



Meridian.

2021 Investor Presentation

NOVEMBER 2021

New Zealand electricity market

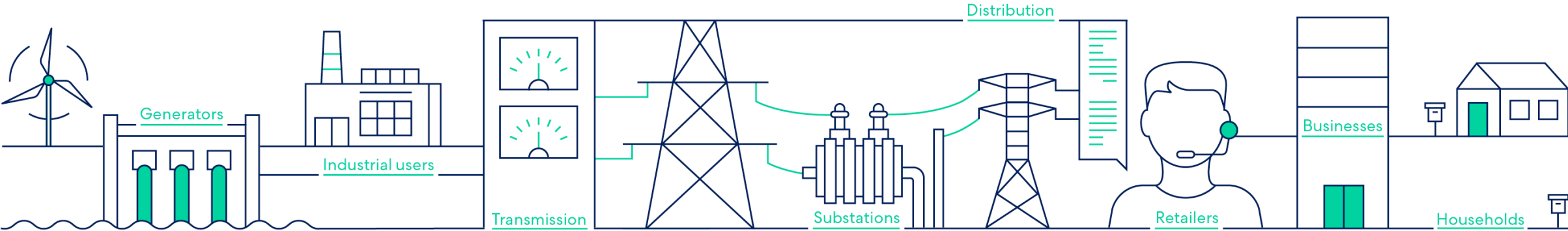


New Zealand electricity market

- A reliable, affordable and environmentally sustainable electricity system
- A well functioning competitive market with 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)
- EA's mandate is to deliver efficient market operation, security of supply, promote competition
- No price controls, the non-competitive transmission and distribution sectors have regulated rates of return



New Zealand electricity market



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

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

1 transmission grid owner
(state owned)

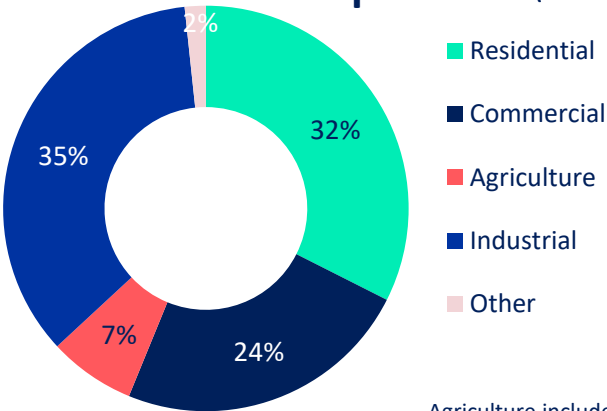
29 distribution businesses
(various ownership structures)

44 retail brands

2.1 million consumers
(41 TWh pa)

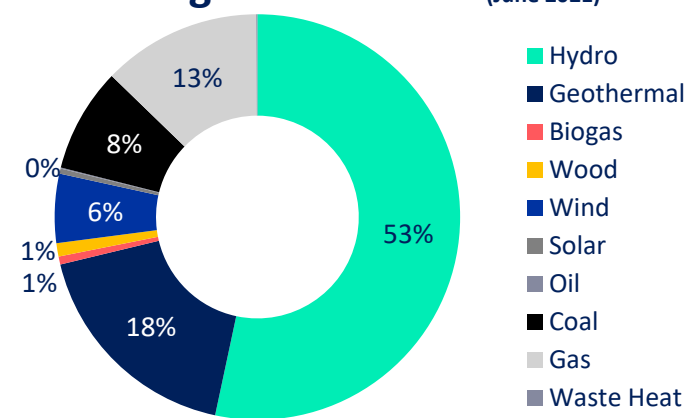
Sources: Electricity Authority and Ministry of Business, Innovation and Employment

Annual consumption (June 2021)



Agriculture includes forestry and fishing

Annual generation (June 2021)



