



Meridian.

Monthly Operating Report

July 2022

July highlights

In the month to 9 August 2022, national hydro storage increased from **94%** to **144%** of historical average

South Island storage increased to **146%** of average and North Island storage decreased to **132%** of average by 9 August 2022

Meridian's July 2022 monthly total inflows were **183%** of historical average, the 3rd highest July month inflows on record

July 2022 Waitaki catchment inflows were the highest July month inflows on record

Meridian's Waitaki catchment water storage at the end of July 2022 was **112%** of historical average

Water storage in Meridian's Waiau catchment was **144%** of average at the end of July 2022

Waitaki snow storage in late July 2022 was **131%** of historical average

National electricity demand in July 2022 was **1.1%** lower than the same month last year

July 2022 was New Zealand's wettest July on record. It was also the 4th warmest July on record, with temperatures above average across most of the country

New Zealand Aluminium Smelter's average load during July 2022 was **575MW**

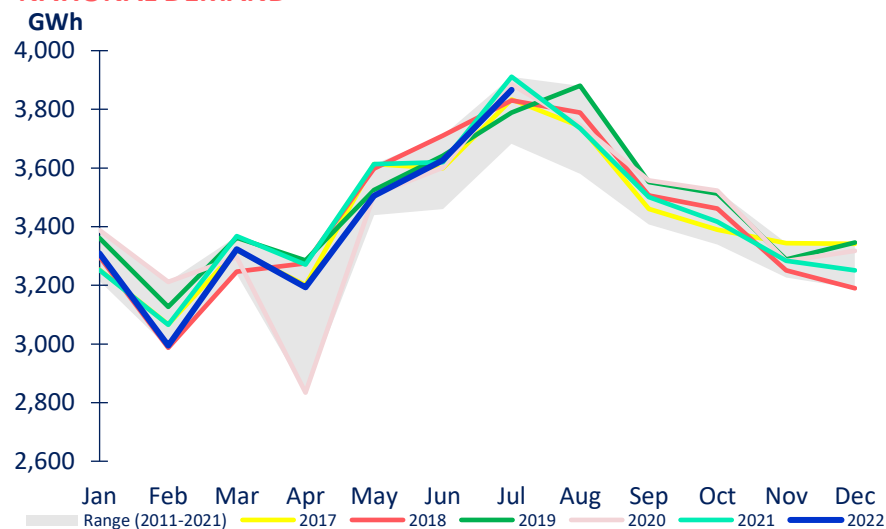
Meridian's New Zealand retail sales volumes in July 2022 were **2.4%** higher than July 2021

Compared to July 2021, segment sales increased in residential +0.6%, small medium business +4.0%, agricultural +3.0% and large business +22.3%. Corporate sales decreased -0.4%

Market data

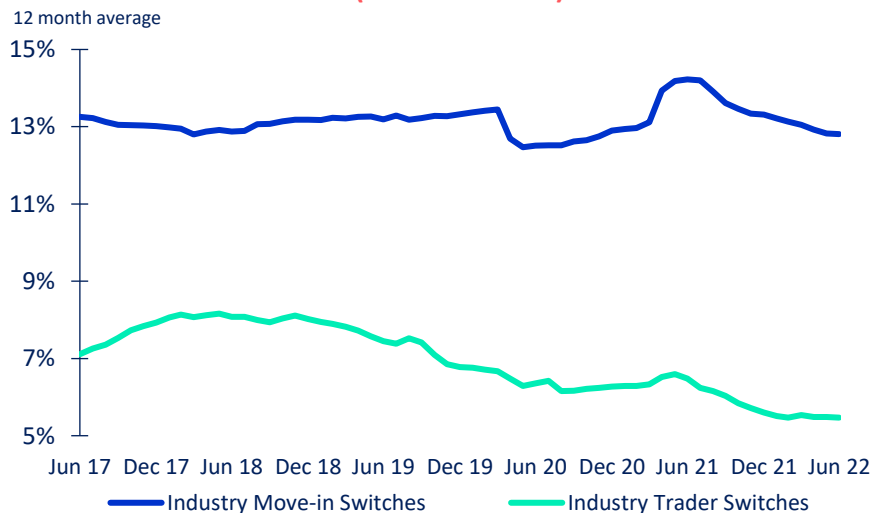
- National electricity demand in July 2022 was 1.1% lower than the same month last year
- July 2022 was New Zealand's wettest July on record. It was also the 4th warmest July on record, with temperatures above average across most of the country
- Demand in the last 12 months was 1.3% lower than the preceding 12 months
- New Zealand Aluminium Smelter's average load during July 2022 was 575MW
- 12-month average switching rate of customers changing retailers but not moving ("trader" switch) was 5.5% at the end of June 2022
- 12-month average switching rate of customers moving and changing retailers ("move-in" switch) was 12.8% at the end of June 2022

