Right. Now.

Condensed Interim Financial Statements.

As at and for the six months to 31 December 2023.

Meridian.

Financial performance menu

Condensed Interim Financial Statements

Notes to the Condensed Interim Financial Statements

Income Statement

For the six months to 31 December 2023

	Note	Unaudited 2023 $M	Restated* Unaudited 2022 $M
Operating revenue	A2	**2,111**	1,470
Operating expenses	A3	**(1,701)**	(1,009)
Depreciation and amortisation	B1, B2	**(164)**	(144)
Impairment of assets	A3	**2**	(6)
Gain on sale of assets and investments	A2	**9**	–
Net change in fair value of energy hedges	D1	**44**	(41)
Finance costs	A3	**(31)**	(29)
Interest income		**6**	6
Net change in fair value of treasury hedges	D1	**(13)**	32
Net profit before tax		**263**	279
Income tax expense	A4	**(72)**	(78)
Net profit after tax		**191**	201

Earnings per share (EPS) attributed to the shareholders of the parent company		**Cents**	Cents
Basic and diluted EPS	C2	**7.4**	7.8

* The Income Statement has been restated due to a change in presentation in the current year. Refer to the Significant matters section Note S1 for more information.

Comprehensive Income Statement

For the six months to 31 December 2023

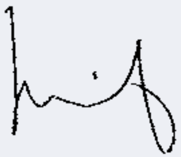
	Note	Unaudited 2023 $M	Unaudited 2022 $M
Net profit after tax		**191**	201
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Asset revaluation	B1	**–**	740
Deferred tax on the above item		**–**	(207)
		–	533
Items that may be reclassified to profit or loss:			
Net (loss)/gain on cash flow hedges		**(7)**	(11)
Income tax on the above items		**2**	3
		(5)	(8)
Other comprehensive income/(loss) for the year, net of tax		**(5)**	525
Total comprehensive income for the period, net of tax attributed to shareholders of the parent company		**186**	**726**

Balance Sheet

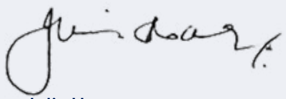
As at 31 December 2023

	Note	Unaudited 31 Dec 2023 $M	Restated* Unaudited 31 Dec 2022 $M	Audited 30 Jun 2023 $M
Current assets				
Cash and cash equivalents		**221**	198	212
Trade receivables		**458**	259	334
Customer contract assets		**13**	14	13
Financial instruments	D1	**225**	291	141
Other assets		**42**	48	47
Total current assets		**959**	810	747
Non-current assets				
Property, plant and equipment	B1	**9,031**	8,587	8,989
Intangible assets	B2	**80**	82	73
Financial instruments	D1	**118**	354	213
Other assets	E1	**11**	–	–
Total non-current assets		**9,240**	9,023	9,275
Total assets		**10,199**	**9,833**	**10,022**

For and on behalf of the Board of Directors who authorised the issue of the financial statements on 27 February 2024.



Mark Verbiest
Chair, 27 February 2024



Julia Hoare
Chair, Audit and Risk Committee, 27 February 2024

	Note	Unaudited 31 Dec 2023 $M	Restated* Unaudited 31 Dec 2022 $M	Audited 30 Jun 2023 $M
Current liabilities				
Payables and accruals		**499**	291	352
Employee entitlements		**15**	14	20
Customer contract liabilities		**15**	12	14
Current portion of borrowings	C4	**382**	159	214
Current portion of lease liabilities	C4	**3**	3	3
Financial instruments	D1	**63**	84	71
Current tax payable		**44**	36	46
Total current liabilities		**1,021**	599	720
Non-current liabilities				
Borrowings	C4	**1,009**	959	1,022
Deferred tax		**2,071**	2,118	2,103
Lease liabilities	C4	**28**	25	24
Financial instruments	D1	**102**	112	111
Term payables		**83**	50	55
Total non-current liabilities		**3,293**	3,264	3,315
Total liabilities		**4,314**	**3,863**	**4,035**
Net assets		**5,885**	**5,970**	**5,987**
Shareholders' equity				
Share capital		**1,719**	1,690	1,700
Reserves		**4,166**	4,280	4,287
Total shareholders' equity		**5,885**	**5,970**	**5,987**

* The Balance Sheet has been restated due to a change in presentation in the current year. Refer to the Significant matters section Note S1 for more information.

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

Changes in Equity

For the six months to 31 December 2023

Audited ($M)	Note	Share capital	Share option reserve	Revaluation reserve	Cash flow hedge reserve	Retained earnings	Shareholders equity
Balance at 1 July 2022		**1,671**	**2**	**5,079**	**13**	**(1,242)**	**5,523**
Net profit for the year		–	–	–	–	95	**95**
Other comprehensive income							
Asset revaluation	B1	–	–	1,111	–	–	**1,111**
Net gain/(loss) on cash flow hedges		–	–	–	(11)	–	**(11)**
Income tax relating to other comprehensive income		–	–	(311)	3	–	**(308)**
Total other comprehensive income, net of tax		–	–	**800**	**(8)**	**–**	**792**
Total comprehensive income for the year, net of tax		**–**	**–**	**800**	**(8)**	**95**	**887**
Share-based transactions		(1)	1	–	–	–	**–**
Dividend reinvestment plan		30	–	–	–	–	**30**
Dividends paid/reinvested		–	–	–	–	(453)	**(453)**
Balance at 30 June 2023 and 1 July 2023		**1,700**	**3**	**5,879**	**5**	**(1,600)**	**5,987**

Unaudited ($M)	Note	Share capital	Share option reserve	Revaluation reserve	Cash flow hedge reserve	Retained earnings	Shareholders equity
Net profit for the period		–	–	–	–	191	**191**
Other comprehensive income							
Asset revaluation	B1	–	–	–	–	–	**–**
Net gain/(loss) on cash flow hedges		–	–	–	(7)	–	**(7)**
Income tax relating to other comprehensive income		–	–	–	2	–	**2**
Total other comprehensive income, net of tax		–	–	**–**	**(5)**	–	**(5)**
Total comprehensive income for the year, net of tax		**–**	**–**	**–**	**(5)**	**191**	**186**
Share-based transactions		(1)	–	–	–	–	**(1)**
Dividend reinvestment plan		20	–	–	–	–	**20**
Dividends paid/reinvested		–	–	–	–	(307)	**(307)**
Balance at 31 December 2023		**1,719**	**3**	**5,879**	**–**	**(1,716)**	**5,885**