New Zealand electricity market

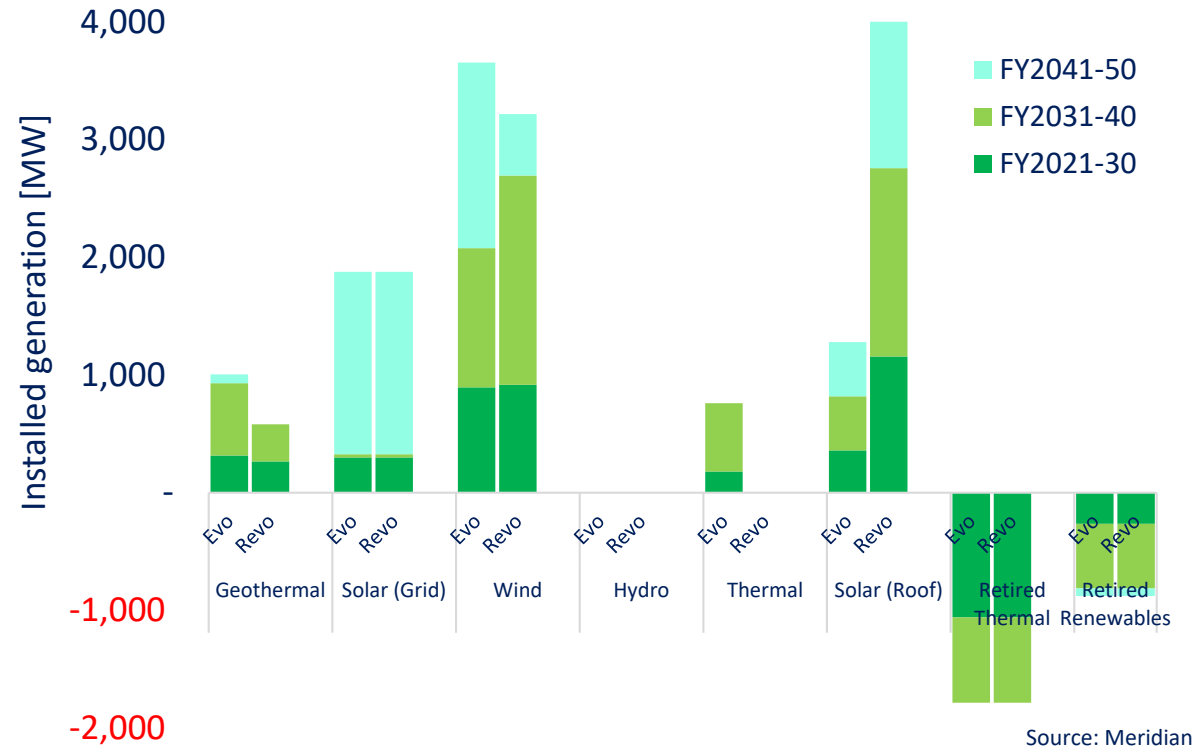
- New Zealand's hydro generation is managed against limited controlled storage
- Bulk of hydro inflow is anti-correlated to winter demand peak
- Thermal capacity and fuel storage has historically managed potential hydro inflow deficit and other renewable intermittency
- Efficient and well-functioning wholesale market manages this supply risk
- Significant oversupply had existed in the market, older thermal plant closure has brought better balance
- Demand growth in the last decade has been modest, strong outlook from decarbonisation
- \$2b of new renewable builds are being progressed



Possible future market outcomes

- Existing generation plant retirement (~3GW) will drive significant new investment
- Coupled with significant demand growth (decarbonisation), could see 8-10GW+ built by 2050
- Renewable costs will continue to decline
- Renewable generation reaches 95%+
- Consumer will play a bigger role in markets
- Flexibility will be critical to solving NZ's dry year risk
- Demand response solutions with some gas capacity can achieve a balanced outcome
- Long-term system prices approach pre 2018 gas stress levels, higher price volatility from greater prevalence of wind and solar

New generation capacity to 2050



Meridian modelling using two scenarios (both assume 2024 NZAS exit):

- Evolution – modest decarbonisation and ETS pricing, steady demand-side technology growth, thermal peaking
- Revolution – high decarbonisation and ETS pricing, strong demand-side technology growth, thermal retirement, dispatchable demand

Source: Meridian

New Zealand policy and regulation

Current Electricity Authority (EA) focus

- Implemented new trading conduct provisions, in effect on 30 June 2021
- Published a review of wholesale market competition in the wholesale market for the period 2018 to early 2021:
 - Confirms that high wholesale electricity prices over the last three years, reflect tight supply and demand conditions, and natural gas scarcity for electricity generation
 - In Meridian's view, included erroneous modelling and incorrect speculation on the nature of the NZAS contract and market response and impacts from a potential closure of the smelter
 - Consultation to December 2021, then possibly again on potential code changes

9 August 2021 power outage reviews

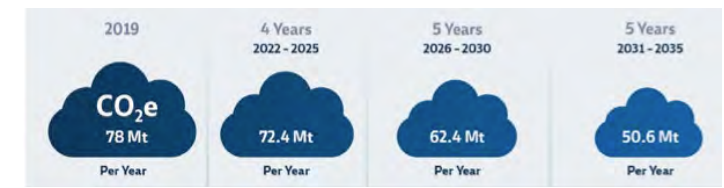
- Initial EA review (complete) with recommendations to address issues found with Transpower's communication and load management processes
- A second, broader EA review (now underway) of all roles in the sector, including generators
- The EA considering a claim lodged by Electric Kiwi and Haast Energy Trading that Genesis and Contact breached the new trading conduct provisions of the Code
- The EA investigating whether the events of 9 August 2021 constituted an undesirable trading situation
- A wide-ranging review by MBIE on instruction from the Minister of Energy



New Zealand policy and regulation

Climate Change Commission Final Advice

- Released in June 2021, final advice on 2022-35 emissions budgets
- Proposes deeper emissions cuts in first two budget periods than earlier draft advice
- Recommends major expansion in the electricity system needs to start immediately
- Considers replacing 100% renewable electricity target with achieving 95%-98% by 2030, with gas to provide flexibility until at least 2035
- Government has until May 2022 to set the first three emissions budgets out to 2035 and release the country's first emissions reduction plan with detailed policies
- Following the draft final advice, Government has introduced a Clean Car Discount effective 1 July 2021
- And have raised the cost containment reserve price in the ETS from \$50 to \$70 and the price floor from \$20 to \$30 (both from 2022 onwards with 10%/5% plus inflation annual increases thereafter)
- And started consultation on reforms to the industrial allocation in the Emissions Trading Scheme (ETS)



