

Monthly Operating Report

October 2023



October overview.

For the month of October 2023

- » The Customer business recorded:
 - Mass market electricity and gas sales of 349GWh (October 2022: 372GWh)
 - Mass market netback of \$127.60/MWh (October 2022: \$107.59MWh)
- » The Wholesale business recorded:
 - Contracted Wholesale electricity sales, including that sold to the Customer business, totalled 742GWh (October 2022: 638GWh)
 - Electricity and steam net revenue of \$109.70/MWh (October 2022: \$99.90MWh)
 - Electricity generated (or acquired) of 848GWh (October 2022: 638GWh)
 - The unit generation cost, which includes acquired generation was \$37.39MWh (October 2022: \$34.15/MWh)
 - Own generation cost in the month of \$28.91/MWh (October 2022: \$30.93/MWh)

- » Tauhara project progress vs. target for October 2023 was 98% vs. 99%¹.
- » Te Huka 3 project progress vs. target for October 2023 was 66% vs. 63%¹.
- » Otahuhu futures settlement wholesale price for the 1st quarter of 2024 (ASX):
 - As at 6 November 2023: \$158/MWh
 - As at 31 October 2023: \$167/MWh
 - As at 29 September 2023: \$141/MWh
- » As at 7th November 2023, South Island controlled storage was 104% of mean and North Island controlled storage was 106% of mean
 - As at 7th November 2023, total Clutha scheme storage was 74% of mean
 - Inflows into Contact's Clutha catchment for October 2023 were 114% of mean. (September 2023: 166%, August 2023: 61%, July 2023: 49%)
- » Contact's contracted gas volume (including contracted swaps) for the next 12 months is 11.4PJ²

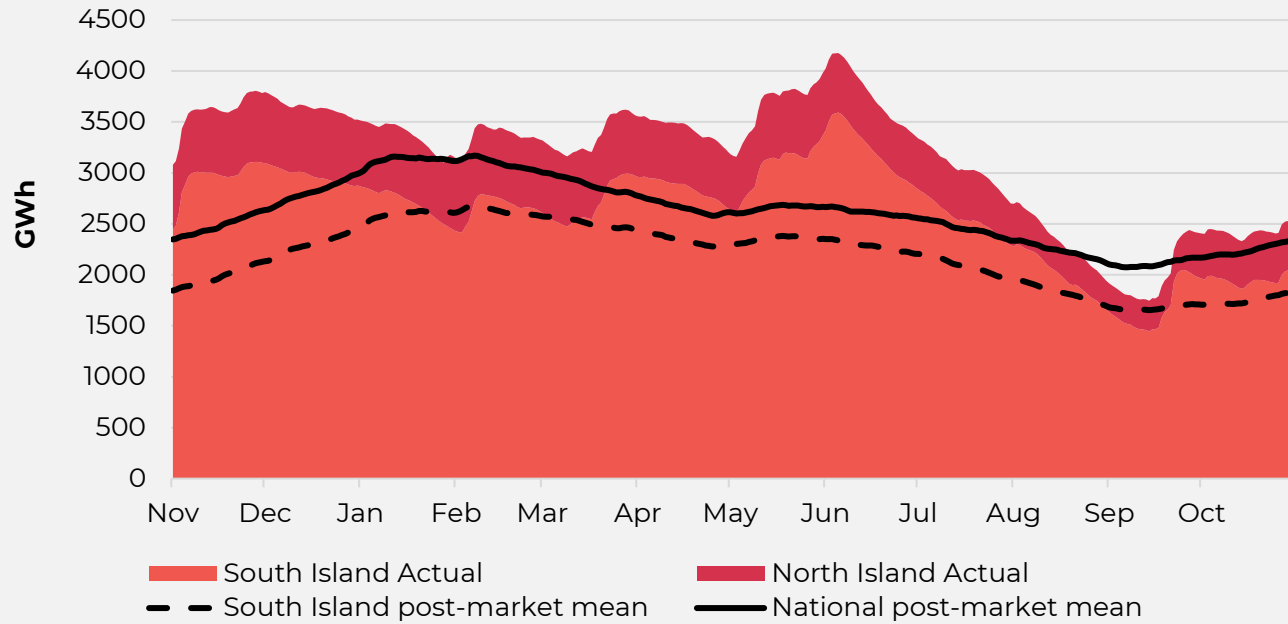
¹The progress target for Tauhara and Te Huka 3 follows an S-Curve model in line with standard project management practice (for large scale infrastructure projects). This will result in more gradual increments in the reporting of target and actual progress as the projects near completion. Figures rounded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

²Forecast gas volumes as notified by suppliers, actual gas received is dependent on field delivery. This excludes gas available at AGS. It includes gas under discussion for reduction to reflect renewable build. 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.

