2024 FULL YEAR RESULTS

Twelve Months Ended 30 June 2024

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20 August 2024

Mercury

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MERCURY TAKES LEADING ROLE IN NEW ZEALAND'S ENERGY TRANSITION.

Business performance and major events

Produced 8.8TWh of diversified renewable generation from hydro (47%), geothermal (30%) and wind (23%) in FY24. Wind generation was up 40% from prior year with the addition of new generation from Turitea South and Kaiwera Downs stage 1

Completed the integration of Mercury and Trustpower (people, processes, systems). Our increased scale retail business has 864k customer connections and provides customers greater choice and enhanced experience

Delivered new generation from stage 1 of Kaiwera Downs in HY24. Started construction of stage 2 following agreeing a 20-year CfD with NZAS. This $486m project will increase generation at Kaiwera Downs from 147GWh to 672GWh

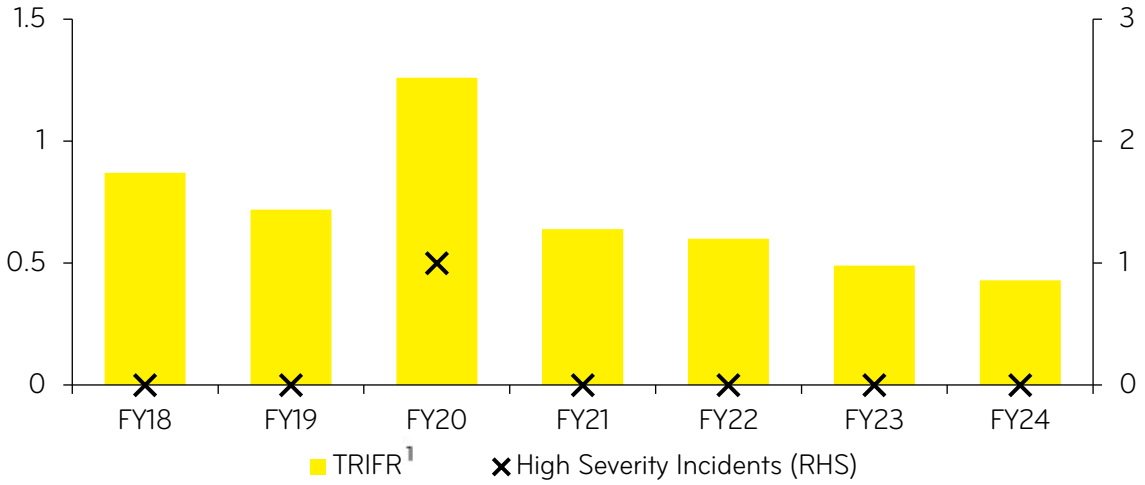
Started construction of the $220m Ngā Tamariki geothermal expansion, site work underway, 2,000 tonne delivery to site of steel structure and air cooled condensers. Ormat and their civil and mechanical contractors mobilised on site

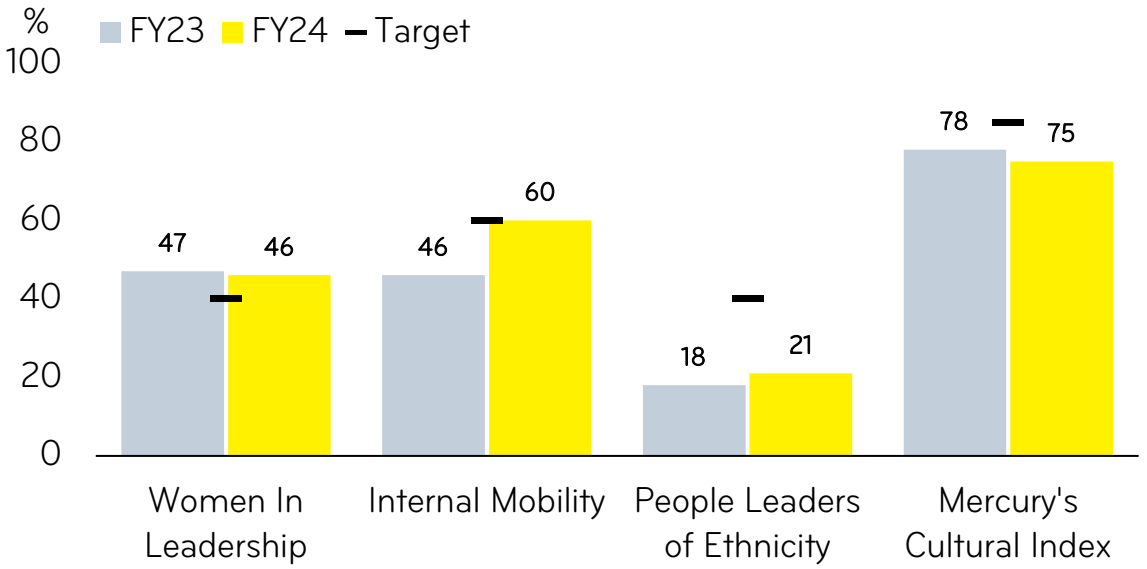
Our scaled business produced a FY24 EBITDAF result of $877 million and ordinary full year dividend of 23.3cps, the 16th year of consecutive dividend growth. FY25 EBITDAF guidance of $820 million on 3,800GWh of hydro generation

Added two new projects to our pipeline, a proposed grid-scale battery at Whakamaru hydro station and a wind farm west of Huntly

OUR PEOPLE.

Continued focus on Health, Safety and Wellbeing





Health, safety and wellbeing

- We continued to prioritise health, safety and wellbeing with aspiration to reach safety citizenship, the gold standard of safety culture by Dec-2026. We have focused on three key areas to get us there, rituals and routines, critical risks and safety data
- Zero fatality and high severity Health & Safety incidents occurred in FY24. 12-month rolling TRIFR for FY24 the lowest in seven years at 0.43

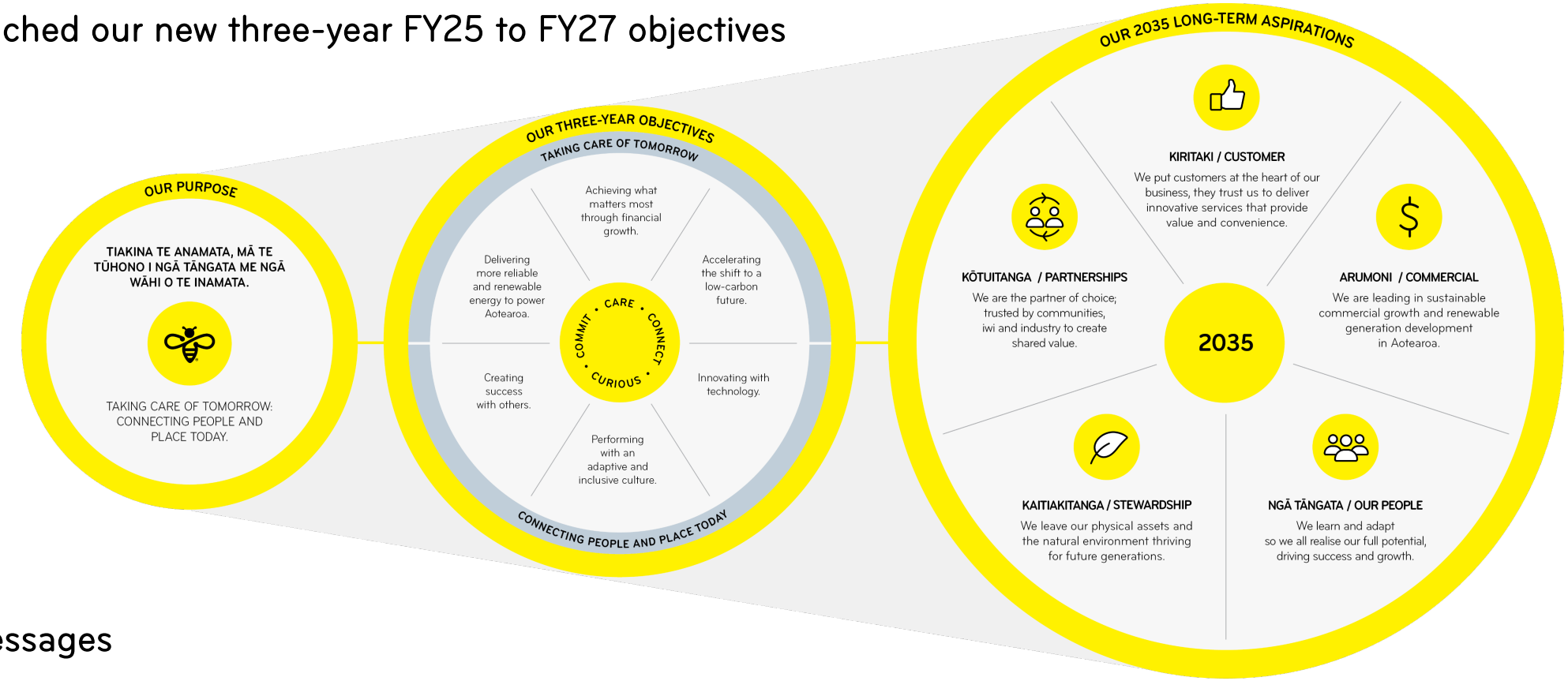
Employee measures

- Adaptive ways of working resulted in significant learning opportunities and secondments for staff
- Women in leadership decreased slightly driven by the completion of secondments into project lead roles
- Being inclusive of staff with different backgrounds, views, experience and capability makes us stronger and better as a business

[1] TRIFR is the Total Recordable Injury Frequency Rate per 200,000 hours, includes employees and on-site contractors.

OUR STRATEGIC FRAMEWORK SUPPORTS NZ'S ELECTRIFICATION OPPORTUNITY.

We launched our new three-year FY25 to FY27 objectives



Key messages

- Our strategic framework defines our purpose and outlines our priorities for short and long-term growth
- The new three-year objectives reflect our conviction that the electrification opportunity in New Zealand is significant. We are focused on pursuing this by growing and executing our renewable generation options and supporting New Zealand to electrify. We recognise that in order to do this successfully, we need to leverage our capabilities, partnerships and technology solutions to drive performance and growth

TAKING ACTION TO REACH OUR 2035 ASPIRATIONS.

DELIVERING VALUE AT A GLANCE.

1. KIRITAKI / CUSTOMER

+ KEY TOPICS

- Delivering more solutions and benefits
- Helping customers shift their energy use
- Refining our approach to hardship

– KEY RISK AREAS

- Safety and wellbeing
- Compliance and regulatory
- Reputation
- Operational

CONNECTIONS WITH:

2. KŌTUITANGA / PARTNERSHIPS

+ KEY TOPICS

- Evolving energy policy and markets for a changing world
- Creating a shared approach to Aotearoa's energy transition
- Strengthening our capability to work with Māori

– KEY RISK AREAS

- Safety and wellbeing
- Compliance and regulatory
- Reputation
- Operational
- Financial

CONNECTIONS WITH:

3. KAITIAKITANGA / STEWARDSHIP

+ KEY TOPICS

- Investing in our hydro assets
- Progressing towards our Net Zero commitment
- Recycling components from Southdown power station

– KEY RISK AREAS

- Safety and wellbeing
- Compliance and regulatory
- Reputation
- Operational
- Financial

CONNECTIONS WITH:

4. NGĀ TĀNGATA / PEOPLE

+ KEY TOPICS

- Empowering talent
- Evolution of our operating model
- Pursuing safety citizenship

– KEY RISK AREAS

- Safety and wellbeing
- Operational
- People

CONNECTIONS WITH:

5. ARUMONI / COMMERCIAL

+ KEY TOPICS

- Continued execution of new generation at pace
- A premium pipeline
- Harnessing technology for innovation and performance

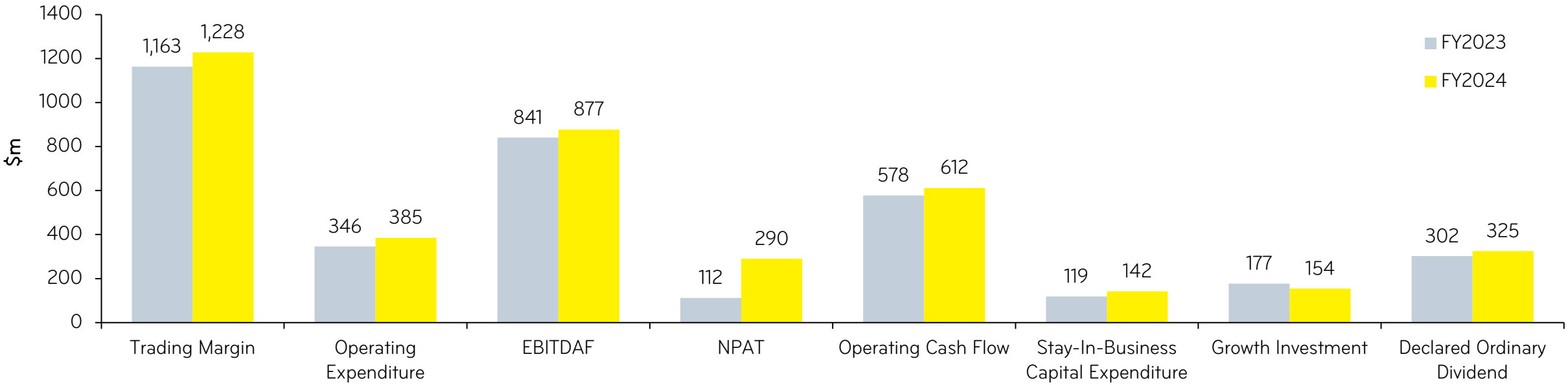
– KEY RISK AREAS

- Operational
- Financial
- Compliance and regulatory

CONNECTIONS WITH:

FINANCIAL – STRONG PERFORMANCE FOLLOWING FY23'S RECORD HYDRO GENERATION.

