# QUARTERLY OPERATIONAL UPDATE

Three months ended 30 September 2025

## >> QUARTERLY HIGHLIGHTS

RECORD JULY HYDRO GENERATION SINCE 1980

AND THE 11TH HIGHEST Q1 HYDRO GENERATION

TAUPŌ STORAGE REMAINS ELEVATED

70TH PERCENTILE INFLOWS PROVIDING A STRONG PORTFOLIO POSITION FOR Q2

20 YEAR PPA WITH VISY NOW IN EFFECT

~115GWh PER ANNUM OVER THE INITIAL 10-YEAR TERM

## >> COMMENTARY

### Market summary

National hydrological inflows of 87th percentile during the quarter were reflected in lower spot electricity prices averaging $134/MWh in Auckland. Forward prices have increased slightly at $182/MWh in Auckland for the financial years 2026 to 2028 as at 30 September 2025.
National demand was 3.5% higher for the quarter versus PCP primarily led by industrial demand, with New Zealand Aluminium Smelters returning to more normal production levels post last year's demand response.

### Above average inflows delivered record generation in July and robust Taupō storage heading into Q2

Five major weather events heading into the winter period delivered 291mm of rain over the Waikato catchment, resulting in 70th percentile inflows for the quarter. Hydro generation hit a record 566GWh (160GWh above average) in July, the highest July period since 1980. Mercury's Digital River, an AI-powered decision platform and digital twin, delivered over half of the 50GWh full year hydro generation uplift anticipated in the quarter. Total Q1 hydro generation was 1,389GWh (424GWh, 44% higher than PCP). Wind generation was lower at 471GWh (77GWh, 14% lower than PCP) due to lower-than-average wind speed in July and August. Geothermal generation for the quarter at 691GWh was 8GWh higher than PCP. Commercial & Industrial yield growth (physical and end-user CfDs) was $6/MWh higher for the quarter relative to PCP. Physical C&I yields were higher because of contract repricing to a sustained higher electricity forward curve, while End-User CfDs were lower from new long-term agreements. Mass market yield growth was $4/MWh higher versus PCP reflecting a ~2.6% price uplift impacted by customers on legacy pricing.

### 20-Year PPA with Visy to support its New Zealand operations has commenced

Mercury entered into a long-term Power Purchase Agreement (PPA) with Visy to supply ~115/GWh per annum of electricity over the initial 10-year term, with reduced volumes thereafter in the succeeding decade. The agreement supports Visy's nationwide operations and provides price certainty whilst enabling the advancement of Mercury's generation development strategy.

### 150,000 fibre connections milestone reinforces momentum on advancing telco growth strategy

During the quarter, Mercury has surpassed 150,000 fibre connections nationwide, reflecting its focused telco cross-sell strategy. More than 94% of Mercury's 163,000 broadband connections[1] are now using fibre-optic broadband as at the end of the quarter. A total of 31k telco connections were added relative to PCP. Telco revenue per connection decreased due to increased customer uptake of competitive acquisition offerings.