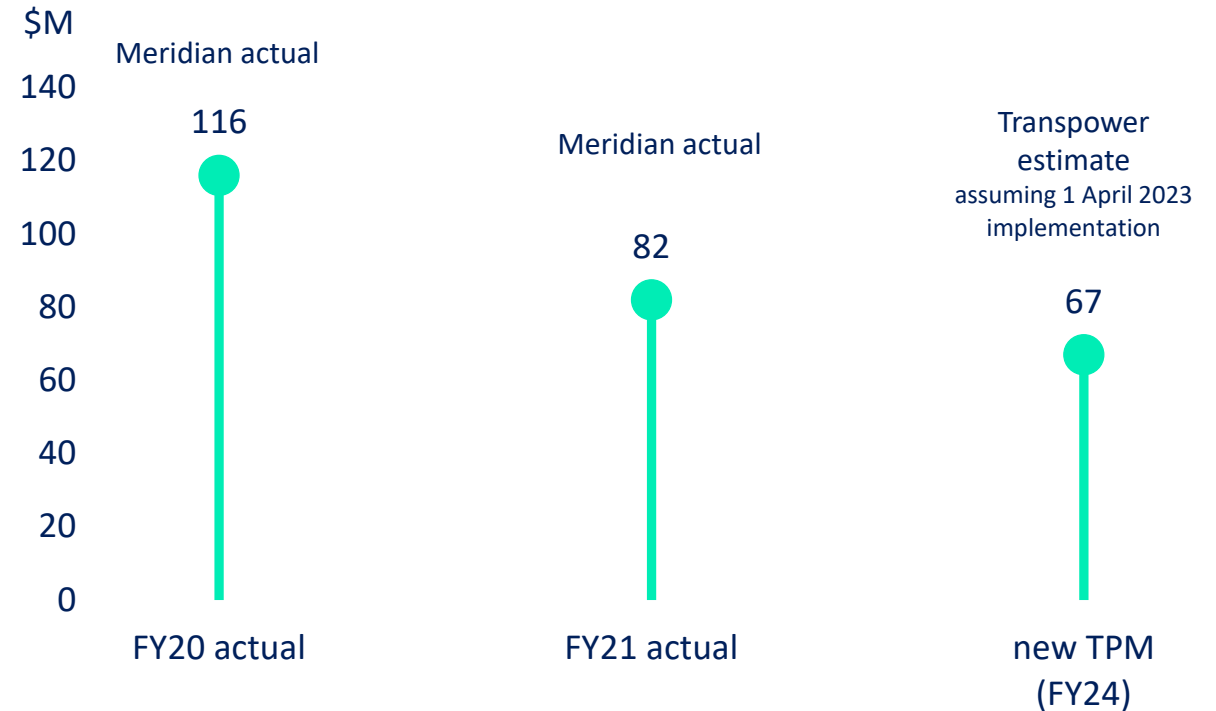
	Budget 1	Budget 2	Budget 3	
Transport	Lower-emissions vehicles	Accelerate uptake of electric and zero-emissions cars, buses and trucks Improve efficiency of vehicles and freight movement	Phase out imports of internal combustion engine light vehicles	
	Reducing vehicle trips	Encourage switching to walking, cycling and public transport Reduce demand for travel, for example through smart urban development and increased working from home Increase use of rail and coastal shipping for freight		
	Aviation and shipping	Improve efficiency	Start electrifying ferries and coastal shipping	Start electrifying short-haul flights
	Low carbon liquid fuels	Increase use of biofuels		
Energy, industry and buildings	Buildings	No new fossil gas heating systems installed after 2025 Improve thermal efficiency		Start phasing out existing fossil gas use in buildings
	Electricity	Phase out fossil base-load generation	Transmission and distribution grid upgrades Expand renewable generation	Achieve ~95% renewable generation
	Industrial process heat	Replace coal with biomass and electricity		Replace fossil gas with biomass and electricity
Land	Agriculture	Adopt low-emissions practices on-farm	Adopt low-emissions breeding for sheep	Encourage new low biogenic methane technologies to be adopted when available
	Native forests	Ramp up establishing new native forests		Establish 25,000 ha per year
	Exotic forests	Average 25,000 ha per year of new exotic forests		Ramp down planting new exotic forests for carbon storage
Waste and F-gases	Waste	Divert organic waste from landfill Improve and extend landfill gas capture		
	F-gases	Increase end-of-life recovery of F-gases		

New Zealand policy and regulation

Transmission Pricing Methodology (TPM)

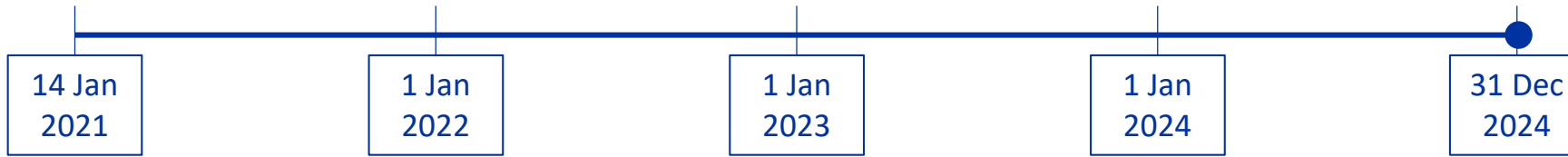
- EA published final TPM guidelines in June 2020
- Replaces current HVDC and RCPD charges with benefit-based and residual charges
- Transpower released its proposed new TPM in August 2021
- EA currently consulting on the full proposed TPM
- With the aim for a new TPM to take effect for prices from 1 April 2023
- Trustpower's judicial review was heard in the High Court in October 2021, decision has been reserved