Our performance funds our ongoing investment

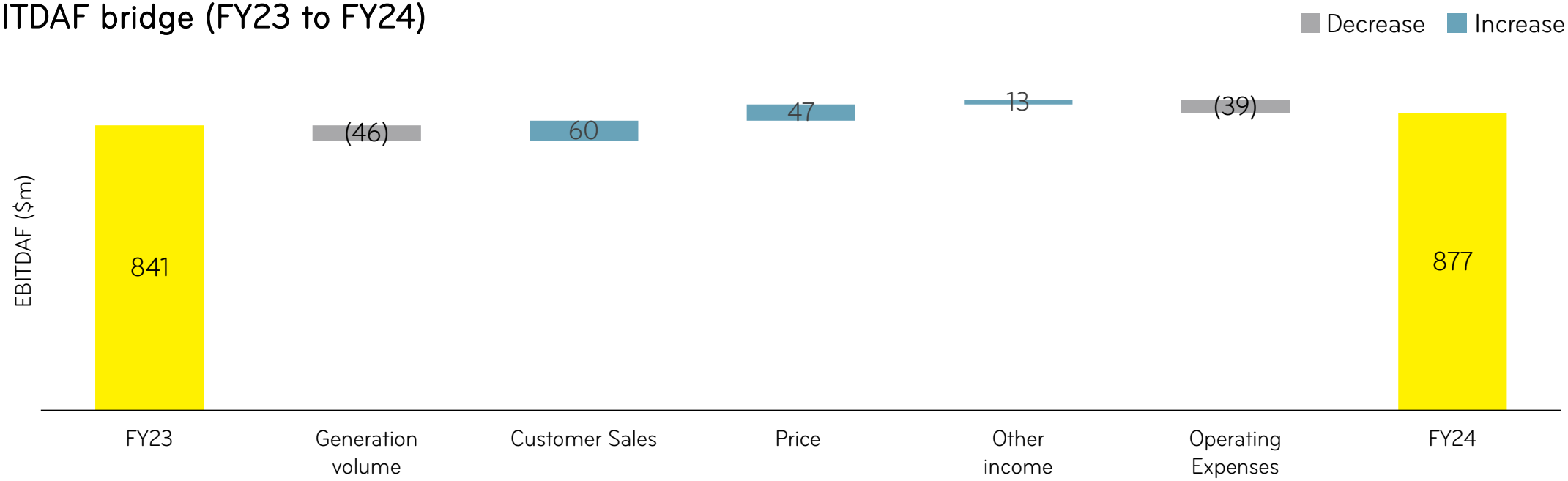


FY24 Financial Performance

- EBITDAF higher due to increased sales yield and wholesale prices. This was partially offset by lower generation and higher operating expenditure
- NPAT higher due to positive unrealised fair value movements in derivatives and carbon, higher EBITDAF and prior year revaluation losses and impairment. This was partially offset by higher taxes and interest expense
- Stay-In-Business capital expenditure higher from geothermal drilling campaign, Karāpiro rehabilitation offset by Kawerau turnaround spend reduction
- Growth investment includes construction costs of fifth unit at Ngā Tamariki geothermal station and Kaiwera Downs stage 1 and 2 wind farm

FINANCIAL – NEW WIND AND CUSTOMER SALES LIFT EARNINGS.

EBITDAF bridge (FY23 to FY24)

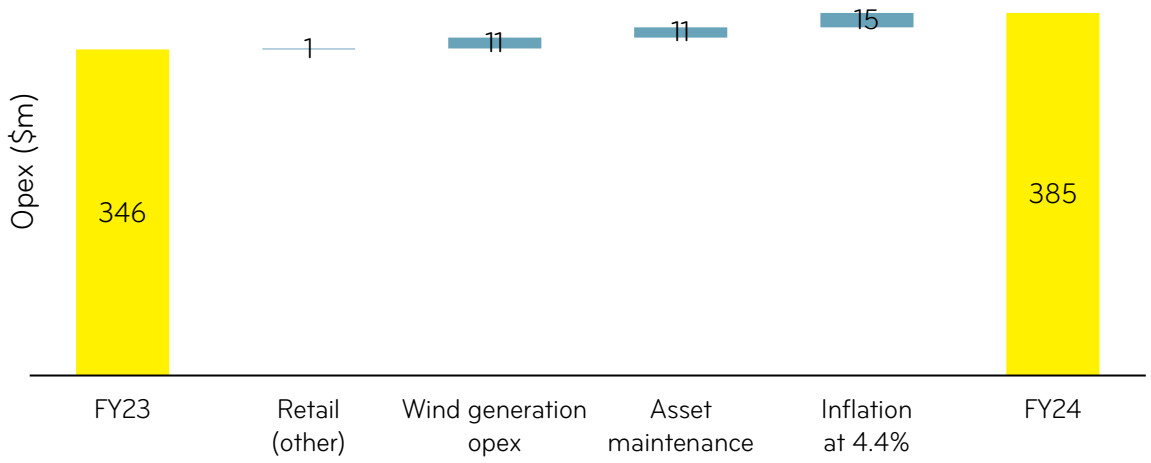


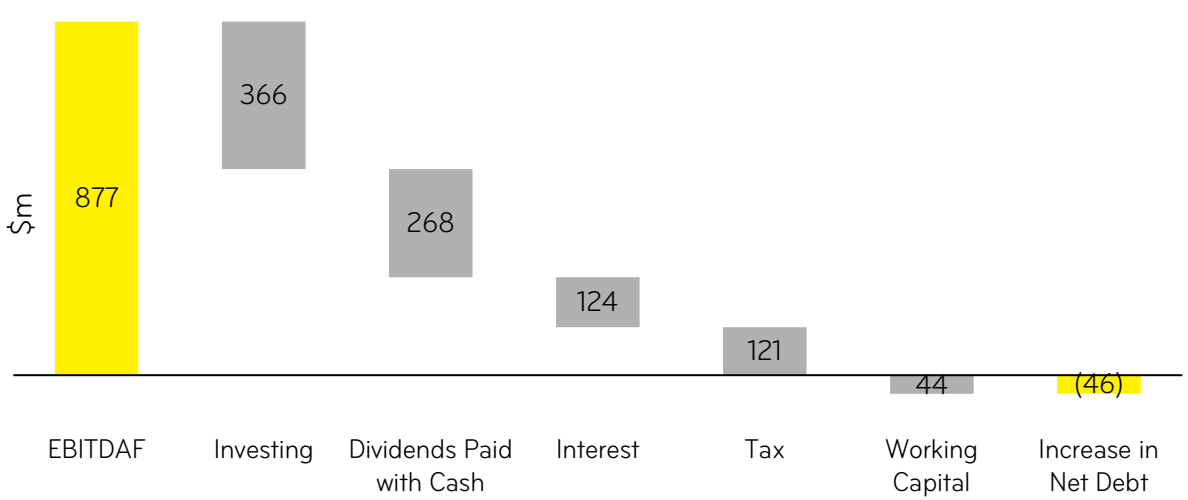
FY24 EBITDAF Performance

- Generation volume down 0.3TWh from lower hydro, coming off a record high hydro generation in FY23, partly offset by improved geothermal availability and new wind (Turitea and Kaiwera Downs)
- Customer sales: Mass market VWAP up $9/MWh, commercial and industrial VWAP up $8/MWh
- Price: higher wholesale prices and improved LWAP/GWAP; increased loss and constraint rental rebates ($21m) offset by increased connection charges from TPM (-$10m)
- Other income: largely a benefit of recognising a second insurance claim related to the 2021 Kawerau outage
- Operating expenses: see next slide

FINANCIAL – INVESTING IN FUTURE GROWTH.

Continued investment in growth and existing assets





FY24 Operating Expenditure

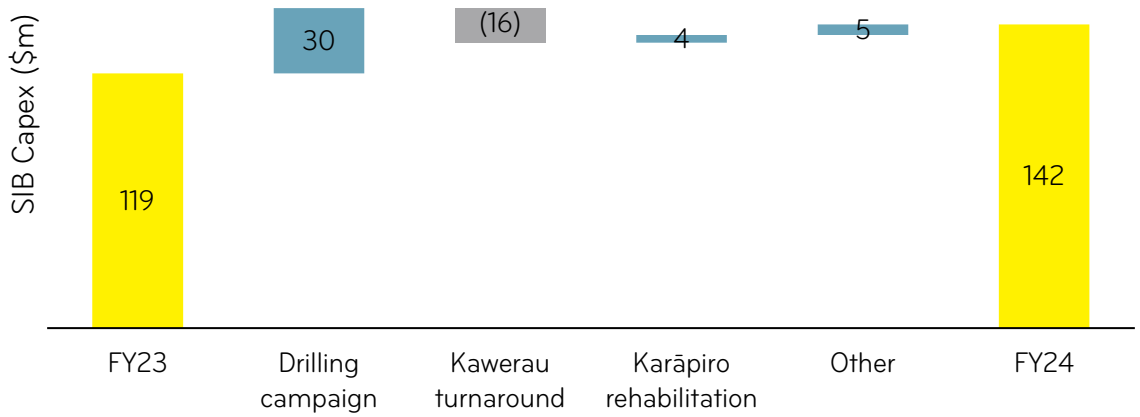
- Retail (other): see integration synergies slide (+$4 change in scope and other items and $3m realised synergies)
- New wind operations at Kaiwera Downs and Turitea South
- Generation maintenance capability (asset resilience)
- Increased costs due to inflation at 4.4%

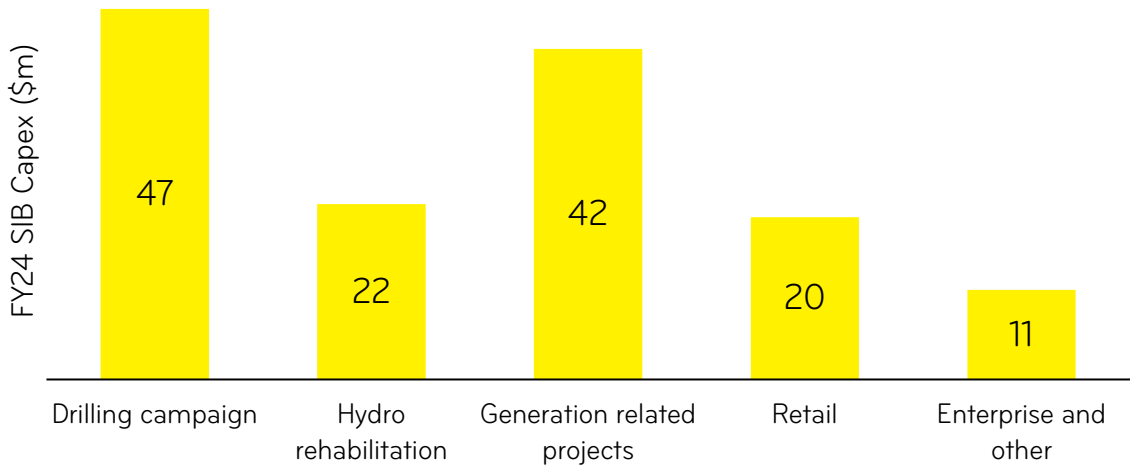
FY24 Movement in Net Debt

- 42% of earnings reinvested in new and existing assets
- Strong performance enabled continued investment in growth, with net debt lifting $46m from June 2023
- 16th year of consecutive growth in ordinary dividends
- Investing cash flows mainly capital expenditure (stay-in-business and growth capex)

FINANCIAL – CAPEX ENHANCING GEOTHERMAL RESILIENCE AND HYDRO CAPACITY.

Geothermal drilling lifted FY24 SIB capex





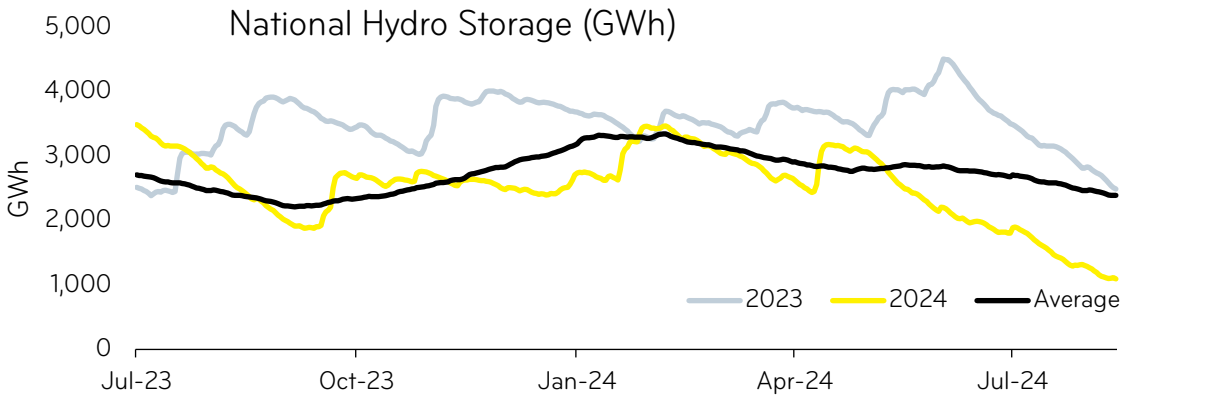
FY24 Stay-In-Business Capex

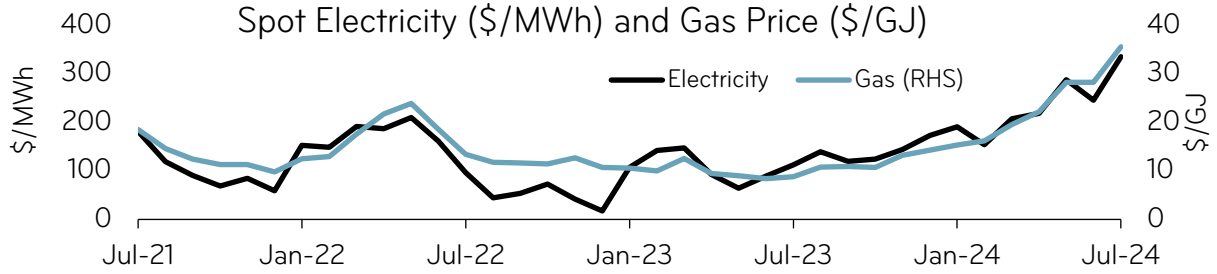
- Geothermal drilling campaign ramped up in FY24
- Kawerau turnaround (replacement of the generator and turbine) primarily impacted FY23
- Karāpiro rehabilitation increased with the second of three generator units
- Other includes the uplift in generation asset resilience and performance across various projects

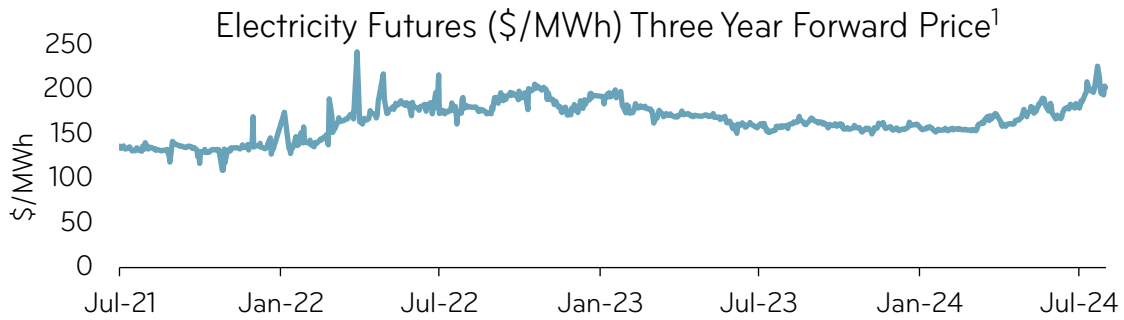
FY24 Stay-In-Business Capex Breakdown

- Geothermal drilling campaign commenced late FY23, offsetting the natural decline of well performance of the Kawerau, Ngā Tamariki and Rotokawa fields
- Hydro rehabilitation (Karāpiro) is a three-year project started in FY23 increasing station capacity by 17MW (17%) on completion
- Generation related include multiple projects improving asset resilience and performance

OPERATIONAL – LOW HYDRO AND GAS DRIVING HIGH ELECTRICITY PRICES.







