



14 February 2022

**Contact Energy Limited – 2022 Interim Results**

Please find attached the following documents relating to Contact Energy Limited's (Contact) half year results for the six months ended 31 December 2021.

- (a) Media Release
- (b) 2022 Interim Financial Statements
- (c) Financial Results Announcement (NZX form)
- (d) Distribution Notice (NZX form)

The 2022 Interim Results Presentation is being loaded separately on ASX online.

Dividend information filed on Appendix 3A.1 will follow.

**ENDS**

For personal use only

NZX release: 14 February 2022: Contact Energy FY22 Interim Result

## Strong performance underpins Contact's ramp-up of investment in NZ's decarbonisation

### Key financial metrics

	Six months ended 31 December 2021 1H 22		Six months ended 31 December 2020 1H 21
EBITDAF <sup>1</sup>	\$322m	↑	31% from \$246m
Profit	\$134m	↑	72% from \$78m
Interim dividend per share	14.0 cps	-	no change
Operating free cash flow <sup>2</sup>	\$131m	↓	17% from \$157m
Stay-in-business capital expenditure	\$35m	↑	13% from \$31m
Growth capital expenditure	\$116m	↑	2220% from \$5m

### Highlights

- Solid financial performance, with operating earnings and profit up off the back of strong hydro generation and increased sales to fuel-constrained competitors;
- Decarbonisation-driven investments ramping up, supported by long-term power purchase agreements;
- Good progress on the Tauhara geothermal project despite COVID19-related headwinds, with the power station's expected capacity upgraded to 168MW, and the potential Tauhara geothermal field output upgraded by a further 0.2TWh p.a.;
- Applications lodged for an extension of geothermal consents at Wairakei post-2026 and a potential 50MW geothermal power station at Te Huka in the Taupō region;
- Secured land access rights for ~600MW of wind projects across New Zealand through our exclusive relationship with wind generation experts Roaring40s;
- Intention to invest a further \$37m into a new afforestation partnership to support further carbon capture through tree planting;
- Launched 'It's good to be home' brand campaign, with new 'Good Nights' pricing plan resonating with customers; total connections increased by 29,000 in the first half of FY22;
- Interim cash dividend of 14 cents per share will be paid on 30 March 2022.

<sup>1</sup> Refer to slide 39 of the 2022 interim results presentation for a definition and reconciliation between statutory profit and the non-GAAP profit measures earnings before net interest expense, tax, depreciation, amortisation, change in fair value of financial instruments (EBITDAF)

<sup>2</sup> Refer to note A3 of the 2022 interim financial statements for a definition and reconciliation between cash flow from operating activities and the non-GAAP measure operating free cash flow. Operating free cash flow represents cash available to repay debt, to fund distributions to shareholders and growth capital expenditure.

For personal use only

New Zealand renewable energy company Contact Energy ('Contact') released its interim financial results for the six months to 31 December 2021 today.

Contact CEO Mike Fuge said the company had delivered a "solid financial performance" in the first half of the FY22 financial year and was investing in line with its strategy to lead New Zealand's decarbonisation efforts.

### Financial performance

Contact reported a statutory profit of \$134m, up 72 per cent (\$56m) on the same period last year. Operating earnings (EBITDAF) increased by \$76m to \$322m, up 31 per cent on the prior year. Operating free cash flow for the period decreased from \$157m to \$131m in the first six months of FY22, down 17 per cent year-on-year.

Mr Fuge said: "It's very pleasing to provide investors with a solid financial report card. We've seen double-digit growth in our operating earnings and profit off the back of a period of strong hydro generation.

"While operating free cash flow is lower year-on-year, this is a feature of our generation asset mix. When it rains, operating earnings increase as we don't have to run more expensive thermal generation, but cash flow is impacted as we store the gas we purchased for use in the future.

"We've also progressed a range of renewable energy projects across New Zealand and our retail business has continued to build market share in electricity and broadband."

The Board has approved an interim dividend of 14 cents per share and this will be imputed up to 10 cents per share for qualifying shareholders and paid on 30 March 2022.

### Demand

In line with Contact's decarbonisation focus, Mr Fuge said there had been strong demand for renewable electricity from forward-thinking customers.

"We're delighted to have secured long-term power purchase agreements with Oji Fibre, Pan Pac, Genesis Energy and Foodstuffs. Long-term contracts underpin sustainable operations, support additional renewable generation development, and can also displace thermal generation. These agreements will reduce carbon emissions and help keep electricity prices down over the long-term."

The Southern Green Hydrogen project to investigate the world's first large-scale green hydrogen plant in Southland with Meridian Energy is also progressing well. Potential development partners have been shortlisted and are engaged in a formal 'request for proposal' process.

Rio Tinto has recently indicated a desire to continue operating its unique low carbon smelter at Tiwai Point beyond 2024, when the current electricity supply contract concludes.

