Monthly Operating Report

December 2023

December overview.

For the month of December 2023

- The Customer business recorded:
  - Mass market electricity and gas sales of 279GWh (December 2022: 283GWh)
  - Mass market netback of $143.83/MWh (December 2022: $122.17MWh)
- The Wholesale business recorded:
  - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 692GWh (December 2022: 568GWh)
  - Electricity and steam net revenue of $96.02/MWh (December 2022: $89.20MWh)
  - Electricity generated (or acquired) of 692GWh (December 2022: 612GWh)
  - The unit generation cost, which includes acquired generation was $38.13/MWh (December 2022: $27.01/MWh)
    - Own generation cost in the month of $35.20/MWh (December 2022: $27.30/MWh)

- Tauhara project progress vs. target for December 2023 was 98% vs. 100%[1] .
- Te Huka 3 project progress vs. target for December 2023 was 75% vs. 72%[1] .
- Otahuhu futures settlement wholesale price for the 2nd quarter of 2024 (ASX):
  - As at 15 January 2024: $217/MWh
  - As at 29 December 2023: $211/MWh
  - As at 30 November 2023: $195/MWh
- As at 16th January 2024, South Island controlled storage was 77% of mean and North Island controlled storage was 130% of mean.
  - As at 16th January 2024, total Clutha scheme storage was 61% of mean.
  - Inflows into Contact's Clutha catchment for December 2023 were 69% of mean. (November 2023: 68%, October 2023: 114%, September 2023: 166%)
- Contact's contracted gas volume (including contracted swaps) for the next 12 months is 11.7PJ

[1] The progress target for Tauhara and Te Huka 3 follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the projects near completion. Figures rounded to the nearest percentage.

Note: Mean hydro references on this page are based on the mean of all reported periods (i.e. both pre- and post-market data), sourced from NZX.
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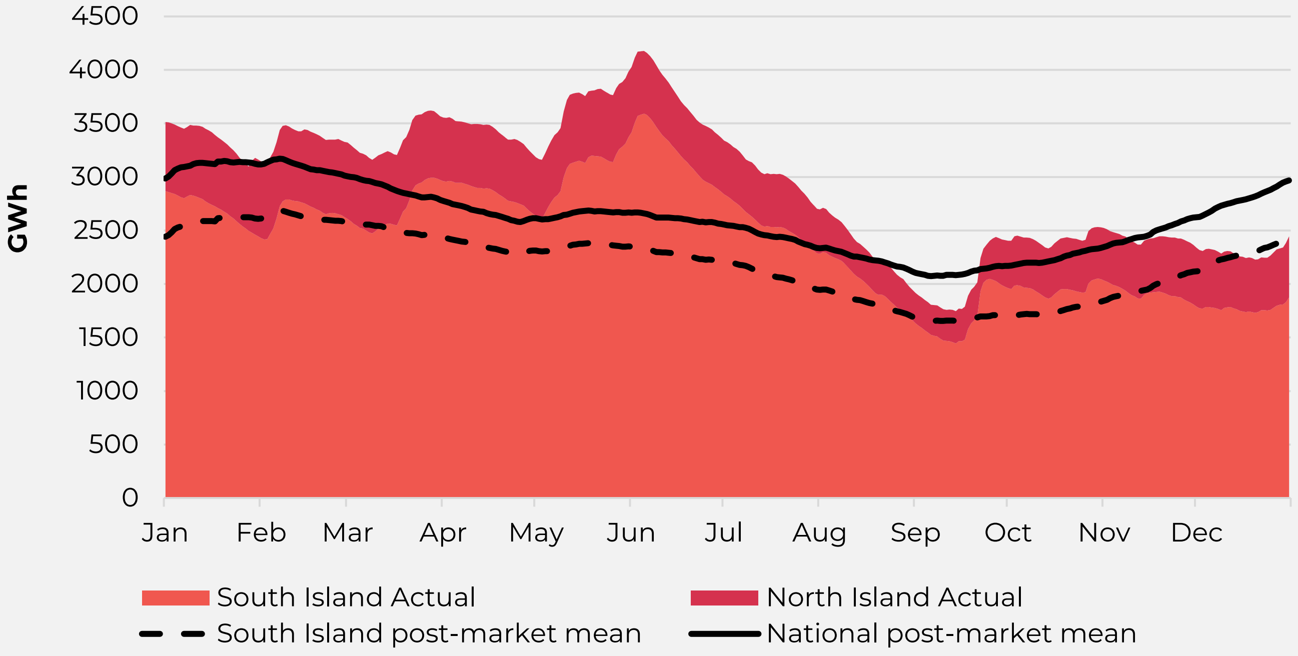
Hydro storage and forward prices.