NATIONAL DEMAND



Source: Electricity Authority (reconciled demand)

MARKET ICP SWITCHING (ALL RETAILERS)

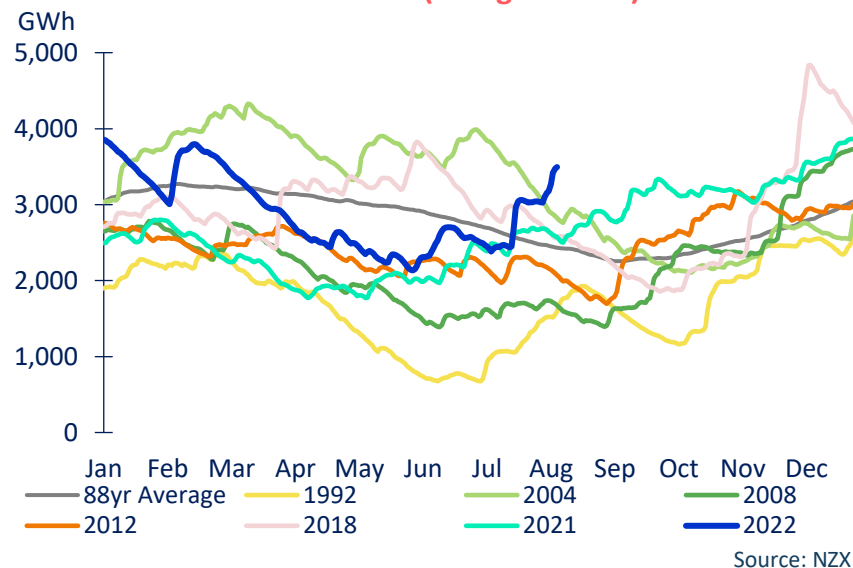


Source: Electricity Authority

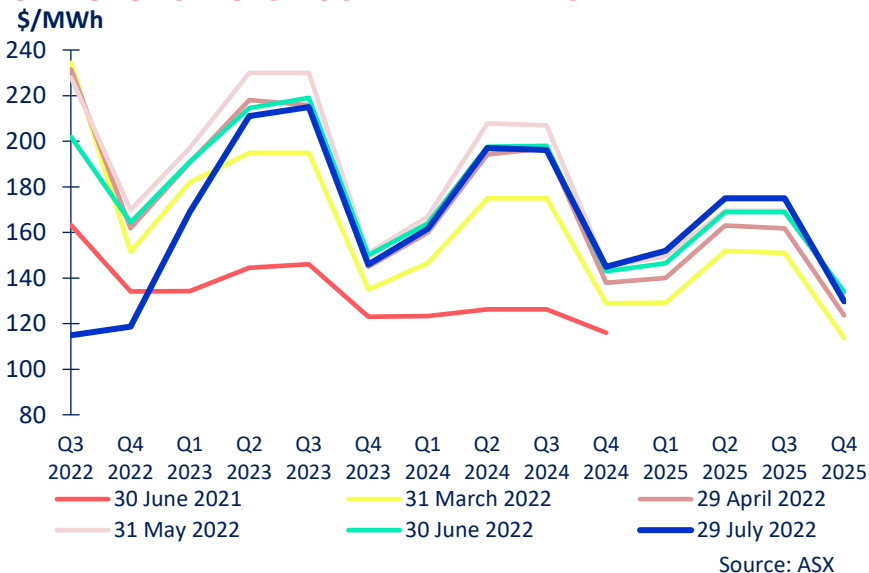
Market data

- July 2022 saw sizeable decreases in short dated ASX prices
- National storage increased from 94% of average on 14 July 2022 to 144% of average on 9 August 2022
- South Island storage increased to 146% of historical average by 9 August 2022. North Island storage decreased to 132% of average