Meridian's NZ transmission costs



Source: Meridian, Transpower

New Zealand Aluminium Smelter (Tiwai Point)



572MW CfD exit contract with Meridian terminating 31 December 2024

Revised NZAS contract

400MW

no termination right (except terminal force majeure)

172MW

NZAS termination right with 6 months notice (terminal FM also applies)

Existing 4th potline contract (currently suspended)

50MW

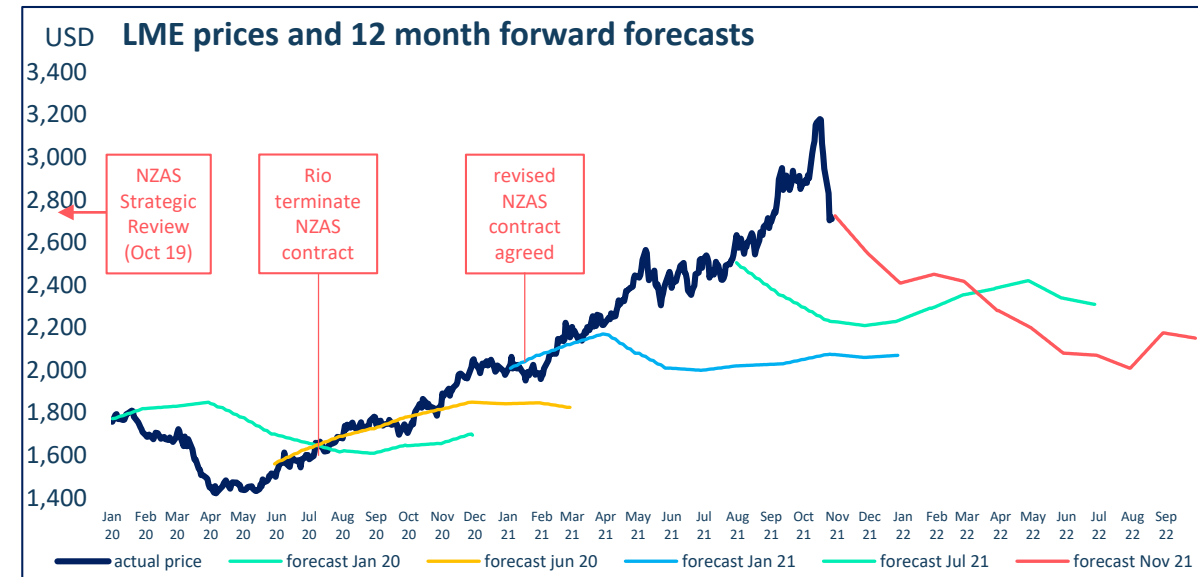
2 month termination right

31 Jan 22 current suspension period ends

1 Feb 22 – 31 Mar 21 recommencement notice permitted

1 Apr 22 – 31 Dec 22 recommencement/extended suspension

31 Dec 22 contract ends

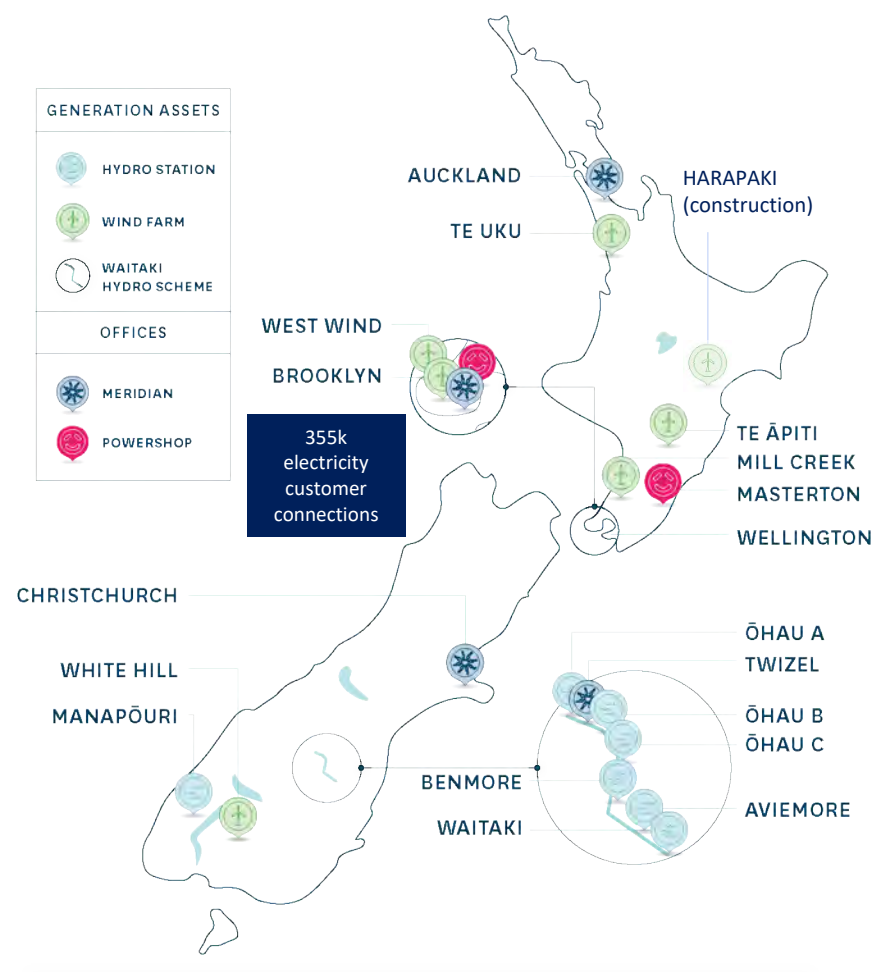


Source: Meridian, HARBOR Aluminium



About Meridian

- NZ\$12b company, one of NZ's largest listed company, 51% Government owned
- Largest of five listed New Zealand retailer generators
- Strong environmental, social and governance focus
- 40% of New Zealand generation covered by a price guarantee contract with Rio Tinto/Sumitomo's New Zealand aluminium smelter, ending 31 December 2024



