Delivering for Aotearoa New Zealand

MERIDIAN ENERGY LIMITED
INVESTOR LETTER FOR THE YEAR ENDED 30 JUNE 2026

Meridian

Dear Investor

Tēnā koutou

This year was one of recovery and important progress for Meridian. We remained focused on the things that matter most: strengthening the business, supporting customers, and investing in the renewable generation Aotearoa New Zealand needs.

This year's result reflects Meridian's ability to recover from a challenging prior year, while continuing to create long-term value for shareholders. Operating cash flows of $810 million were up 155 percent, net profit after tax was $130 million compared with a $452 million loss in FY25, EBITDAF increased 72 percent to $1.051 billion, and underlying net profit rose to $308 million. Recognising this performance, the Board declared a final ordinary dividend of 16.10 cents per share, bringing total ordinary dividends declared for FY26 to 22.50 cents per share.

Stable hydro and wind conditions helped, but the result also reflects portfolio improvements, stronger retail earnings and the disciplined response of teams across the business. We strengthened the tools available to manage dry-year and market risk, including the Huntly Strategic Energy Reserve contract, available demand from NZAS and additional hydro storage flexibility. Together, these measures have materially reduced Meridian's exposure to dry-year cost and risk while also assisting customers through the transition.

Meridian's hydro assets remain central to New Zealand's electricity system. Securing resource consent for the continued operation of the Waitaki Power Scheme for the next 35 years was a significant milestone, providing long-term certainty for customers, investors, communities and the wider economy. As more wind and solar enter the system, hydro will increasingly act as firming capacity, supporting reliability at peak times and when intermittent generation is not available.

We also continued to build for the future. Harapaki Wind Farm and the Ruakākā Battery Energy Storage System are now operating, the Ruakākā and Te Rahui solar developments are progressing, the Tauhei solar power purchase agreement is in place, and we secured consent for an integrated solar and battery project near Palmerston North. With further investment decisions expected across wind, solar and battery options, Meridian's development programme is ahead of its original 7 in 7 ambition and remains one of the most significant in the sector.

We remain confident that the most effective long-term path to greater affordability is investment in new renewable generation. Increasing supply, reducing reliance on fossil fuels and supporting efficient consenting and stable policy settings are critical to improving energy security and putting downward pressure on wholesale electricity prices over time. Electricity is increasingly becoming the fuel of a modern economy, and New Zealand's highly renewable system gives the country a real opportunity to attract investment, support exporters and strengthen long-term competitiveness.

Customers remained front of mind. Around 30,900 Meridian and Powershop customers are now on our Hot Water Plan, saving $120 a year by allowing us to shift hot water use away from peak periods, and around 4,000 households have received energy hardship support through our Energy Wellbeing Programme. Since launching in 2023, we've seen the benefit of the work we do with our partner network. Together, we're not just helping people through immediate challenges – we're building longer-term resilience. And we're confident this approach is making a real difference. That's why we have made a decision to extend our commitment, with a goal to support 10,000 customers experiencing hardship by 2030. Our retail business continued to grow, supported by the acquisition of the Flick hedge book and customer contracts, with sales volumes up 12 percent year-on-year and customer connections increasing across Meridian and Powershop.

We also progressed the next generation of customer and operational capability. By year end, 175,820 retail and commercial customers have migrated to Kraken, our new retail platform. While the migration has reinforced the importance of protecting what customers already value, it remains central to delivering better experiences and a deeper product set over time. Meridian's EV charging network also expanded to 519 charge points across Aotearoa New Zealand, with a goal to get to 1,000 public charge points through to 2030.

This year, we supported 37 not-for-profit organisations to electrify their operations through our $1.8 million Decarbonisation Fund. That means lower ongoing costs, less reliance on fossil fuels, and more of their funding going directly back into the communities they serve.

DIVIDEND DATES

- **4 September 2026**
  Record date
- **3–9 September 2026**
  Dividend Reinvestment Plan price determination period
- **7 September 2026**
  Final date for shareholders to opt into the Dividend Reinvestment Plan
- **22 September 2026**
  Dividend paid and new shares issued under the Dividend Reinvestment Plan

ABOVE: Water from Lake Pūkaki flowing through the Pūkaki Canal inlet (Gate 18) and into the Pūkaki Canal.

Given the strong demand and the impact we're seeing, Meridian has decided to boost the proceeds from the net revenue generated from Certified Renewable Energy by a further million. This will take the fund up to $3 million to help even more organisations reduce costs, build resilience, and continue their vital community work.