Source: ASX, Mercury, Enerlytica

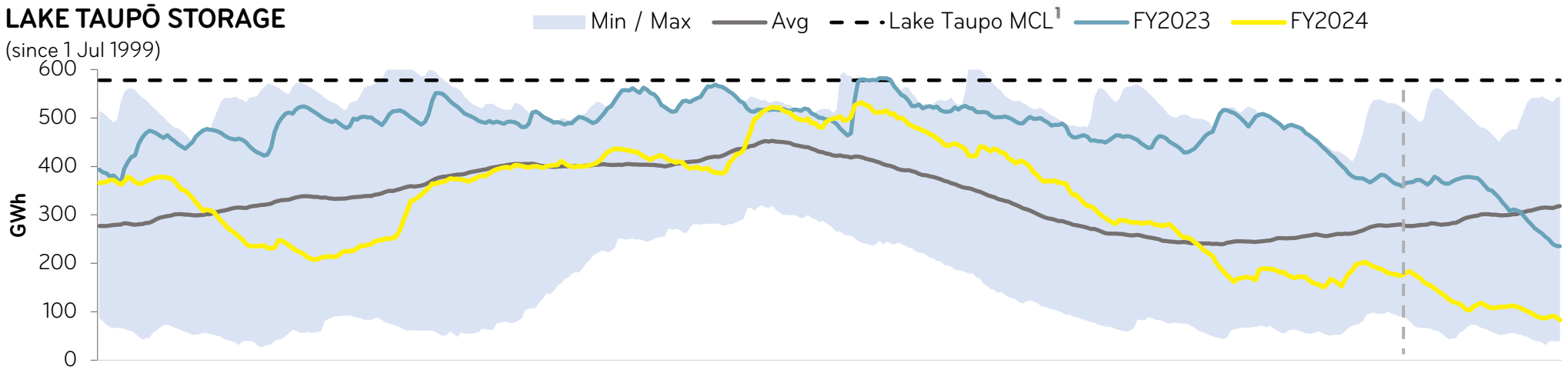
[1] Calculated on a two quarter ahead basis at Ōtāhuhu (Auckland), e.g. the Feb-24 price of $156/MWh represents the average futures price for the period Jul-24 to Jun-27

Key messages

- Full year national inflows were 23rd percentile with spot price in Auckland averaging $187/MWh for FY24. Gas and forward electricity prices have increased over CY24, primarily from low hydrological inflows and gas. National hydro inflows from Feb-24 and May-24 to mid Aug-24 were at the 11th and 2nd percentiles, respectively
- Low gas availability has constrained thermal generation utilisation and increased gas prices as uncommitted gas is sold to thermal generators at prices reflecting gas generation yields. Hydro storage increasingly utilised as backup generation as thermal generation reduces
- Long term forward prices increased from firming requirements, limited gas availability and higher generation development costs, partially offset by increased new generation being committed across the sector
- The energy transition requires a continued focus on security and affordability for all New Zealanders. Challenges like this underline the critical importance of taking a whole-of-system approach

OPERATIONAL – TAUPŌ STORAGE IMPACTED BY 30TH PERCENTILE INFLOWS DURING FY24.

FY24 margin improvement from increasing generation in 2H. FY25 impacted by a continuation of low inflows



Month End	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug[5]
Hydro Generation - Delta to Average[2] (GWh)	22	47	-112	-58	-24	-17	33	36	18	45	44	-5	-7	-19
Waikato Inflows - Delta to Average[3] (GWh)	-64	-95	-27	-77	-41	-15	75	-5	-32	-35	-33	-52	-137	-84
Taupō Storage – Delta to Average[2] (GWh)	9	-128	-14	-4	18	54	109	79	62	9	-82	-103	-190	-236
Spot Price - Ōtāhuhu ($/MWh)	$120	$148	$126	$133	$152	$183	$203	$164	$218	$230	$303	$260	$355	$693
Futures Price (M-3[4]) Ōtāhuhu ($/MWh)	$193	$151	$121	$123	$159	$88	$140	$197	$202	$167	$190	$260	$247	$261

Source: NZXHydro, WITS, ASX

[1] Maximum Control Level [2] Monthly average since July 1999 [3] Monthly average since July 1927
[4] Closing price 3 months prior to end of month [5] To 13 August 2024

>50GWh above average
>50GWh below average
Above $100/MWh
Above $200/MWh

FINANCIAL – FY25 OUTLOOK.

Drought, electricity and gas prices unfavourably impacting FY25 earnings

- Since the start of FY25, national hydro lake levels were near record lows for this time of year. Gas fired generation has been underutilised due to ongoing gas supply shortages. This, combined with low hydrology, has led to high short-term electricity and gas prices.
- The current market situation has negatively impacted Mercury's FY25 trading margin by $90m due to lower generation, higher retail gas costs and portfolio impacts.
    - $52m impact from lower generation: Hydro down 278GWh to 3,800GWh from a low starting lake level (-103GWh) and 6th percentile inflows from July to mid-August (-175GWh). We assume 50th percentile inflows from Sep-24.
    - $10m impact from higher retail gas costs: Most of our supply requirements are currently being sourced through short-term transactions at high prices reflecting thermal gas sales yields. This impact assumes we secure more long-term gas contracts at prices reflecting normal hydrology.
    - $28m impact from portfolio positions: Unfavourable short portfolio position in Q1-FY25 required buying electricity at high prices, this combined with an assumed full year trading activity loss of $16m is an exceptional event. We assume a return to normal portfolio position from Q2-FY25.

$820m

PY $877m

FY25 EBITDAF Guidance

STRATEGIC - HIGH QUALITY GENERATION PIPELINE.

Kaiwaikawe wind farm progressing through Pre-FID

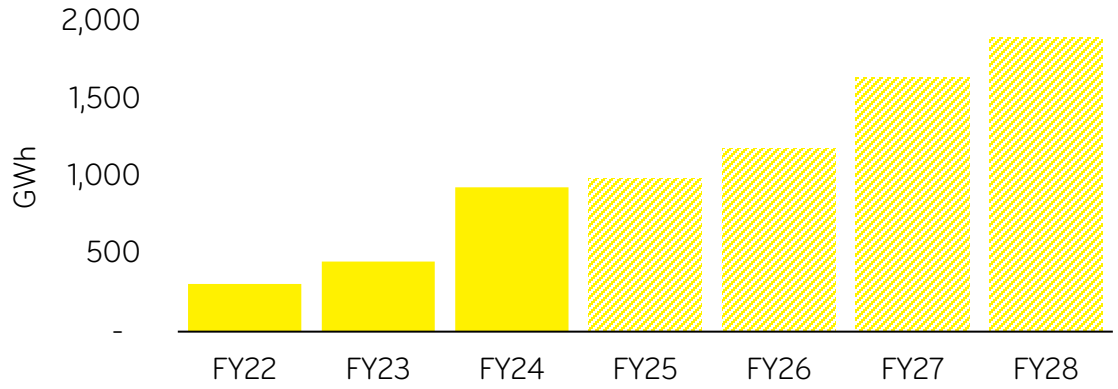
Project	Capacity (MW)	Generation (GWh pa)	Type & Location	Stage	Progress Comment
Ngā Tamariki OEC5	46	390 uplift	Geothermal near Reporoa	Construction	First generation late Cal-25
Kaiwera Downs II	155	525	Wind farm near Gore	Construction	First generation mid Cal-26 Full generation end of Cal-26
Kaiwaikawe	74	220	Wind farm near Dargaville	Pre-FID	FID anticipated in Cal-24
Beyond FY25					
Puketoi	228	1,080	Wind farm near Pahiatua	Feasibility & pre-reconsenting	Scheme optimisation and development work progressing
Mahinerangi 2	138	470	Wind farm near Dunedin	Feasibility & pre-reconsenting	Development work progressing
Wind farm west of Huntly	200-300	600-900	Wind farm near Huntly	Feasibility & pre-consenting	Signed core wind farm landowners and engaging other landowners to secure expanded site
Whakamaru BESS stage 1	150	2hr (300MWh)	BESS near Taupo	Feasibility & pre-consenting	Preliminary design, preparing consenting reports & application, stakeholder engagement. FID anticipated in FY26
Tararua repowering	60MW Uplift, to 221MW	270 uplift	Wind farm near Palmerston North	Feasibility & pre-consenting	Developing the repowering strategy. Project planned beyond 2030
Various other prospects	1500	~5,000	Various	Prospecting, feasibility	Includes onshore wind, solar, geothermal & BESS

Key messages

- Mercury recently commissioned two significant wind generation projects at a total cost of $565 million. This new supply was commissioned ahead of recent demand growth and represents 2.4% of total national FY24 demand
- Mercury is delivering more generation for New Zealand. We committed to two renewable projects, bringing our combined total FY24 commitment to new renewables to over $700 million. This new generation from Ngā Tamariki and Kaiwera Downs is now under construction and represents a further 2.3% of national FY24 demand
- Construction of Ngā Tamariki OEC5 geothermal expansion started in Apr-24. Construction of Kaiwera Downs stage 2 wind farm expansion started in Jun-24
- Two new projects have been added to the pipeline, a grid-scale battery at Whakamaru hydro station and a wind farm west of Huntly

STRATEGIC – OUR TRACK RECORD ON GENERATION DEVELOPMENT.

Total new and committed generation since FY22

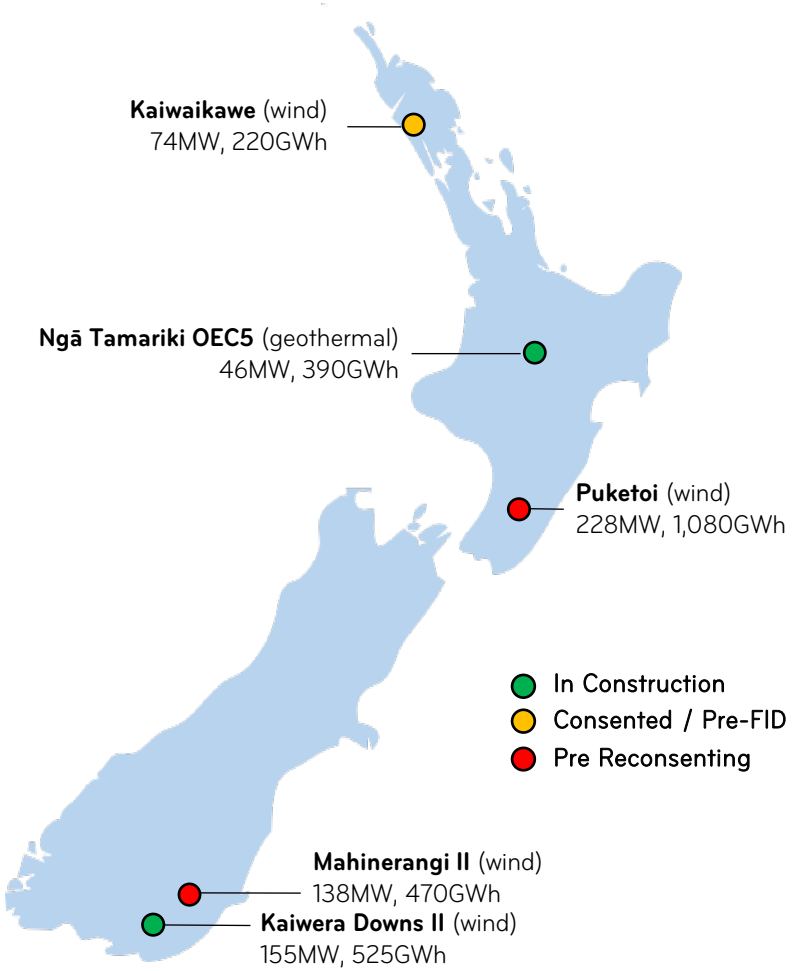


Turitea South wind farm fully operational in FY23, increasing annual generation on average by 370GWh

Kaiwera Downs stage 1 wind farm fully operational in HY24 increasing average annual generation by 147GWh. The project was on time and under budget

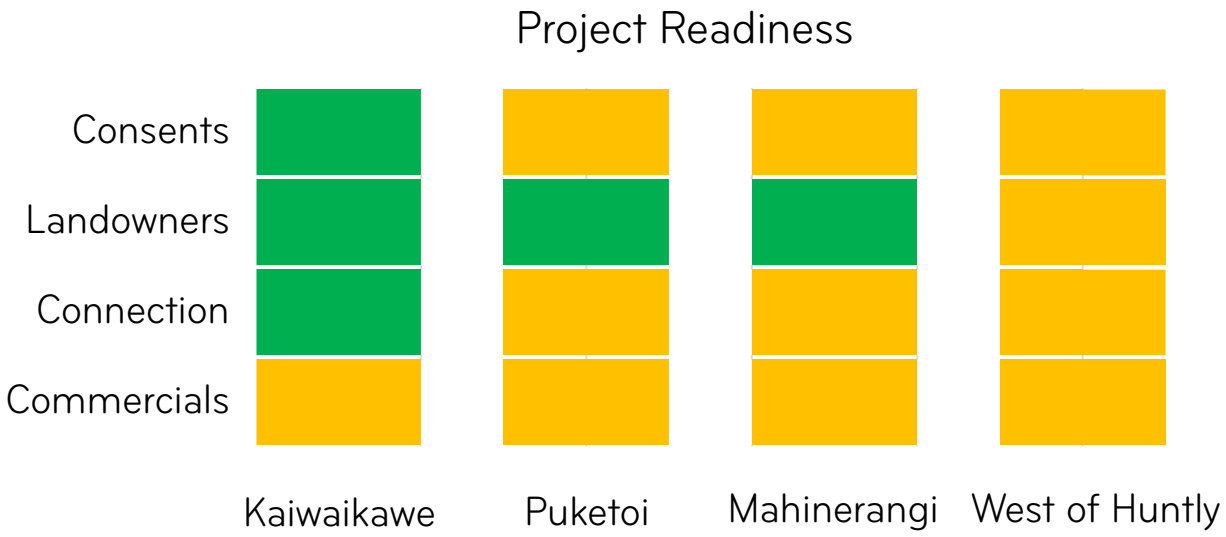
Committed to a 390GWh Ngā Tamariki geothermal expansion in Sep-2023 and 525GWh Kaiwera Downs stage 2 wind farm in Jun-2024

Projects under construction or consented



STRATEGIC – BIG FOUR WIND FARM OPTIONS PROGRESSING.