"It's early days, but we are encouraged that the smelter's owner recognises it needs to play a larger role to help manage dry year security of supply in New Zealand's electricity system," Mr Fuge said. "In turn, this will lower system carbon emissions and enable the development of more renewable generation, which is positive for New Zealand."

For personal use only

## Renewable development

On the renewable development front, the Tauhara power station's expected capacity has recently been upgraded from 152MW to 168MW. It is now expected to be completed in the second half of 2023, with an increase in the estimated costs of the project.

"We have encountered some COVID19-related headwinds, but overall the project remains on track. It will be a world-class renewable development that will be a foundation for New Zealand's increased renewable electricity needs over the next decade," Mr Fuge said.

Consent applications have also been lodged with the Waikato Regional Council for an extension of the geothermal consents at Wairakei post-2026, and land use consents have been lodged for a new 50MW geothermal power station development at Te Huka, near Taupō.

Contact has also secured land access rights to build up to 600MW of wind projects across New Zealand, via its exclusive relationship with wind generation experts Roaring40s. And separately, an investigation is under way into the economics of a 100MW battery energy storage system investment.

## Retail

Mr Fuge said there were encouraging results from Contact's retail business over the first half of the FY22 year. "We've seen total connections increase by 29,000 across electricity and broadband. A new time-of-use plan, 'Good Nights', was launched and has proven very popular with customers who are keen to have three hours of free power every night from 9pm."

A new brand campaign launched in January, focused on the idea that 'home is the best place in the world', provides Contact with a platform to grow its commitments to the community, environment, and people.

## Outlook

Looking ahead, Mr Fuge said Contact was committed to leading the decarbonisation of New Zealand. "We are excited about the critical role that Contact's renewable electricity generation is set to play in the decarbonisation of the New Zealand economy over the next decade."

-ends-

## MORE INFORMATION

### 1/ Enquiries

#### Investors

Matt Forbes, [matthew.forbes@contactenergy.co.nz](mailto:matthew.forbes@contactenergy.co.nz), +64 21 072 8578

#### Media

Leah Chamberlin-Gunn, [leah.chamberlin-gunn@contactenergy.co.nz](mailto:leah.chamberlin-gunn@contactenergy.co.nz), Ph +64 21 2277991

### 2/ Conference call

A conference call to support the interim results announcement will be held at 10am, NZ time on 14 February 2022.

For personal use only



If you would like to attend the live presentation, please see the details below to view the webcast off your chosen device:

Click here to enter the webcast: [LIVE EVENT LINK](#)

Or access this link via our website: <https://contact.co.nz/aboutus/investor-centre>

For personal use only



personal use only

2022

Interim  
Financial  
Statements



It's good to be home



## About these financial statements

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

These interim financial statements are for Contact, a group made up of Contact Energy Limited, the entities over which it has control and its associate.

Contact Energy Limited is registered in New Zealand under the Companies Act 1993. It is listed on the New Zealand stock exchange (NZX) and the Australian Securities Exchange (ASX) and has bonds listed on the NZX debt market. Contact is an FMC reporting entity under the Financial Markets Conduct Act 2013.

Contact's interim financial statements for the six months ended 31 December 2021 provide a summary of Contact's performance for the period and outline significant changes to information reported in the financial statements for the year ended 30 June 2021 (2021 Annual Report). The Financial Statements should be read with the [2021 Annual Report](#).

The financial statements are prepared:

- in millions of New Zealand dollars (NZD) unless otherwise stated
- in accordance with New Zealand generally accepted accounting practice (GAAP) and comply with NZ IAS 34 *Interim Financial Reporting*
- using the same accounting policies and significant estimates and critical judgments disclosed in the 2021 Annual Report.
- with certain comparative amounts reclassified to conform to the current period's presentation.

The financial statements were authorised on behalf of the Contact Energy Limited Board of Directors on 11 February 2022:



**Robert McDonald**  
Chair



**Sandra Dodds**  
Chair, Audit & Risk Committee

## Statement of comprehensive income

### FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

\$m	Note	Unaudited 6 months ended 31 Dec 2021	Unaudited 6 months ended 31 Dec 2020	Audited Year ended 30 June 2021
Revenue and other income	A2	1,139	1,141	2,573
Operating expenses	A2	(817)	(895)	(2,020)
Net interest expense	B4	(19)	(26)	(50)
Depreciation and amortisation	C1	(129)	(114)	(249)
Change in fair value of financial instruments	D1	13	4	7
<b>Profit before tax</b>		<b>187</b>	<b>110</b>	<b>261</b>
Tax expense		(53)	(32)	(74)
<b>Profit</b>		<b>134</b>	<b>78</b>	<b>187</b>
<b>Items that may be reclassified to profit/(loss):</b>				
Change in hedge reserves (net of tax)		33	(9)	(2)
<b>Comprehensive income</b>		<b>167</b>	<b>69</b>	<b>185</b>
<hr/>				
<b>Profit per share (cents) - basic and diluted</b>		<b>17.2</b>	<b>10.9</b>	<b>25.3</b>