Across our generation business, we added nearly 30MW of operational capacity gained from existing assets through engineering improvements, modelling and optimised maintenance timing. Digital tools, data and AI are increasingly important to this work. Through DigiGEN, we are using data and digital tools to optimise maintenance and asset performance, with early opportunities identified for revenue growth, cost savings, outage optimisation and procurement efficiencies.

We are conscious that our work takes place in communities with deep connections to land and water. As we progress our development programme and consider the future role of hydro storage, we will continue to work closely with communities, iwi and stakeholders, listen to concerns, minimise impacts where we can, and look for practical ways to strengthen local outcomes.

Our people continue to make our progress possible. Engagement improved despite significant external pressures, a new Leadership Framework was deployed, and safety remained our top priority. We also made leadership and operating model changes to support the next stage of Meridian's strategy, including the appointment of Mandy Binnie as Chief Financial Officer.

It was pleasing to receive important external recognition of Meridian's longstanding sustainability focus, with inclusion in the S&P Dow Jones Best-in-Class World Index. Meridian is the only New Zealand company currently represented in the World Index, reinforcing our belief that sustainability and long-term shareholder value creation go hand in hand.

New Zealand is at an important point in its energy transition. The choices made over the coming decade will influence affordability, security and sustainability for generations. Meridian's purpose – **clean energy for a fairer and healthier world** – has never felt more relevant. It guides the way we invest, serve customers, support communities and deliver enduring value for shareholders.

On behalf of the Board and Management Team, thank you to our customers, communities, iwi, partners, investors and the Meridian team for your continued confidence and support. Meridian is well placed to help this country thrive while delivering sustainable long-term returns for shareholders.

A powerful future is developing, thanks to you.

Ngā manaakitanga

Mark Verbiest,
Chair

Mike Roan,
Chief Executive

Meridian Energy Limited

FY26 outcomes

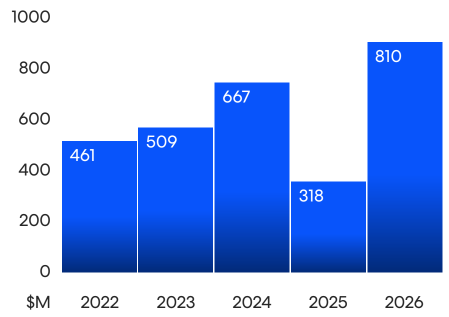
OUR PRIORITIES	OUTCOME	WHY IT MATTERS
1 Grow renewable generation and firming capacity	• Secured Waitaki Power Scheme consents	• Locks in long-term generation certainty
	• Pūkaki contingent storage decision	• De-risks dry-year fuel supply
	• Huntly strategic energy reserve	• Further dry-year security
	• Commissioned the Ruakākā BESS	• High HVDC flows, reduced price differentials, North Island reserves
	• Ruakākā solar construction underway	• Supports our retail growth, proves our grid-scale solar credentials
	• Te Rahui solar under construction	• Diversifies our generation footprint into the central North Island
	• Waiinu Energy Park in the Fast track	• Large-scale wind and solar development
	• Bunnythorpe energy park consent	• Colocation benefits with further peak storage capacity
2 Deliver cleaner, cheaper energy	• 175,820 customers onto Kraken	• World class retail platform, better customer experience, deeper product set
	• 4,000 homes supported with energy wellbeing	• Supporting our customers most in need
	• 519 charge points across Aotearoa	• A modern, nationwide charging network supporting electrification
	• 30,900 customers on hot water products	• Proof-point that our strategy is delivering products our customers adopt
3 Deliver operational excellence	• DigiGEN scaling up	• Digitalisation to lift maintenance efficiency and asset availability
	• 30MW extra hydro capacity	• Additional peak capacity from outage management
4 Grow capability and culture	• Dow Jones Best In Class World Index	• Meets a global benchmark in sustainability
	• 77% company engagement score	• A more engaged, productive workforce

Underlying net profit after tax reconciliation

FINANCIAL YEAR ENDED 30 JUNE

$M	FY26	FY25
Net profit after tax	130	(452)
Underlying adjustments		
Hedging instruments		
Net change in fair value of energy hedges	260	659
Net change in fair value of treasury hedges	8	12
Premiums paid on electricity options net of interest	(18)	(12)
Assets		
Asset related adjustments	(2)	33
Total adjustments before tax	248	692
Taxation		
Tax effect of above adjustments	(70)	(184)
Underlying net profit after tax	**308**	**56**

Operating cash flow



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