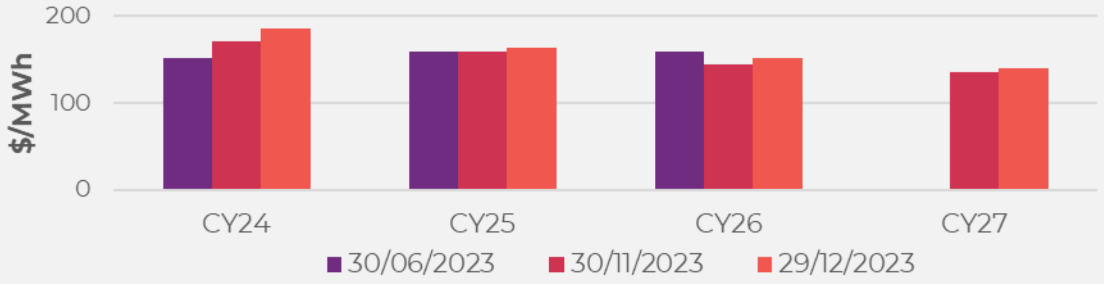
New Zealand controlled hydro storage against mean

12 MONTHS



ASX futures settlement

Otahuhu



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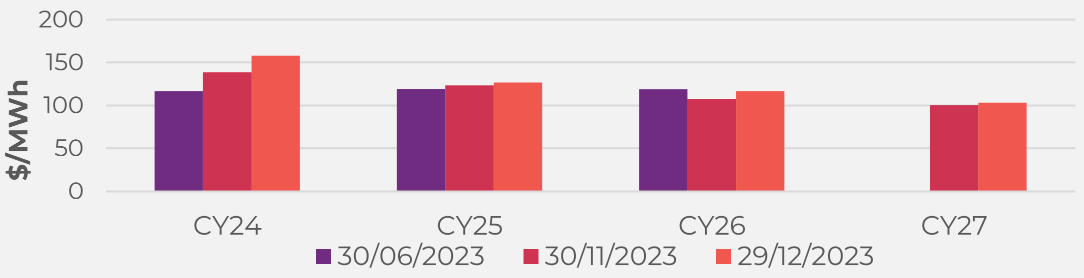
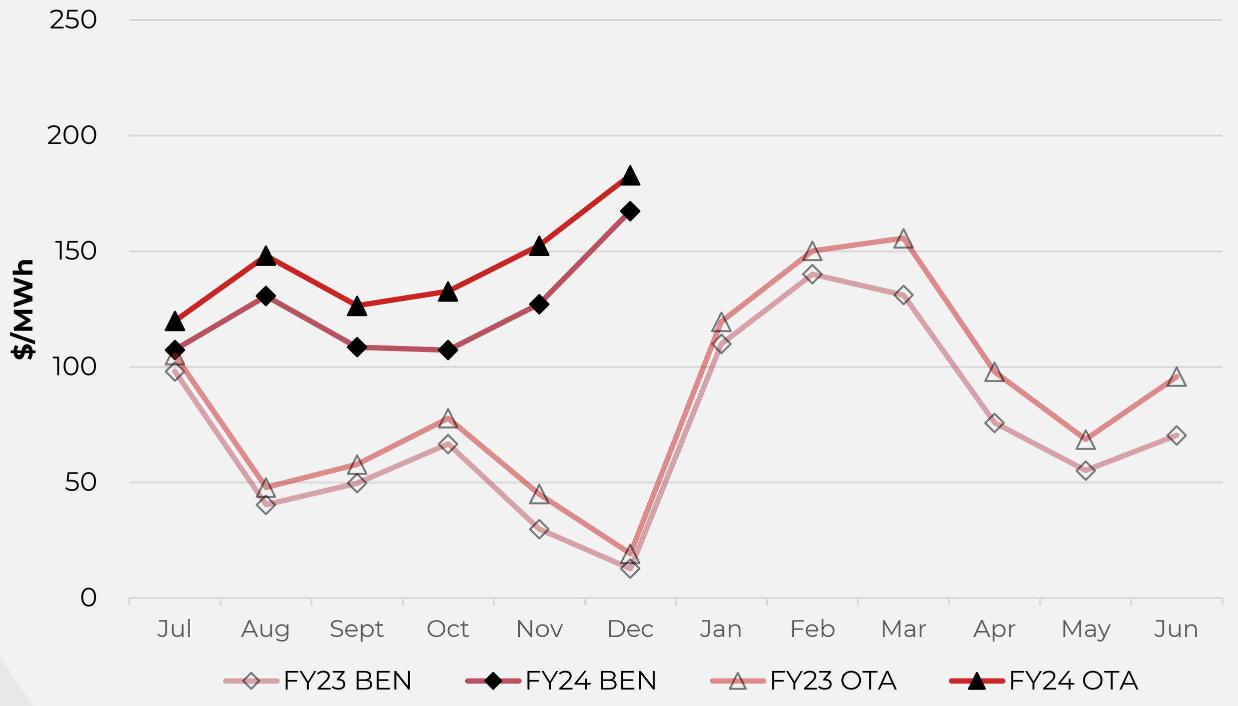
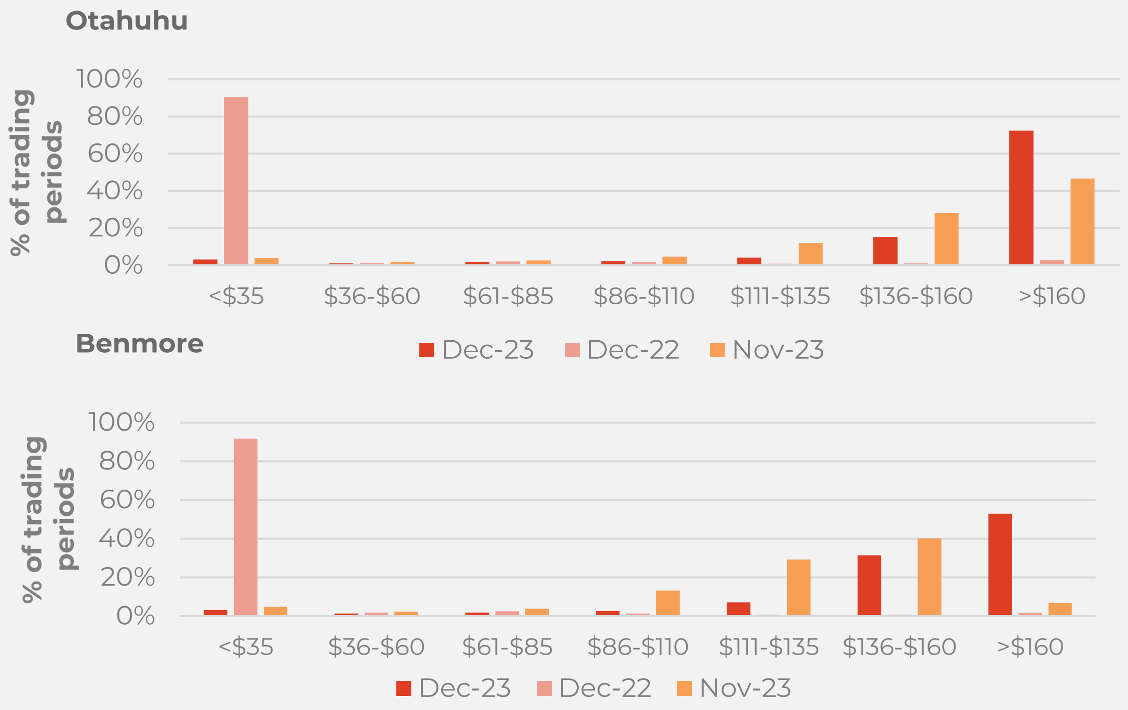


Wholesale market.