## Statement of cash flows

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

\$m	Note	Unaudited 6 months ended 31 Dec 2021	Unaudited 6 months ended 31 Dec 2020	Audited Year ended 30 June 2021
Receipts from customers		1,211	1,182	2,524
Payments to suppliers and employees		(965)	(914)	(1,970)
Interest paid		(15)	(22)	(43)
Tax paid		(65)	(58)	(79)
<b>Operating cash flows</b>		<b>166</b>	<b>188</b>	<b>432</b>
Purchase and construction of assets		(151)	(36)	(129)
Capitalised interest		(8)	(4)	(8)
Investment in associate		(6)	(4)	(8)
Acquisition of subsidiaries and Energyclubnz		(5)	-	(32)
<b>Investing cash flows</b>		<b>(170)</b>	<b>(44)</b>	<b>(177)</b>
Dividends paid	B2	(145)	(165)	(274)
Proceeds from borrowings		267	240	356
Repayment of borrowings		(193)	(227)	(623)
Financing costs		(4)	-	-
Net proceeds from share issue		-	-	392
<b>Financing cash flows</b>		<b>(75)</b>	<b>(152)</b>	<b>(149)</b>
<b>Net cash flow</b>		<b>(79)</b>	<b>(8)</b>	<b>106</b>
Add: cash at the beginning of the period		150	44	44
<b>Cash at the end of the period</b>		<b>71</b>	<b>36</b>	<b>150</b>

## Statement of financial position

AT 31 DECEMBER 2021

\$m	Note	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020	Audited 30 June 2021
Cash and cash equivalents		71	36	150
Trade and other receivables		186	148	255
Inventories		87	53	69
Intangible assets	C1	64	29	24
Derivative financial instruments	D1	29	22	56
<b>Total current assets</b>		<b>437</b>	<b>288</b>	<b>554</b>
Property, plant and equipment	C1	4,024	3,963	3,961
Intangible assets	C1	205	217	221
Goodwill	C2	214	201	214
Investment in associate		16	6	10
Derivative financial instruments	D1	82	63	70
<b>Total non-current assets</b>		<b>4,541</b>	<b>4,450</b>	<b>4,476</b>
<b>Total assets</b>		<b>4,978</b>	<b>4,738</b>	<b>5,030</b>
Trade and other payables		235	192	305
Tax payable		33	12	39
Borrowings	B3	115	247	163
Derivative financial instruments	D1	54	64	92
Provisions		14	18	23
<b>Total current liabilities</b>		<b>451</b>	<b>533</b>	<b>622</b>
Borrowings	B3	814	890	693
Derivative financial instruments	D1	50	79	84
Provisions		53	59	51
Deferred tax		645	638	637
Other non-current liabilities		14	13	16
<b>Total non-current liabilities</b>		<b>1,576</b>	<b>1,679</b>	<b>1,481</b>
<b>Total liabilities</b>		<b>2,027</b>	<b>2,212</b>	<b>2,103</b>
<b>Net assets</b>		<b>2,951</b>	<b>2,526</b>	<b>2,927</b>
Share capital	B1	1,944	1,530	1,922
Retained earnings		1,019	1,047	1,048
Hedge reserves		(18)	(58)	(51)
Share-based compensation reserve		6	7	8
<b>Shareholders' equity</b>		<b>2,951</b>	<b>2,526</b>	<b>2,927</b>



# Statement of changes in equity

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

\$m	Note	Share capital	Retained earnings	Other reserves	Shareholders' equity
<b>Balance at 1 July 2020</b>		<b>1,528</b>	<b>1,134</b>	<b>(41)</b>	<b>2,621</b>
Profit	A2	-	78	-	78
Change in hedge reserves (net of tax)		-	-	(9)	(9)
Change in share-based compensation reserve		-	-	(1)	(1)
Change in share capital	B1	2	-	-	2
Dividends paid	B2	-	(165)	-	(165)
<b>Unaudited balance at 31 December 2020</b>		<b>1,530</b>	<b>1,047</b>	<b>(51)</b>	<b>2,526</b>
Profit	A2	-	109	-	109
Change in hedge reserves (net of tax)		-	-	7	7
Change in share-based compensation reserve		-	-	(1)	(1)
Change in share capital	B1	392	-	-	392
Dividends paid	B2	-	(109)	-	(109)
<b>Audited balance at 30 June 2021</b>		<b>1,922</b>	<b>1,048</b>	<b>(43)</b>	<b>2,927</b>
Profit	A2	-	134	-	134
Change in hedge reserves (net of tax)		-	-	33	33
Change in share-based compensation reserve		-	-	(2)	(2)
Change in share capital	B1	22	-	-	22
Dividends paid	B2	-	(163)	-	(163)
<b>Unaudited balance at 31 December 2021</b>		<b>1,944</b>	<b>1,019</b>	<b>(12)</b>	<b>2,951</b>

# A. Our performance

Notes to the financial statements for the six months ended 31 December 2021

## A1. SEGMENTS

Contact reports activities under the Wholesale segment and the Retail (previously named 'Customer') segment. There have been no significant changes to Contact's operating segments in the current period.