About Meridian

- New Zealand's largest generator, all production from renewable sources
- Seven big hydro stations – flexible plant with the country's largest storage
- With low operating costs and capital needs
- Five New Zealand wind farms and proven success operating in a high wind environment
- Backed with more than a decade of construction and operational experience
- Typical long generation position to manage variable hydro inflows
- Vertically integrated Australian business currently under ownership review



Sustainability at Meridian

Our Material Topics

Environmental

- Action on climate change
- Pipeline of generation options
- Impact on water
- Impact on biodiversity

Social

- Electricity pricing
- Support for vulnerable customers
- Distributed energy resources

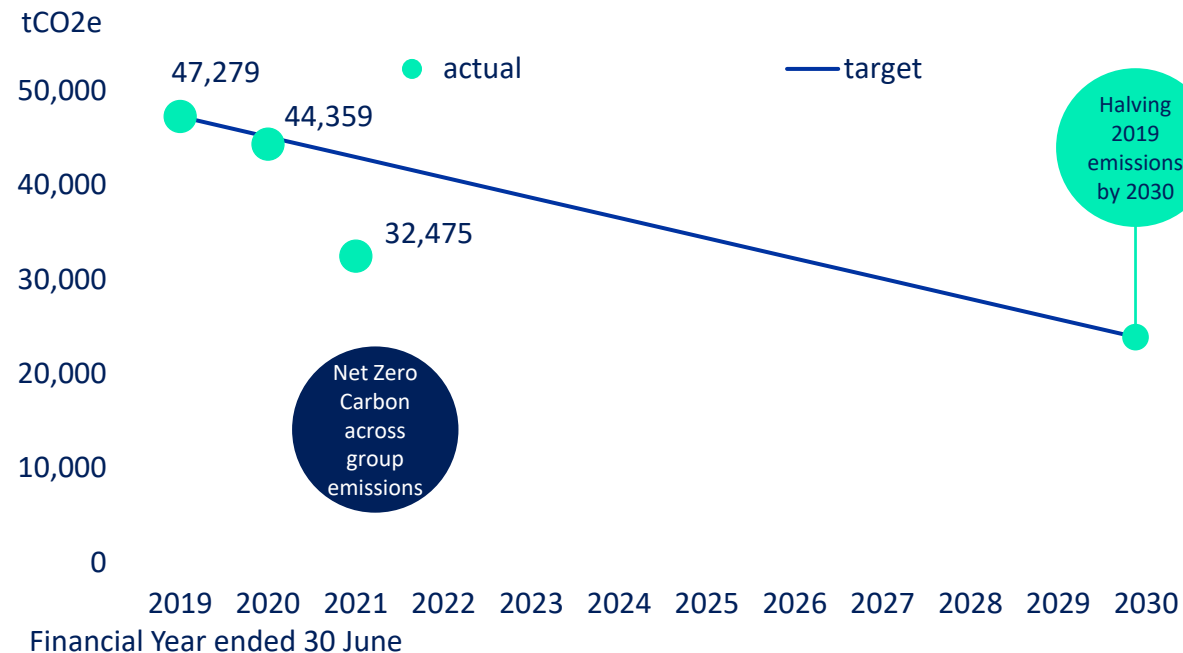
Governance

- Sustainability leadership
- Good governance, ethical behaviour and reporting
- Contribution to public policy
- Financial impacts of climate change
- Cyber security