Hydro storage and forward prices.

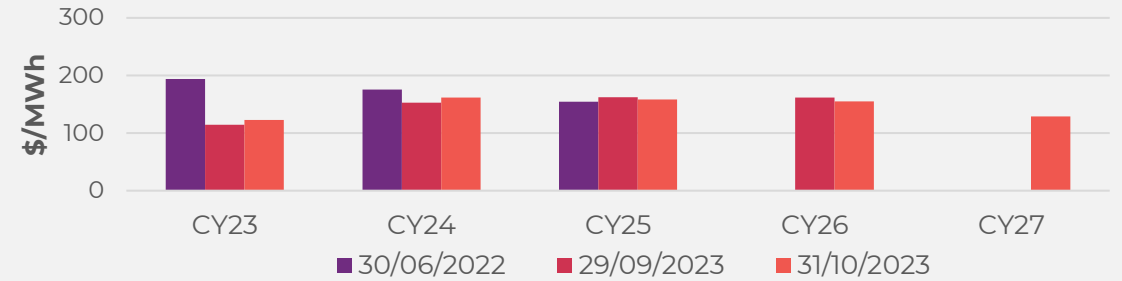
New Zealand controlled hydro storage against mean

12 MONTHS

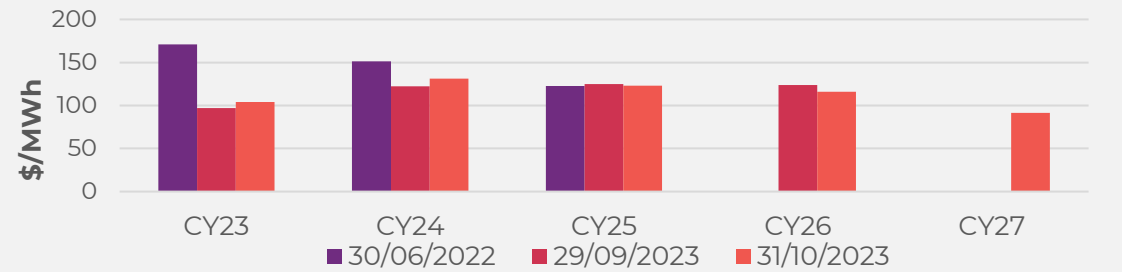