The Wholesale segment includes revenue from the sale of electricity to the wholesale electricity market, to Commercial & Industrial (C&I) customers and to the Retail segment, less the cost to generate and/or purchase the electricity and costs to serve and distribute electricity to C&I customers.

The results of Simply Energy Limited and Western Energy Services Limited, following their acquisition in the prior year ended 30 June 2021, have been included in the Wholesale segment within the relevant line items.

The Retail segment includes revenue from delivering electricity, natural gas, broadband and other products and services to mass market customers less the cost of purchasing those products and services, and the cost to serve customers.

'Unallocated' includes corporate functions not directly allocated to the operating segments.

The Retail segment purchases electricity from the Wholesale segment at a fixed price in a manner similar to transactions with third parties.

## A2. EARNINGS

The tables on the next pages provide a breakdown of Contact's revenue and expenses, earnings before interest, tax, depreciation and amortisation, and changes in fair value of financial instruments (EBITDAF) by segment, and a reconciliation from EBITDAF to profit reported under NZ GAAP. EBITDAF is used to monitor performance and is a non-GAAP profit measure.

\$6 million of metering costs, included within 'Other operating expenses' in prior reporting periods, have been reclassified to 'Electricity networks, levies & meter costs' in the six months ended 31 December 2021. Prior year comparatives are also reclassified (31 December 2020: \$7 million, 30 June 2021: \$12 million) to conform with the current period's presentation with no net impact on total operating expenses or EBITDAF. The reclassification has been made to better reflect the direct nature of these costs and to improve comparability with the industry.

\$m	Unaudited 6 months ended 31 Dec 2021					Unaudited 6 months ended 31 Dec 2020					Audited year ended 30 June 2021				
	Wholesale	Retail	Unallocated	Eliminations	Total	Wholesale	Retail	Unallocated	Eliminations	Total	Wholesale	Retail	Unallocated	Eliminations	Total
Mass market electricity	-	448	-	-	448	-	446	-	-	446	-	839	-	(1)	838
C&I electricity - fixed price	100	-	-	-	100	126	-	-	-	126	249	-	-	-	249
C&I electricity - pass through	15	-	-	-	15	18	-	-	-	18	44	-	-	-	44
Wholesale electricity, net of hedging	476	-	-	-	476	471	-	-	-	471	1,285	-	-	-	1,285
Electricity-related services revenue	4	-	-	-	4	4	-	-	-	4	8	-	-	-	8
Inter-segment electricity sales	199	-	-	(199)	-	183	-	-	(183)	-	338	-	-	(338)	-
Gas	3	43	-	-	46	1	41	-	-	42	2	74	-	-	76
Steam	19	-	-	-	19	17	-	-	-	17	28	-	-	-	28
Geothermal services	1	-	-	-	1	-	-	-	-	-	3	-	-	-	3
Broadband	-	25	-	-	25	-	13	-	-	13	-	32	-	-	32
<b>Total revenue</b>	<b>815</b>	<b>516</b>	<b>-</b>	<b>(199)</b>	<b>1,132</b>	<b>820</b>	<b>500</b>	<b>-</b>	<b>(183)</b>	<b>1,137</b>	<b>1,957</b>	<b>945</b>	<b>-</b>	<b>(339)</b>	<b>2,563</b>
Other income	4	3	-	-	7	1	3	-	-	4	4	6	-	-	10
<b>Total revenue and other income</b>	<b>819</b>	<b>519</b>	<b>-</b>	<b>(199)</b>	<b>1,139</b>	<b>821</b>	<b>503</b>	<b>-</b>	<b>(183)</b>	<b>1,141</b>	<b>1,961</b>	<b>951</b>	<b>-</b>	<b>(339)</b>	<b>2,573</b>
Electricity purchases, net of hedging	(318)	-	-	-	(318)	(371)	-	-	-	(371)	(974)	-	-	-	(974)
Electricity purchases - pass through	(9)	-	-	-	(9)	(14)	-	-	-	(14)	(30)	-	-	-	(30)
Electricity related services cost	(5)	-	-	-	(5)	(3)	-	-	-	(3)	(7)	-	-	-	(7)
Inter-segment electricity purchases	-	(199)	-	199	-	-	(183)	-	183	-	-	(338)	-	338	-
Gas and diesel purchases	(42)	(18)	-	-	(60)	(60)	(14)	-	-	(74)	(126)	(24)	-	-	(150)
Gas storage costs	(11)	-	-	-	(11)	(12)	-	-	-	(12)	(24)	-	-	-	(24)
Carbon emissions costs	(13)	(3)	-	-	(16)	(16)	(2)	-	-	(18)	(41)	(4)	-	-	(45)
Generation transmission & levies	(9)	-	-	-	(9)	(14)	-	-	-	(14)	(28)	-	-	-	(28)
Electricity networks, levies & meter costs - fixed price	(32)	(208)	-	-	(240)	(43)	(206)	-	-	(249)	(82)	(390)	-	-	(472)
Electricity networks, levies & meter costs - pass through	(5)	-	-	-	(5)	(4)	-	-	-	(4)	(13)	-	-	-	(13)
Gas networks, transmission & meter costs	(3)	(21)	-	-	(24)	(4)	(20)	-	-	(24)	(7)	(38)	-	-	(45)
Geothermal service costs	(1)	-	-	-	(1)	-	-	-	-	-	(1)	-	-	-	(1)
Broadband costs	-	(21)	-	-	(21)	-	(15)	-	-	(15)	-	(33)	-	-	(33)
Other operating expenses	(55)	(33)	(10)	-	(98)	(51)	(33)	(13)	-	(97)	(101)	(68)	(30)	1	(198)
<b>Total operating expenses</b>	<b>(503)</b>	<b>(503)</b>	<b>(10)</b>	<b>199</b>	<b>(817)</b>	<b>(592)</b>	<b>(473)</b>	<b>(13)</b>	<b>183</b>	<b>(895)</b>	<b>(1,434)</b>	<b>(895)</b>	<b>(30)</b>	<b>339</b>	<b>(2,020)</b>
<b>EBITDAF</b>	<b>316</b>	<b>16</b>	<b>(10)</b>	<b>-</b>	<b>322</b>	<b>229</b>	<b>30</b>	<b>(13)</b>	<b>-</b>	<b>246</b>	<b>527</b>	<b>56</b>	<b>(30)</b>	<b>-</b>	<b>553</b>
Depreciation and amortisation					(129)					(114)					(249)
Net interest expense					(19)					(26)					(50)
Change in fair value of financial instruments					13					4					7
Tax expense					(53)					(32)					(74)
<b>Profit</b>					<b>134</b>					<b>78</b>					<b>187</b>