In FY21

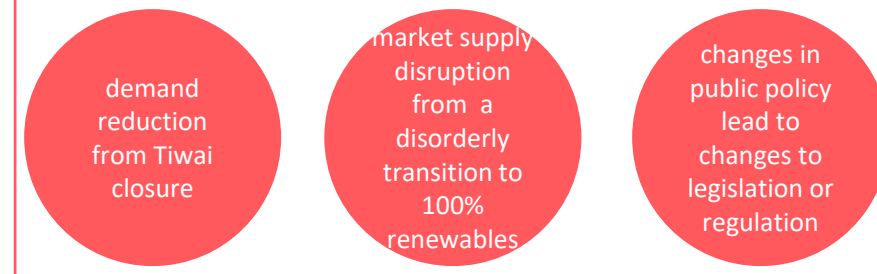
- Climate Change Commission report released sets policy direction for electrification
- Launched Process Heat Electrification Programme 157 GWh in MOU's, 14 GWh contracted
- Harapaki wind farm construction commenced clean energy for 70,000 homes
- Launched AC charging network 20 of 250 chargers installed
- 60,000 stems planted under Forever Forest programme 1.5 million trees in 5 years for carbon offset
- Launched Future of Work initiative help future proof our workforce
- Issued our first Modern Slavery Statement our commitment to our workforce and our supply chain
- Issued our second TCFD Report our climate risks and opportunities

2030 emissions target (scope 1-3)



Source: Meridian

Our three priority risks



Social focus

Local communities

- Long term relationships, community relationship managers
- \$9M of local project support over 14 years

Iwi

- Recognise the mana whenua of Ngāi Tahu
- Close association with local rūnaka
- Focus on strengthening our iwi partnerships

KidsCan

- \$1M annual contribution towards supporting under-privileged children

Kākāpō Recovery Programme

- Cornerstone partnership with the Department of Conservation



In 2021 Meridian issued its first Modern Slavery Statement

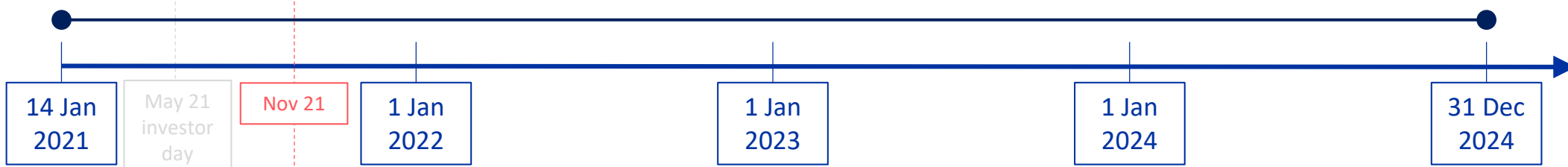
Our strategy

Strategic initiatives	<p>Champion</p> <p>Competitive markets Sustainability Climate action</p>	<p>Optimise</p> <p>Trading & asset management Re-consenting Financing</p>	<p>Grow</p> <p>Retail Generation Flux</p>	
5-year targets	Grow a clear sustainability leadership position		NZ's highest customer satisfaction	
	Use our 5,000 GWh renewable opportunity to fast-track NZ's decarbonisation	NZ's largest and fastest growing retailer	3 buildable options by 2024	
	A resilient wellbeing and safety culture			Triple Aus FY20 customer numbers
	5 th in Colmar Brunton Better Futures Report		Powershop market leading customer satisfaction, Meridian a leading gentailer	
	1,500 GWh new demand opportunities identified	NZ largest fixed price retailer	1.9GW of sites/opportunities	
Current position	92% positive staff wellbeing and safety sentiment, deteriorating injury frequency rates			
	7% growth in Aus customer numbers	500,000 ICP's on Flux		