Unaudited ($M)	Note	Share capital	Share option reserve	Revaluation reserve	Cash flow hedge reserve	Retained earnings	Shareholders equity
Balance at 1 July 2022		**1,671**	**2**	**5,079**	**13**	**(1,242)**	**5,523**
Net profit for the period		–	–	–	–	201	**201**
Other comprehensive income							
Asset revaluation	B1	–	–	740	–	–	**740**
Net gain/(loss) on cash flow hedges		–	–	–	(11)	–	**(11)**
Income tax relating to other comprehensive income		–	–	(207)	3	–	**(204)**
Total other comprehensive income, net of tax		–	–	**533**	**(8)**	–	**525**
Total comprehensive income for the year, net of tax		**–**	**–**	**533**	**(8)**	**201**	**726**
Share-based transactions		–	–	–	–	–	**–**
Dividend reinvestment plan		19	–	–	–	–	**19**
Dividends paid/reinvested		–	–	–	–	(298)	**(298)**
Balance at 31 December 2022		**1,690**	**2**	**5,612**	**5**	**(1,339)**	**5,970**

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

Cash Flows

For the six months to 31 December 2023

	Note	Unaudited 2023 $M	Unaudited 2022 $M
Operating activities			
Receipts from customers		**2,044**	1,637
Interest received		**6**	6
Payments to suppliers and employees		**(1,605)**	(1,253)
Interest paid		**(38)**	(33)
Income tax paid		**(104)**	(92)
Operating cash flows		**303**	265
Investing activities			
Purchase of property, plant and equipment		**(143)**	(136)
Purchase of intangible assets		**(12)**	(8)
Purchase of other assets		**(11)**	–
Investing cash flows		**(166)**	(144)
Financing activities			
Borrowings drawn	C4	**167**	–
Borrowings repaid	C4	**(5)**	(5)
Shares purchases for long term incentive		**(2)**	–
Lease liabilities paid	C4	**(1)**	(3)
Dividends	C3	**(287)**	(278)
Financing cash flows		**(128)**	(286)
Net increase/(decrease) in cash and cash equivalents		**9**	(165)
Cash and cash equivalents at beginning of the six months		**212**	363
Cash and cash equivalents at end of the six months		**221**	198

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 condensed interim financial statements include information which is considered relevant and material to assist the reader in understanding changes in Meridian Energy Limited's (Meridian) financial position or 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.

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's core business activities are the generation, trading and retailing of electricity and the sale of complementary products and services. The registered office of Meridian is 287-293 Durham Street North, Christchurch. 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 unaudited condensed interim financial statements for the six months ended 31 December 2023 have been prepared:

- using Generally Accepted Accounting Practice in New Zealand (NZ GAAP) as appropriate for interim financial statements, accounting policies consistent with International Financial Reporting Standards (IFRS) and the New Zealand equivalents (NZ IFRS) and in accordance with IAS 34 Interim Financial Reporting and NZ IAS 34 Interim Financial Reporting, as appropriate for a for-profit entity;
- in accordance with the requirements of the Financial Markets Conduct Act 2013;
- on the basis of historical cost, modified by revaluation of certain assets and liabilities; and
- in New Zealand dollars (NZD).

The principal functional currency of international subsidiaries is British Pounds (GBP): the closing rate at 31 December 2023 was 0.4969 (31 December 2022: 0.5249, 30 June 2023: 0.4822).

All values are rounded to millions ($M) unless otherwise stated.

Accounting policies

The accounting policies, methods of computation and classification set out in the Group financial statements for the year ended 30 June 2023 have been applied consistently to all periods presented in the condensed interim financial statements.

Judgements and estimates

The basis of key judgements and estimates have not changed from those used in preparing the Group financial statements for the year ended 30 June 2023.

Basis of consolidation

The condensed interim Group financial statements comprise the financial statements of Meridian, its subsidiaries and controlled entities.

S: Significant matters in the six months

In this section

Significant matters which have impacted Meridian's financial performance.

S1 Change in presentation of realised energy hedge balances

In the current period, the Group has made adjustments to the classification and presentation of realised energy hedge balances. This follows a change in interpretation of NZ IFRS 9 Financial Instruments and its requirements. These adjustments were first made for reporting at 30 June 2023.

In previous periods, Meridian has accounted for and disclosed realised energy hedge balances as follows;

- In the Income Statement, these were classified as part of operating revenue or operating expense, depending on whether the under-lying derivative was a hedge of energy sales or energy purchases
- In the Balance Sheet, accruals in relation to realised energy hedges were shown in the receivables or payables and accruals lines, depending on whether the accrual was receivable or payable.

Our practice aligned with peers in the New Zealand energy sector and meant that the impact of our risk management activities (hedges) were presented in the same places as the risk hedged.

This practice does not comply with NZ IFRS 9 and therefore it was discontinued. We note our past practice would be acceptable if our energy hedges were in hedge accounting relationships. However, we do not hedge account for energy hedges.

As a result, we have amended the classification of realised energy hedge balances in both the current and comparative periods.

The main impacts are as follows:

- In the Income Statement, this has meant the reclassification of realised energy hedge balances from operating revenue and operating expenses to net change in fair value of energy hedges, as well as the removal of some subtotals. Notably, EBITDAF (as defined in the Non-GAAP measures section) is no longer shown on the face of the Income Statement. However, it remains one of our core non-GAAP measures of business performance, as reported in Note A1 Segment Performance.
- In the Balance Sheet, we have reclassified realised energy hedge balances out of trade receivables and payables and accruals and into the appropriate financial Instruments line.