Wholesale electricity pricing



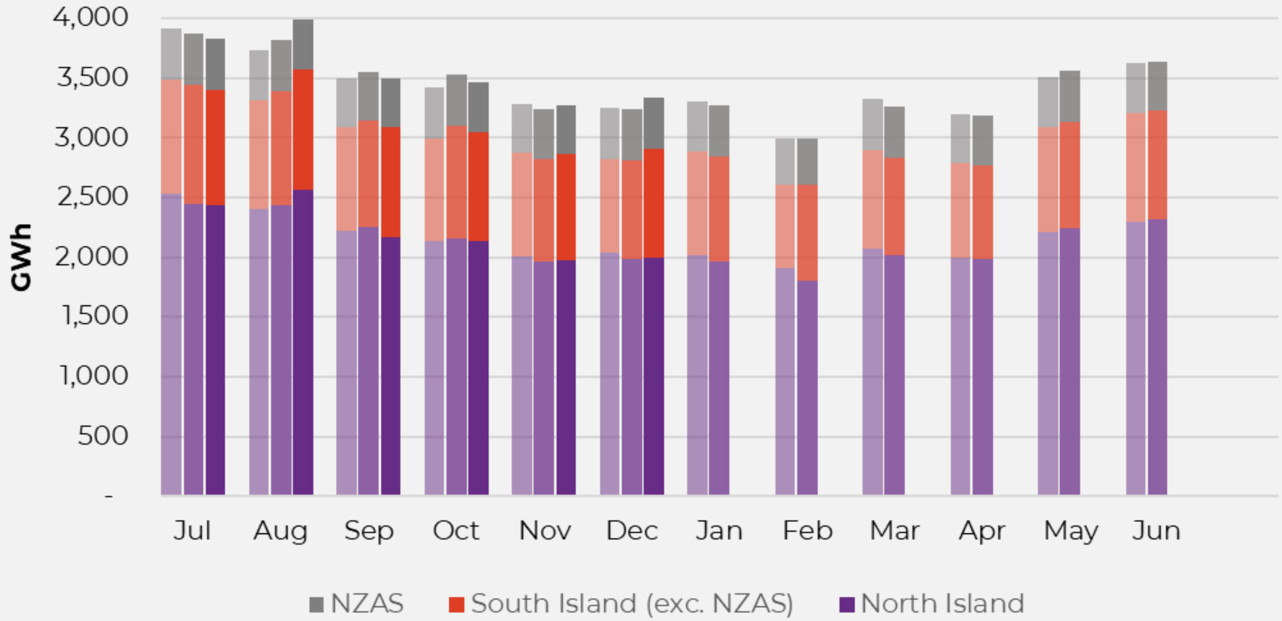
Distribution of wholesale market price by trading periods



Electricity demand.