MEA under ownership review

NZAS exit response

NZAS contract



Meridian portfolio response

Current swaption



CUWLP



NI battery



Process heat



Data centre



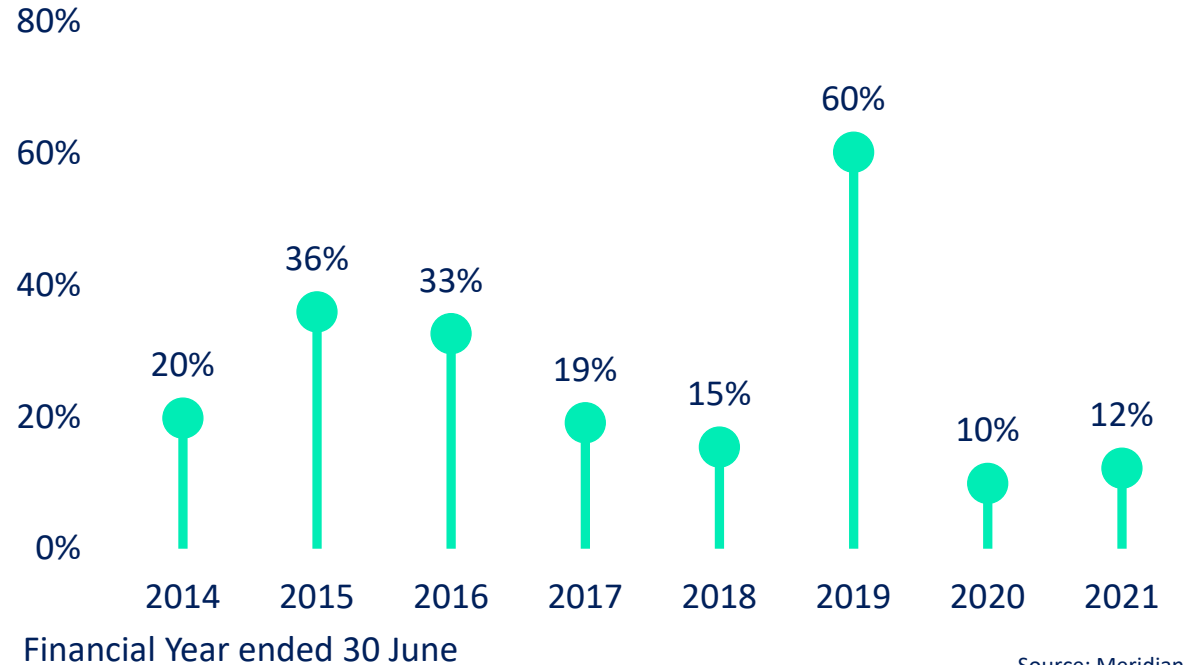
Green hydrogen



Shareholder highlights

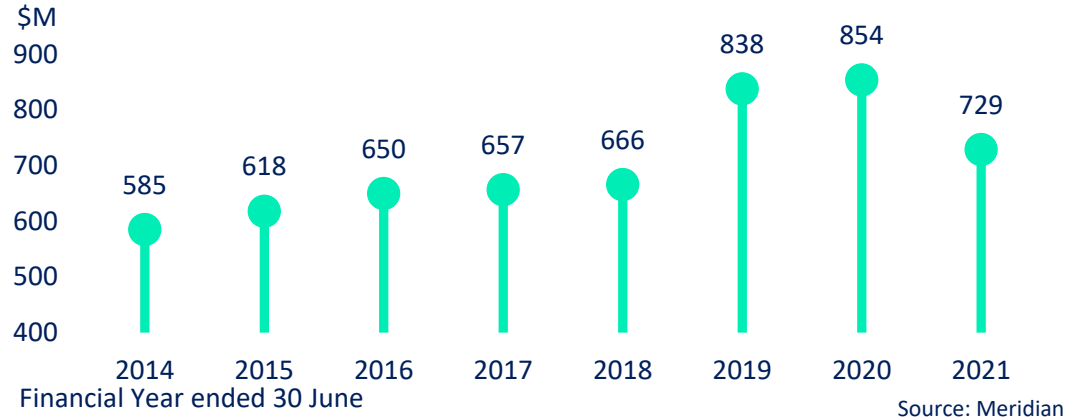
- Double digit shareholder returns every year since listing
- Sustained earnings through that period
- High free cash flow, high payout ratio, stable ordinary dividend
- Balance sheet headroom to fund potentially significant future decarbonisation growth