### A3. FREE CASH FLOW

\$m	Unaudited 6 months ended 31 Dec 2021	Unaudited 6 months ended 31 Dec 2020	Audited Year ended 30 June 2021
EBITDAF	322	246	553
Tax paid	(65)	(58)	(79)
Change in working capital, net of investing and financing activities	(69)	21	3
Non-cash items included in EBITDAF	(7)	1	(2)
Net interest paid, excluding capitalised interest	(15)	(22)	(43)
<b>Operating cash flows</b>	<b>166</b>	<b>188</b>	<b>432</b>
Stay in business capital expenditure	(35)	(31)	(61)
<b>Operating free cash flow and free cash flow</b>	<b>131</b>	<b>157</b>	<b>371</b>
<b>Operating free cash flow per share (cents)</b>	<b>16.8</b>	<b>21.9</b>	<b>50.2</b>

### A4. RELATED PARTY TRANSACTIONS

Contact's related parties include its directors, the leadership team (LT) and Drylandcarbon One Limited Partnership.

\$m	Unaudited 6 months ended 31 Dec 2021	Unaudited 6 months ended 31 Dec 2020	Audited Year ended 30 June 2021
<b>Simply Energy Limited</b>			
Electricity contracts	-	1	1
<b>Drylandcarbon One Limited Partnership</b>			
Capital contributions	(6)	(3)	(7)
<b>Key management personnel</b>			
Directors' fees	(1)	(1)	(1)
LT - salary and other short-term benefits	(5)	(3)	(5)
LT - share-based compensation expense	(1)	-	(1)

Members of the LT and Directors purchase goods and services from Contact for domestic purposes on normal commercial terms and conditions. For members of the LT this includes the staff discount available to all eligible employees.

LT disclosures include members who served during the period but are no longer acting in role at 31 December 2021.

### A5. CONTINGENCIES

In the normal course of business, the Company is subject to inquiries, claims and investigations. There are no matters that meet the requirements to disclose in this respect at 31 December 2021.

## B. Our funding

Notes to the financial statements for the six months ended 31 December 2021

### B1. SHARE CAPITAL

	Number	\$m
Balance at 1 July 2020	718,131,884	1,528
Share capital issued	434,021	2
<b>Balance at 31 December 2020</b>	<b>718,565,905</b>	<b>1,530</b>
Share capital issued	57,556,165	392
<b>Balance at 30 June 2021</b>	<b>776,122,070</b>	<b>1,922</b>
Share capital issued	3,001,936	22
<b>Balance at 31 December 2021</b>	<b>779,124,006</b>	<b>1,944</b>
Comprised of:		
Ordinary shares	778,875,270	1,945
Contact Share	248,736	(1)

During the period Contact granted a new tranche of share awards under the Equity Scheme, comprising 232,556 performance share rights (PSRs) and 497,697 deferred share rights (DSRs). PSRs and DSRs have no exercise price.