[1] Mercury connections quoted of 163,000 excludes 20,000 Now NZ connections

Mercury

## >> OPERATING STATISTICS

| OPERATING INFORMATION | | Three months ended 30 September 2025 | | Three months ended 30 September 2024 | |
|---|---|---|---|---|---|
| **CONNECTION NUMBERS ('000s)** | | | | | |
| Electricity connections (ICPs) | | | 582 | | 579 |
| Gas connections | 1 | | 110 | | 105 |
| Telecommunication connections | | | 183 | | 165 |
| Mobile connections | | | 40 | | 28 |
| Customers with 2 or more products | | | 220 | | 197 |
| | | VWAP [3] ($/MWh) | Volume (GWh) | VWAP [3] ($/MWh) | Volume (GWh) |
| **ELECTRICITY SALES** | | | | | |
| Physical | | 173.61 | 1,898 | 165.44 | 1,851 |
| Mass Market | 4 | 167.91 | 1,349 | 163.67 | 1,325 |
| Commercial & Industrial | 5 | 187.64 | 549 | 169.88 | 526 |
| Network Losses | | | 111 | | 109 |
| Physical Purchases | 6 | 140.50 | 2,009 | 325.57 | 1,960 |
| Financial | | 148.37 | 819 | 164.70 | 871 |
| End User CfDs | | 132.49 | 420 | 138.28 | 357 |
| Other Sell CfDs | 7 | 165.08 | 399 | 183.05 | 514 |
| Spot Settlement of CfDs | | 131.95 | | 297.31 | |
| Spot Customer Purchases | | 137.90 | 61 | 319.83 | 31 |
| Gas Sales ($/GJ, TJ) | 1 | 35.81 | 794 | 25.10 | 865 |
| Gas Purchases ($/GJ,TJ) | 1 | 20.52 | 794 | 28.62 | 875 |
| Telco Sales ($/month/connection) | 2 | 77.77 | | 82.90 | |
| Telco Costs ($/month/connection) | 2 | 56.88 | | 56.98 | |
| **ELECTRICITY GENERATION** | | | | | |
| Physical | | 124.71 | 2,552 | 269.61 | 2,197 |
| Hydro | | 134.78 | 1,389 | 337.92 | 965 |
| Geothermal (consolidated) | 8 | 121.61 | 691 | 277.51 | 683 |
| Wind Spot | | 112.58 | 145 | 235.90 | 203 |
| Wind PPA | | 93.77 | 327 | 83.44 | 346 |
| Financial | | 127.12 | 668 | 132.41 | 865 |
| Buy CfDs | 7 | 127.12 | 668 | 132.41 | 865 |
| Spot Settlement of CfDs | | 132.78 | | 315.04 | |
| **Net Position** | 9 | | 65 | | -115 |

[1] Includes LPG bottle connections

[2] Includes mobile

[3] VWAP is volume weighted average energy-only price sold to customers after lines, metering and fees

[4] Mass market includes residential segments and non time-of-use commercial customers

[5] Fixed-price, variable-volume (FPVV) sales to time-of-use commercial customers

[6] Excludes spot customer purchases

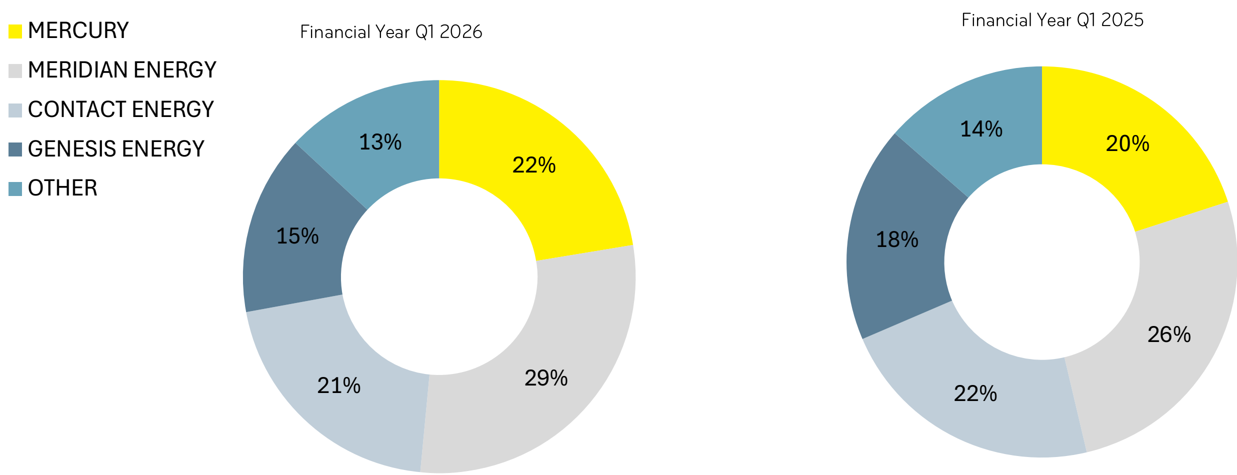
[7] Includes Virtual Asset Swap volumes of 76 GWh for the 3 months ended 30 September 2025 and 113 GWh for the 3 months ended 30 September 2024. Also includes the Manawa CFD volumes relating to the Trustpower retail transaction since May 2022

[8] Includes Mercury's 65% share of Nga Awa Purua generation

[9] Includes all physical and financial buys and sells except spot customer purchases and wind ppa