Total national demand

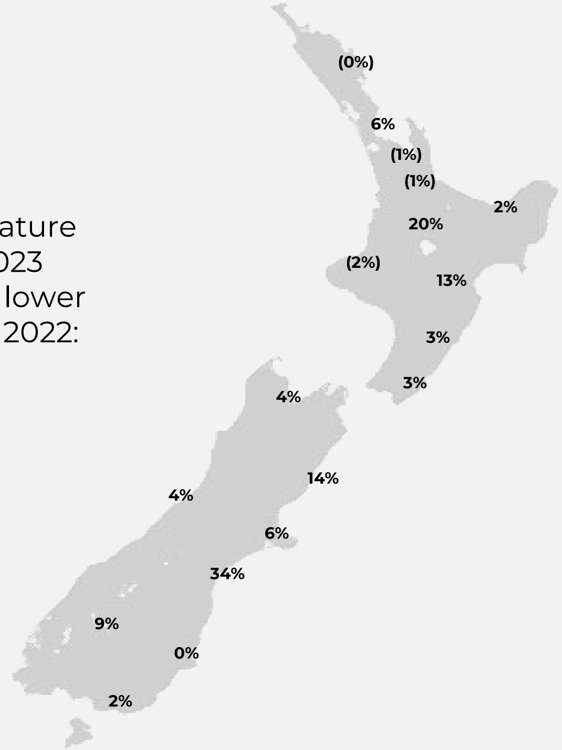
FY22, 23 and 24 respectively



» New Zealand electricity demand was up 3.1% on December 2022 (up 2.6% on December 2021)

Regional demand change (%) on December 2022

The nationwide average temperature for December 2023 was 16.9°C, 0.1°C lower than December 2022: 17.0°C



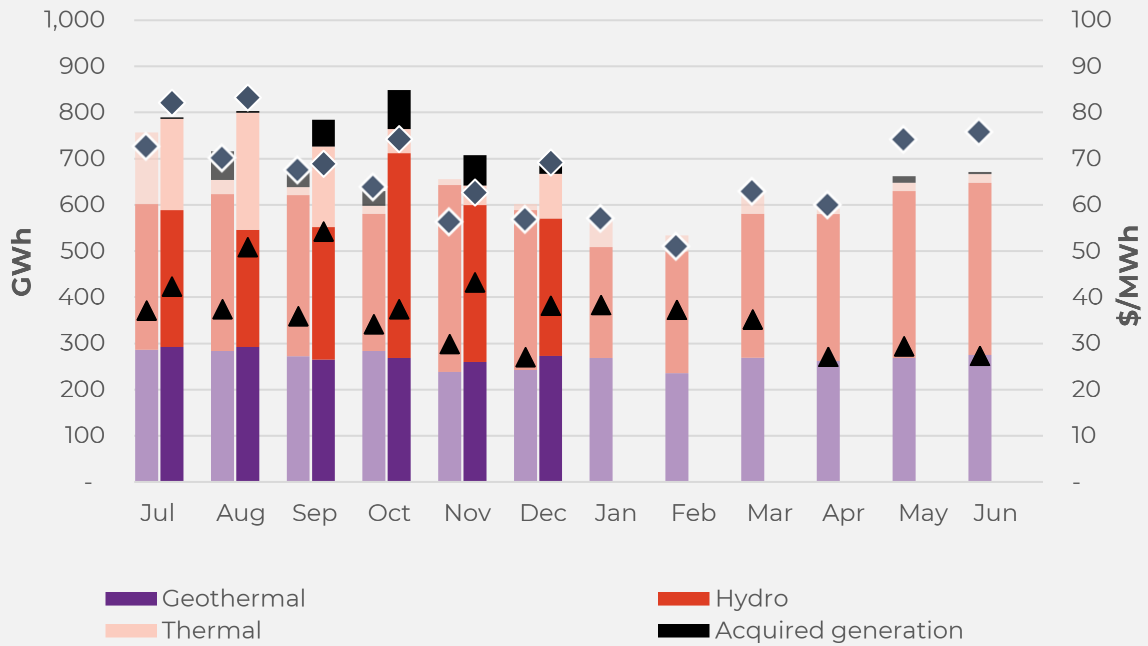
Regional demand is excluding NZAS

Source: Contact and Electricity Authority grid demand (reconciled) http://www.emi.ea.govt.nz

Business performance.

