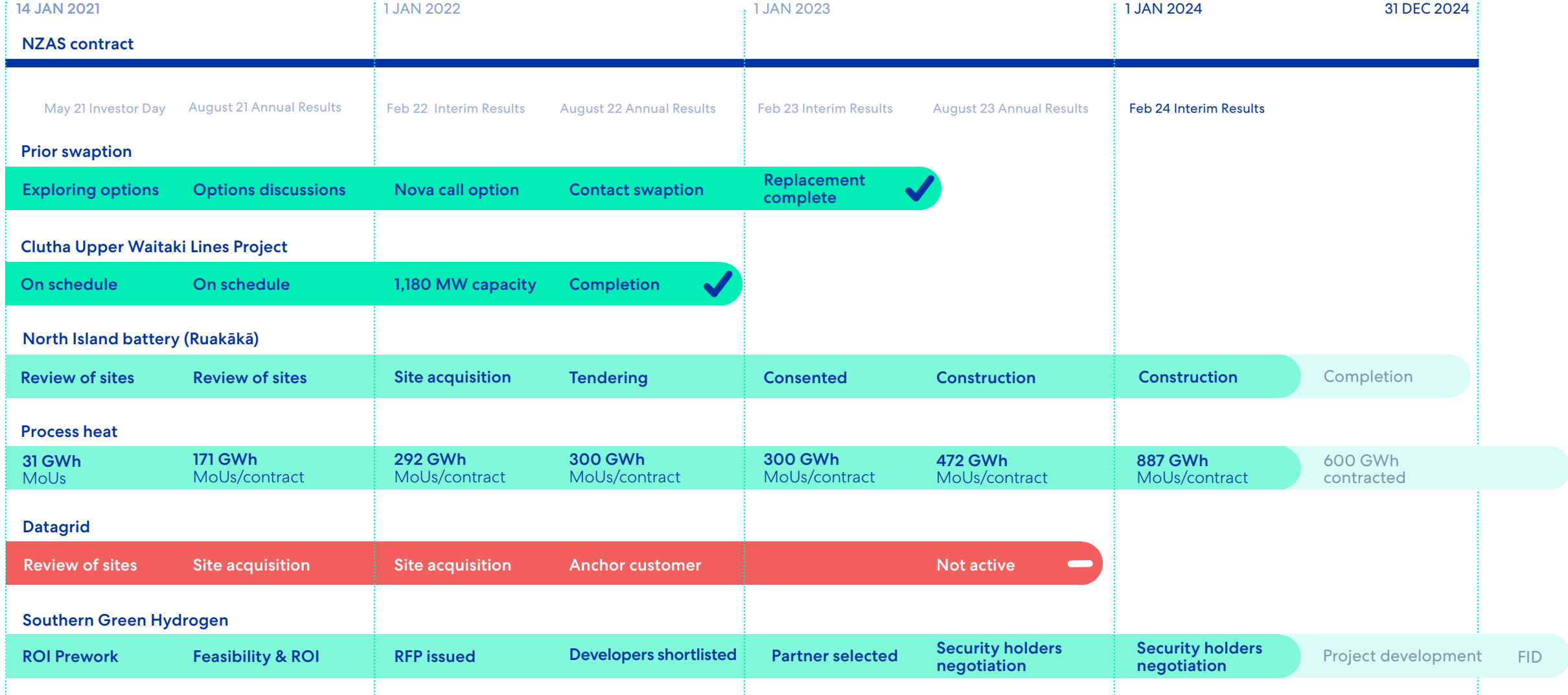


Harapaki Wind Farm – Hawke's Bay

- \$448M capital costs
- 176MW capacity / 542GWh generation
- To power the equivalent of 70,000 homes
- Local iwi are an integral part of our team
- Sustainability focus to design out emissions
- 20 turbines commissioned



Portfolio Response to NZAS Contract Termination



Discussions are ongoing with NZAS on a potential contract beyond 2024. These discussions are complex, and outcomes are uncertain. Meridian will update the market when discussions with NZAS are completed

Climate Action Plan

Our purpose

Meridian's purpose of **Clean energy for a fairer and healthier world** is at the centre of everything we do on our journey to a resilient, net zero future.

Our priorities

Renewable generation



Customer decarbonisation



Managing our emissions and ensuring resilience



Our key initiatives

Renewable energy development pipeline

Creating a pipeline of grid-scale projects ready for construction. First horizon "7x7" focused on 7 projects in the 7 years to 2030.