Progressing and optimising pipeline options



Key messages

- Kaiwaikawe: Delays due to changing wind turbine supplier, complexity connecting into a distribution network, protracted transmission landowner negotiations. FID is expected in late Cal-24
- Puketoi: Scheme optimisation progressing to improve commercials and de-risking delivery across the steep and challenging terrain. As a result, additional landowner agreements for turbine overhang and consent amendments are required. FID anticipated in Cal-26
- Mahinerangi 2: Changes to turbine technology and regulation are likely to result in consent amendments for transmission, tip height and renewal of construction consents. Connection application in the Transpower queue. FID anticipated in FY27
- Wind farm west of Huntly: Core landowners agreements signed. Negotiating with additional landowners for an expanded site. On site monitoring and consenting studies underway. FID anticipated in FY28

STRATEGIC – EXPANSION OF HIGH-QUALITY GEOTHERMAL GENERATION.

First generation expected late calendar 2025

Ngā Tamariki OEC5 under construction

Key messages

- Ngā Tamariki power station consists of four Ormat Energy Converter (OEC) units providing a net station capacity of 86MW. In September 2023, the $220 million OEC5 unit was committed and will increase site generation by 390GWh and net output by 46MW
- Foundations for the Air Cooled Condensers (ACCs) are complete and the 2,000 tonne delivery to site of steel structure and ACC bundles was completed on time in July
- Ormat site work is now focused on foundations for major equipment and buildings, services and erecting the ACC structure
- Project is currently on time and on budget. Ormat plus their civil and mechanical contractors have mobilised on site and working effectively and safely (over 100 consecutive safe days on site to date)

STRATEGIC – LEADING THE WAY IN THE CONSTRUCTION OF WIND GENERATION.

Commitment of Kaiwera Downs stage 2

Kaiwera Downs stage 2 earth works and blasting rock

Key messages

- New stage one wind farm generation completed at Kaiwera Downs on time and under budget in November 2023. Stage one is a ten turbine 43MW wind farm with annualised generation of 147GWh
- The success of the project provided a solid foundation for development and construction of Kaiwera Downs stage 2 wind farm
- Construction of Kaiwera Downs stage 2 commenced in June 2024, following the long-term supply agreement with NZAS. The agreement with NZAS will take effect from 1 January 2025 for a period of 20 years, with baseload volume stepping up from 50MW to 75MW in 2027
- Construction crews mobilised within one week of contract execution. Weather in Gore has been favourable for productive earth works

STRATEGIC – KAIWERA DOWNS IS A HIGH-QUALITY GENERATION INVESTMENT.

Stage 2 construction commenced in June 2024

Project Specification	Stage 2	Stage 1
Full Generation	Late Cal-2026	November 2023
WTG Supplier	Vestas	Vestas
O&M Contractor / Term	Vestas / 30 years	Vestas / 30 years
Turbines	36 x V136-4.3MW	10 x V136-4.3MW
Turbine Tip Height / Tower Height	156m / 88m	145m / 77m
Rotor Diameter	136m	136m
Total Capacity	155 MW	43 MW
Net Capacity Factor	38.7%	39.0%
P50 Yield	525 GWh pa	147 GWh pa
Capital Cost[1]	$486m	$112m
Sunk Costs	$5m	
Total Operating Costs[2] (First full year pa)	$17.3/MWh	$22.5/MWh
EBITDAF Impact (First FY)	$43m	$15m
LCOE[3] at Gore (real)	~$82/MWh	~$64/MWh

[1] Capital cost excludes capitalised interest and sunk costs
[2] Total operating costs include operating expenditure and direct costs
[3] Illustrative Levelised Cost of Electricity (LCOE) real at Gore based on an assumed 7% WACC

Key messages

- Kaiwera Downs stage 2 (KD2) wind farm is a long dated high quality generation development option located in the Gore District 11km east of Mataura
- Resource consents were originally granted in 2008, extended in 2018 and a final amendment was received in July 2023 to increase the turbine tip height for KD2
- The Long Run Marginal Cost (LRMC) of KD2 is ~$95/MWh (based on the LCOE of ~$82/MWh real at Gore). This LRMC can be compared with the average baseload firmed wholesale price at Gore. Selling above this price for the life of the project would be sufficient to return a positive net present value
- KD2 capital costs are relatively higher than KD1 due to higher civil costs (inflation), electrical works (substation and cabling) and foreign exchange impacts

STRATEGIC – INVESTING IN OUR HYDRO ASSETS.

Large programme of works planned on our hydro assets for the next decade

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	Capacity	Generation Upgrade	Scope	Cost
Aratiatia (3 Units)							Rehab														Lead In			Turbines				1 Unit sized for Flow 28MW, 2 x 30MW	~15GWh p.a	All Generators, Governors 2 x Turbine Refurb	~$49m
Ohakuri (4 Units)		Rehab													Lead In			Generators										+1-2MW Per Unit	~25GWh p.a	All Generators	~$85m
Atiamuri (4 Units)													Lead In				Rehab											+1-4MW Per Unit	tbc	All Turbines, Generators, Governors	~$130m
Whakamaru (4 Units)						Rehab																						+6MW Per Unit 4 x 31MW	~28GWh p.a	All Turbines, Generators, Governors	~$76m
Maraetai 1 (5 Units)												Lead In					Rehab											+5-8MW Per Unit	~32GWh p.a	All Turbines, Generators, Governors	~$180m
Maraetai 2 (5 Units)																	Lead In				Rehab										
Waipapa (3 Units)																					Lead In										
Arapuni (8 Units)		Generators 5-Aug																													
Karapiro (3 Units)				Class 4				Lead In				Rehab																+5MW Per Unit 3 x 37MW	~32GWh p.a	All Turbines, Generators, Governors	~$90m

Key messages

- Significant long-term investment to enhance our hydro capacity
- The Karāpiro project is ongoing with the second of three units due for completion in Sep-2024. The third unit will begin in Oct-2024 and the full project is scheduled for completion in Sep-2025. The overall project is expected to increase station capacity by 15MW and average generation by 32GWh per year

OPERATIONAL – GEOTHERMAL DRILLING RECOMMENCED.

Geothermal drilling underway with new drilling contractor

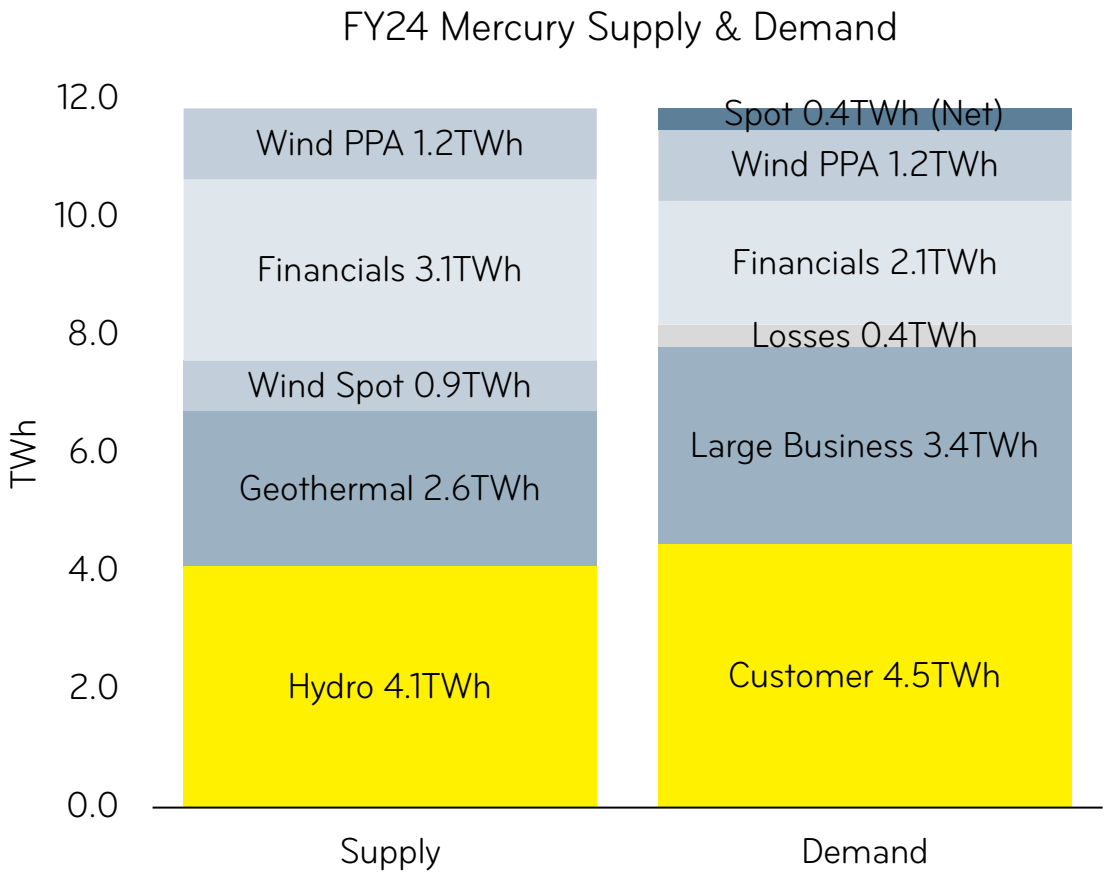
Kawerau drilling rig

Key messages

- The eight well geothermal drilling campaign commenced in Jun-2023 to sustain capacity of the Kawerau, Ngā Tamariki and Rotokawa fields, offsetting the natural decline of well performance
- Our geothermal drilling campaign experienced a 3-month delay in FY24 after we terminated our initial drilling services contract. We recommenced with a new drilling contractor in Apr-2024 and shifted from a single large 14-month campaign to smaller campaigns over the next two years
- We completed three wells out of eight in FY24 with a further three wells targeted for completion in FY25. The remaining two wells will be completed by the end of FY26
- To date $69 million has been invested in the campaign. A further ~$100 million is expected to complete the remaining five wells through to FY26 (Total cost ~$169m), up $9m from previous estimate

OPERATIONAL – PORTFOLIO MATCHING ACROSS MERCURY'S SUPPLY & DEMAND.