We have also amended our definition of EBITDAF to make clear that as intended, this core non-GAAP reporting measure excludes unrealised movements on energy hedges.

S1 Change in presentation of realised energy hedge balances continued

The impact of the changes on the primary financial statements are as follows:

Income Statement	Comment	Restated 2022 $M	2022 $M	Change $M
Operating revenue		**1,470**	1,529	(59)
Operating expenses		**(1,009)**	(1,104)	95
Earnings before interest, tax, depreciation, amortisation, changes in fair value of hedges and other significant items (EBITDAF)	Subtotal removed		**425**	**n/a**
Depreciation and amortisation		**(144)**	(144)	–
Impairment of assets		**(6)**	(6)	–
Net change in fair value of energy hedges		**(41)**	(5)	(36)
Operating profit	Subtotal removed		**270**	**n/a**
Finance costs		**(29)**	(29)	–
Interest income		**6**	6	–
Net change in fair value of treasury hedges		**32**	32	–
Net profit before tax		**279**	**279**	**–**
Income tax expense		**(78)**	(78)	–
Net profit after tax		**201**	**201**	**–**

Balance Sheet	Restated 2022 $M	2022 $M	Change $M
Trade receivables	**259**	271	(12)
Financial instruments (current asset)	**291**	288	3
Financial instruments (non current asset)	**354**	345	9
Payables and accruals	**291**	322	(31)
Financial instruments (current liability)	**84**	54	30
Financial instruments (non current liability)	**112**	111	1

Significant matters in the six months

In this section

This section outlines significant matters which have impacted Meridian's financial performance and an explanation of non-GAAP measures used within the notes to the condensed interim financial statements.

Hydro Inflows

Meridian started the six month period with strong storage positions in both the Waiau and Waitaki catchments.

In the Waitaki, a drier than normal winter period meant inflows fell below average. Storage declined until late September, when spring inflows stabilised lake levels. Dry weather then resumed and the catchment recorded lower than average inflows through to the end of December.

In the Waiau, there were more regular inflows over winter and the storage levels held accordingly. However, since early November it has been drier, with inflows falling below average and storage levels declining.

We ended the calendar year with storage just over 80% of average in both the Waiau and Waitaki catchments.

Non-GAAP measures

Meridian refers to 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 below, including page references for reconciliations to the condensed interim financial statements.

EBITDAF

Earnings before interest, tax, depreciation, amortisation, unrealised changes in fair value of hedges, impairments and gains and losses on sale of assets. This definition has been updated this year to make clear that as intended, it excludes unrealised changes in the fair value of hedges.

Segment performance note

EBITDAF is reported in Note A1 Segment Performance, allowing 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.

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 the measure of energy margin within its segmental financial performance in 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 its capital management and this is outlined in Note C1 Capital management.

A: Financial performance

In this section

This section explains the financial performance of Meridian, providing additional information about individual items in the income statement, including:

a. accounting policies, judgements and estimates that are relevant for understanding items recognised in the income statement; and
b. analysis of Meridian's performance for the six months by reference to key areas including: performance by operating segment, revenue, expenses and taxation.

A1 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 and the location of operations, as set out below:

New Zealand wholesale

- Generation of electricity and its sale into the New Zealand wholesale electricity market.
- Purchase of electricity from the wholesale electricity market and its sale to the New Zealand Retail segment and to large industrial customers, including NZAS representing the equivalent of 36% (31 December 2022: 35%) of Meridian's New Zealand generation production.
- Development of renewable electricity generation opportunities in New Zealand.

New Zealand retail

- Retailing of electricity and complementary products through two brands (Meridian and Powershop) in New Zealand.
- 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 $133 per megawatt hour (MWh) (2022: $104 per MWh) and 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".

Other and unallocated

- Other operations, that are not considered reportable segments, including licensing of the Flux developed electricity and gas 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 (a defintion of these measures is included within Significant Matters in the financial period) before unallocated central corporate expenses. Balance sheet items are not reported to the Chief Executive at an operating segment level.

A A1 Segment performance continued

For the six months to 31 December	NZ Wholesale 2023 $M	NZ Wholesale 2022 $M	NZ Retail 2023 $M	NZ Retail 2022 $M	Other and Unallocated 2023 $M	Other and Unallocated 2022 $M	Inter-segment 2023 $M	Inter-segment 2022 $M	Group Unaudited 2023 $M	Group Unaudited 2022 $M
Contracted sales, net of distribution costs and hedging	**296**	226	**670**	600	**–**	–	**–**	–	**966**	826
Costs to supply customers, net of hedging	**(1,334)**	(541)	**(660)**	(503)	**–**	–	**729**	521	**(1,265)**	(523)
Net cost of other hedges	**51**	(68)	**–**	–	**–**	–	**–**	–	**51**	(68)
Generation spot revenue, net of hedging	**885**	371	**–**	–	**–**	–	**–**	–	**885**	371
Inter-segment electricity sales	**729**	521	**–**	–	**–**	–	**(729)**	(521)	**–**	–
Virtual asset swap margins	**(3)**	(4)	**–**	–	**–**	–	**–**	–	**(3)**	(4)
Other market revenue/(costs)	**(5)**	(5)	**–**	1	**–**	–	**–**	–	**(5)**	(4)
Energy margin (see reconciliation on next page)	**619**	500	**10**	98	**–**	–	**–**	–	**629**	598
Other revenue	**2**	1	**9**	8	**10**	13	**(5)**	(8)	**16**	14
Hosting expense	**–**	–	**–**	–	**(2)**	–	**–**	–	**(2)**	–
Energy transmission expense	**(36)**	(41)	**–**	–	**–**	–	**–**	–	**(36)**	(41)
Energy metering expenses	**–**	–	**(25)**	(23)	**–**	–	**–**	–	**(25)**	(23)
Gross margin	**585**	460	**(6)**	83	**8**	13	**(5)**	(8)	**582**	548
Employee expenses	**(16)**	(13)	**(18)**	(18)	**(32)**	(29)	**–**	–	**(66)**	(60)
Other operating expenses	**(35)**	(29)	**(19)**	(17)	**(23)**	(20)	**4**	3	**(73)**	(63)
EBITDAF (see reconciliation on next page)	**534**	418	**(43)**	48	**(47)**	(36)	**(1)**	(5)	**443**	425
Depreciation and amortisation									**(164)**	(144)
Impairment of assets									**2**	(6)
Gain on sale of assets and investments									**9**	–
Net change in fair value of energy hedges (see reconciliation on next page)									**11**	(5)
Finance costs									**(31)**	(29)
Interest income									**6**	6
Net change in fair value of treasury hedges									**(13)**	32
Net profit before tax									**263**	279
Income tax expense									**(72)**	(78)
Net profit after tax									**191**	201