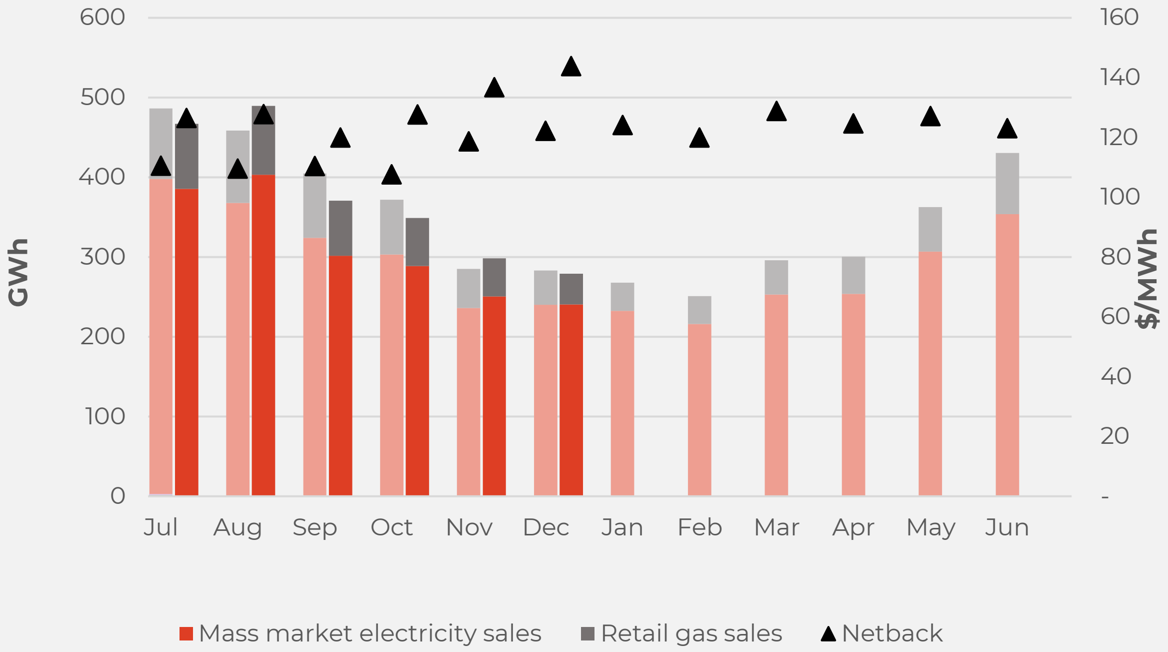
Wholesale

Generation mix, gross sales position and unit generation cost (FY23 and 24 respectively)



Retail

Retail sales volumes and netback (FY23 and 24 respectively)



Operational data.

		Measure	The month ended December 23	The month ended December 22	The month ended November 23	Six months ending December 23	Six months ending December 22
Retail	Mass market electricity sales	GWh	240	240	251	1,870	1,866
	Retail gas sales	GWh	39	43	48	384	421
	Mass market electricity and gas sales	GWh	279	283	298	2,254	2,286
	Average electricity sales price	$/MWh	310.60	284.66	301.13	280.27	258.69
	Electricity direct pass thru costs	$/MWh	(137.77)	(133.09)	(127.75)	(120.44)	(116.99)
	Cost to serve	$/MWh	(18.44)	(20.04)	(22.78)	(16.60)	(15.21)
	Customer netback	$/MWh	143.83	122.17	136.78	129.34	112.27
	Energy cost	$/MWh	(101.49)	(97.82)	(101.71)	(129.96)	(111.96)
	Actual electricity line losses	%	6%	6%	4%	6%	6%
	Retail gas sales	PJ	0.1	0.2	0.2	1.4	1.5
	Electricity ICPs	#	428,500	424,000	430,000	431,500	429,000
	Gas ICPs	#	70,500	69,500	70,500	71,000	70,500
	Broadband connections	#	90,000	78,000	89,000	89,000	75,000
Wholesale	Electricity sales to Customer business	GWh	256	256	261	1,989	1,988
	Electricity sales to Commercial and Industrial	GWh	119	140	110	686	826
	Electricity CFD sales	GWh	316	172	255	1,727	1,057
	Contracted electricity sales	GWh	692	568	626	4,402	3,872
	Steam sales	GWh	18	60	20	118	336
	Total electricity and steam net revenue[1]	$/MWh	96.02	89.20	99.39	123.78	102.98
	C&I netback (at the ICP)	$/MWh	93.06	98.63	102.39	123.07	117.07
	C&I line losses	%	4%	4%	4%	4%	4%
	Thermal generation	GWh	97	14	42	817	246
	Geothermal generation	GWh	273	242	260	1,652	1,606
	Hydro generation	GWh	297	347	340	1,916	2,053
	Spot electricity sales	GWh	667	603	641	4,386	3,905
	Electricity sales – Direct	GWh	-	9	-	-	45
	Acquired generation	GWh	25	0	66	239	131
	Electricity generated (or acquired)	GWh	692	612	707	4,624	4,081
	Unit generation cost (including acquired generation)[2]	$/MWh	(38.13)	(27.01)	(43.22)	(44.41)	(33.78)
	Spot electricity purchases	GWh	(375)	(387)	(371)	(2,675)	(2,770)
	CFD sale settlements	GWh	(316)	(172)	(255)	(1,727)	(1,057)
	Spot exposed purchases / CFD settlement	GWh	(692)	(559)	(626)	(4,402)	(3,827)
	Spot revenue and settlement on acquired generation (GWAP)	$/MWh	177.49	17.51	139.45	131.91	57.81
	Spot purchases and settlement on CFDs sold (LWAP)	$/MWh	(180.02)	(21.94)	(144.89)	(138.59)	(65.34)
	LWAP/GWAP	%	101%	125%	104%	105%	113%
	Gas used in internal generation	PJ	0.9	0.4	0.4	6.7	3.4
	Gas storage net movement (extraction) / injection	PJ	(0.0)	0.4	0.1	(0.6)	2.0
	Progress tracking actual *(target)* for Tauhara (grey) and Te Huka 3 (no fill)	%	98% *(100%)* 75%*(72%)*	N/A	98% *(100%)* 72%*(68%)*	N/A	N/A
Contact	Total customer connections	#	596,000	577,000	596,000	597,000	580,000
	Realised gains / (losses) on market derivatives not in a hedge relationship[3]	$m	0.30	(3.21)	0.03	(2.33)	(11.18)