Renewable generation from hydro, geothermal & wind

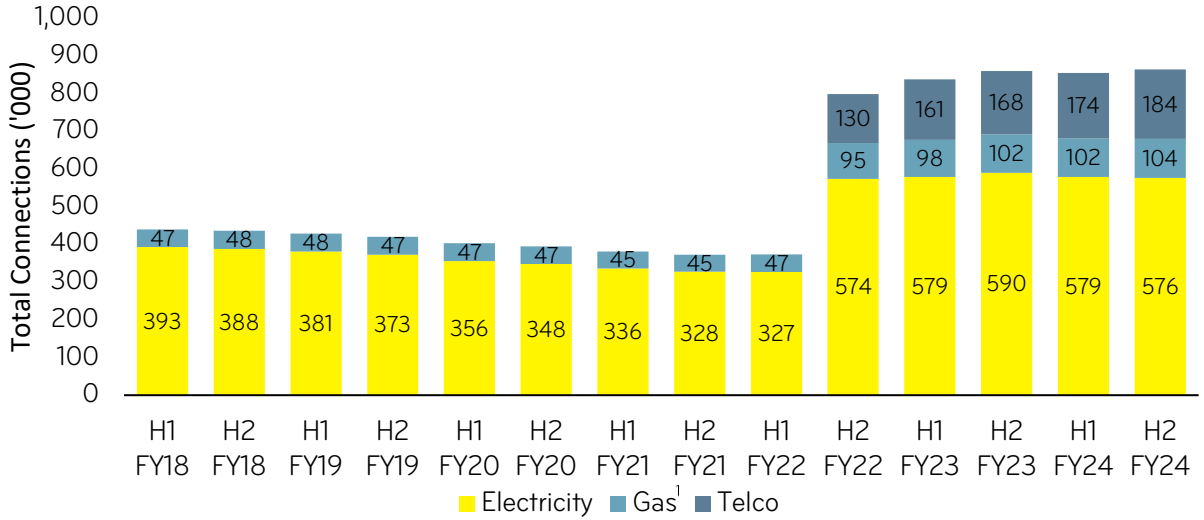


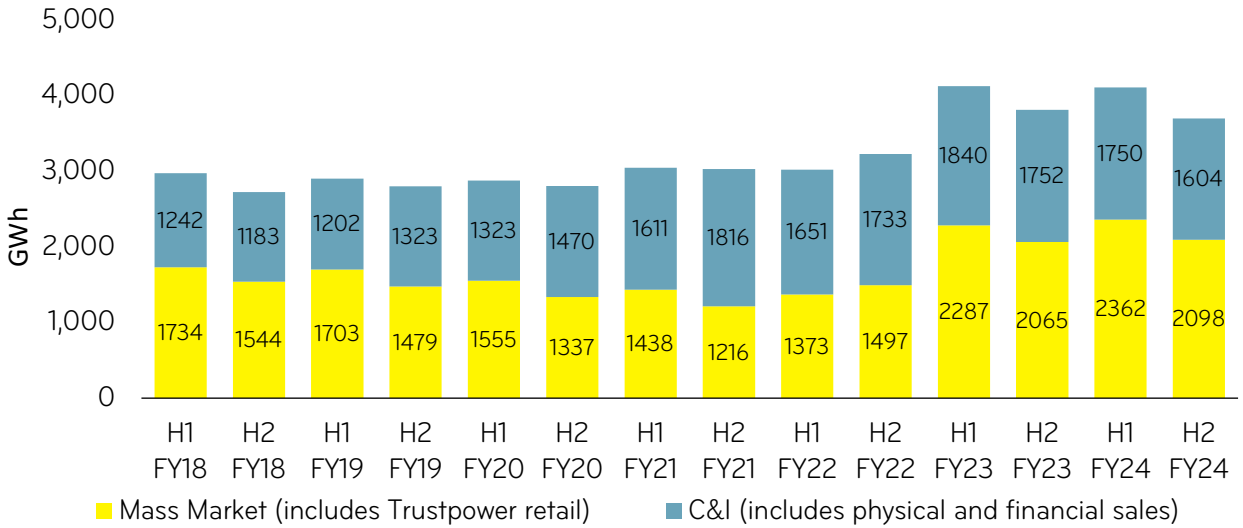
Key messages

- Produced 8.8TWh of diversified renewable generation from hydro (47%), geothermal (30%) and wind (23%)
- Wind generation of 2.1TWh was up 40% on the prior year with the addition of new generation from Turitea South and stage 1 of the Kaiwera Downs wind farm
- Majority of wind generation sold through PPA offtake agreements
- FY24 portfolio management and flexible hydro delivered a net long spot generation position in FY24 of 0.4TWh
- Mercury operates the portfolio with a strategically long generation position to minimise short-term hydrological impacts. The FY25 portfolio position to date has been partially short generation primarily because of low hydrological inflows in the Waikato catchment impacting hydro generation

OPERATIONAL – PLATFORM FOR CONNECTION GROWTH THROUGH INTEGRATION.

Total 864k connections across all products at full year





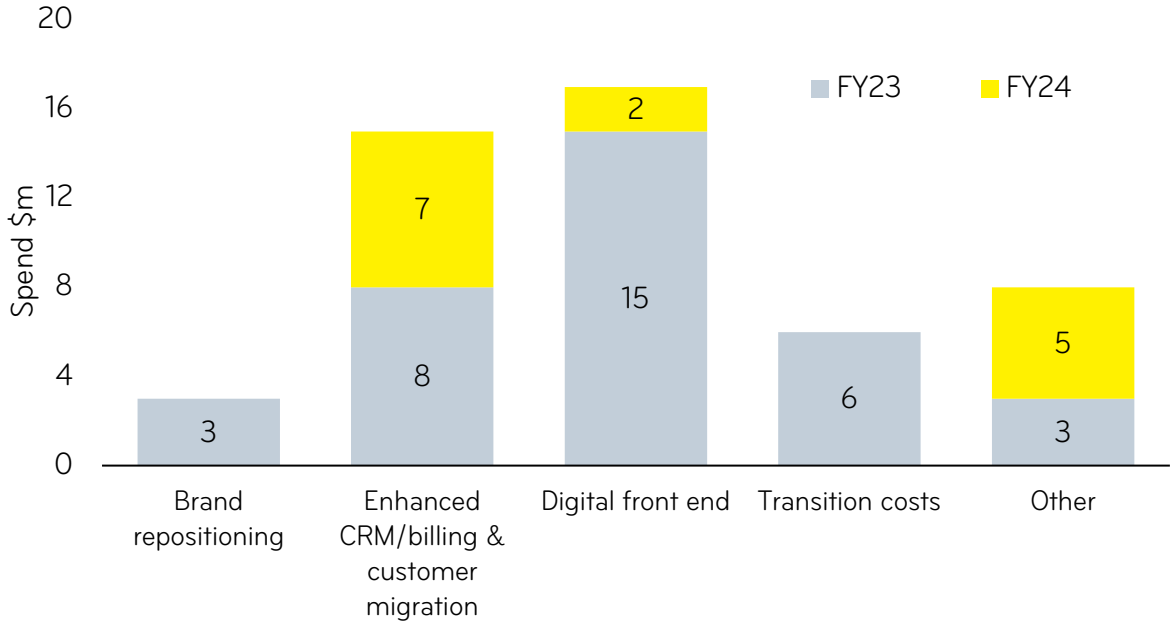
Key messages

- Retail integration has reshaped Mercury into a scaled multi-product utility retailer, creating a foundation for enhanced operating efficiencies and growth
- Electricity connections declined against PCP as we pulled back on acquisition to focus on customer migration. Cross-sell opportunities post integration saw Telco increase by 16k connections against PCP, whilst Gas grew by 2k connections
- Elevated forward curve pricing has seen strong contract renewal prices through FY24. C&I yields (including physical sales and end user CfDs) were $9/MWh higher relative to PCP as a result of contracts repricing due to a sustained higher electricity forward curve. Sales yields in the Mass Market segment were $9/MWh higher relative to PCP

[1] Gas includes both reticulated gas and LPG

OPERATIONAL – NEW ZEALAND'S LEADING MULTI-PRODUCT UTILITY.

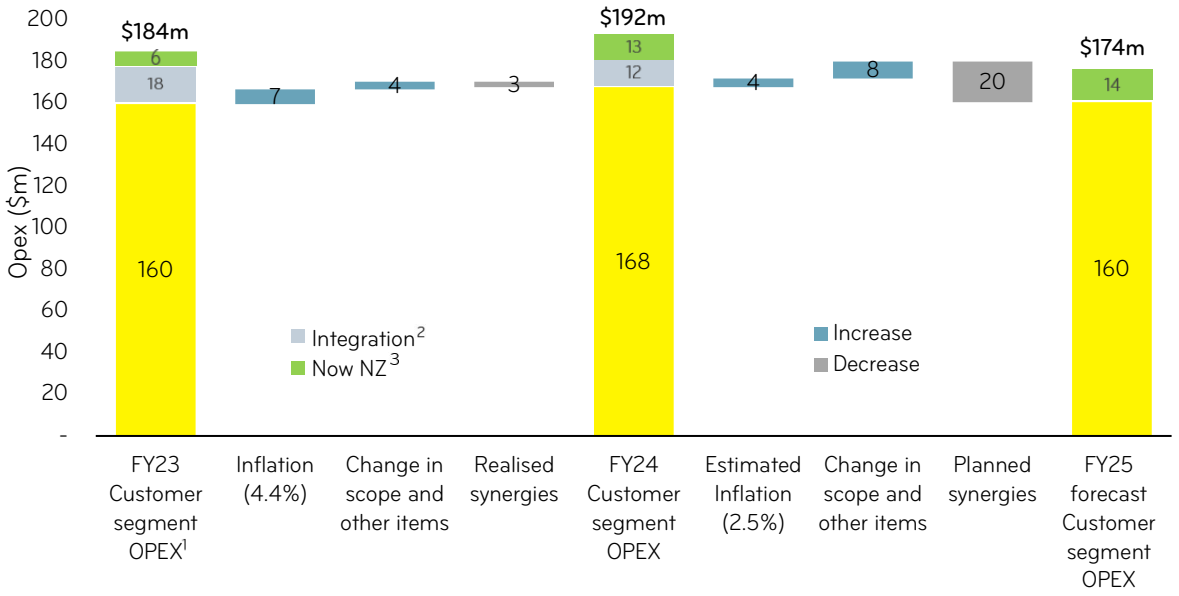
Integration of people, processes, and systems



Key messages

- Retail integration (people, processes, systems) was completed during the year, with the programme of work to migrate Mercury brand mass market customers to the Gentrack billing system delivered in HY24. We reduced our acquisition activity throughout HY24 to prioritise customer migration
- The integration programme was delivered on-time and on-budget. Programme spend was largely attributed to technology, brand repositioning, resource back-fill, and transition costs. Project costs included $30 million of operating expenditure and $19 million of capital expenditure
- The business is now focused on the delivery of the benefits of the merger, predominantly the considerable capability for product bundling and the delivery of synergies

OPERATIONAL – ON TRACK TO DELIVER INTEGRATION SYNERGIES.



Synergy forecast breakdown

$m	< FY24	FY24	FY25	FY26	Total
Gross Margin	-	2	2	-	4
Opex	12	3	20	6	41
Capex	-	-	1	2	3
TOTAL	**12**	**5**	**23**	**8**	**48**

Key messages

- $17 million of synergies delivered to date, of which $15 million are opex related
- Majority of the synergies expected to be realised in FY25. An incremental $20 million of forecast synergies relate to opex ($6 million technology and $14 million labour)
- We anticipate exceeding the $35 million synergies previously targeted, however inflationary pressures remain and these were excluded from the target
- Change in scope and other items refer to enterprise-wide internal technology projects and uplift in compliance related costs

[1] FY23 segment OPEX includes $12m of synergies as reported in the March Investor Day
[2] Segment OPEX normalised for Integration, which is $18m in FY23 and $12m in FY24
[3] Reserved for Segment OPEX normalised for Now NZ, which is $6m in FY23 for a part year and $13m in FY24 for a full year

CHIEF EXECUTIVE APPOINTMENT.

Succession planning enables a seamless CE transition

Key messages

- Vince Hawksworth developed a strategic executive leadership team, providing a strong platform for a seamless Chief Executive transition to Stew Hamilton
- Stew has been responsible for the management, operation and maintenance of Mercury's hydro, geothermal and wind assets. He is also responsible for health, safety and wellbeing performance at an enterprise level. Before joining Mercury, Stew was the Chief Executive and General Manager at New Zealand Aluminium Smelters Ltd
- Stew brings a proven track record of success in leading large, complex businesses in New Zealand and internationally. He has delivered strong business value while building enduring partnerships and driving health and safety performance

ENVIRONMENTAL, SOCIAL AND GOVERNANCE – KEY ACTIVITY.

Taking a collaborative approach to improve resilience

Environmental

Natural Environment
Evolving our approach to how we restore nature

Key Suppliers
Working in effective teams with our suppliers

Climate Disclosures
FY24 to be our second report against New Zealand Climate Standards

Social

Customer Care
Meaningful support for those experiencing hardship

Iwi Relationships
Collaborative long-term approach

Community Engagement
Crafting quality engagement to build our social licence to operate

Governance

Appointments
Made to complement Board's collective capabilities

Remuneration
Principles are long term, performance based and simple

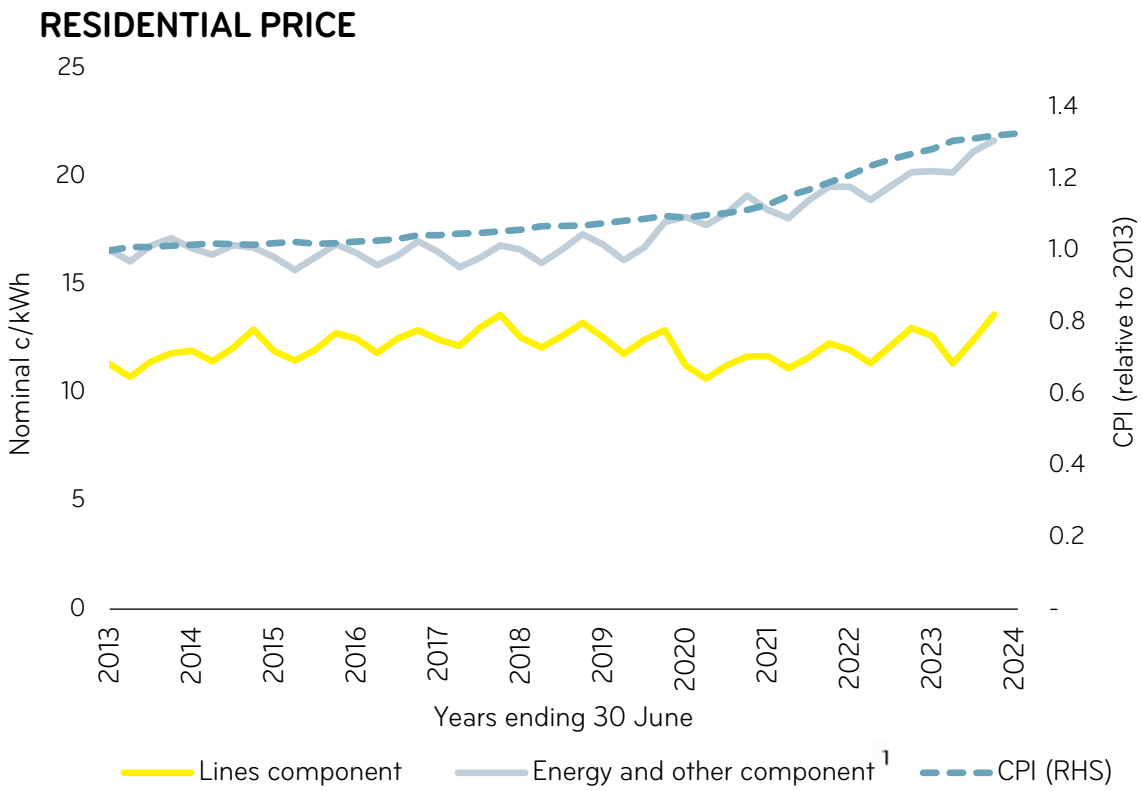
Succession Plan
Aligned with long term activities

Key messages

- Mercury continues to provide wraparound support for customers experiencing hardship, including developing innovative solutions that address the broader challenges related to affordability
- We're proud of the meaningful impact our early intervention efforts and close community partnerships are having. Year-on-year, our post-pay disconnections were down 76% (to 299 total, or 0.03%) as a result of the intervention and support of our team and partners
- Among other initiatives, we also continue to provide significant commercial support to social retailers, Nau Mai Rā and Toast Electric, to further help whanāu in need
- We are contributing to sector initiatives and working with community and non-governmental organisations to provide a suite of support for those in hardship

COLLECTIVE ACTION REQUIRED TO ELECTRIFY NZ.