A

A1 Segment performance continued

Reconciliation of energy margin	Note	Unaudited 2023 $M	Unaudited 2022 $M
Energy sales to customers	A2	**1,203**	1,063
Generation revenue	A2	**892**	393
Energy expenses	A3	**(1,136)**	(475)
Energy distribution expenses	A3	**(363)**	(347)
Realised energy hedges (see below)		**33**	(36)
Energy margin		**629**	**598**

Reconciliation of EBITDAF	Note	Unaudited 2023 $M	Unaudited 2022 $M
Operating income	A2	**2,111**	**1,470**
Operating expenses	A3	**(1,701)**	**(1,009)**
Realised energy hedges (see below)		**33**	**(36)**
EBITDAF		**443**	**425**

Reconciliation of net change in fair value of energy hedges	Unaudited 2023 $M	Unaudited 2022 $M
Realised energy hedges shown within energy margin (see above)	**33**	(36)
Unrealised changes in the fair value of energy hedges (as noted on previous page)	**11**	(5)
Net change in fair value of energy hedges per the Income Statement	**44**	**(41)**

A

A2 Income

Operating revenue Six months ended 31 December	Unaudited 2023 $M	Unaudited 2022 $M
Energy sales to customers	1,203	1,063
Generation revenue	892	393
Energy-related services revenue	5	5
Other revenue	11	9
Total operating revenue	**2,111**	**1,470**

Total revenue by geographic area Six months ended 31 December	Unaudited 2023 $M	Unaudited 2022 $M
New Zealand	2,111	1,470
Total operating revenue	**2,111**	**1,470**

Gain on sale of assets and investments Six months ended 31 December	Unaudited 2023 $M	Unaudited 2022 $M
Gain on sale of assets and investments	9	–

Operating revenue

Energy sales to customers

Revenue received or receivable from residential, business and industrial customers. This revenue is influenced by customer contract sales prices and their demand for energy.

Generation revenue

Revenue received from energy generated and sold into the wholesale markets. This revenue is influenced by the quantity of generation and wholesale spot prices. It is recognised at the time of generation.

Gain on sale of investments

The current period gain relates to the refund of Australian stamp duty originally paid on the purchase of the Green State Power hydro assets. Refer to Note E2 for more information.

A3 Expenses

Operating expenses Six months ended 31 December	Unaudited 2023 $M	Unaudited 2022 $M
Energy expenses	**1,136**	475
Energy distribution expenses	**363**	347
Energy transmission expenses	**36**	41
Energy metering expense	**25**	23
Hosting expenses	**2**	2
Employee expenses	**66**	60
Other expenses	**73**	61
Total operating expenses	**1,701**	**1,009**

Finance costs Six months ended 31 December	Unaudited 2023 $M	Unaudited 2022 $M
Interest on borrowings	**40**	32
Interest on option premiums	**1**	1
Interest on lease liabilities	**1**	1
Less capitalised interest	**(11)**	(5)
Total finance costs	**31**	**29**

Impairment of assets Six months ended 31 December	Unaudited 2023 $M	Unaudited 2022 $M
Net impairment income/(expense)	**2**	(6)

Energy expenses

The cost of:

- energy purchased from wholesale markets to supply customers; and
- related charges and services.

Energy expenses are influenced by quantity and timing of customer consumption and wholesale spot prices.

Energy distribution expenses

The cost of distribution companies transporting energy between where it is transmitted/stored and customers' properties.

Energy transmission expenses

Meridian's share of the cost of the high voltage direct current (HVDC) link between the North and South Islands of New Zealand and the cost of connecting Meridian's generation sites to the national grid by grid providers.

Employee expenses

Provision is made for benefits owing to employees in respect of wages and salaries, annual leave, long service leave and employee incentives for services rendered. Provisions are recognised when it is probable they will be settled and can be measured reliably. They are carried at the remuneration rate expected to apply at the time of settlement.

Finance costs – capitalised interest

Meridian is capitalising interest costs relating to the building of new assets. The average rate used to determine the amount of borrowing costs eligible for capitalisation was 5.58% (2022: 5.37%)

Impairment of non-financial assets

The current period includes the reversal of impairment expense recorded in June 2023 on carbon credit inventory. Carbon credit price recovered in late 2023 and therefore the impairment entries have been reversed.

In the prior period, impairment expenses related to the exit of Meridian's office lease at Lady Elizabeth Lane in Wellington.

A4 Taxation

Income tax expense **Six months ended 31 December**	Unaudited 2023 $M	Unaudited 2022 $M
Current income tax charge	**102**	97
Deferred tax	**(30)**	(19)
Income tax expense	**72**	**78**
Reconciliation to profit before tax		
Profit before tax	**263**	279
Income tax at applicable rates	**74**	78
Income not assessable for tax	**(2)**	–
Income tax expense	**72**	**78**

Income tax expense

Income tax expense is the income tax assessed on taxable profit for the period. Taxable profit differs from profit before tax reported in the income statement as it excludes items of income and expense that are taxable or deductible in other periods and also excludes items that will never be taxable or deductible. Meridian's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at balance date, being 28%.

Income tax expense components are current income tax and deferred tax.