### B2. DIVIDENDS PAID

\$m	Cents per share	Unaudited 6 months ended 31 Dec 2021	Unaudited 6 months ended 31 Dec 2020	Audited Year ended 30 June 2021
2020 final dividend	23	-	165	165
2021 interim dividend	14	-	-	109
2021 final dividend	21	162	-	-
		<b>162</b>	<b>165</b>	<b>274</b>

The 2021 final dividend includes \$17 million reinvested by shareholders under Contact's Dividend Reinvestment Plan.

On 11 February 2022 the Board declared an interim dividend of 14 cents per share to be paid on 30 March 2022.

### B3. BORROWINGS

\$m	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020	Audited 30 June 2021
Bank overdraft	5	4	-
*Commercial paper	-	80	-
*Drawn bank facilities	-	191	-
Lease obligations	24	22	21
*Retail bonds	200	350	350
*Capital bonds	225	-	-
*Export credit agency facility	43	50	47
*USPP notes	376	376	376
<b>Face value of borrowings</b>	<b>873</b>	<b>1,073</b>	<b>795</b>
Deferred financing costs	(6)	(4)	(3)
Fair value adjustment on hedged borrowings	62	68	64
<b>Carrying value of borrowings</b>	<b>929</b>	<b>1,137</b>	<b>856</b>
Current	115	247	163
Non-current	814	890	693

Borrowings denoted with an asterisk (\*) are Green Debt Instruments under Contact's Green Borrowing Programme, which has been certified by the Climate Bonds Initiative. At 31 December 2021 Contact remains compliant with the requirements of the programme. Further information is available on the sustainability section on our [website](#).

### B4. NET INTEREST EXPENSE

\$m	Unaudited 6 months ended 31 Dec 2021	Unaudited 6 months ended 31 Dec 2020	Audited Year ended 30 June 2021
Interest expense on borrowings	(24)	(27)	(52)
Interest expense on finance leases	-	-	(1)
Unwind of discount on provisions	(3)	(3)	(5)
Unwind of deferred financing costs	-	-	(1)
Capitalised interest	8	4	8
Interest income	-	-	1
<b>Net interest expense</b>	<b>(19)</b>	<b>(26)</b>	<b>(50)</b>

## C. Our assets

Notes to the financial statements for the six months ended 31 December 2021

### C1. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020	Audited 30 June 2021
<b>\$m</b>			
Opening balance	3,961	4,026	4,026
Additions	171	32	135
Acquisitions	-	-	10
Disposals	(3)	-	(2)
Depreciation	(105)	(95)	(208)
<b>Closing balance</b>	<b>4,024</b>	<b>3,963</b>	<b>3,961</b>

Included within property, plant and equipment is \$28 million (31 December 2020: \$25 million, 30 June 2021: \$27 million) of lease assets with a depreciation charge of \$2 million for the six months ended 31 December 2021 (31 December 2020: \$2 million, 30 June 2021: \$3 million).

Included within additions is capitalised interest of \$8 million (31 December 2020: \$4 million, 30 June 2021: \$8 million) in relation to capital works underway at the Tauhara geothermal field.

Intangibles	Unaudited 31 Dec 2021	Unaudited 31 Dec 2020	Audited 30 June 2021
<b>\$m</b>			
Opening balance	245	230	230
Additions	67	35	87
Acquisitions	-	-	16
Disposals	(19)	-	(47)
Amortisation	(24)	(19)	(41)
<b>Closing balance</b>	<b>269</b>	<b>246</b>	<b>245</b>
Current	64	29	24
Non-current	205	217	221

At 31 December 2021, Contact was committed to \$263 million of contracted capital expenditure (31 December 2020 \$8 million, 30 June 2021: \$334 million) and \$68 million of carbon forward contracts (31 December 2020: \$8 million, 30 June 2021: \$60 million), of which \$236 million is due within one year of reporting date.

During the six months ended 31 December 2021, Contact concluded its review of existing software assets in light of the IFRS agenda decision *Configuration or Customisation costs in a Cloud Computing Arrangement* and wrote off \$1 million of software assets relating to software-as-a-service arrangements.

## C2. GOODWILL

Contact has two cash-generating units (CGUs): Wholesale and Customer. The Customer CGU includes goodwill of \$179 million (31 December 2020 and 30 June 2021: \$179 million), and the Wholesale CGU includes goodwill of \$35 million, following acquisition of Simply Energy Limited and Western Energy Services Limited in the prior period (31 December 2020: \$23 million and 30 June 2021: \$41 million).

The acquisition accounting for Western Energy Services Limited was finalised in the six months ended 31 December 2021. \$8 million has been allocated to brand and intellectual property, with a related \$2m deferred tax liability, resulting in a \$6 million reduction of goodwill. Refer to the related parties disclosure in the 2021 Annual Report for provisional calculations at 30 June 2021, which have been restated.



## D. Financial risks

Notes to the financial statements for the six months ended 31 December 2021

### D1. SUMMARY OF DERIVATIVE FINANCIAL INSTRUMENTS

A summary of derivatives and the impact on Contact's financial position is provided below grouped by type of hedge relationship.