Residential electricity prices tracked lower than inflation



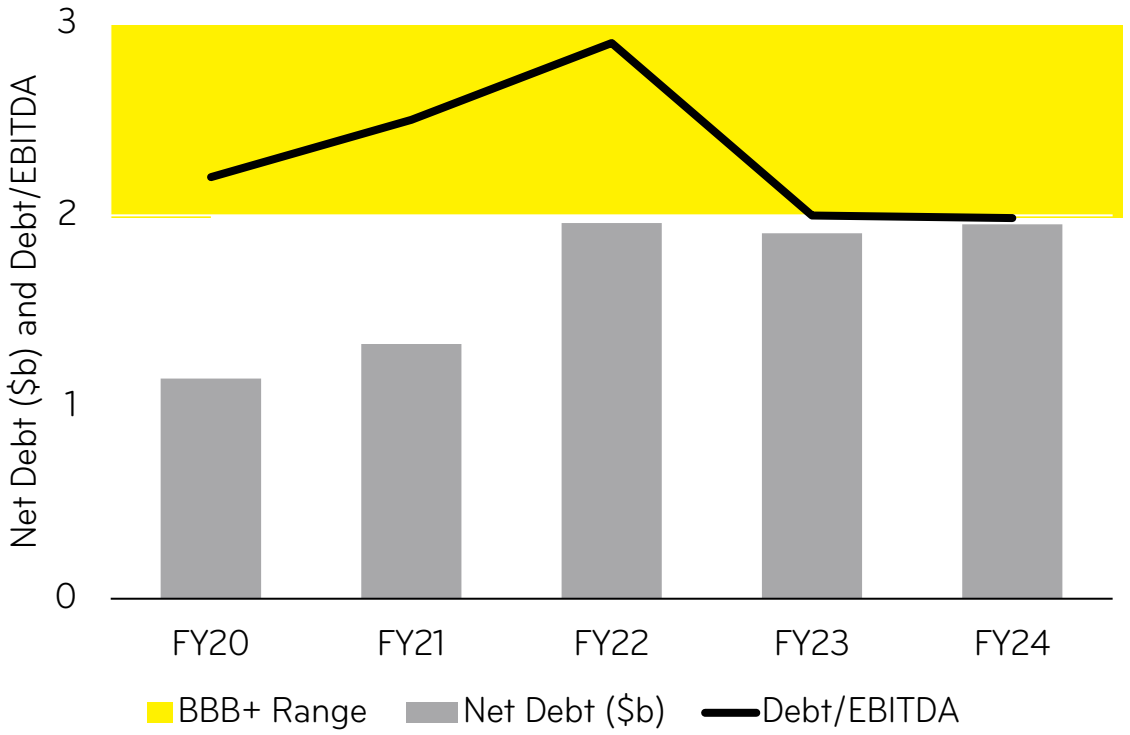
[1] Excludes Energy and other component for quarter ending June 2024 as data was unavailable at the time of publishing

Key messages

- Sector has done a good job managing costs to consumers. Total residential electricity price has tracked at lower than inflation
- Current fuel shortages (gas and hydro) leading to high wholesale spot and futures pricing, 98% of our sales volumes to customers are insulated from these currently
- Thermal peaking has a key role in supporting a pathway with the fastest and most significant emissions reductions across the economy. To help facilitate this transition, Mercury has supported the ongoing operating of Huntly power station with purchases through the Market Security and Huntly Firming Options (HFO)
- Key focus needs to be addressing gas supply challenges and providing investment certainty
- Any intervention in response to current fuel shortages needs to support broader electrification goals
- A whole-of-system view is essential when thinking about solutions

FINANCIAL – STRONG BALANCE SHEET SUPPORTS FURTHER INVESTMENT.

Forecast Debt/EBITDA provides platform for growth



Key messages

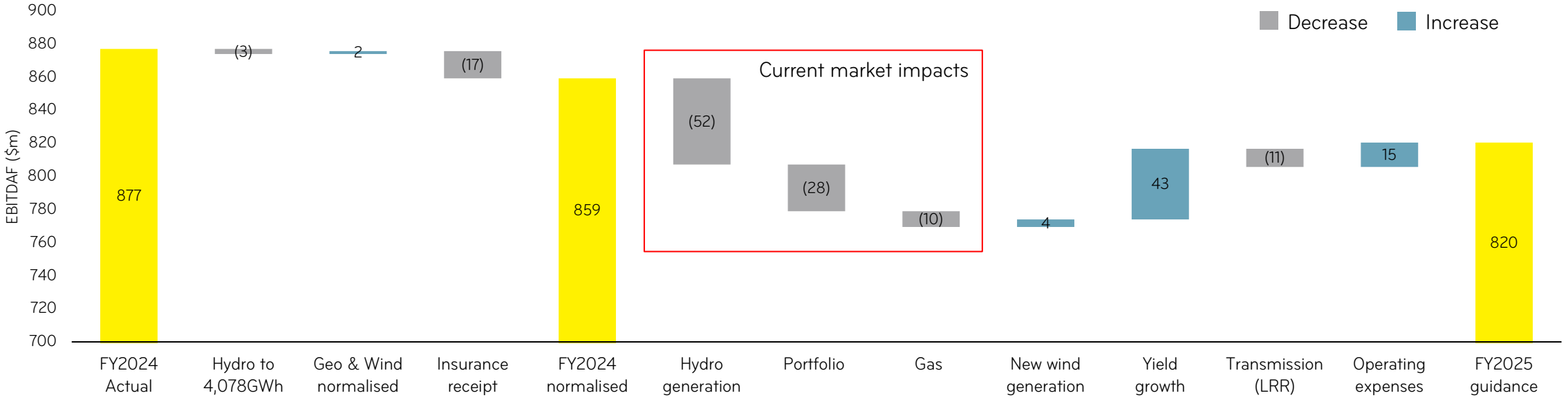
- Mercury targets Debt/EBITDA between 2x-3x after adjusting for S&P Global treatment, consistent with our BBB+ rating
- Debt/EBITDA[1] at 2.0x for FY24, consistent with FY23 and well positioned to support further investment
- S&P Global re-affirmed Mercury's credit rating of BBB+/stable in December 2023
- Diversified funding sources: commercial paper, bank facilities, domestic wholesale bonds, retail bonds, AUD wholesale bonds, USPP and capital bonds
- $300m Capital Bond (MCY020) redeemed and $350m Capital Bond (MCY070) issued in Jul-2024

[1] Adjusted for actual / expected S&P Global treatment, based on FY24 EBITDA guidance

FINANCIAL – FY25 GUIDANCE.

FY25 EBITDAF guidance of **$820m** on 3,800GWh of hydro generation subject to hydrological volatility, wholesale market conditions and any material adverse events, significant one-off expenses or other unforeseeable circumstances

- FY25 ordinary dividend guidance 24.0cps (up 3% on FY24)
- FY25 SIB capital expenditure guidance of $160m reflects the geothermal drilling and hydro rehab projects. Long term SIB capital expenditure expected to be $150m with the ongoing geothermal drilling and hydro rehab programmes



- Geo and Wind normalised: for average production and no major shuts
- Hydro generation 278GWh lower because of low starting lake level and inflows
- Portfolio impacted by net position during Q1 FY25 and assumes $16m of trading losses
- Gas margin impacted by higher gas purchase costs
- New wind: full year of Kaiwera Downs I
- Yield growth in Mass Market, C&I and Telco
- Transmission mainly loss rental rebates reverting to normal
- Operating expenses: retail integrations brings operating expenses down

SUMMARY – KEY MESSAGES.

FY24 Summary

- Construction of the 390GWh Ngā Tamariki geothermal station began in Apr-24, and the 525GWh Kaiwera Downs wind farm expansion started in Jun-24
- The 147GWh p.a. Kaiwera Downs stage 1 wind farm was completed on time and under budget in Nov-23
- A long-term supply agreement with NZAS was signed, providing market certainty and supporting our high-quality generation development pipeline
- Geothermal drilling operations recommenced with a new contractor in Apr-24 after a three-month delay due to the termination of the initial drilling services contract
- Higher operating expenditure from inflation, full period of NOW operations, new wind generation, enhanced maintenance capability and insurance
- Retail integration programme completed and is expected to exceed synergies previously targeted, however inflationary pressures remain

FY25 Summary

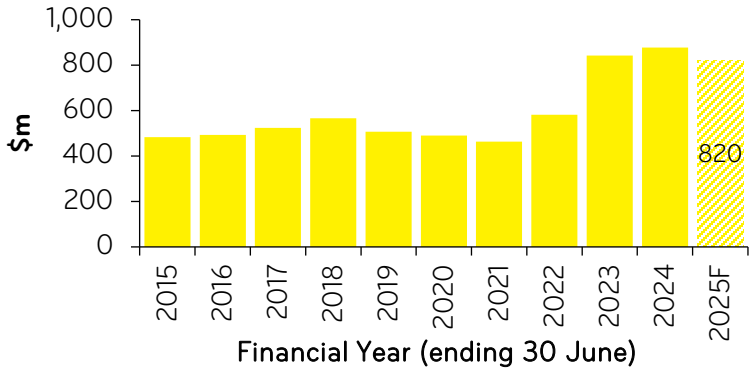
- Continued investment in the construction of the Ngā Tamariki geothermal and Kaiwera Downs wind farm expansions
- Anticipated FID for the 220GWh Kaiwaikawe wind farm in late Cal-24
- Current market situation has unfavourably impacted FY25 trading margin by $90m, with $52m attributed to reduced short term hydro generation
- FY25 ordinary dividend guidance of 24.0cps (up 3% on FY24). This will be the 17th consecutive year of ordinary dividend growth
- FY25 EBITDAF guidance of $820 million on 3,800GWh of hydro generation subject to hydrological conditions and any material adverse event or unforeseeable circumstances
- FY25 stay-in-business capital expenditure guidance of $160m reflects the ongoing geothermal drilling and hydro rehabilitation projects

Q&A

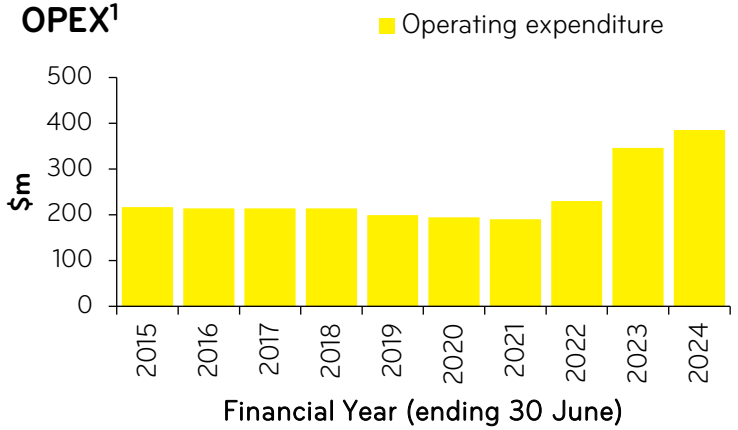
Whakamaru Hydro Dam

MERCURY'S LONG TERM TRACK RECORD.

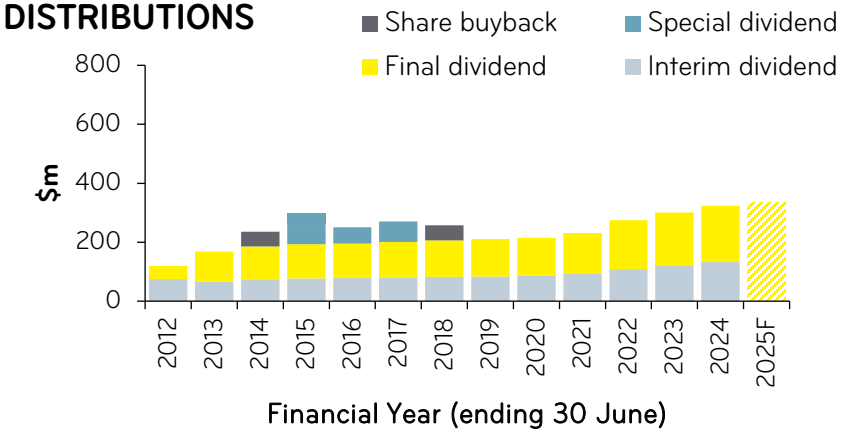
EBITDAF



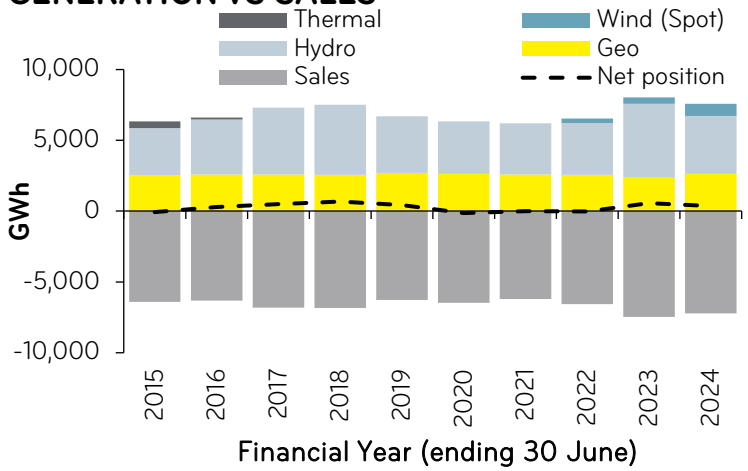
OPEX[1]