Construction of new generation assets

Beginning with Harapaki wind farm, we're building new assets to increase supply from our existing 100% renewable energy asset base.

New opportunities – hydrogen

Advancing a new partnership opportunity to develop a green hydrogen centre to support decarbonisation in Aotearoa and abroad.

Process heat

Helping businesses replace fossil fuel boilers with electrode boilers and heat pumps.

Electric vehicles and charging network

Making it easier for NZers to drive electric.

Demand flexibility

Playing our part in creating a more flexible energy system that enables smarter use of electricity and widespread electrification.

Construction emissions

Reducing emissions as we build new generation assets, and our new offsetting commitment.

Half by 30

Our science-aligned gross emissions reduction target for Scope 1, 2 and 3 operational emissions. Halving total emissions by FY30 on a FY21 baseline.

Forever Forests

Our nature based response to grow a permanent, and over time 100% native, emissions sink.

Climate risk and adaptation

Our continued commitment to assess and manage our climate-related risks, including adaptation.

Our Leading Sustainability Performance



Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

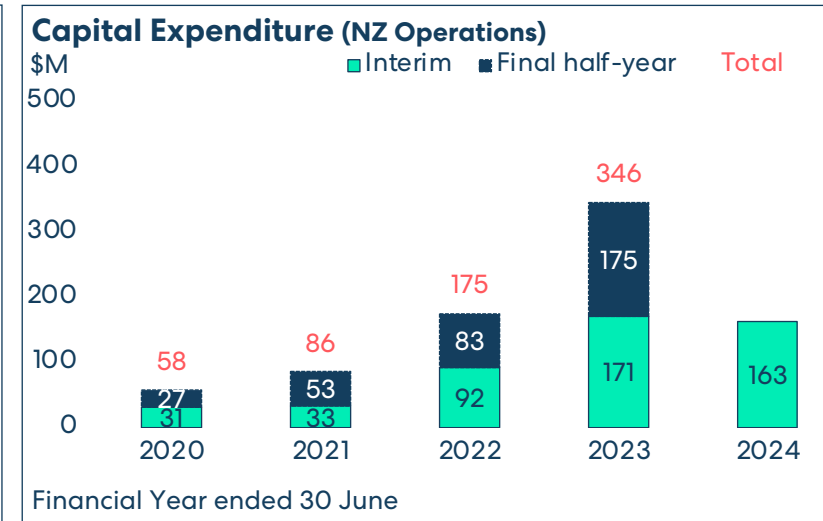
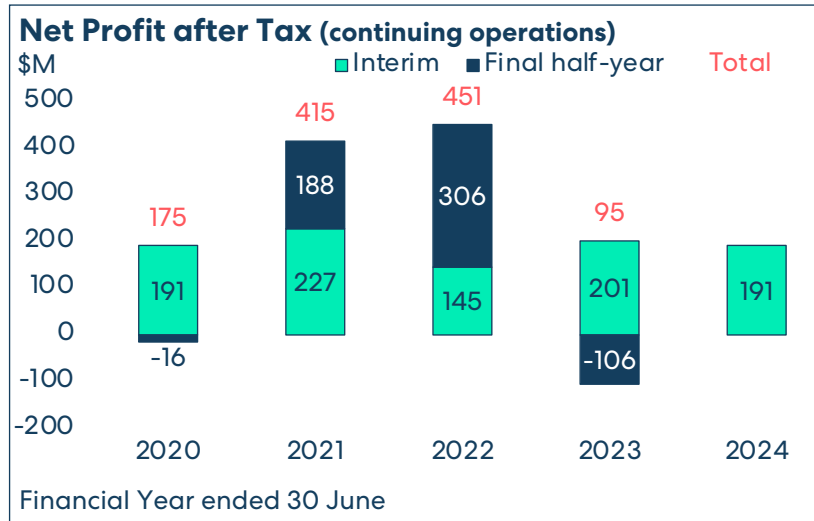
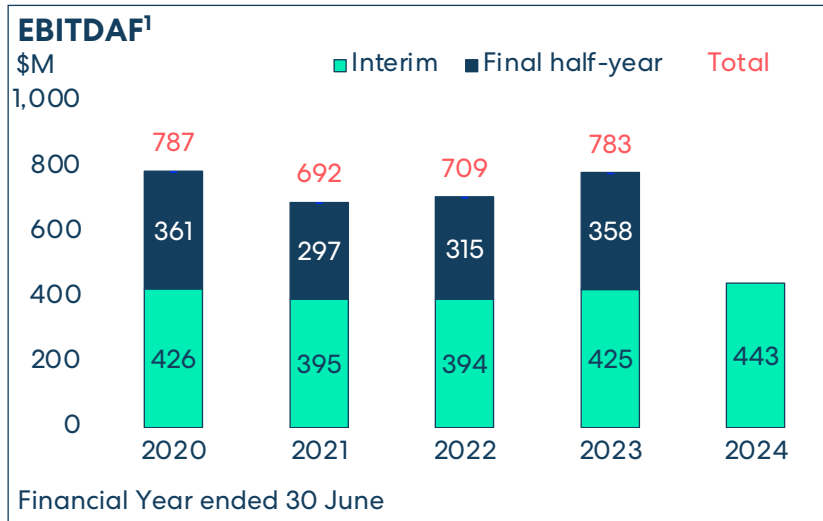