B: Assets used to generate and sell electricity

In this section

This section shows the assets Meridian uses in the production and sale of electricity to generate operating revenues. In this section of the summary notes there is information about:

a. property, plant and equipment; and
b. intangible assets

Recognition and measurement

Generation structures and plant assets (including land and buildings) are held on the balance sheet at their fair value at the date of revaluation, less any subsequent depreciation and impairment losses. All other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Fair value and revaluation of generation structures and plant

Within property, plant and equipment, generation structures and plant are carried at fair value for financial reporting purposes. 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. Meridian continues to use an income approach in calculating the fair value of generation structures and plant. Meridian uses a Discounted Cash Flow (DCF) approach to determine a fair value range.

A review and assessment of key inputs included in the valuation of generation structures and plant has been undertaken as at 31 December 2023, indicating that the carrying value was materially in line with fair value and therefore a formal revaluation was unnecessary (2022: assets were revalued up by $740 million).

The value of our generation structures and plant is sensitive to movements in fair value as a result of a change in each valuation input. Refer to the sensitivity table on the next page.

B1 Property, plant and equipment

Position as at	Unaudited 31 Dec 2023 $M	Unaudited 31 Dec 2022 $M	Audited 30 Jun 2023 $M
Opening net book value	**8,989**	7,830	7,830
Additions	**200**	162	328
Impairment	**–**	(12)	(12)
Disposals	**(6)**	(2)	(1)
Adjustment of Right of Use assets	**(3)**	–	(1)
Generation structures and plant revaluation:			
revaluation reserve	**–**	740	1,111
income statement	**–**	–	–
Depreciation expense	**(149)**	(131)	(266)
Closing net book value	**9,031**	**8,587**	**8,989**

B2 Intangible assets

Position as at	Unaudited 31 Dec 2023 $M	Unaudited 31 Dec 2022 $M	Audited 30 Jun 2023 $M
Opening Net Book value	**73**	85	85
Additions	**22**	10	18
Impairment	**–**	–	(2)
Amortisation expense	**(15)**	(13)	(28)
Closing net book value	**80**	**82**	**73**

Capital Commitments

At 31 December 2023, Meridian has capital commitments of $165 million (2022: $295 million).

B

The table below describes the key inputs and their sensitivity to changes for the formal valuations performed in prior periods.

		Unaudited 31 December 2022			Audited 30 June 2023		
Key input to measure fair value	**Description**	**Range of unobservable inputs**	**Sensitivity**	**Impact on valuation**	**Range of unobservable inputs**	**Sensitivity**	**Impact on valuation**
Future NZ wholesale electricity prices	The price received for NZ generation	$42MWh to $148MWh between FY23 and FY42 (in real terms)	+ $3MWh - $3MWh	$440M ($440M)	$43MWh to $150MWh between FY24 and FY43 (in real terms)	+ $3MWh - $3MWh	$456M ($456M)
New Zealand generation volume	Annual generation production	13,284GWh p.a. to 13,832GWh p.a. (in real terms)	+ 250GWh - 250GWh	$225M ($225M)	13,304GWh p.a. to 13,804GWh p.a.	+ 250GWh - 250GWh	$210M ($210M)
Operating expenditure (excluding electricity purchase costs or transmission charges)	Meridian's cost of operations	Forecast costs are in line with with 30 June 2022 inputs and inflated at appropriate escalation rates	+ $10M - $10M	($130M) $130M	$154M in FY24, $163M in FY25 (in real terms) and inflated at appropriate escalation rates from FY26 onward	+ $10M - $10M	($116M) $116M
Weighted Average Cost of Capital (WACC)	The discount rate considers the time value of money and relative risk of achieving the cash flow forecast	8.40%	+ 0.5% - 0.5%	($575M) $675M	8.40%	+ 0.5% - 0.5%	($585M) $683M

Sensitivities show the movement in fair value as a result of a change in each input (keeping all other inputs constant).

C: Managing funding

In this section

This section explains how Meridian manages its capital structure and working capital, the various funding sources, and how dividends are returned to shareholders. In this section of the summary notes there is information about equity and dividends.

C1 Capital management

Capital risk management objectives

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.

Capital is defined as the combination of shareholders' equity, reserves and net debt.

Meridian manages its capital through various means, including:

- adjusting the amount of dividends paid to shareholders;
- raising or returning capital; and
- raising or repaying debt.

Meridian regularly monitors its capital requirements using various measures that consider debt facility financial covenants and credit ratings. The key measures being net debt to EBITDAF and interest cover. The principal external measure is Meridian's credit rating from Standard & Poor's.

Meridian is in full compliance with debt facility financial covenants.

Position as at	Note	Unaudited 31 Dec 2023 $M	Unaudited 31 Dec 2022 $M	Audited 30 Jun 2023 $M
Share capital		**1,719**	1,690	1,700
Retained earnings		**(1,716)**	(1,339)	(1,600)
Other reserves		**5,882**	5,619	5,887
		5,885	**5,970**	**5,987**
Drawn borrowings	C4	**1,383**	1,121	1,221
add: Lease liabilities		**31**	28	27
less: Cash and cash equivalents		**(221)**	(198)	(212)
Net Debt		**1,193**	**951**	**1,036**
Net capital		**7,078**	**6,921**	**7,023**

C2 Earning per share

Basic and diluted earnings per share (EPS)	Unaudited 31 Dec 2023	Unaudited 31 Dec 2022
Net profit after tax	**191**	201
Weighted average number of shares used in the calculation of EPS	**2,583,937,890**	2,578,784,219
Basic and diluted EPS (cents per share)	**7.4**	7.8

C3 Dividends

Dividends declared and paid Six months ended 31 December	Unaudited 2023 $M	Unaudited 2022 $M
Final ordinary dividend 2023: 11.90cps (2022: 11.55cps)	**307**	298
Total dividends paid	**307**	298
Dividends declared and not recognised as a liability		
Interim ordinary dividend 2024: 6.15cps (2023: 6.00cps)	**159**	155

Dividend Policy

Meridian's dividend policy considers free cash flow, working capital requirements, the medium-term investment programme, maintaining a BBB+ credit rating and risks from short and medium-term economic, market and hydrology conditions.