	Unaudited at 31 December 2021							Unaudited at 31 December 2020							Audited at 30 June 2021						
	Fair value hedge		Cash flow & fair value hedge			No hedge relationship		Fair value hedge		Cash flow & fair value hedge			No hedge relationship		Fair value hedge		Cash flow & fair value hedge			No hedge relationship	
	IRS	CCIRS	IRS	Electricity price derivatives	Foreign exchange contracts	Electricity price derivatives	Total	IRS	CCIRS	IRS	Electricity price derivatives	Foreign exchange contracts	Electricity price derivatives	Total	IRS	CCIRS	IRS	Electricity price derivatives	Foreign exchange contracts	Electricity price derivatives	Total
Carrying value of derivatives - asset	3	60	14	14	3	17	111	9	59	1	5	-	11	85	5	59	5	32	3	22	126
Carrying value of derivatives - liability	(2)	(3)	(26)	(51)	(2)	(21)	(104)	-	(7)	(75)	(52)	-	(9)	(143)	-	(5)	(53)	(93)	(2)	(24)	(176)
Carrying value of hedged borrowings	(347)	(437)	-	-	-	-	(784)	(196)	(435)	-	-	-	-	(631)	(192)	(436)	-	-	-	-	(628)
Fair value adjustments to borrowings	(1)	(61)	-	-	-	-	(62)	(9)	(59)	-	-	-	-	(68)	(5)	(59)	-	-	-	-	(64)
Change in fair value of financial instruments to profit/(loss)	-	-	15	-	-	(2)	13	-	1	2	-	-	1	4	-	-	8	-	-	(1)	7
Hedge effectiveness recognised in OCI	-	2	18	(12)	-	-	8	-	(6)	11	(43)	-	-	(38)	-	(3)	27	(61)	1	-	(37)
Amounts reclassified to profit/(loss)	-	-	3	36	-	-	39	-	-	3	21	-	-	24	-	-	7	25	-	-	32

The cross-currency interest rate swaps (CCIRS) liability arises from the cash flow hedge component.

# Independent review report

To the shareholders of Contact Energy Limited  
Report on the interim financial statements

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements on pages 2 to 17 do not:

- i. present fairly in all material respects the company's financial position as at 31 December 2021 and its financial performance and cash flows for the six month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying interim financial statements which comprise:

- the statement of financial position as at 31 December 2021;
- the statements of comprehensive income, changes in equity and cash flows for the six month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.

## Basis for conclusion

A review of interim financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Contact Energy Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to the company in relation to Trustee reporting and other assurance for Greenhouse gas emissions reporting, Global Reporting Initiative Indicators and Green Borrowings Programme reporting. Subject to certain restrictions, partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as reviewer of the company. The firm has no other relationship with, or interest in, the company.

## Use of this Independent Review Report

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our review work, this report, or any of the opinions we have formed.

## Responsibilities of the Directors for the interim financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting;
- implementing necessary internal control to enable the preparation of interim financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

## 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. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

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). Accordingly, we do not express an audit opinion on these interim financial statements.

This description forms part of our Independent Review Report.

KPMG  
Wellington  
11 February 2022

# Corporate directory

## BOARD OF DIRECTORS

Robert McDonald (Chair)  
Victoria Crone  
Sandra Dodds  
Jon Macdonald  
Rukumoana Schaaflhausen  
David Smol  
Elena Trout

## LEADERSHIP TEAM

**Mike Fuge**  
Chief Executive Officer  
**Chris Abbott**  
Chief Corporate Affairs Officer  
**Jack Ariel**  
Major Projects Director  
**Jan Bibby**  
Chief People & Transformation Officer  
**Matt Bolton**  
Chief Retail Officer  
**John Clark**  
Chief Generation Officer  
**Dorian Devers**  
Chief Financial Officer  
**Iain Gauld**  
Chief Information Officer  
**Jacqui Nelson**  
Chief Development Officer  
**Tighe Wall**  
Chief Digital Officer

## REGISTERED OFFICE

Contact Energy Limited  
Harbour City Tower  
29 Brandon Street  
Wellington 6011  
New Zealand

Phone: +64 4 499 4001  
Find us on [Facebook](#), [Twitter](#), [LinkedIn](#) and [Youtube](#) by searching for Contact Energy

## COMPANY NUMBERS

NZ Incorporation 660760  
ABN 68 080 480 477

## AUDITOR

KPMG  
PO BOX 996  
Wellington 6140

## COMPANY SECRETARY

Kirsten Clayton  
General Counsel & Company Secretary

## REGISTRY

Change of address, payment instructions and investment portfolios can be viewed and updated online:

[investorcentre.linkmarketservices.co.nz](http://investorcentre.linkmarketservices.co.nz)  
[investorcentre.linkmarketservices.com.au](http://investorcentre.linkmarketservices.com.au)