Financial Information and Capital Structure

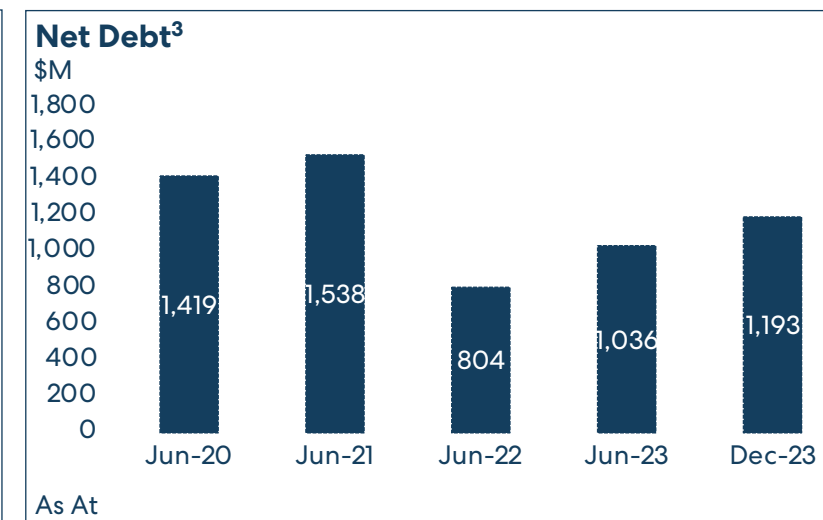
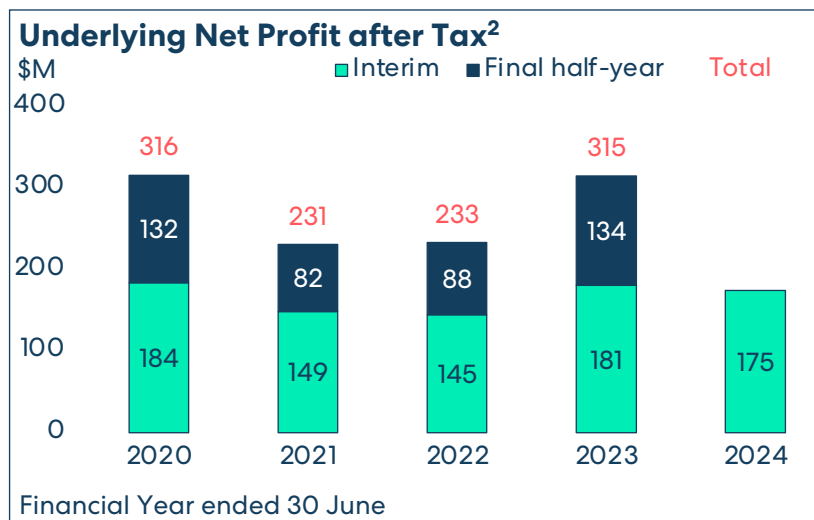
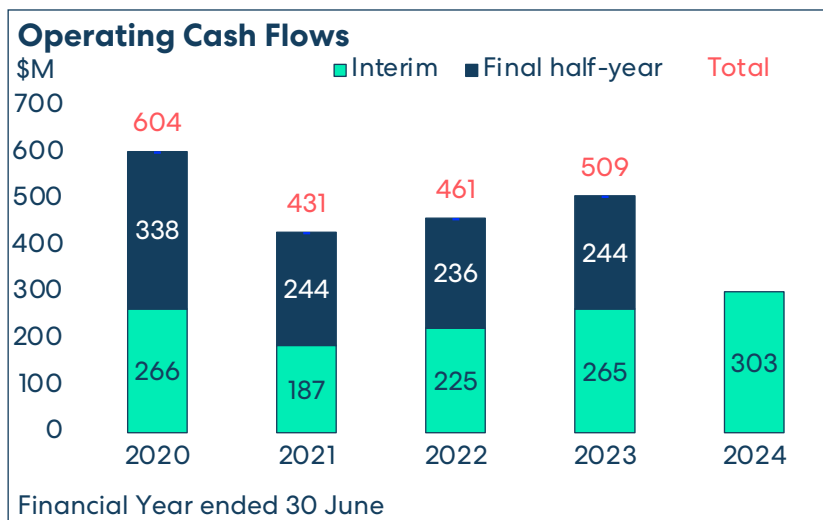