ASX futures settlement

Otahuhu

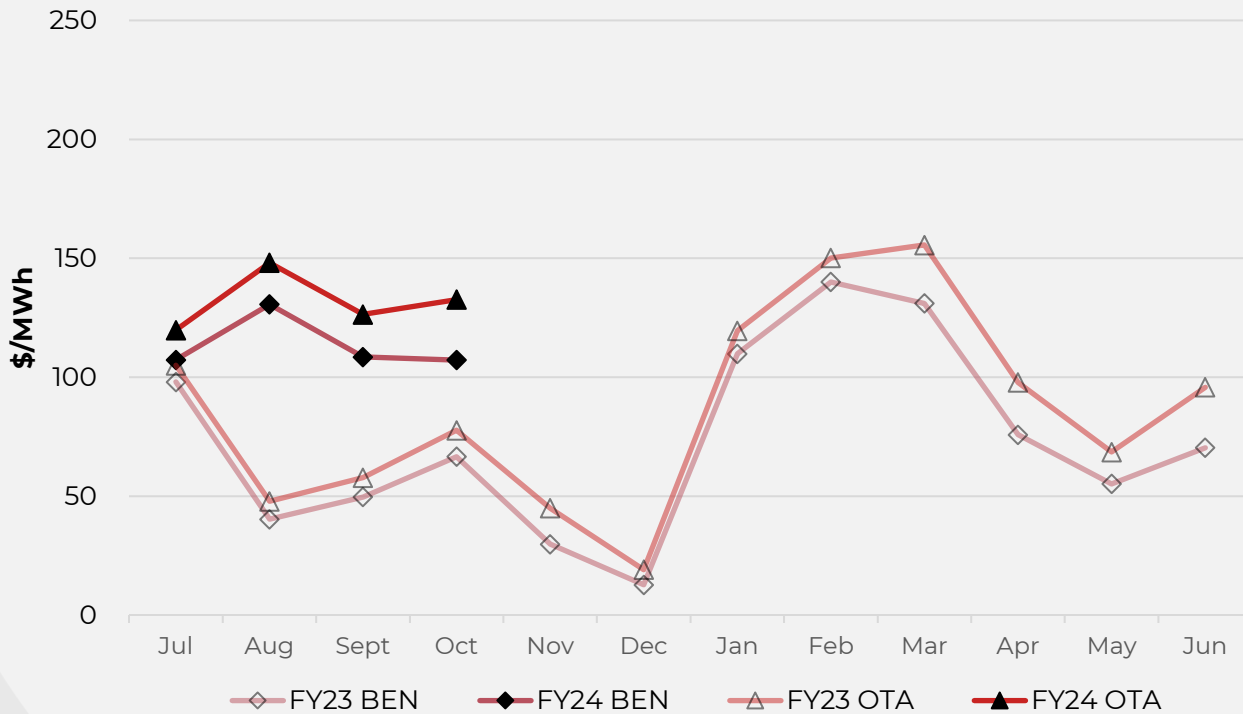


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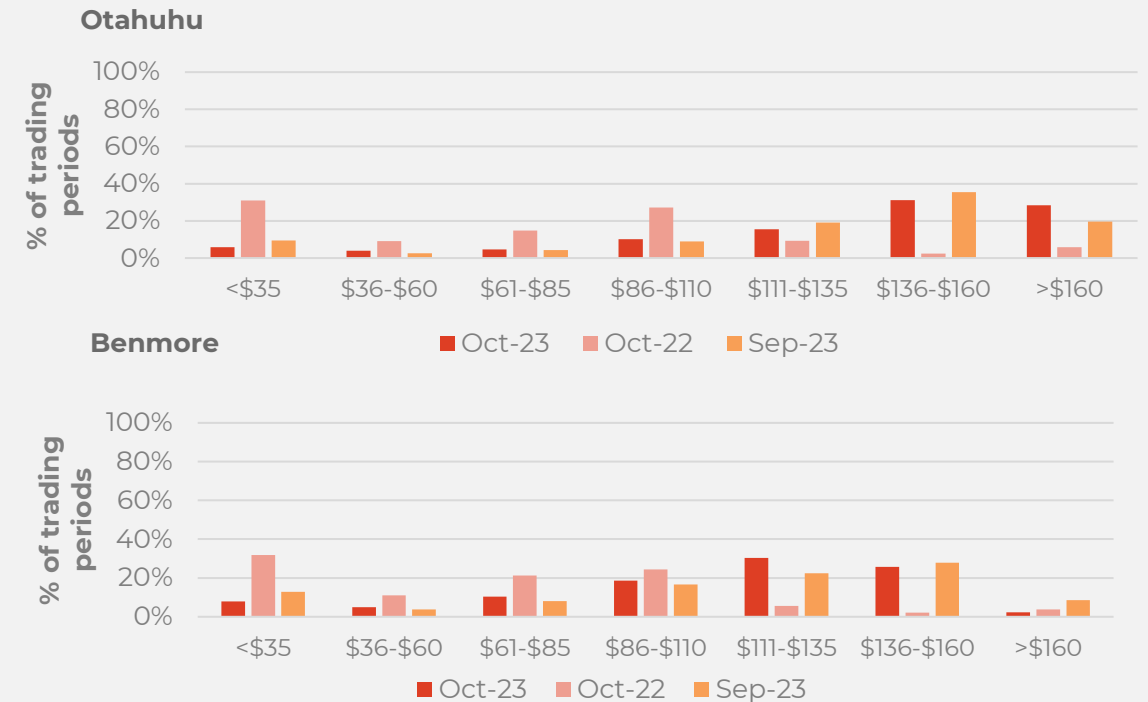


Wholesale market.