Meridian operates a Dividend Reinvestment Plan (DRP) plan where shares are issued in lieu of cash which are excluded from dividends paid in the Statement of Cash Flows.

During the period, Meridian investors were issued 3,838,342 new shares with a value of $20 million through the DRP (31 December 2022: 3,864,231 shares with a value of $19 million. 30 June 2023: 5,865,181 shares with a value of $30 million).

Subsequent event – dividend declared

On 27 February 2024 the Board declared a partially imputed interim ordinary dividend of 6.15 cents per share.

C4 Borrowings

Group (NZ$M)	Currency borrowed in	Unaudited 31 Dec 2023 Drawn facility amount	Transaction costs	Fair value adjustment	Carrying amount	Unaudited 31 Dec 2022 Drawn facility amount	Transaction costs paid	Fair value adjustment	Carrying amount	Audited 30 Jun 2023 Drawn facility amount	Transaction costs	Fair value adjustment	Carrying amount
Current borrowings													
Unsecured borrowings	NZD	**382**	**–**	**–**	**382**	160	(1)	–	159	215	(1)	–	214
Total current borrowings		**382**	**–**	**–**	**382**	**160**	**(1)**	**–**	**159**	**215**	**(1)**	**–**	**214**
Non-current borrowings													
Unsecured borrowings	NZD	**415**	**(1)**	**–**	**414**	375	–	–	375	420	–	–	420
Unsecured borrowings	USD	**586**	**(1)**	**10**	**595**	586	(1)	(1)	584	586	(1)	17	602
Total non – current borrowings		**1,001**	**(2)**	**10**	**1,009**	**961**	**(1)**	**(1)**	**959**	**1,006**	**(1)**	**17**	**1,022**
Total borrowings		**1,383**	**(2)**	**10**	**1,391**	**1,121**	**(2)**	**(1)**	**1,118**	**1,221**	**(2)**	**17**	**1,236**

Meridian has committed bank facilities of $650 million of which $601 million were undrawn at 31 December 2023 (31 December 2022: facilities of $585 million of which $550 million were undrawn). Where facilities have expiry dates, these expiries range from June 2024 to April 2027. $200 million of facilities are evergreen/have no expiry date.

Borrowings, measurement and recognition

Borrowings are recognised initially at the fair value of the drawn facility amount (net of transaction costs paid) and are subsequently stated at amortised cost using the effective interest method. Any borrowings which have been designated as hedged items (USD borrowings) are carried at amortised cost plus a fair value adjustment under hedge accounting requirements. Any borrowings denominated in foreign currencies are retranslated to the functional currency at each reporting date. Any retranslation effect is included in the "Fair value adjustment" column in the above table, along with any amounts relating to fair value hedge adjustments.

Meridian uses cross currency interest rate swap (CCIRS) hedge contracts to manage its exposure to interest rates and borrowings sourced in currencies different to that of the borrowing entity's reporting currency.

Meridian borrows under a negative pledge arrangement, which does not permit it to grant any security interest over its assets, unless it is an exception permitted within the negative pledge.

Fair value of items held at amortised cost

Position as at	Carrying value Unaudited 31 Dec 2023 $M	Unaudited 31 Dec 2022 $M	Audited 30 Jun 2023 $M	Fair value Unaudited 31 Dec 2023 $M	Unaudited 31 Dec 2022 $M	Audited 30 Jun 2023 $M
Retail bonds	**550**	**500**	**550**	553	489	543
Unsecured term loan (EKF facility)	**25**	**35**	**30**	26	36	31

Within borrowings there are longer dated instruments which are not in hedge accounting relationships. The carrying values and estimated fair values of these instruments are noted in the table above.

Fair value is calculated using a discounted cash flow calculation and the resultant values are classified as Level 2 within the fair value hierarchy. The Retail Bonds are listed instruments; however, a lack of liquidity on the NZX precludes them from being classified as Level 1 (a definition of levels is included in Note D1 Financial instruments).

Carrying value approximates fair value for all other instruments within borrowings.

C C4 Borrowings continued

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

Unaudited 31 December 2023

Group ($M)	Balance at 30 Jun 2023	Term borrowings drawn	Term borrowings repaid	Fair value adjustments	Foreign exchange	New lease recognised	Lease remeasure-ment	Lease liabilities paid	Lease derecognition	Unwind of discounting	Balance at 31 Dec 2023
Unsecured borrowings – NZD	**634**	167	(5)	–	–	–	–	–	–	–	796
Unsecured borrowings – USD	**602**	–	–	13	(20)	–	–	–	–	–	595
Lease liabilities	**27**	–	–	–	–	7	(3)	(1)	–	1	31
Total	**1,263**	**167**	**(5)**	**13**	**(20)**	**7**	**(3)**	**(1)**	**–**	**1**	**1,422**

Unaudited 31 December 2022

Group ($M)	Balance at 30 Jun 2022	Term borrowings drawn	Term borrowings repaid	Fair value adjustments	Foreign exchange	New lease recognised	Lease remeasure-ment	Lease liabilities paid	Lease derecognition	Unwind of discounting	Balance at 31 Dec 2022
Unsecured borrowings – NZD	**539**	–	(5)	–	–	–	–	–	–	–	534
Unsecured borrowings – USD	**624**		–	(29)	(11)	–	–	–	–	–	584
Lease liabilities	**41**	–	–	–	–	–	–	(3)	(11)	1	28
Total	**1,204**	**–**	**(5)**	**(29)**	**(11)**			**(3)**	**(11)**	**1**	**1,146**

Audited 30 June 2023

Group ($M)	Balance at 30 Jun 2022	Term borrowings drawn	Term borrowings repaid	Fair value adjustments	Foreign exchange	New lease recognised	Lease remeasure-ment	Lease liabilities paid	Lease derecognition	Unwind of discounting	Balance at 30 Jun 2023
Unsecured borrowings – NZD	**539**	255	(160)	–	–	–	–	–	–	–	634
Unsecured borrowings – USD	**624**	–	–	(34)	12	–	–	–	–	–	602
Lease liabilities	**41**	–	–	–	–	–	(2)	(3)	(11)	2	27
Total	**1,204**	**255**	**(160)**	**(34)**	**12**		**(2)**	**(3)**	**(11)**	**2**	**1,263**

C5 Green Financing

To recognise Meridian's commitment, leadership and investment in renewable energy, Meridian operates a Green Finance Programme which covers both existing and future issuances of debt instruments (Programme).