Financial Performance

Meridian's interim reporting date is 31 December and final half year date and financial year end date is 30 June



¹A non-GAAP measure of earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains and losses on sale of assets



²A non-GAAP measure of net profit after tax adjusted for the effects of unrealised changes in fair value of hedges, electricity option premiums and other non-cash items and their tax effects

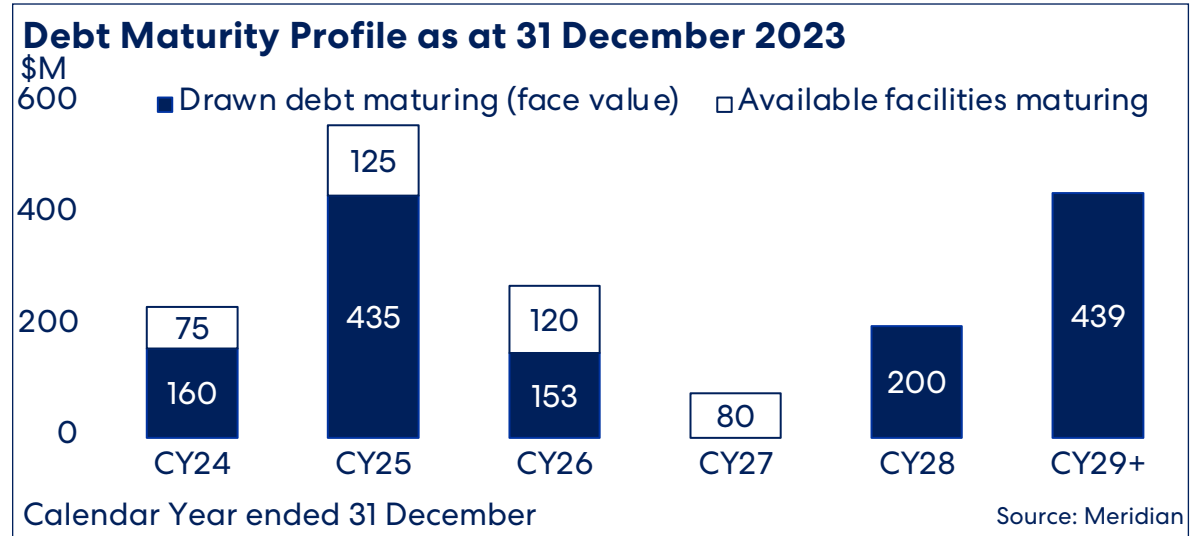
³A non-GAAP measure of drawn borrowings and lease liabilities payable less cash and cash equivalents