Wholesale electricity pricing



Distribution of wholesale market price by trading periods



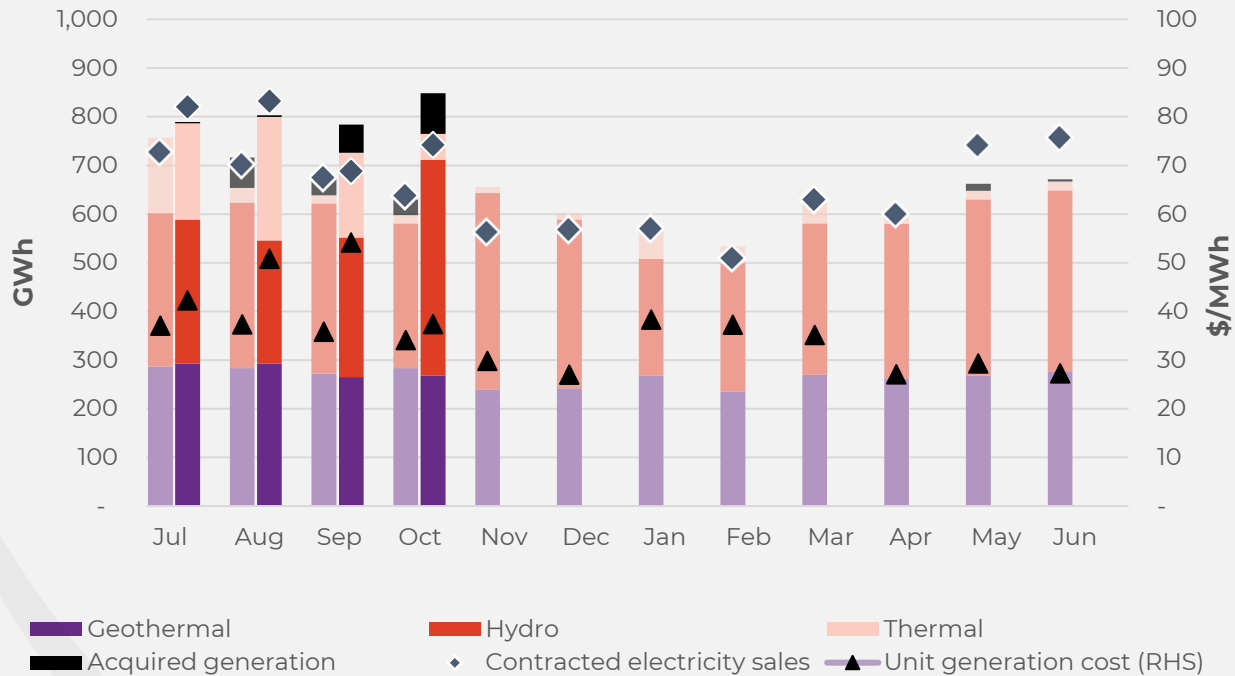
Electricity demand.

Information for October 2023 was not available at the time of preparing this operating report.

Business performance.