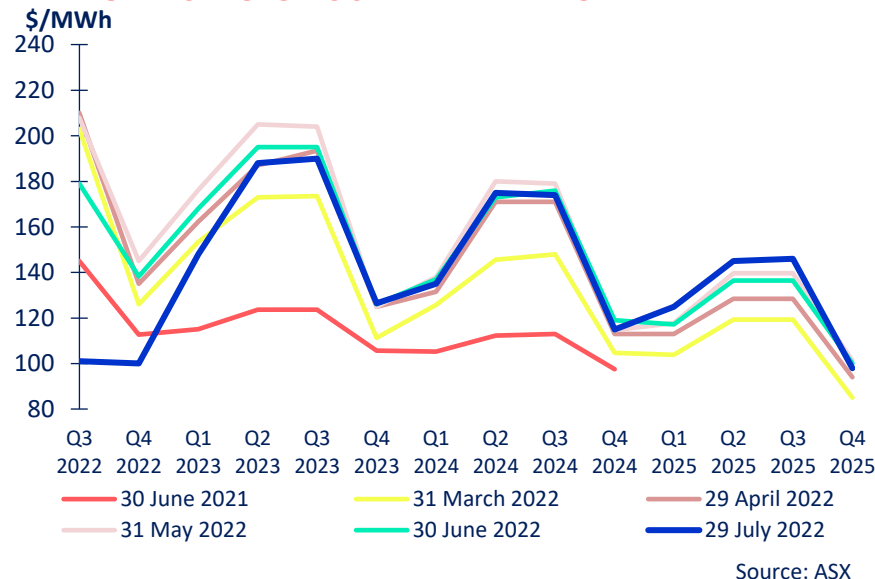
NATIONAL HYDRO STORAGE (9 August 2022)



OTAHUHU ASX FUTURES SETTLEMENT PRICE



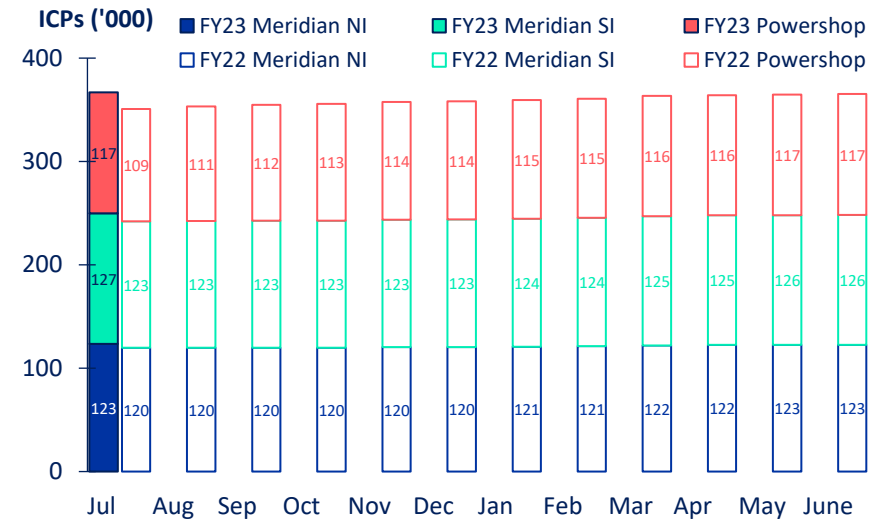
BENMORE ASX FUTURES SETTLEMENT PRICE



New Zealand retail

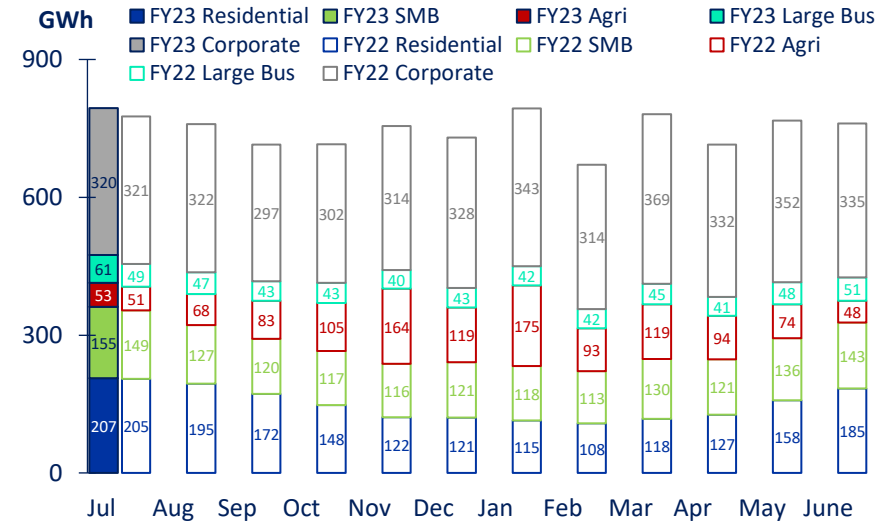
- Meridian's New Zealand customer connection numbers rose 0.5% during July 2022
- Retail sales volumes in July 2022 were 2.4% higher than July 2021
- Compared to July 2021, segment sales increased in residential +0.6%, small medium business +4.0%, agricultural +3.0% and large business +22.3%. Corporate sales decreased -0.4%