[1] Contact has made reclassifications to better align with IFRIC guidance on IFRS 9 resulting in realised gains/losses from market derivatives not in a hedge relationship (includes market making activity) no longer being reported in operating income (EBITDAF). FY23 figures have been restated.
[2] Unit generation costs are calculated excluding the impact of an onerous provision for the Ahuroa Gas Storage facility (AGS).
[3] This includes market making activity and is reported outside of EBITDAF.

Environment, Social and Governance (ESG)

Material theme	Measure	Unit	Q2 F24	Q2 FY23
Climate Change*	Greenhouse Gas (GHG) Emissions from generation assets[1]	kt CO^2-e	144	111
	GHG intensity of generation[2]	kt CO^2-e / GWh	0.069	0.060
Water	Water Freshwater take[3]	Million cubic metres	0.50	0.60
	Non-consumptive water usage[4]	Million cubic metres	4,285	4,630
	Geothermal fluid discharge to awa (rivers)	Million cubic metres	3.5	2.90
Biodiversity	Native rākau (trees) planted by Contact[5]	#	2,516	26,364
	Pests caught[6]	#	508	643
Community	Community initiatives and organisations supported	#	44	22
Inclusion and Diversity	Board	% Women/ % Men	50% / 50%	57% / 43%
Inclusion and Diversity	Key Management Personnel	% Women/ % Men	20% / 80%	20% / 80%
Inclusion and Diversity	Employee Gender balance[7]	% Women/ % Men	47% / 53%	46% / 53%

Note: This information is updated quarterly (September, December, March, June)

[1] Scope 1 – Stationary combustion. In FY23 stationary combustion was 99.94% of Contact's total Scope 1 emissions
[2] Carbon equivalent from stationary combustion / electricity generated and sold via the spot wholesale market
[3] Freshwater taken to support operations at geothermal and thermal. Please note the Te Rapa power station closed in June 2023, contributing to the decrease in this figure
[4] Water that flows through our Roxburgh power station and cooling water for our geothermal power stations
[5] Does not include DrylandsCarbon/Forest Partners activities
[6] Predominantly stoats, rats and possums
[7] Includes all permanent, fixed term and casual employees. 1.6% and 1.4% unspecified in Q2 FY24 and Q2 FY23 respectively.

Keep in touch.

Investors

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