Total shareholder return



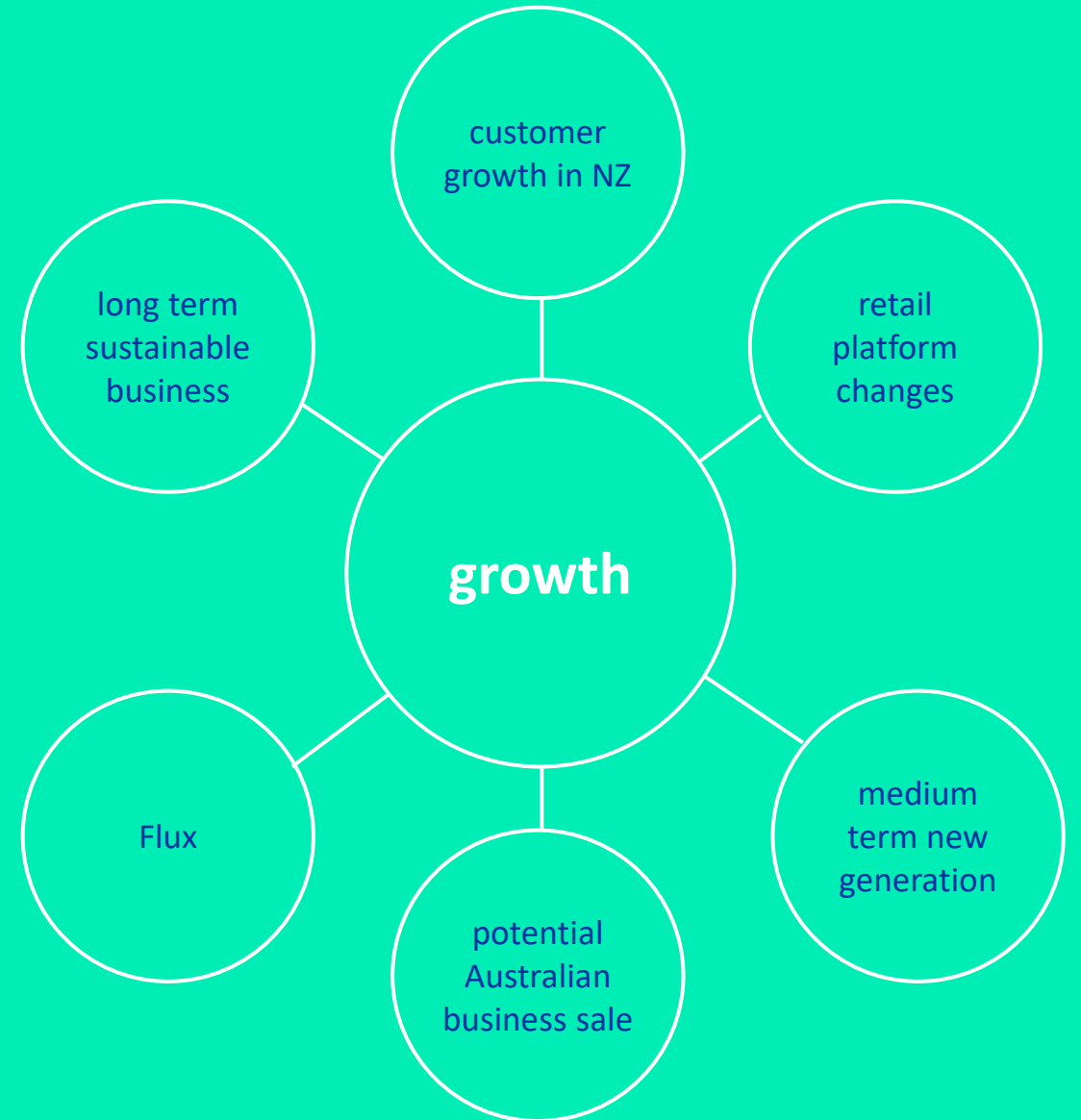
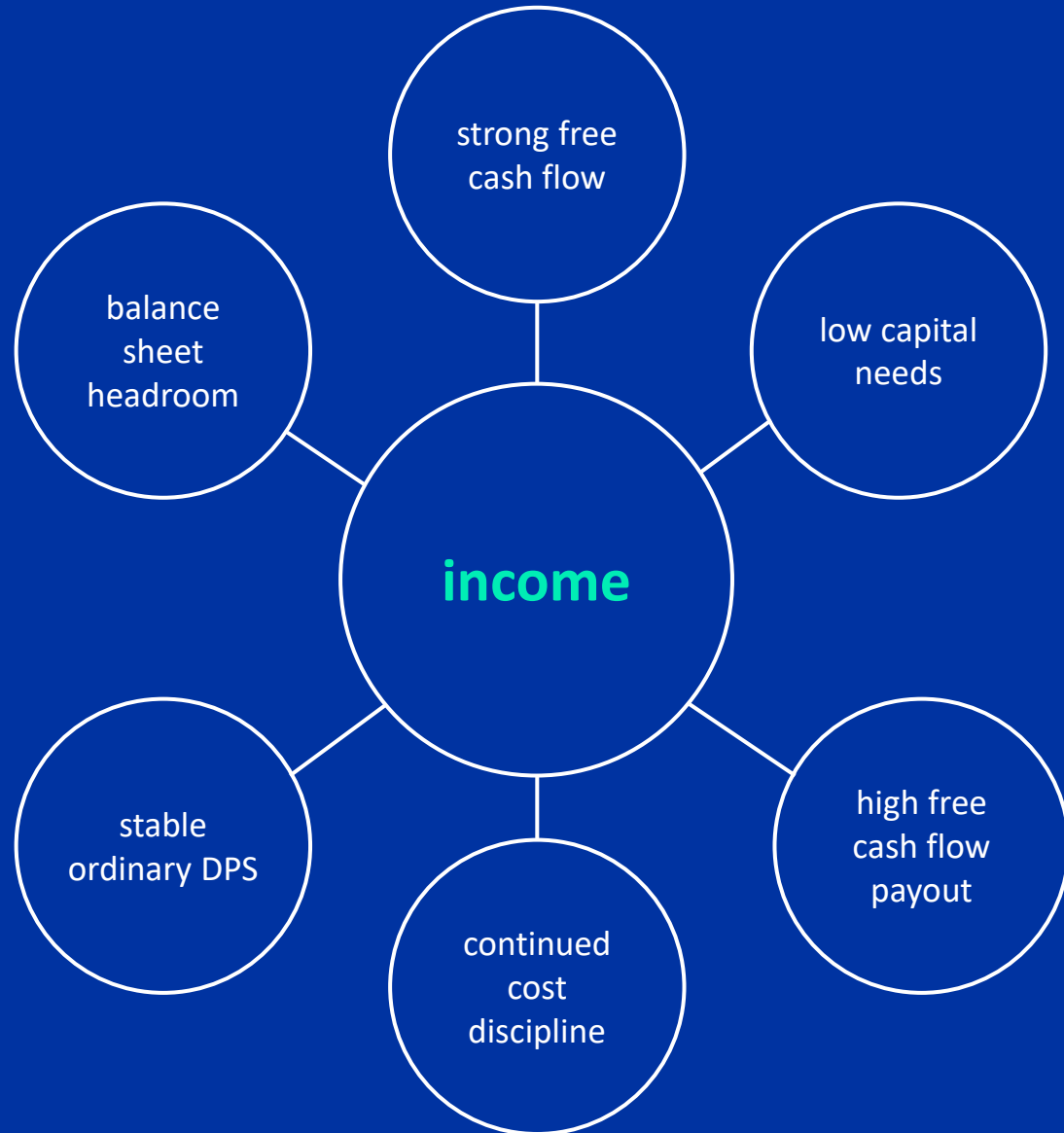
Source: Meridian

EBITDAF



Source: Meridian

Investment proposition



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www.meridianenergy.co.nz/investors

All currency amounts are in New Zealand dollars unless stated otherwise.