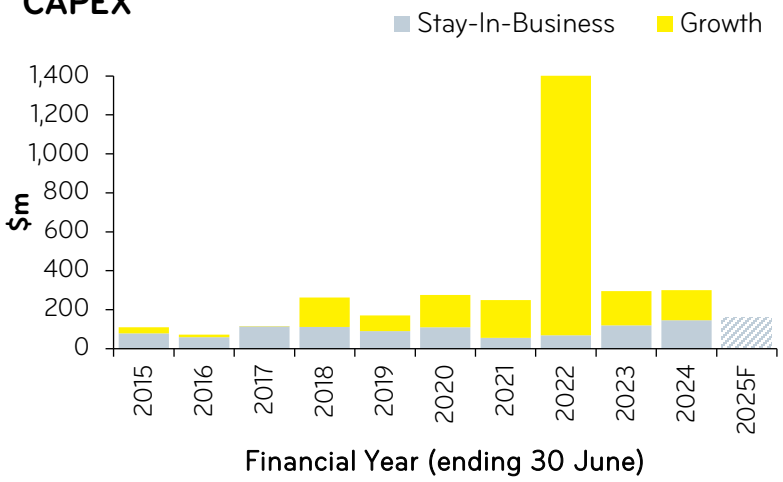
DISTRIBUTIONS



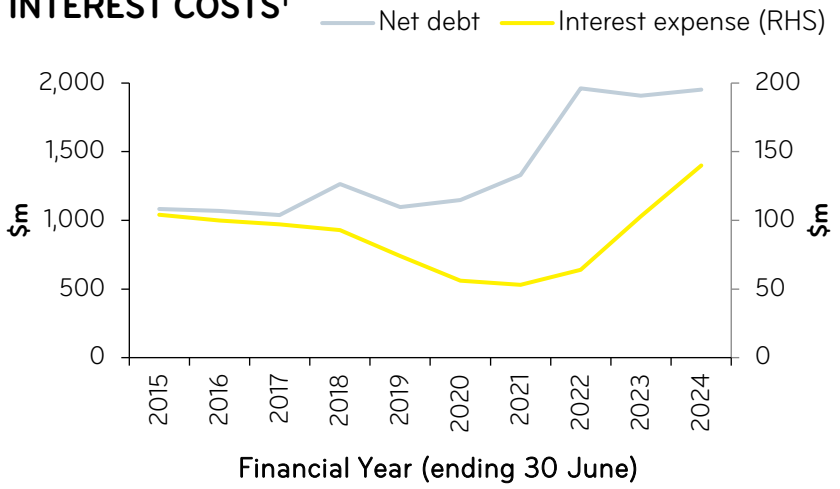
GENERATION VS SALES[1]



CAPEX



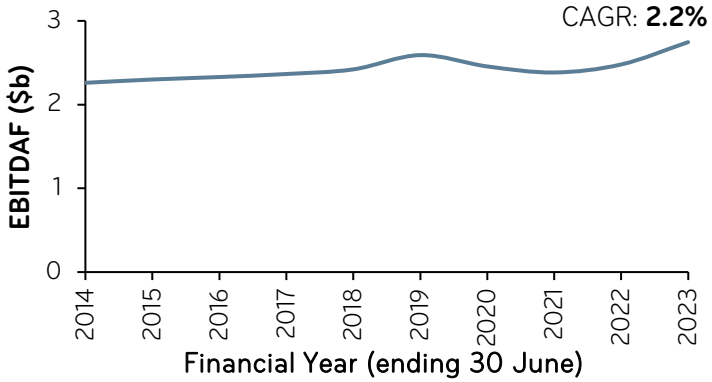
INTEREST COSTS[1]



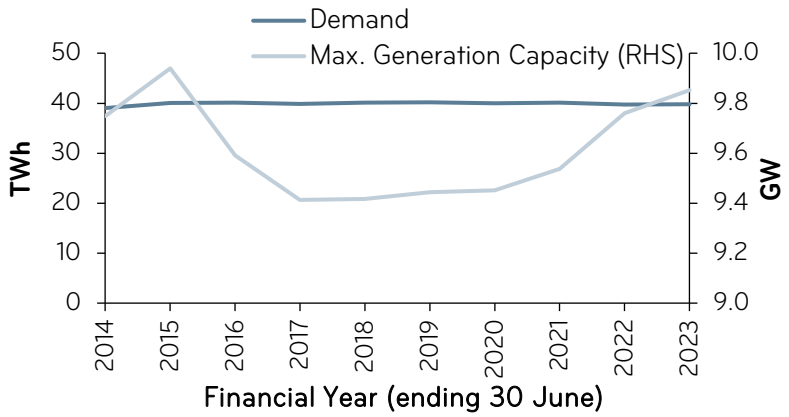
[1] FY25F figures not available as Mercury does not give guidance for Opex, Generation, Sales or Interest Costs

LONG TERM INDUSTRY TRENDS.

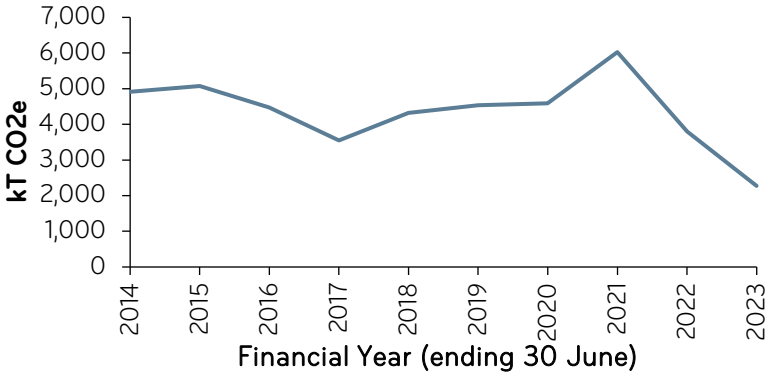
SECTOR EARNINGS



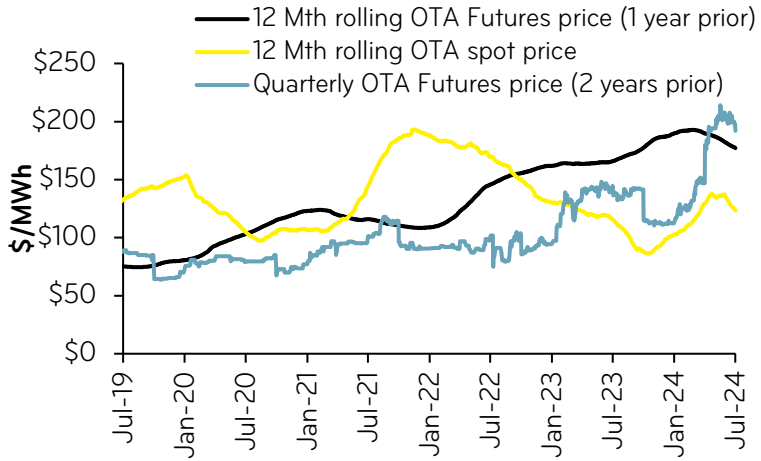
DEMAND AND GENERATION CAPACITY



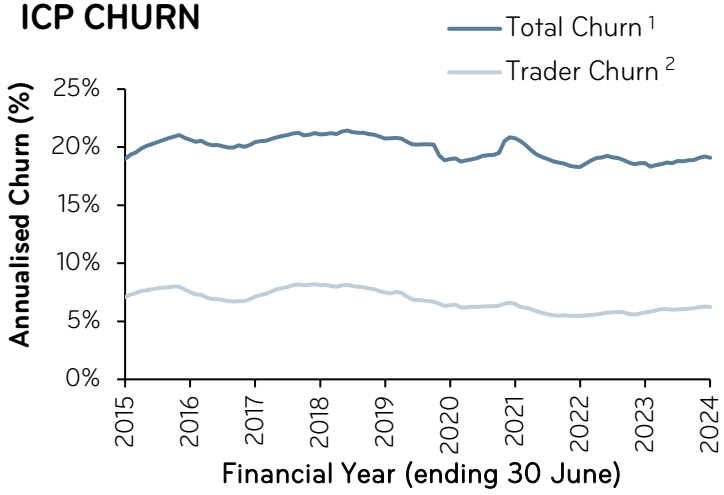
CARBON EMISSIONS



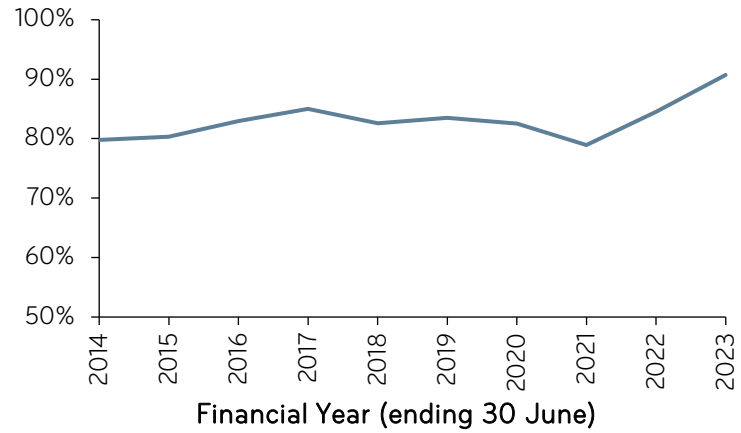
FUTURES VS SPOT PRICES



ICP CHURN



RENEWABLES PROPORTION



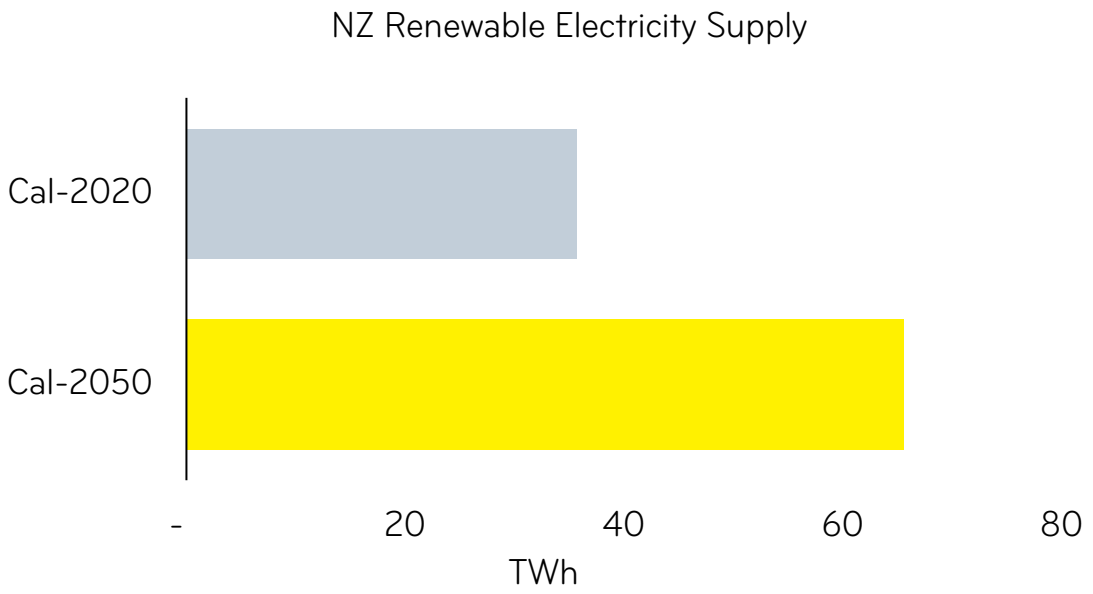
Source: Company reports, TPIX, MBIE, Pricing Manager (NZX), Electricity Authority

[1] Includes trader churn and premise churn – switches caused by customers moving house

[2] Switches where a customer changes retailer without changing residence

THE ELECTRIFICATION OPPORTUNITY IS SIGNIFICANT.

Renewable electricity supply to increase 30TWh by 2050



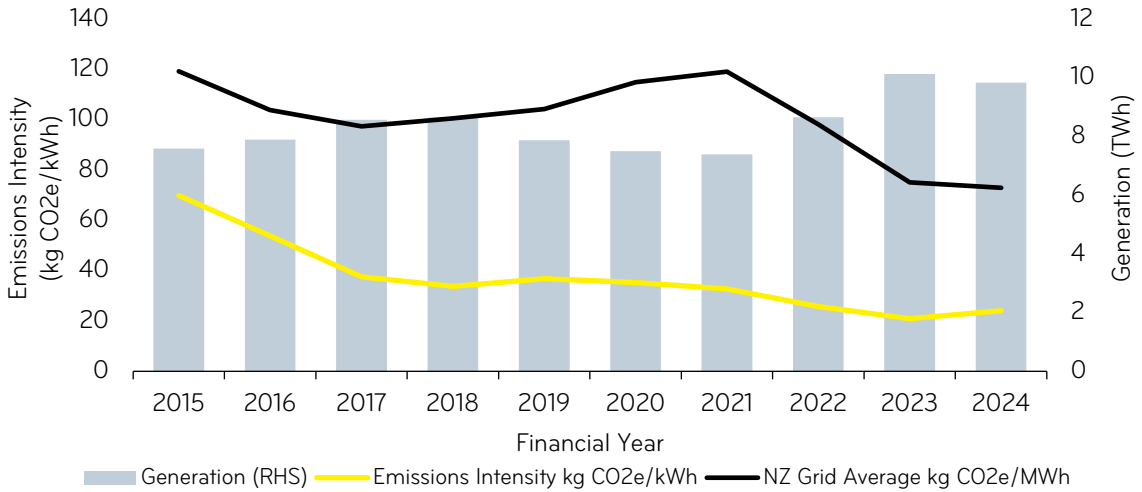
Key messages

- The 2050 energy transition will require a further 30TWh of renewable electricity in New Zealand, a significant uplift from the current base of 36TWh[1]
- Renewable electricity to account for 58% of New Zealand's total energy demand in 2050
- Global regulators are accelerating the energy transition, growing demand and boosting the need for investment
- Market signals in New Zealand are supportive of new generation development

[1]Refer to the Boston Consulting Group Report 'Climate Change in New Zealand: The Future is Electric' published October 2022

TAKING ACTION TO REDUCE OUR EMISSIONS.