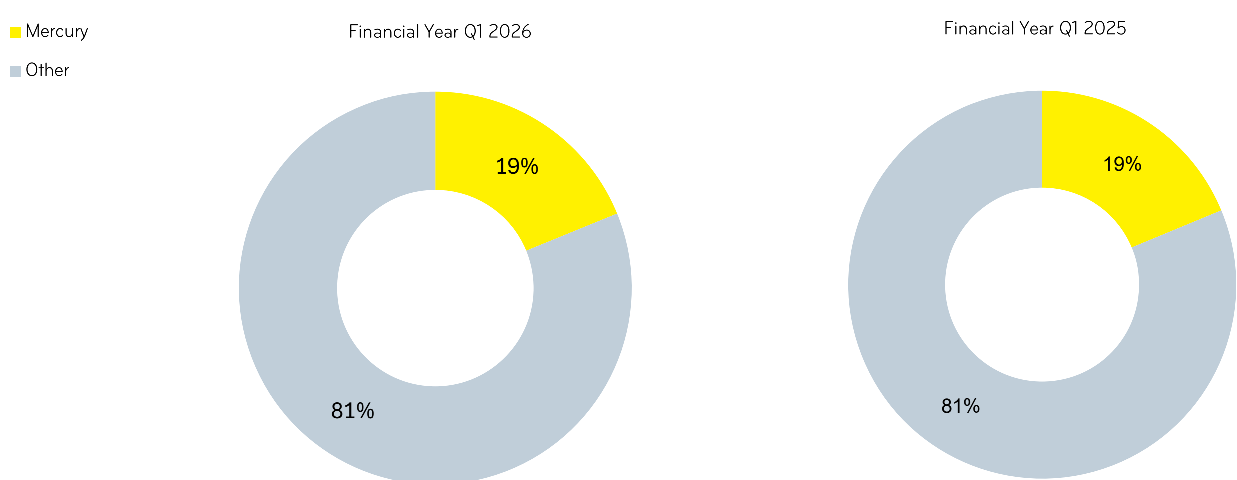
## >> MARKET DATA

> ELECTRICITY GENERATION BY COMPANY FOR THE THREE MONTHS ENDED 30 September



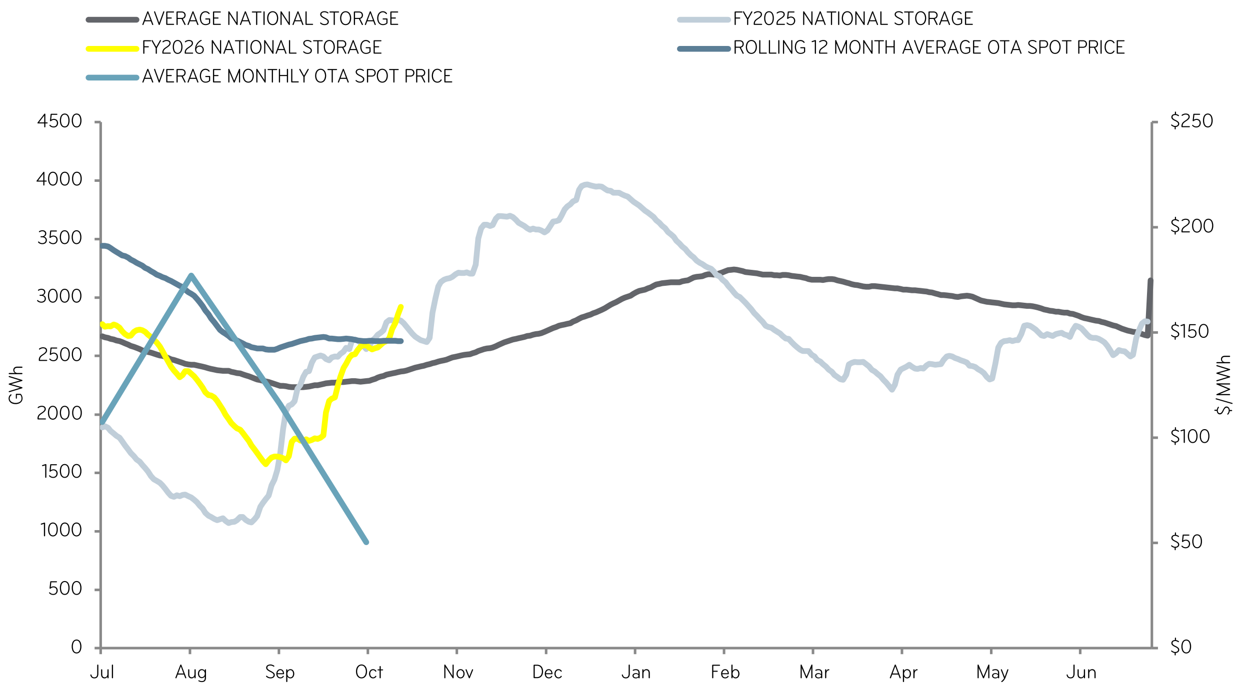

Source: Transpower SCADA

> SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 30 September (EXCLUDING CFDs)