Source: Meridian

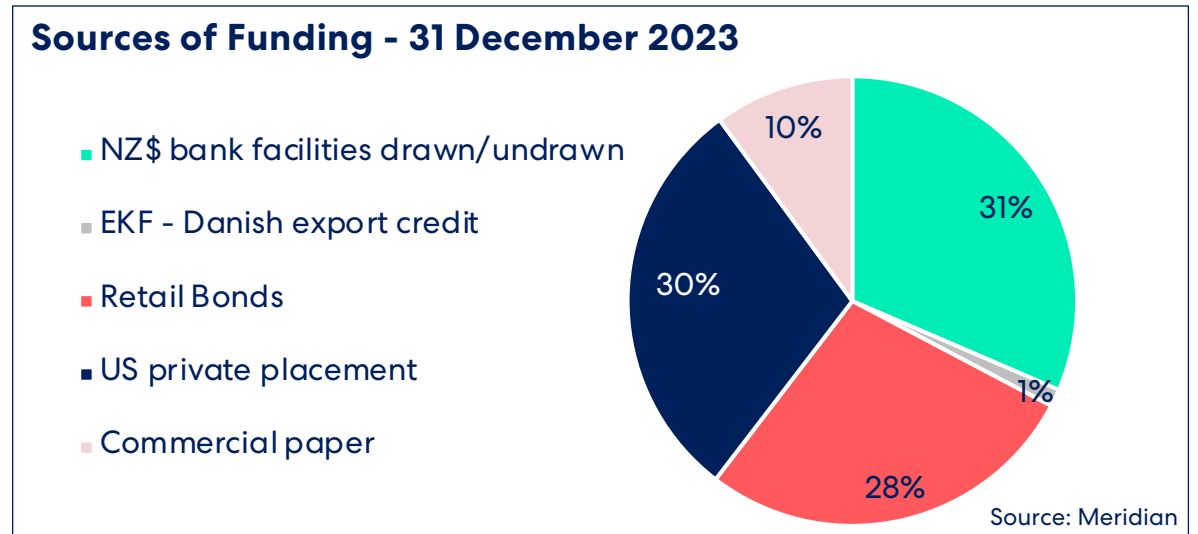
Funding

- Diverse sources of funding
- Total borrowings as at 31 December 2023 of \$1,391M¹
- Committed bank facilities of \$650M, of which \$601M were undrawn
- Minimum headroom required in addition to forecast requirements is \$200M
- All borrowings classified as Green Debt under Meridian's Green Finance Framework
- A portion of the 2024 retail bond offer issue proceeds used to refinance the \$150M MEL040 green bonds, which mature on 20 March 2024
- Next capital market maturity is June 2025 (\$200M green bond)

¹Including \$10M fair value adjustment



Available facilities offset by Commercial Paper on issue and call borrowings



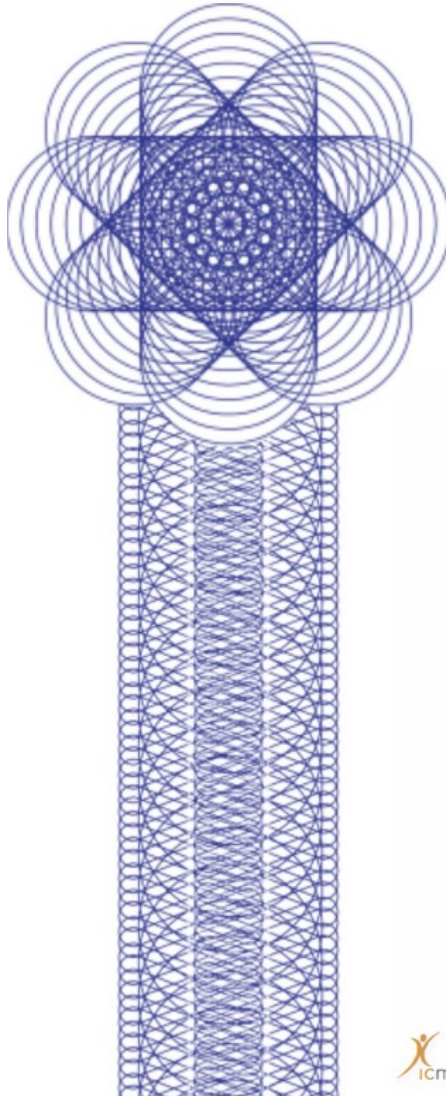
Credit Rating and Covenants

- Meridian targets a long-term credit rating of BBB+
- Issuer Credit Rating: BBB+/Stable (S&P Global Ratings)
 - Solid rating headroom in near term financial metrics following divestment of Australian business in 2022
 - Rating reaffirmed in November 2023
 - Net debt to EBITDAF is a key rating metric
- Board gives consideration to the long-term credit rating target in Meridian's Dividend Policy
- Historical performance well within bond covenant requirements