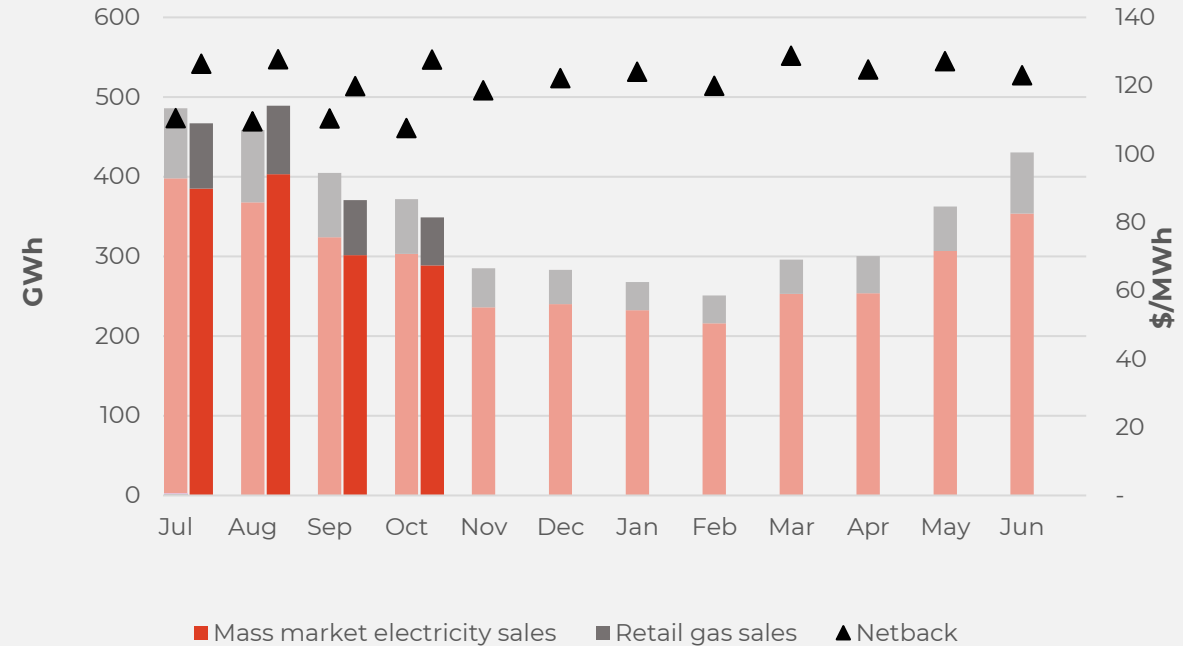
Wholesale

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 October 23 | The month ended October 22 | The month ended September 23 | Three months ending October 23 | Three months ending October 22 |
|---|--|-----------|-------------------------------|-------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Retail | Mass market electricity sales | GWh | 289 | 303 | 302 | 1,379 | 1,390 |
| | Retail gas sales | GWh | 60 | 69 | 69 | 297 | 329 |
| | Mass market electricity and gas sales | GWh | 349 | 372 | 371 | 1,676 | 1,718 |
| | Average electricity sales price | \$/MWh | 280.95 | 256.79 | 276.85 | 271.18 | 250.53 |
| | Electricity direct pass thru costs | \$/MWh | (123.57) | (118.31) | (124.79) | (116.09) | (112.54) |
| | Cost to serve | \$/MWh | (13.35) | (14.98) | (19.61) | (15.19) | (13.41) |
| | Customer netback | \$/MWh | 127.60 | 107.59 | 119.88 | 125.60 | 109.59 |
| | Energy cost | \$/MWh | (114.11) | (108.16) | (123.80) | (139.73) | (116.33) |
| | Actual electricity line losses | % | 7% | 6% | 4% | 6% | 6% |
| | Retail gas sales | PJ | 0.2 | 0.2 | 0.2 | 1.1 | 1.2 |
| | Electricity ICPs | # | 432,000 | 429,000 | 433,000 | 432,500 | 431,000 |
| | Gas ICPs | # | 71,000 | 70,500 | 71,000 | 71,000 | 71,000 |
| | Broadband connections | # | 89,000 | 75,000 | 88,000 | 88,000 | 74,000 |
| Wholesale | Electricity sales to Customer business | GWh | 312 | 321 | 316 | 1,472 | 1,481 |
| | Electricity sales to Commercial and Industrial | GWh | 113 | 144 | 114 | 457 | 544 |
| | Electricity CFD sales | GWh | 318 | 173 | 259 | 1,155 | 715 |
| | Contracted electricity sales | GWh | 742 | 638 | 689 | 3,084 | 2,740 |
| | Steam sales | GWh | 20 | 59 | 18 | 81 | 224 |
| | Total electricity and steam net revenue ¹ | \$/MWh | 109.70 | 99.90 | 127.96 | 134.98 | 107.01 |
| | C&I netback (at the ICP) | \$/MWh | 112.22 | 112.47 | 124.70 | 135.85 | 125.86 |
| | C&I line losses | % | 4% | 5% | 4% | 4% | 4% |
| | Thermal generation | GWh | 53 | 17 | 174 | 679 | 220 |
| | Geothermal generation | GWh | 268 | 283 | 265 | 1,119 | 1,125 |
| | Hydro generation | GWh | 443 | 297 | 287 | 1,279 | 1,302 |
| | Spot electricity sales | GWh | 765 | 598 | 726 | 3,077 | 2,647 |
| | Electricity sales – Direct | GWh | - | 8 | - | - | 28 |
| | Acquired generation | GWh | 84 | 32 | 58 | 148 | 131 |
| | Electricity generated (or acquired) | GWh | 848 | 638 | 784 | 3,225 | 2,806 |
| | Unit generation cost (including acquired generation) ² | \$/MWh | (37.39) | (34.15) | (54.22) | (46.02) | (36.19) |
| | Spot electricity purchases | GWh | (424) | (456) | (430) | (1,929) | (1,997) |
| | CFD sale settlements | GWh | (318) | (173) | (259) | (1,155) | (715) |
| | Spot exposed purchases / CFD settlement | GWh | (742) | (630) | (689) | (3,084) | (2,712) |
| | Spot revenue and settlement on acquired generation (GWAP) | \$/MWh | 114.76 | 74.07 | 115.06 | 120.47 | 70.95 |
| Spot purchases and settlement on CFDs sold (LWAP) | \$/MWh | (121.95) | (84.38) | (122.70) | (128.02) | (78.68) | |
| LWAP/GWAP | % | 106% | 114% | 107% | 106% | 111% | |
| Gas used in internal generation | PJ | 0.5 | 0.4 | 1.4 | 5.4 | 2.7 | |
| Gas storage net movement (extraction) / injection | PJ | 0.1 | (0.3) | (0.0) | (0.6) | 1.4 | |
| Progress tracking actual (<i>target</i>) for Tauhara (grey) and Te Huka 3 (no fill) | % | 98% (99%) | 66% (63%) | N/A | 98% (99%) | 61% (59%) | N/A |
| Contact | Total customer connections | # | 598,000 | 580,000 | 598,000 | 597,000 | 581,000 |
| | Realised gains / (losses) on market derivatives not in a hedge relationship ³ | \$m | (0.06) | (0.54) | 0.66 | (2.66) | (4.12) |