MERIDIAN'S NZ CUSTOMER CONNECTIONS



Source: Meridian

MERIDIAN'S RETAIL SALES VOLUME*



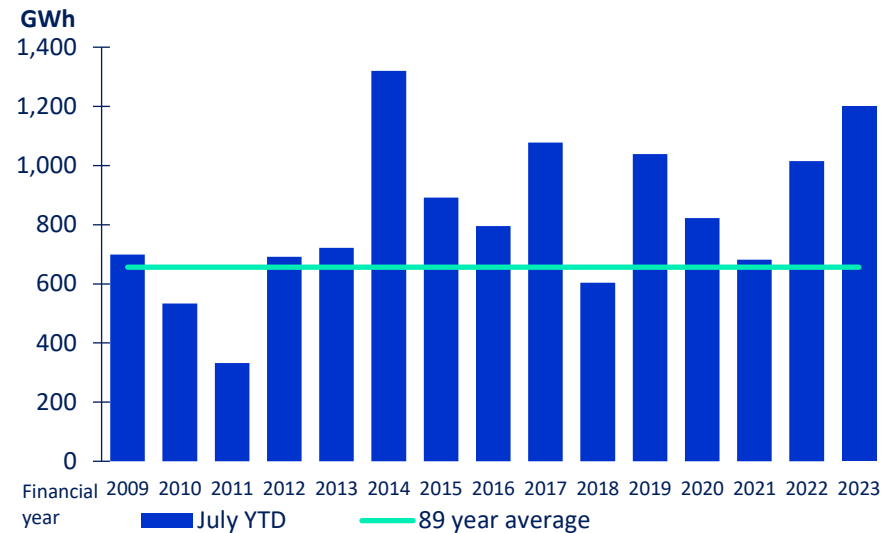
Source: Meridian

*excludes volumes sold to New Zealand Aluminium Smelters and CFDs

New Zealand storage

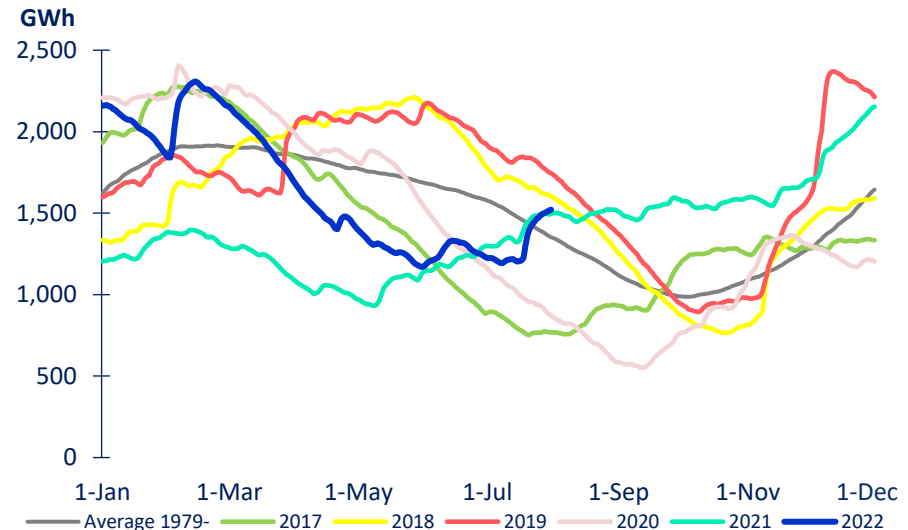
- July 2022 monthly inflows were 183% of historical average, the 3rd highest July month inflows on record
- Meridian's Waitaki catchment water storage moved from 1,230GWh to 1,522GWh during July 2022
- Waitaki water storage at the end of July 2022 was 112% of historical average and 2% higher than the same time last year
- Water storage in Meridian's Waiau catchment was 144% of average at the end of July 2022
- Waitaki snow storage in late July 2022 was 131% of historical average