Key Metrics					
Financial Year ended 30 June	2019	2020	2021	2022	2023
\$M					
Share capital	1,599	1,598	1,595	1,671	1,700
Retained earnings	-1,171	-1,542	-1,548	-1,242	-1,600
Other reserves	5,029	5,026	5,177	5,094	5,887
Equity	5,457	5,082	5,224	5,523	5,987
Drawn borrowings	1,376	1,491	1,589	1,126	1,221
Lease liability payable	123	104	97	41	27
Less: cash and cash equivalents	-78	-176	-148	-363	-212
Net debt	1,421	1,419	1,538	804	1,036
EBITDAF	838	853	692	709	783
Net Debt to EBITDAF (times)	1.7	1.7	2.2	1.1	1.3
Interest	82	83	80	78	69
EBITDAF interest cover (times)	10.2	10.3	8.7	9.1	11.3
Debt (drawn borrowings + lease liability payable)	1,499	1,595	1,686	1,167	1,248
Debt (Debt+Equity)	22%	24%	24%	17%	17%

Source: Meridian

Green Finance Programme



Certification



This is to certify that the

MEL070

Issued by

Meridian Energy Limited

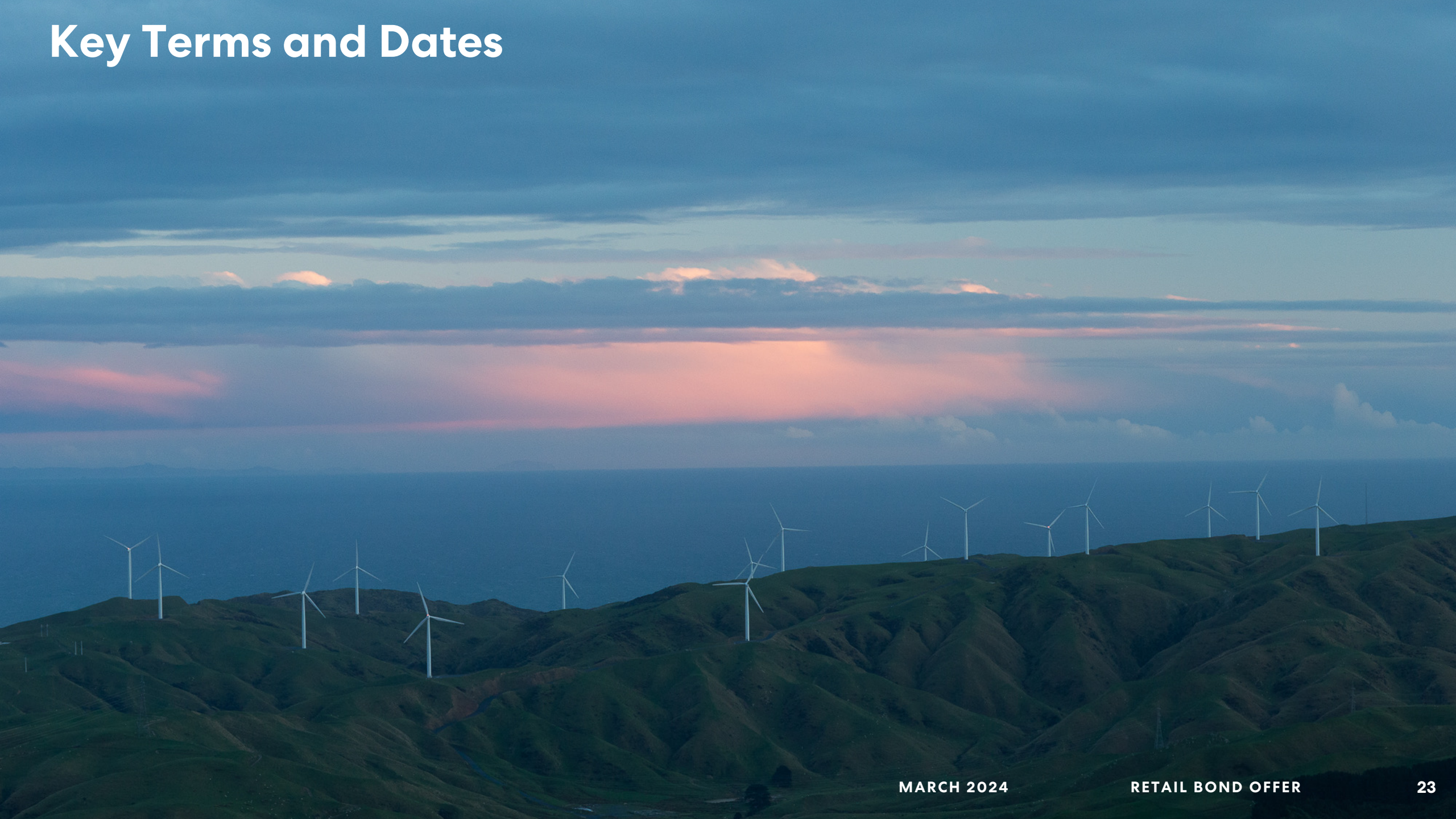
Has met the criteria for certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative

19 Jan 2024

SEAN KIDNEY
Chair of the Climate Bonds Standard Board



Key Terms and Dates



Key Terms

Issuer	Meridian Energy Limited (Meridian).
Description	6 year, unsecured, unsubordinated, fixed rate green bonds (Green Bonds). The Green Bonds are Green Debt instruments under Meridian's Green Finance Framework dated February 2023 (as amended from time to time) and are certified by the Climate Bonds Initiative based on the Climate Bonds Standard. A copy of the Green Finance Framework is available on Meridian's website.
Issue Amount	Up to \$200,000,000 (with the ability to accept oversubscriptions of up to an additional \$100,000,000 at Meridian's discretion).
Term and Maturity Date	6 years, maturing Thursday, 21 March 2030.
Interest Rate	The Interest Rate will be equal to the sum of the Issue Margin and the Base Rate. The Interest Rate will be announced by Meridian via NZX on or shortly after the Rate Set Date.
Indicative Issue Margin	1.05%-1.15% per annum. The actual Issue Margin may be within, above or below this range.
Interest Payments	Semi-annually in arrear in equal amounts.
Credit Rating	Expected Issue Credit Rating for the Green Bonds: BBB+. Meridian has an Issuer Credit Rating of BBB+ (Stable) from S&P Global Ratings.
Minimum Application Amount	Minimum application of \$5,000 with multiples of \$1,000 thereafter.
Quotation	Meridian will take all necessary steps to ensure that the Green Bonds are, immediately after issue, quoted on the NZX Debt Market. Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Investor Presentation have been duly complied with. However, NZX accepts no responsibility for any statement in this Investor Presentation. NZX is a licensed market operator and the NZX Debt Market is a licensed market under the FMCA.
NZX Debt Market Ticker Code	MEL070.