Green Debt Instruments under Meridian's Green Finance Programme

Green Debt allocated to the Hydro Pool[1]

Type – Group ($M)	CUSIP/ NZX Code	Currency borrowed in	Unaudited 31 Dec 2023 Facility amount	Unaudited 31 Dec 2023 Drawn facility amount	Unaudited 31 Dec 2022 Facility amount	Unaudited 31 Dec 2022 Drawn facility amount	Audited 30 Jun 2023 Facility amount	Audited 30 Jun 2023 Drawn facility amount
USPP Series 2014-1 Tranche B[2]	Q5995*AB4	USD	**147**	**147**	147	147	147	147
USPP Series 2019-1 Tranche A[2]	Q5995#AE4	USD	**183**	**183**	183	183	183	183
USPP Series 2019-1 Tranche B[2]	Q5995#AF1	USD	**183**	**183**	183	183	183	183
USPP Series 2019-1 Tranche C[2]	Q5995#AG9	USD	**73**	**73**	73	73	73	73
Total USPP			**586**	**586**	**586**	**586**	**586**	**586**
Bank Facilities[3]		NZD	**625**	**24**	550	–	550	15
Commercial Paper[4]		NZD	**200**	**198**	–	–	40	40
Total Green Debt allocated to the Hydro Pool			**1,411**	**808**	**1,136**	**586**	**1,176**	**641**

Green Debt allocated to the Wind Pool[5]

Type – Group ($M)	CUSIP/ NZX Code	Currency borrowed in	Unaudited 31 Dec 2023 Facility amount	Unaudited 31 Dec 2023 Drawn facility amount	Unaudited 31 Dec 2022 Facility amount	Unaudited 31 Dec 2022 Drawn facility amount	Audited 30 Jun 2023 Facility amount	Audited 30 Jun 2023 Drawn facility amount
Retail Bond (Mar-23)	MEL030	NZD	**–**	**–**	150	150	–	–
Retail Bond (Mar-24)	MEL040	NZD	**150**	**150**	150	150	150	150
Retail Bond (Mar-25)	MEL050	NZD	**200**	**200**	200	200	200	200
Retail Bond (Sep-28)	MEL060	NZD	**200**	**200**	–	–	200	200
Total Domestic Bonds			**550**	**550**	**500**	**500**	**550**	**550**
EKF Amortising Facility		NZD	**25**	**25**	35	35	30	30
Total Green Debt allocated to the Wind Pool			**575**	**575**	**535**	**535**	**580**	**580**
Total Green Debt			**1,986**	**1,383**	**1,671**	**1,121**	**1,756**	**1,221**

Further information on the Green Finance Programme, including the Programme framework document, opinions from DNV, Climate Bonds Standard (CBS) Certification and Green Asset and Debt registers are available on Meridian's website at **meridianenergy.co.nz/about-us/investors/reports/green-finance.**

1 Verified as meeting the criteria established for Meridian by DNV which aligns with the stated definition of Green Bonds and Loans within the Green Bond/Loan Principles
2 USPP notes are included as the NZD equivalent under the cross currency swaps related to the notes
3 Committed bank facilities are included at the face value of the facilities
4 Commercial Paper is included as the face value on issue. The drawn value of Commercial Paper differs to the facility value due to the discount on issue
5 Climate Bonds Standard Certified

The Programme Framework (Framework) sets out the process, criteria and guidelines under which Meridian intends to issue and/or manage existing and future bonds and loans under the Programme which contribute towards achieving Meridian's sustainable objectives.

DNV Business Assurance Australia Pty Ltd (DNV) has been commissioned by Meridian to provide an external review of the Programme through verification of the Wind Pool and the Green Debt allocated (directly or notionally) to the Wind Pool under the CBS; and a second party opinion of the Hydro Pool and the Green Debt allocated (directly or notionally) to the Hydro Pool under the Green Bond Principles (GBP) and Green Loan Principles (GLP). The conclusion of DNV's external reviews are provided within the following documents (also available on Meridian's website via link above):

- DNV Periodic Assurance Opinion 2023, Climate Bonds Standard Project Pool (Wind) 31 July 2023; and
- DNV Periodic Second Party Opinion 2023, Green Bond & Loan Principles Project Pool (Hydro) 31 July 2023.

The proceeds of Meridian's debt instruments, outlined in the above tables, have been allocated (directly or notionally) to refinance eligible wind and hydro assets that meet the market standards.

At 31 December 2023, Meridian remains compliant with the requirements of the Programme.

D: Financial instruments

In this section

In this section of the summary notes there is information:

a. analysing financial (hedging) instruments used to manage risk; and
b. outlining Meridian's fair value techniques and key inputs.

D1 Financial instruments

Fair value of hedging financial instruments

The recognition and measurement of hedging financial instruments requires management estimation and judgement (this is discussed in further detail later in this note). These estimates can have a significant risk of material adjustment in future periods. Fair value measurements are grouped within a three-level fair value hierarchy based on the observability of valuation inputs (described below).