**New Zealand Registry**  
Link Market Services Limited  
PO Box 91976, Auckland 1142  
Level 30, PWC Tower  
15 Custom Street West, Auckland 1010

[contactenergy@linkmarketservices.co.nz](mailto:contactenergy@linkmarketservices.co.nz)  
Phone: +64 9 375 5998

**Australian Registry**  
Link Market Services Limited  
Locked Bag A14, Sydney  
South, NSW 1235  
680 George Street, Sydney, NSW 2000

[contactenergy@linkmarketservices.com.au](mailto:contactenergy@linkmarketservices.com.au)  
Phone: +61 2 8280 7111

## INVESTOR ENQUIRIES

Matthew Forbes  
GM Corporate Finance  
[investor.centre@contactenergy.co.nz](mailto:investor.centre@contactenergy.co.nz)

## SUSTAINABILITY ENQUIRIES

Katy Glenie  
Sustainability Manager  
[katy.glenie@contactenergy.co.nz](mailto:katy.glenie@contactenergy.co.nz)



NEW ZEALAND'S EXCHANGE  
TE PAEHOKO O AOTEAROA

## Results announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Contact Energy Limited	
Reporting Period	6 months to 31 December 2021	
Previous Reporting Period	6 months to 31 December 2020	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$1,139,000	-0.2%
Total Revenue	\$1,139,000	-0.2%
Net profit/(loss) from continuing operations	\$134,000	71.8%
Total net profit/(loss)	\$134,000	71.8%
Interim/Final Dividend		
Amount per Quoted Equity Security	\$0.14000000	
Imputed amount per Quoted Equity Security	\$0.03888889	
Record Date	11 March 2022	
Dividend Payment Date	30 March 2022	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$3.17	\$2.89
A brief explanation of any of the figures above necessary to enable the figures to be understood		
Authority for this announcement		
Name of person authorised to make this announcement	Kirsten Clayton, General Counsel & Company Secretary	
Contact person for this announcement	Matthew Forbes, GM Corporate Finance	
Contact phone number	+64 21 072 8578	
Contact email address	investor.centre@contactenergy.co.nz	
Date of release through MAP	14/02/2022	

Unaudited financial statements accompany this announcement.

For personal use only

Please note: all cash amounts in this form should be provided to 8 decimal places

Section 1: Issuer information				
Name of issuer	Contact Energy Limited			
Financial product name/description	Ordinary Shares			
NZX ticker code	CEN			
ISIN (If unknown, check on NZX website)	NZCENE0001S6			
Type of distribution (Please mark with an X in the relevant box/es)	Full Year		Quarterly	
	Half Year	X	Special	
	DRP applies	X		
Record date	11/03/2022			
Ex-Date (one business day before the Record Date)	10/03/2022			
Payment date (and allotment date for DRP)	30/03/2022			
Total monies associated with the distribution <sup>1</sup>	\$109,077,361 (779,124,006 shares @ \$0.14 / share)			
Source of distribution (for example, retained earnings)	Operating Free Cash Flow			
Currency	NZD			
Section 2: Distribution amounts per financial product				
Gross distribution <sup>2</sup>	\$0.17888889			
Gross taxable amount <sup>3</sup>	\$0.17888889			
Total cash distribution <sup>4</sup>	\$0.14000000			
Excluded amount (applicable to listed PIEs)	N/A			
Supplementary distribution amount	\$0.01764706			
Section 3: Imputation credits and Resident Withholding Tax <sup>5</sup>				
Is the distribution imputed	Fully imputed			
	Partial imputation			
	No imputation			

<sup>1</sup> Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

<sup>2</sup> "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (RWT).

<sup>3</sup> "Gross taxable amount" is the gross distribution minus any excluded income.

<sup>4</sup> "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should include any excluded amounts, where applicable to listed PIEs.

<sup>5</sup> The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

For personal use only

If fully or partially imputed, please state imputation rate as % applied <sup>6</sup>	22%	
Imputation tax credits per financial product	\$0.03888889	
Resident Withholding Tax per financial product	\$0.02014444	
<b>Section 4: Distribution re-investment plan (if applicable)</b>		
DRP % discount (if any)	0% - No discount	
Start date and end date for determining market price for DRP	10/03/2022	16/03/2022
Date strike price to be announced (if not available at this time)	17/03/2022	
Specify source of financial products to be issued under DRP programme (new issue or to be bought on market)	New issue	
DRP strike price per financial product	Not available at this time	
Last date to submit a participation notice for this distribution in accordance with DRP participation terms	14/03/2022	
<b>Section 5: Authority for this announcement</b>		
Name of person authorised to make this announcement	Kirsten Clayton, General Counsel & Company Secretary	
Contact person for this announcement	Matthew Forbes, GM Corporate Finance	
Contact phone number	+64 21 072 8578	
Contact email address	investor.centre@contactenergy.co.nz	
Date of release through MAP	14/02/2022	

<sup>6</sup> Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

For personal use only