MERIDIAN'S COMBINED CATCHMENT INFLOWS



Source: Meridian

MERIDIAN'S WAITAKI STORAGE

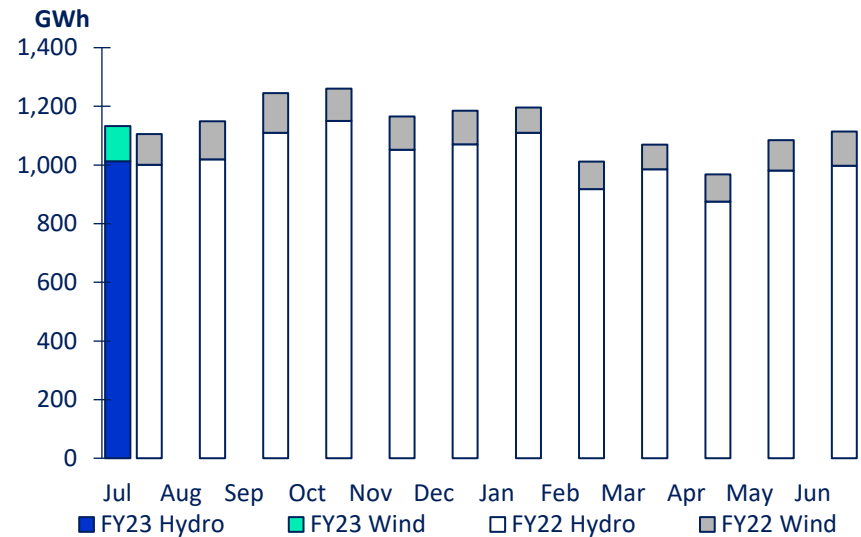


Source: Meridian

New Zealand generation

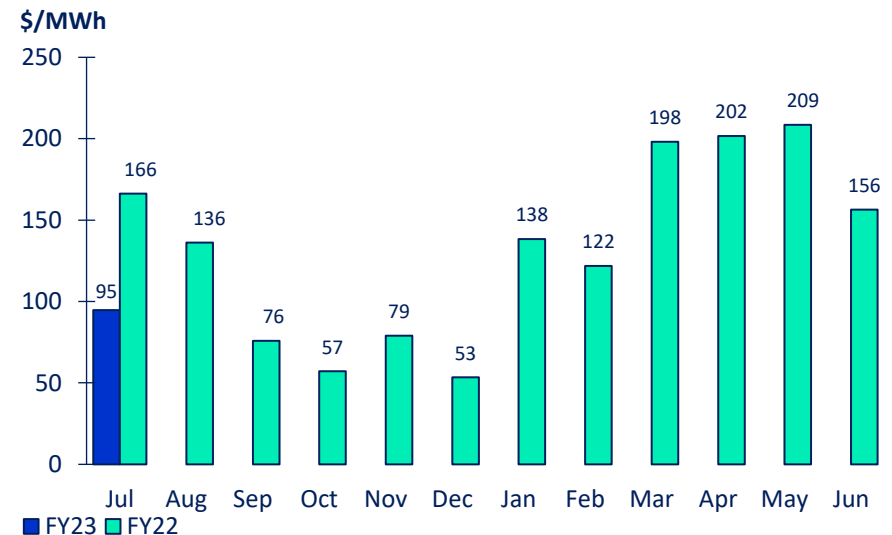
- Meridian's New Zealand generation in July 2022 was 2.5% higher than the same month last year, reflecting higher hydro and higher wind generation
- The average price Meridian received for its generation in July 2022 was 43.0% lower than the same month last year
- The average price Meridian paid to supply customers in July 2022 was 39.3% lower than the same month last year