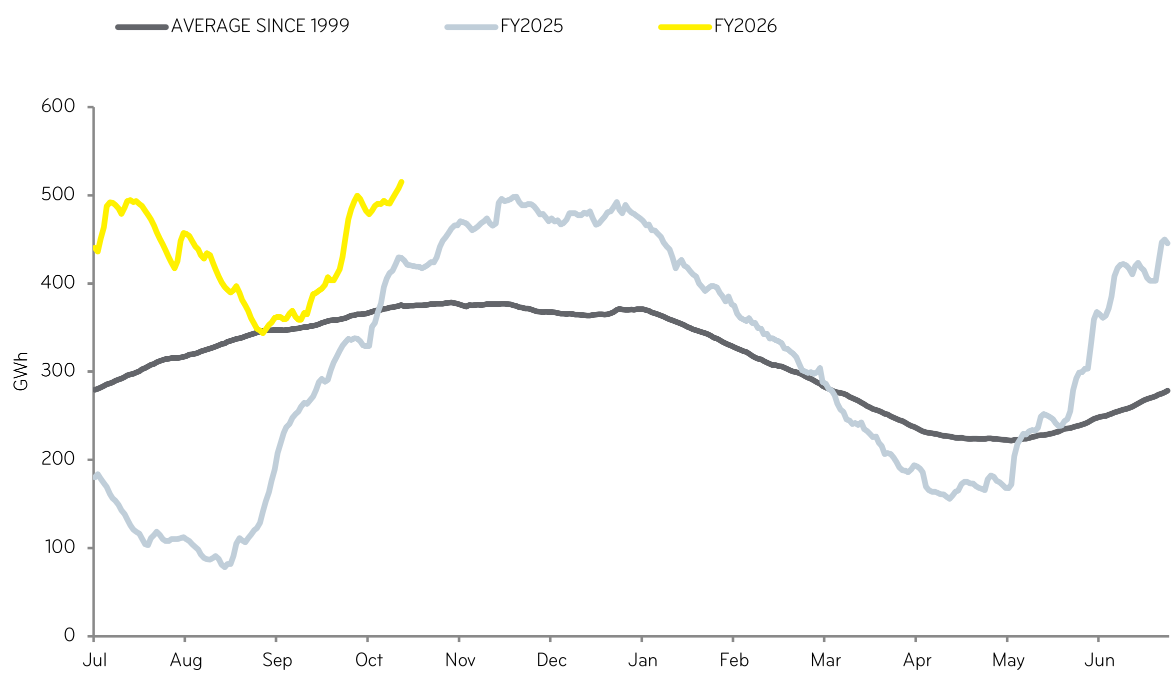

Source: Mercury Purchases and Transpower SCADA

## > OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



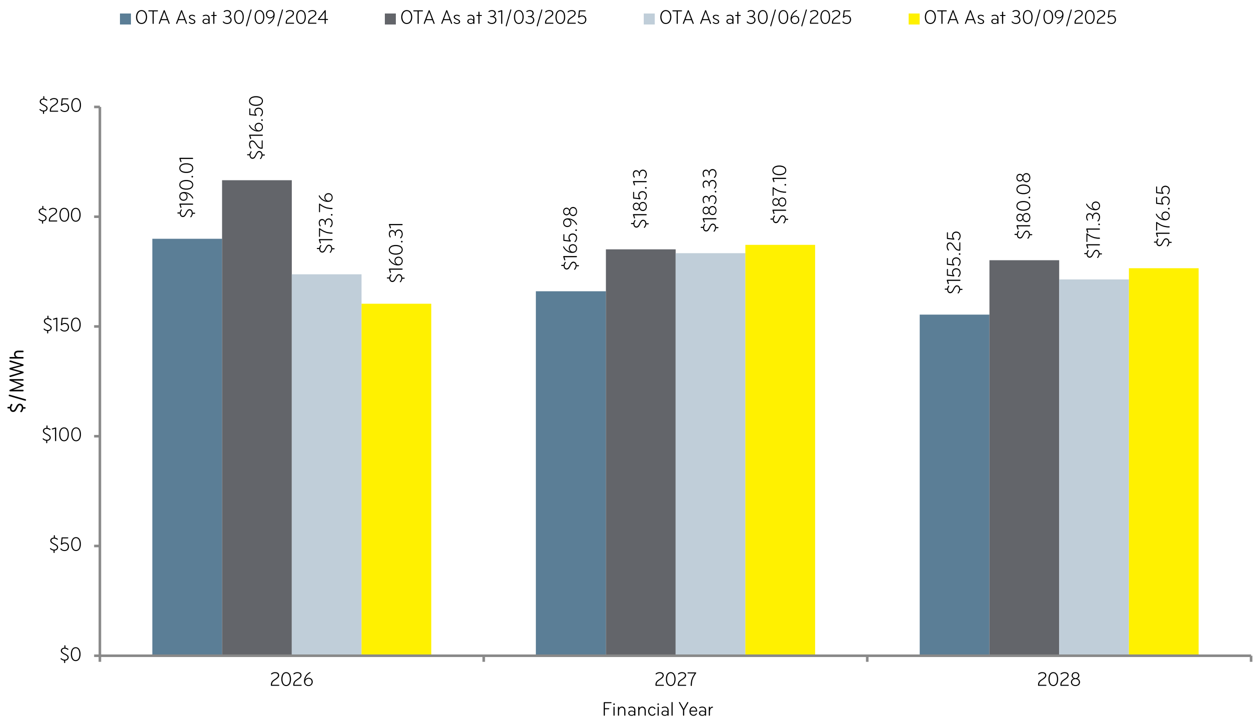

Source: NZX Hydro and NZEM Pricing Manager (NZX)