- **Level 1 Inputs** – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2 Inputs** – Either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs other than quoted prices included in Level 1.
- **Level 3 Inputs** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair value on the balance sheet						Fair value movements in the income statement	
		Unaudited 31 Dec 2023		Unaudited 31 Dec 2022		Audited 30 Jun 2023		Unaudited 31 Dec 2023	Unaudited 31 Dec 2022
	Level	Assets $M	Liabilities $M	Assets $M	Liabilities $M	Assets $M	Liabilities $M	$M	$M
Treasury hedges									
Cross currency interest rate swap (CCIRS) – interest rate risk	2	**(26)**	**(10)**	(34)	(11)	(34)	(15)	**–**	1
CCIRS – basis and margin risk	2	**–**	**(3)**	–	(4)	–	–	**–**	–
CCIRS – foreign exchange risk	2	**46**	**–**	44	–	66	–	**–**	–
Total CCIRS		**20**	**(13)**	**10**	**(15)**	**32**	**(15)**	**–**	**1**
Foreign exchange hedges	2	**3**	**–**	13	–	7	–	**–**	–
Interest rate swaps (IRS)	2	**35**	**(14)**	51	(11)	46	(12)	**(13)**	31
Total treasury hedges		**58**	**(27)**	**74**	**(26)**	**85**	**(27)**	**(13)**	**32**
Energy hedges									
Market traded electricity hedges	1	**128**	**(43)**	278	(19)	133	(48)	**1**	(21)
Other electricity hedges	3	**123**	**(94)**	251	(151)	102	(107)	**52**	(13)
Electricity options	3	**34**	**–**	42	–	34	–	**(9)**	(7)
Total energy hedges		**285**	**(137)**	**571**	**(170)**	**269**	**(155)**	**44**	**(41)**
Total hedges		**343**	**(164)**	**645**	**(196)**	**354**	**(182)**	**31**	**(9)**
Of which									
Current		225	(63)	291	(84)	141	(71)		
Non current		**118**	**(102)**	354	(112)	213	(111)		
Total hedges		**343**	**(165)**	**645**	**(196)**	**354**	**(182)**		

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.

	Unaudited Six months ended 31 Dec 2023				Unaudited Six months ended 31 Dec 2022			
$M	Market traded energy hedges	Other energy hedges	Energy options	Total	Market traded energy hedges	Other energy hedges	Energy options	Total
Realised movements in energy hedges	(6)	38	1	**33**	(10)	(26)	–	**(36)**
Unrealised movements in energy hedges	7	14	(10)	**11**	(11)	13	(7)	**(5)**
Total fair value movements in energy hedges	**1**	**52**	**(9)**	**44**	**(21)**	**(13)**	**(7)**	**(41)**

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:

	Unaudited 31 Dec 2023			Unaudited 31 Dec 2022		
$M	Other Electricity Hedges	Electricity Options	Total	Other Electricity Hedges	Electricity Options	Total
Net change in fair value of energy hedges:						
Realised movements	**38**	**1**	**39**	(26)	–	(26)
Unrealised movements	**14**	**(10)**	**4**	13	(7)	6
Total net change in fair value of energy hedges	**52**	**(9)**	**43**	**(13)**	**(7)**	**(20)**
Balance at the beginning of the period	**(5)**	**33**	**28**	**87**	**39**	**126**
Fair value movements in the Income Statement	**52**	**(9)**	**43**	(13)	(7)	(20)
Remeasurement	**(18)**	**–**	**(18)**	26	–	26
New hedge recognised	**–**	**10**	**10**	–	10	10
Balance at the end of the period	**29**	**34**	**63**	**100**	**42**	**142**

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 Meridian 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 their 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 (DCFs), 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 2024; and
- contracts run their full term.

The table below describes the additional key inputs and techniques used in the valuation of Level 2 and 3 financial instruments:

Financial asset or liability	Description of input	Range of significant unobservable inputs	Relationship of input to fair value
Energy hedges, valued using DCFs	Price, 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.	\$29/MWh to \$55/MWh (30 June 2023: \$29/MWh to \$55/MWh) (in real 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.

E: Other

E1 Group structure

Meridian and NZ Windfarms Limited have agreed to form a 50-50 joint venture to repower and extend the Te Rere Hau wind farm. Meridian has incorporated the new company "Kōkako SPV Limited" to manage its ownership in the joint venture.

During the period Meridian purchased a 19.9% shareholding in NZ Windfarms Limited at a cost of $11 million. This investment is an associate as significant influence exists and the equity method of accounting is applied. This is classified as an other non-current asset on the Balance Sheet.

Meridian also acquired a 20% shareholding in Te Arawaru o Te Waitaki Tāpui Limited for nil consideration.

No other changes occurred to Meridian's Group structure in the six months to 31 December 2023.

E2 Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 December 2023 (31 Dec 2022: Nil, 30 Jun 2023: Nil)

In the comparative period, Meridian noted the following contingent items:

- a swaption and CFD contract with Contact Energy, for which certain conditions had not been met and the transactions were not yet confirmed. Conditions were confirmed in November 2023 and the derivatives are now disclosed as part of the D1 Financial Instruments disclosure.
- a potential refund of stamp duty from the Australian Tax Office, in respect of stamp duty paid on the acquisition of Green State Power. A final court decision was made on this matter in December 2023 and Meridian has now recognised a $9 million receivable and income in the current period.

E3 Subsequent events

The Directors declared an interim dividend on 27 February 2024. Refer to Note C3 Dividends for more information.

E4 Changes in financial reporting standards

Meridian is not aware of any standards in issue but not yet effective which would materially impact on the amounts recognised or disclosed in the financial statements.

Independent auditor's report

Deloitte.

To the shareholders of Meridian Energy Limited

The Auditor-General is the auditor of Meridian Energy Limited (the 'Company') and its subsidiaries (the 'Group'). The Auditor-General has appointed me, Mike Hoshek, using the staff and resources of Deloitte Limited, to carry out the review of the condensed consolidated interim financial statements of the Group on his behalf.

Conclusion

We have reviewed the condensed interim financial statements of the Group on pages 2 to 26, which comprise the balance sheet as at 31 December 2023, 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.

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 2023 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. We also carried out non-assurance assignments for the Group relating to the Corporate Taxpayers Group which are compatible with those independence requirements.

In addition, principals and employees of our firm 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 transactions, and in our capacity as auditor acting on behalf of the Auditor-General, 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 Company 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.

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 might identify in an audit. Accordingly, we do not express an audit opinion on the interim financial statements.

Mike Hoshek, Partner
for Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand
27 February 2024

Meridian.

The Power to
Make a Difference.

Condensed Interim Financial Statements.

As at and for the six months to 31 December 2023.

meridian.co.nz