MERIDIAN'S NEW ZEALAND GENERATION



Source: Meridian

MERIDIAN'S AVERAGE GENERATION PRICE*



*price received for Meridian's physical generation

Source: Meridian

New Zealand

	JULY 2022 MONTH	JULY 2021 MONTH	JUNE 2022 MONTH	MAY 2022 MONTH
New Zealand contracted sales				
Residential sales volume (GWh)	207	205	185	158
Small medium business sales volume (GWh)	155	149	143	136
Agricultural sales volume (GWh)	53	51	48	74
Large business sales volume (GWh)	61	49	51	48
Corporate and industrial sales volume (GWh)	320	321	335	352
Retail contracted sales volume (GWh)	795	776	761	768
Average retail contracted sales price ¹ (\$NZ/MWh)	\$133.3	\$122.6	\$127.0	\$128.5
NZAS sales volume (GWh)	426	426	412	418
Financial contract sales volumes ² (GWh)	190	197	219	203
Average wholesale & financial contracts sales price ³ (\$NZ/MWh)	\$65.4	\$73.2	\$66.9	\$74.9
Retail customer supply volumes (GWh)	835	816	814	815
Cost to supply retail customers (\$NZ/MWh)	\$110.6	\$190.3	\$168.0	\$221.5
Cost to supply wholesale customers (\$NZ/MWh)	\$97.6	\$162.7	\$152.1	\$215.0
Cost of financial contracts (\$NZ/MWh)	\$120.6	\$159.9	\$157.1	\$207.7
Total New Zealand customer connections ⁴	367,035	365,686	372,115	364,839

See page 10 for footnotes

New Zealand

	JULY 2022 MONTH	JULY 2021 MONTH	JUNE 2022 MONTH	MAY 2022 MONTH
New Zealand generation				
Hydro generation volume (GWh)	1,013	1,000	998	982
Wind generation volume (GWh)	120	105	116	104
Total generation volume (GWh)	1,133	1,105	1,114	1,085
Average generation price ⁵ (\$NZ/MWh)	\$94.7	\$166.2	\$156.4	\$208.5
New Zealand hedging				
Hedging volume ⁶ (GWh)	428	394	324	353
Hedging cost average price (\$NZ/MWh)	\$131.4	\$129.6	\$136.7	\$134.6
Hedging spot revenue average price (\$NZ/MWh)	\$113.0	\$164.1	\$161.2	\$217.2
Future contract close outs (\$NZm)	-\$1.1	-\$0.7	\$10.9	\$2.3

See page 10 for footnotes

New Zealand

	JULY 2022 MONTH	JULY 2021 MONTH	JUNE 2022 MONTH	MAY 2022 MONTH
New Zealand costs				
Employee and Operating Costs ⁷ (\$m)	19	16	25	21
Stay in Business Capital Expenditure (\$m)	3	3	6	3
Investment Capital Expenditure (\$m)	9	9	9	13
Total Capital Expenditure (\$m)	12	12	15	16

Footnotes

1. Contracted sales volumes and volume weighted average price received from contracted customers less distribution costs
2. Derivatives sold excluding the sell-side of virtual asset swaps
3. Average price of both NZAS sales volume and derivative sales volumes
4. Meridian Retail and Powershop New Zealand installation control points (ICPs), excluding vacants
5. Volume weighted average price received for Meridian's physical generation
6. Over the counter and ASX contract volumes excluding the buy-side of virtual asset swaps
7. Excludes electricity metering expenses, now reclassified into gross margin

FY23 operating information

	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Q1 FY22	YoY change	Q2 FY22	YoY change	Q3 FY22	YoY change	Q4 FY22	YoY change
New Zealand contracted sales																				
Residential sales volume (GWh)	207																			
Small medium business sales volume (GWh)	155																			
Agricultural sales volume (GWh)	53																			
Large business sales volume (GWh)	61																			
Corporate and industrial sales volume (GWh)	320																			
Retail contracted sales volume (GWh)	795																			
Average retail contracted sales price (\$NZ/MWh)	\$133.3																			
NZAS sales volume (GWh)	426																			
Financial contract sales volumes (GWh)	190																			
Average wholesale & financial contracts sales price (\$NZ/MWh)	\$65.4																			
Retail customer supply volumes (GWh)	835																			
Cost to supply retail customers (\$NZ/MWh)	\$110.6																			
Cost to supply wholesale customers (\$NZ/MWh)	\$97.6																			
Cost of financial contracts (\$NZ/MWh)	\$120.6																			
Total New Zealand customer connections	367,035																			
New Zealand generation																				
Hydro generation volume (GWh)	1,013																			
Wind generation volume (GWh)	120																			
Total generation volume (GWh)	1,133																			
Average generation price (\$NZ/MWh)	\$94.7																			
New Zealand hedging																				
Hedging volume (GWh)	428																			
Hedging cost average price (\$NZ/MWh)	\$131.4																			
Hedging spot revenue average price (\$NZ/MWh)	\$113.0																			
Future contract close outs (\$NZm)																				
Meridian Group																				
Employee and Operating Costs (\$NZ m)	19																			
Stay in Business Capital Expenditure (\$NZ m)	3																			
Investment Capital Expenditure (\$NZ m)	9																			
Total Capital Expenditure (\$NZ m)	12																			