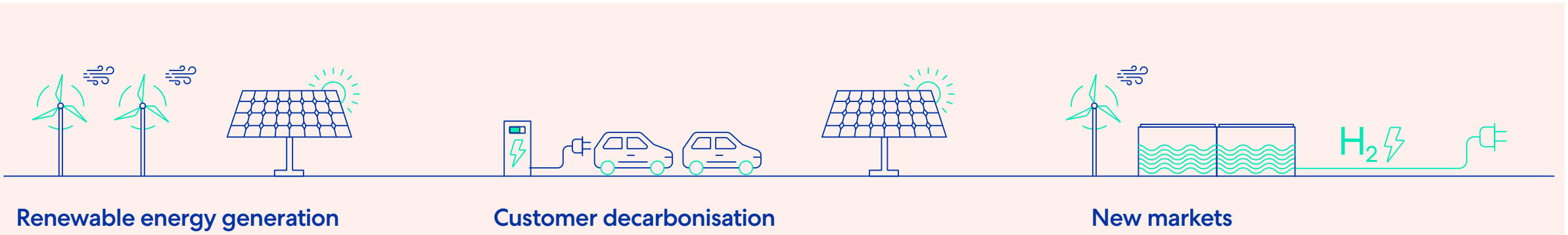
Key Terms continued

Financial Covenants	<p>The Trust Documents contain the following financial covenants:</p> <ol style="list-style-type: none">the ratio of EBITDA of the Group to Interest and Financing Costs must not be less than 2.5 times;at all times Debt will not be more than 55% of Debt plus Equity;at all times Equity will not be less than \$1,250,000,000; andat all times the Total Tangible Assets of the Guaranteeing Group will not be less than 80% of Total Tangible Assets of the Group. <p>Refer to the Trust Deed for further detail including calculations and relevant testing periods.</p>
Guarantee Structure	<p>As at the date of this Investor Presentation, the only Guaranteeing Group Member is Meridian. This means that Meridian is solely responsible for its obligations in relation to the Green Bonds unless a subsidiary of Meridian becomes a Guaranteeing Group Member.</p>
Negative Pledge	<p>The Trust Deed contains a negative pledge. No Guaranteeing Group Member will create or permit to arise or subsist any Security Interest over its assets except under certain limited exceptions set out in the Trust Deed.</p>
No Event of Default in relation to the Green Finance Framework or Green Bond Principles or Climate Bonds Standards	<p>If:</p> <ol style="list-style-type: none">Meridian fails to allocate the proceeds of the Green Bonds as described in the Indicative Terms Sheet and the Green Finance Framework;Meridian fails to ensure that the aggregate book value of its Green Assets (as contemplated in the Green Finance Framework) is at least equal to the original principal amount of the respective green debt at the time of issuance (including the Green Bonds issued under the Offer);Meridian fails to comply with the Green Finance Framework in any other way;the Green Bonds cease to satisfy the Green Bond Principles or the Climate Bonds Standard (including, without limitation, as a result of an amendment to the Green Bond Principles or Climate Bonds Standards); orMeridian fails to notify the Holders of the Green Bonds that the Green Bonds cease to comply with the Green Finance Framework, the Green Bond Principles or Climate Bonds Standard, <p>then, although it is possible that the Green Bonds may lose their green classification:</p> <ul style="list-style-type: none">no Event of Default will occur under the Trust Deed in relation to the Green Bonds; andneither the Holders of the Green Bonds nor Meridian will have any right for the Green Bonds to be repaid early as a result of any such event or circumstance.

Key Dates

Opening Date	Monday, 11 March 2024
Closing Date	11.00am NZDT, Thursday, 14 March 2024
Rate Set Date	Thursday, 14 March 2024
Issue Date and Allotment Date	Thursday, 21 March 2024
Expected Date of initial quotation on NZX Debt Market	Friday, 22 March 2024
Interest Payment Dates	21 March and 21 September of each year up to and including the Maturity Date The first Interest Payment Date will be 21 September 2024
Maturity Date	Thursday, 21 March 2030

Why Meridian?



Disclaimer

The information in this presentation was prepared by Meridian with due care and attention. However, the information is supplied in summary form and is therefore not necessarily complete, and no representation is made as to the accuracy, completeness or reliability of the information. To the extent permitted by law, none of Meridian, Craigs Investment Partners Limited and Westpac Banking Corporation (acting through its New Zealand Branch) (**Joint Arrangers**), ANZ Bank New Zealand Limited and Forsyth Barr Limited (together with the Joint Arrangers, **Joint Lead Managers**), Trustees Executors Limited (**Supervisor**) nor any of their respective directors, officers, employees, advisers, nor any other person, accept any responsibility or liability for this presentation or for any loss arising from this presentation or its contents or otherwise arising in connection with the Offer.

This presentation may contain forward-looking statements and projections. These reflect Meridian's current expectations, based on what it thinks are reasonable assumptions. Meridian gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or NZX or ASX listing rules, Meridian is not obliged to update this presentation after its release, even if things change materially.

This presentation does not constitute financial advice or a recommendation from Meridian or any Joint Arranger, Joint Lead Manager, the Supervisor or any of their respective directors, officers, employees, agents or advisers to purchase any Green Bonds.

You must make your own independent investigation and assessment of the financial condition and affairs of Meridian before deciding whether or not to invest in the Green Bonds.

This presentation contains a number of non-GAAP financial measures, including EBITDAF and Underlying NPAT. Because they are not defined by GAAP or IFRS, Meridian's calculation of these measures may differ from similarly titled measures presented by other companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although Meridian believes they provide useful information in measuring the financial performance and condition of Meridian's business, readers are cautioned not to place undue reliance on these non-GAAP financial measures.

The Green Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Green Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction. No offering document or other offering material (including this presentation) in respect of the Green Bonds may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction. No action has been or will be taken by Meridian which would permit an offer of Green Bonds to the public, or possession or distribution of any offering material (including this presentation), in any country or jurisdiction where action for that purpose is required (other than New Zealand).