## > TAUPO STORAGE



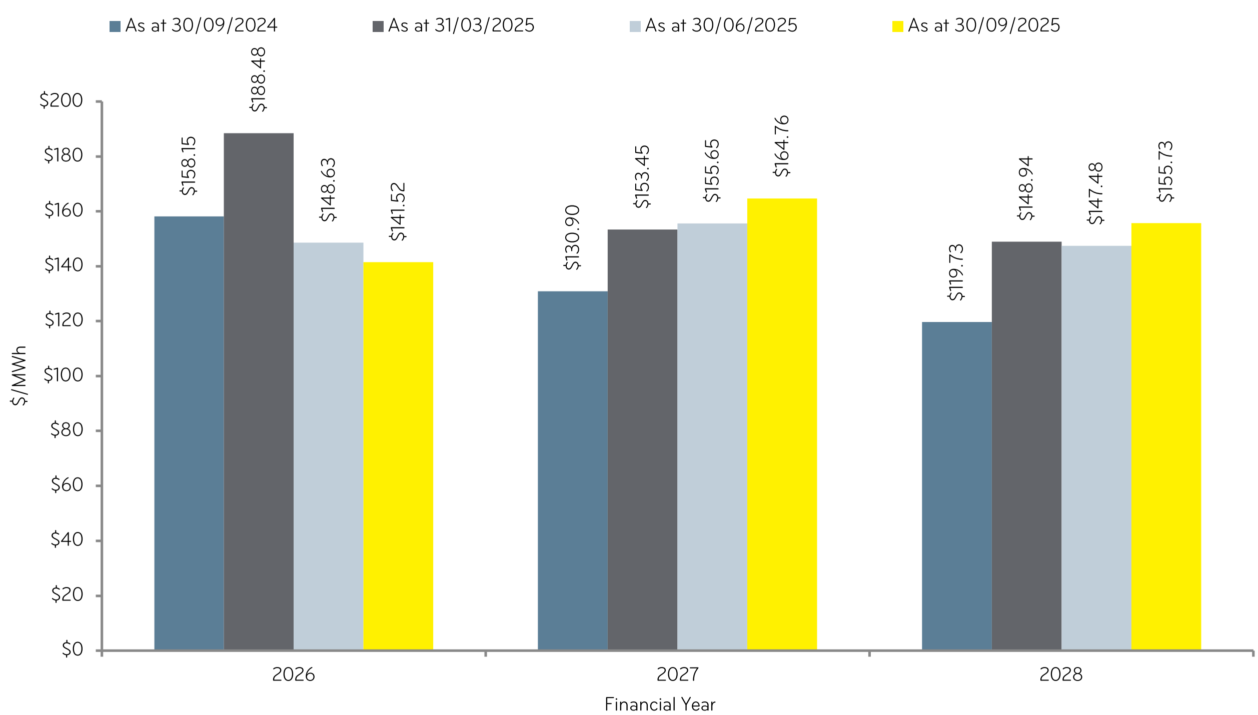

Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



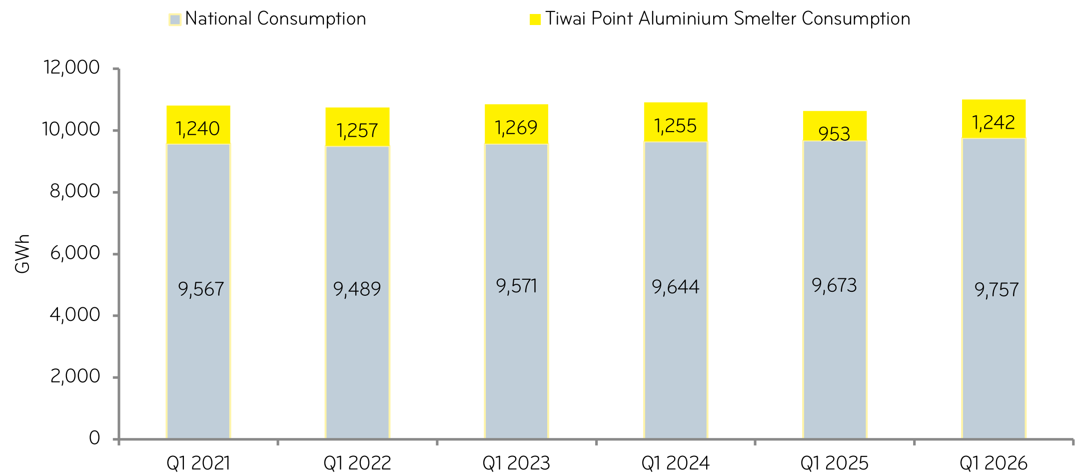

Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE




Source: ASX

## > NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



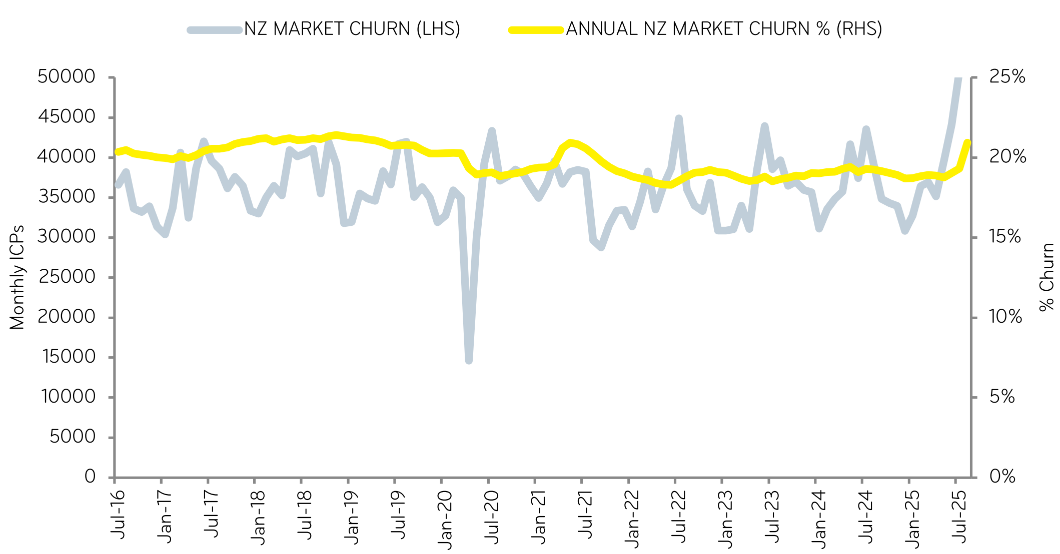

Source: Transpower Information Exchange

## > AUCKLAND CLIMATE SUMMARY ( ⁰C)

| FINANCIAL YEAR | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| 2026 | 12.4 | 15.8 | 0 | 0 |
| 2025 | 12.5 | 17.1 | 19.7 | 15.3 |
| 2024 | 12.2 | 16.8 | 19.6 | 14.3 |
| 2023 | 12.9 | 17.2 | 19.2 | 15.1 |
| 2022 | 12.2 | 17.8 | 20.8 | 15.1 |
| Historical Average (since 1999) | 12 | 16.2 | 19.5 | 14.3 |

Source: Met Service

## > MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)




Source: Electricity Authority