FY22 operating information

	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Q1 FY22	YoY change	Q2 FY22	YoY change	Q3 FY22	YoY change	Q4 FY22	YoY change
New Zealand contracted sales																				
Residential sales volume (GWh)	205	195	172	148	122	121	115	108	118	127	158	185	572	+70	391	+45	341	+39	470	+15
Small medium business sales volume (GWh)	149	127	120	117	116	121	118	113	130	121	136	143	396	+71	354	+55	362	+62	399	+30
Agricultural sales volume (GWh)	51	68	83	105	164	119	175	93	119	94	74	48	202	-3	387	-81	388	-88	216	-10
Large business sales volume (GWh)	49	47	43	43	40	43	42	42	45	41	48	51	140	-16	126	-7	128	-1	140	+14
Corporate and industrial sales volume (GWh)	321	322	297	302	314	328	343	314	369	332	352	335	940	+111	943	+88	1,026	+93	1,019	+51
Retail contracted sales volume (GWh)	776	759	715	716	755	731	793	671	781	715	768	761	2,250	+233	2,202	+99	2,246	+105	2,244	+99
Average retail contracted sales price (\$NZ/MWh)	\$122.6	\$124.0	\$123.2	\$109.9	\$109.8	\$105.2	\$111.2	\$115.5	\$116.6	\$122.8	\$128.5	\$127.0	\$123.2	+\$4.0	\$108.3	+\$3.8	\$114.4	+\$7.6	\$126.2	+\$7.2
NZAS sales volume (GWh)	426	426	411	426	412	426	426	384	426	402	418	412	1,262	+0	1,263	+0	1,236	+0	1,232	-18
Financial contract sales volumes (GWh)	197	297	234	374	280	208	280	244	249	178	203	219	728	+214	862	+376	773	+306	600	+161
Average wholesale & financial contracts sales price (\$NZ/MWh)	\$73.2	\$78.4	\$65.1	\$62.3	\$56.9	\$59.8	\$63.3	\$63.7	\$64.2	\$68.1	\$74.9	\$66.9	\$72.5	-\$3.3	\$59.8	-\$8.9	\$63.7	+\$0.9	\$70.0	-\$5.4
Retail customer supply volumes (GWh)	816	795	752	764	798	776	828	709	821	747	815	814	2,363	+246	2,337	+123	2,358	+114	2,376	+123
Cost to supply retail customers (\$NZ/MWh)	\$190.3	\$165.3	\$91.0	\$74.6	\$92.7	\$57.2	\$148.4	\$146.4	\$213.2	\$210.5	\$221.5	\$168.0	\$150.3	+\$8.4	\$75.0	-\$40.8	\$170.4	-\$53.1	\$199.7	-\$87.0
Cost to supply wholesale customers (\$NZ/MWh)	\$162.7	\$115.9	\$62.6	\$51.2	\$76.5	\$45.5	\$156.9	\$120.5	\$216.0	\$225.2	\$215.0	\$152.1	\$114.3	-\$10.9	\$57.5	-\$36.4	\$165.9	-\$45.6	\$197.3	-\$67.6
Cost of financial contracts (\$NZ/MWh)	\$159.9	\$137.5	\$104.8	\$66.0	\$78.8	\$68.2	\$160.4	\$117.0	\$180.6	\$219.0	\$207.7	\$157.1	\$133.0	+\$2.9	\$70.7	-\$34.0	\$153.2	-\$39.3	\$192.6	-\$70.9
Total New Zealand customer connections	350,961	353,357	354,810	355,760	357,521	358,350	359,550	360,780	363,430	364,182	364,839	365,346	354,810	+26,208	358,350	+25,763	363,430	+25,379	365,346	+18,516
New Zealand generation																				
Hydro generation volume (GWh)	1,000	1,020	1,110	1,150	1,052	1,071	1,110	918	986	876	982	998	3,130	+372	3,273	+119	3,014	+298	2,855	+185
Wind generation volume (GWh)	105	129	135	111	114	114	86	94	84	93	104	116	370	-16	339	-40	264	-23	313	-31
Total generation volume (GWh)	1,105	1,149	1,245	1,260	1,166	1,185	1,196	1,012	1,070	968	1,085	1,114	3,499	+356	3,612	+79	3,278	+275	3,168	+154
Average generation price (\$NZ/MWh)	\$166.2	\$136.1	\$75.8	\$57.1	\$78.9	\$53.4	\$138.4	\$121.8	\$198.1	\$201.5	\$208.5	\$156.4	\$124.1	-\$2.3	\$63.0	-\$38.2	\$152.8	-\$58.0	\$188.0	-\$79.7
New Zealand hedging																				
Hedging volume (GWh)	394	325	255	327	332	346	404	421	459	438	353	324	975	+122	1,004	+141	1,283	+195	1,115	+35
Hedging cost average price (\$NZ/MWh)	\$129.6	\$121.5	\$117.7	\$93.6	\$94.8	\$109.3	\$104.1	\$117.0	\$120.0	\$127.8	\$134.6	\$136.7	\$123.8	+\$18.5	\$99.4	+\$5.2	\$114.0	-\$1.2	\$132.6	+\$17.2
Hedging spot revenue average price (\$NZ/MWh)	\$164.1	\$140.7	\$115.6	\$74.4	\$88.3	\$69.2	\$168.3	\$138.8	\$205.9	\$197.5	\$217.2	\$161.2	\$143.6	+\$13.4	\$77.2	-\$32.5	\$303.7	-\$55.1	\$193.2	-\$68.0
Future contract close outs (\$NZm)	-0.7	0.1	0.2	-0.9	0.2	-0.1	-5.1	-1.5	10.0	-6.4	2.3	10.9	-0.5	+5.9	-0.8	+2.8	3.3	+13.0	6.8	+0.8
Meridian Group																				
Employee and Operating Costs (\$NZ m)	16	17	18	18	20	8	15	18	21	19	21	25	51	+3	46	-3	54	+7	65	+1
Stay in Business Capital Expenditure (\$NZ m)	3	3	4	3	6	2	-1	4	4	3	3	6	10	+1	11	+2	6	-2	13	+1
Investment Capital Expenditure (\$NZ m)	9	4	23	11	17	6	9	8	6	19	13	9	36	+25	34	+28	23	-14	41	+31
Total Capital Expenditure (\$NZ m)	12	7	27	15	24	7	8	11	10	22	16	15	46	+26	46	+30	29	-16	54	+33