Our targets drive our emissions reduction actions



	2030 Target	2040 Target
Scope 1	Target Year: FY2030 70% reduction in emissions intensity (in kgCO2e/kWh) from 2022 base year	Target Year: FY2040 70% reduction in emissions intensity (in kgCO2e/kWh) from 2022 base year
Scope 2	Target Year: FY2030 42% absolute reduction from 2022 base year	Target Year: FY2040 90% absolute reduction from 2022 base year
Scope 3 – Use of Sold Products (Natural Gas Sales)	Target Year: FY2030 42% absolute reduction from 2022 base year	Target Year: FY2040 90% absolute reduction from 2022 base year

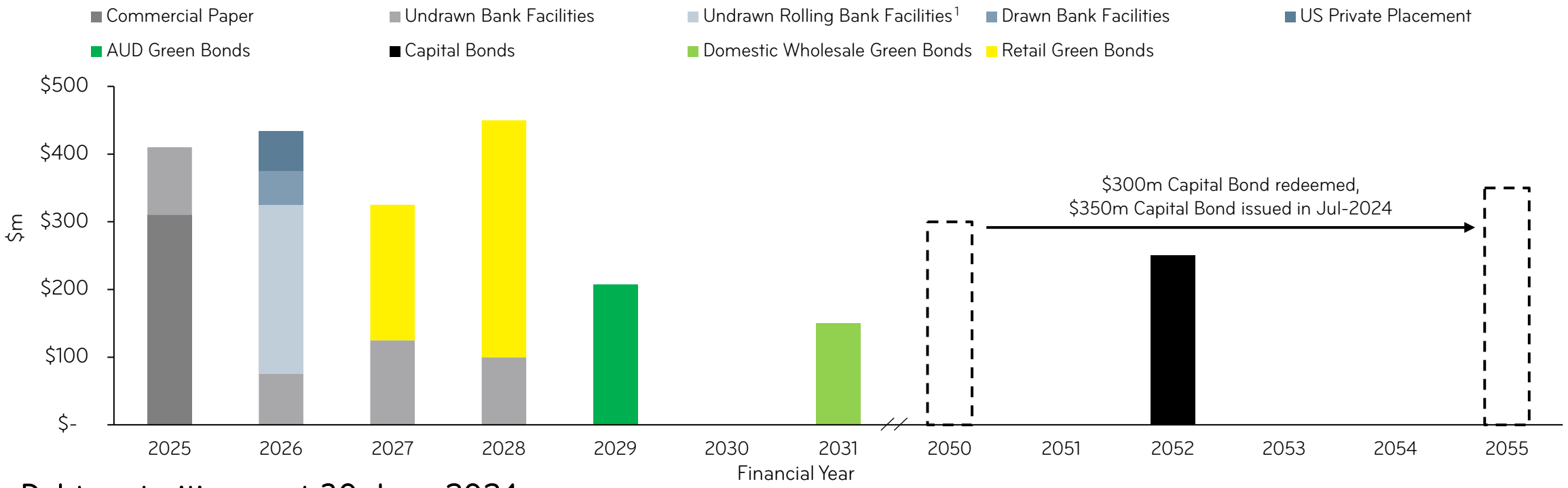
Note: These targets are subject to change through the validation process with SBTi.

Key messages

- We are progressing actions to reduce our emissions, to support our Science Based Targets Initiative (SBTi) targets
- Key projects we are resourcing to achieve the targeted emissions are focusing on reinjection of our geothermal emissions, new renewable generation development and helping our customers to reduce their emissions from gas (captured in our Climate Statement and Climate Action Plan)
- We have published in the annual report our mandatory Climate Statement[1] and our Greenhouse Gas Inventory Report – both have been independently assured. We have also published our Climate Action Plan that describes the measures and targets that we have set and the actions we are taking to reduce emissions.
- Our 2030 and 2040 company wide emissions reduction targets have been developed in accordance with SBTi guidance to help drive internal decision making on carbon emissions

[1] In accordance with the NZ Government's new Aotearoa NZ Climate Standards

FINANCIAL – DIVERSIFIED FUNDING PROFILE.

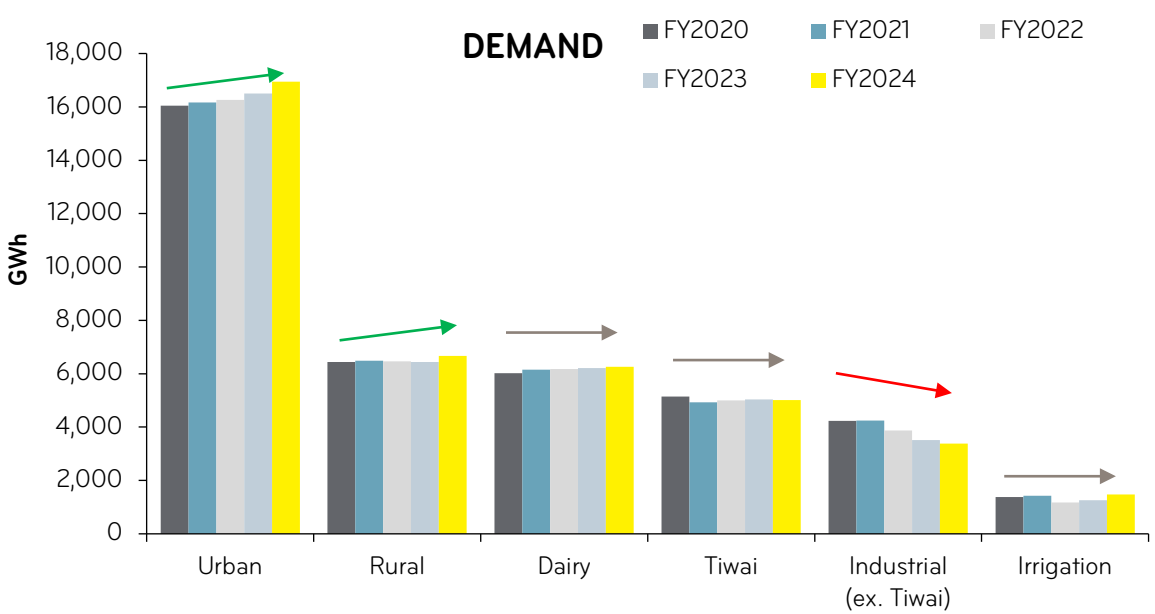


Debt maturities as at 30 June 2024

- Diversified funding sources: commercial paper, bank facilities, domestic wholesale bonds, retail bonds, AUD wholesale bonds, USPP and capital bonds

[1] Requires 18 months notice of termination from lender

HIGHER NATIONAL DEMAND DESPITE INDUSTRIAL SECTOR HEADWINDS.



FY24 NORMALISED DEMAND GROWTH BY SECTOR

Sector	GWh	Sector %△	Total %△
Urban[1]	+68	0.4%	0.2%
Rural[1]	+162	2.5%	0.4%
Dairy processing	+37	0.6%	0.1%
Industrial	-187	(2.2)%	(0.5)%
Irrigation	+218	17.4%	0.5%
Other	+48	6.7%	0.1%
Total	**+346**		**0.9%**

Source: Transpower SCADA data, Mercury.

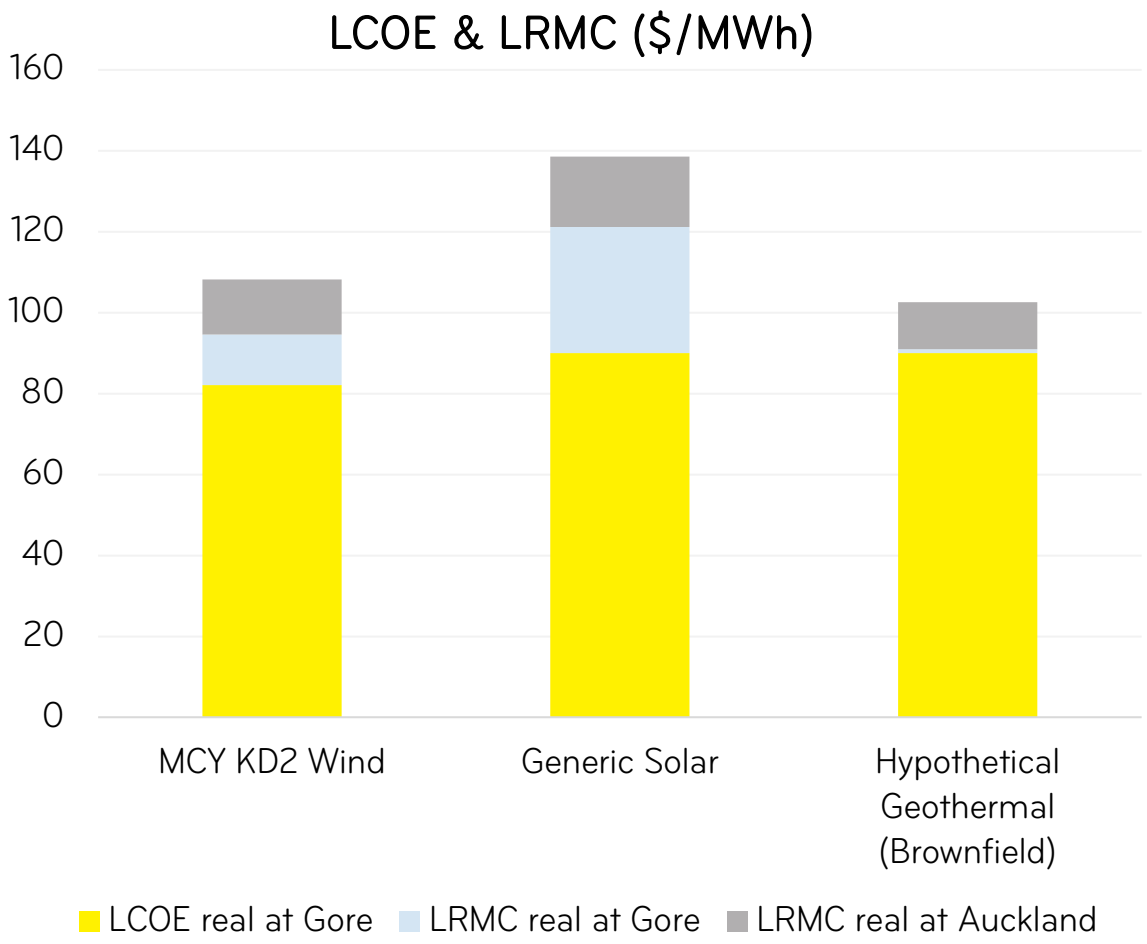
Key messages

- National demand up 0.9%[1] (unadjusted 2.1%) versus FY23, with irrigation-linked sectors leading growth
- Urban sector demand also showed steady growth
- Industrial demand down in FY23 and FY24 due to Pan Pac mill outage following damage from Cyclone Gabrielle
- FY25 demand will be impacted by Tiwai demand response option exercise
- Sustained growth in electricity demand is anticipated, driven by the electrification of homes, transportation, and industrial sectors, alongside the expansion of data centres

[1] Normalised for temperature and number of days

STRATEGIC - KAIWERA DOWNS IS A HIGH-QUALITY GENERATION INVESTMENT.

KD2 wind LCOE & LRMC relative to other technologies



Key messages

- LCOE and LRMC ($/MWh) information for generation projects can be difficult to interpret and benchmark across technologies and locations
- Our preferred benchmark is LRMC Real at Auckland. This can be benchmarked against a long-term wholesale price and any generation project across NZ at Auckland
- The chart highlights how LRMCs can differ materially across technologies even if developed at the same location
- LCOE real at Gore refers to the required year 1 average revenue ($/MWh) to achieve WACC return, this considers long term inflation
- LRMC real at Gore refers to the required year 1 average spot price to achieve WACC return. This considers GWAP/TWAP profile over time
- LRMC real at Auckland reflects the location factor adjustment to scale the Gore grid price to Auckland

ACCOUNTING IMPACTS – ACQUIRED ELECTRICITY SWAPS.

Three CfDs acquired with material value

$m	Day 1	FY2023	FY2024
Manawa			
Asset (B/S)	488	219	357
Change in fair value (P&L)		(225)	138
Waipipi			
Liability (B/S)	(43)	(38)	(81)
Change in fair value (P&L)		(10)	(43)

Key messages

Transactions involved acquisition of electricity swaps (in FY2022):

- Manawa: as part of the acquisition of the Trustpower retail business, Mercury acquired a CFD with Manawa with a day 1 value of $488m
- Waipipi: as part of the acquisition of the Tilt NZ assets, Mercury acquired a CFD (Waipipi windfarm) with a day 1 value of $43m liability

Accounting treatment:

- Swaps are measured at fair value at period end, and (unrealised) changes in fair value are recognised through P&L, below EBITDAF
- Value unwinds across term of contract e.g. for a derivative asset this is a reduction in revenue (see table) and non-cash
- These CFDs cannot be hedge accounted due to variable volumes or ASX linked resetting prices
- Settlements (realised gains/losses) are recognised in changes in fair value in the Income Statement, and are included in EBITDAF
- The 30 June 2023 Waipipi PPA value has been restated

ELECTRICITY DERIVATIVES.

Trading margin contribution

$m	12 months ended 30 June 2024	12 months ended 30 June 2023
Sell CFDs	(141)	125
Buy CFDs	210	(56)
Other electricity derivatives	15	(8)
Total	84	61

Key messages

Other electricity derivatives:

- Includes gains and losses on electricity trading (NZ electricity futures), Financial Transmission Rights, options and associated premiums, and impact of futures positions novated from futures (ASX) to CFD
- Excludes financial PPAs (included in Generation revenue)

NON-GAAP MEASURES.

- EBITDAF (or Operating Earnings) is earnings before net interest expense, tax expense, depreciation, amortisation, change in the fair value of financial instruments, gain on sale and impairments
- Energy Margin is sales from electricity generation and sales of electricity and gas to customers and derivatives, less energy costs, line charges, other direct costs of sales, and third-party metering
- Growth Investment is expenditure incurred by the company to create new assets and revenue
- Net Debt is carrying value of loans less fair value adjustments and cash and cash equivalents
- Operating Expenditure represents employee compensation and benefits, maintenance expenses and other expenses
- Stay-In-Business Capital Expenditure is the capital expenditure incurred by the company to maintain its assets in good working order
- Telco Margin is mobile and broadband sales to customers less direct costs of those sales including last mile charges
- Trading Margin is Energy Margin plus Telco Margin