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 For FY23 comparison figures note that Unit generation costs are calculated excluding an onerous contract provision for AGS.

³This includes market making activity and is reported outside of EBITDAF.

Environment, Social and Governance (ESG)

| Material theme | Measure | Unit | Q1 FY24 | Q1 FY23 |
|-------------------------|--|-----------------------------|-----------|-----------|
| Climate Change* | Greenhouse Gas (GHG) Emissions from generation assets ¹ | kt CO ² -e | 325 | 179 |
| | GHG intensity of generation ² | kt CO ² -e / GWh | 0.141 | 0.087 |
| Water | Water Freshwater take ³ | Million cubic metres | 0.69 | 2.30 |
| | Non-consumptive water usage ⁴ | Million cubic metres | 3,643 | 5,354 |
| | Geothermal fluid discharge to awa (rivers) | Million cubic metres | 3.91 | 4.31 |
| Biodiversity | Native rākau (trees) planted by Contact ⁵ | # | 42,679 | 31,060 |
| | Pests caught ⁶ | # | 458 | 914 |
| Community | Community initiatives and organisations supported | # | 21 | 13 |
| Inclusion and Diversity | Board | % Women/ % Men | 57% / 43% | 57% / 43% |
| Inclusion and Diversity | Key Management Personnel | % Women/ % Men | 20% / 80% | 18% / 82% |
| Inclusion and Diversity | Employee Gender balance ⁷ | % Women/ % Men | 47% / 52% | 48% / 51% |

* We experienced low rainfall at the start of FY24 with inflows to the Clutha catchment at 49% of mean in July and 61% of mean in August. For Q1 FY24 Clutha storage levels were on average 63% of mean, versus 137% in Q1 FY23. This low hydrology in Q1 FY24 resulted in an increased need for thermal generation compared to the Q1 FY23.

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

¹ Scope 1 – Stationary combustion. In FY22 stationary combustion was 99.96% 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

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. 1.2% and 1.4% unspecified in Q4 FY23 and Q4 FY22 respectively.






Keep in touch.

Investors

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