Glossary

Hedging volumes	buy-side electricity derivatives excluding the buy-side of virtual asset swaps
Average generation price	the volume weighted average price received for Meridian's physical generation
Average retail contracted sales price	volume weighted average electricity price received from retail customers, less distribution costs
Average wholesale contracted sales price	volume weighted average electricity price received from wholesale customers (including NZAS) and financial contracts
Combined catchment inflows	combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes
Cost of hedges	volume weighted average price Meridian pays for derivatives acquired
Cost to supply contracted sales	volume weighted average price Meridian pays to supply contracted customer sales and financial contracts
Contracts for Difference (CFDs)	an agreement between parties to pay the difference between the wholesale electricity price and an agreed fixed price for a specified volume of electricity. CFDs do not result in the physical supply of electricity
Customer connections (NZ)	number of installation control points, excluding vacants
GWh	gigawatt hour. Enough electricity for 125 average New Zealand households for one year
Historic average inflows	the historic average combined water inflows into Meridian's Waitaki and Waiau hydro storage lakes over the last 85 years
Historic average storage	the historic average level of storage in Meridian's Waitaki catchment since 1979
HVDC	high voltage direct current link between the North and South Islands of New Zealand
ICP	New Zealand installation control points, excluding vacants
ICP switching	the number of installation control points changing retailer supplier in New Zealand, recorded in the month the switch was initiated
MWh	megawatt hour. Enough electricity for one average New Zealand household for 46 days
National demand	Electricity Authority's reconciled grid demand www.emi.ea.govt.nz
NZAS	New Zealand Aluminium Smelters Limited
Retail sales volumes	contract sales volumes to retail customers, including both non half hourly and half hourly metered customers
Financial contract sales	sell-side electricity derivatives excluding the sell-side of virtual asset swaps
Virtual Asset Swaps (VAS)	CFDs Meridian has with Genesis Energy and Mercury New Zealand. They do not result in the physical supply of electricity