FINANCIAL RESULTS.

YEAR ENDED 30 JUNE 2022

VINCE HAWKSWORTH
Chief Executive

WILLIAM MEEK
Chief Financial Officer

16 August 2022

Mercury

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FY22 – A YEAR OF TRANSFORMATIVE CHANGE SUPPORTS PERFORMANCE

TILT NZ'S OPERATIONS INTEGRATED

INFINZ 2022 M&A transaction of the year. 5 wind farms acquired, generating 961GWh in FY22. NZ windfarm prospects progressing.

TURITEA NTH COMPLETE

All 33 turbines at Turitea North complete, generating 308GWh in FY22; Southern section completion mid-23. Mercury NZ's largest wind generator.[1]

TRUSTPOWER RETAIL

Successful Trustpower retail transition; Connection growth steady. Integration progressing. Synergy targets confirmed.

$581m EBITDAF

Up $118m vs FY21, bolstered by new wind generation, higher prices and Thrive.

STORAGE MANAGED

3rd consecutive year of drier hydro conditions in the Waikato, 3,662GWh generated. Storage high at start of FY23.

THRIVE

Evolving our culture, the way we work and developing a mindset of continuous improvement delivers $47m EBITDAF lift in FY22

FY23 GUIDANCE

Headline EBITDAF guidance of $580m after net unwind of acquired derivatives ($176m).[2] Excluding unwind, EBITDAF guided at $756m.

DIVIDENDS LIFT

12cps final dividend declared, 18% up versus FY21. DRP offered at 2% discount. FY23 ordinary dividend guidance of 21.8cps (up 9%).

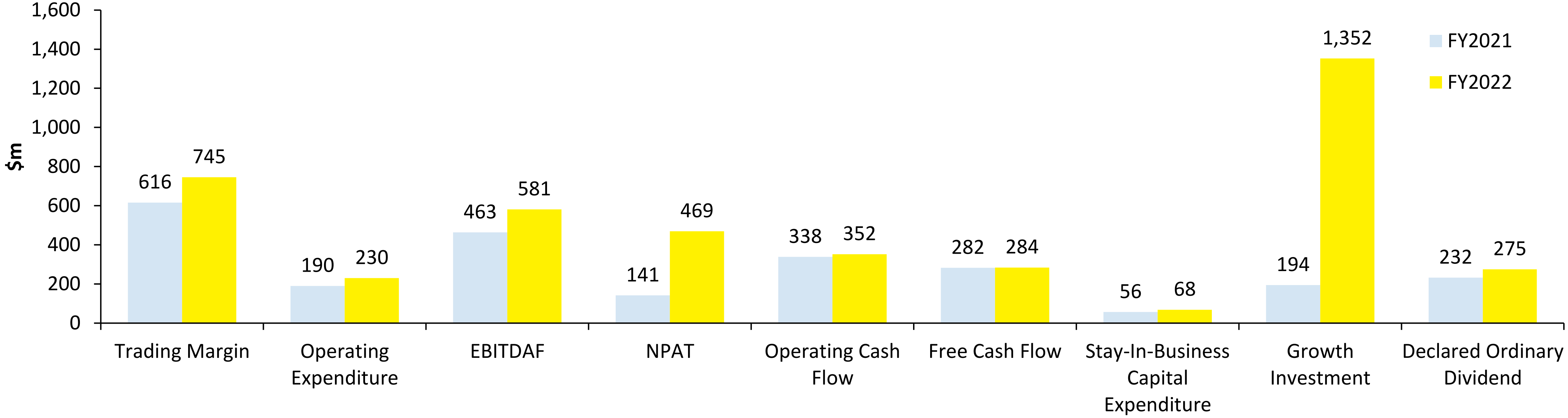
CAPITAL MANAGEMENT

INFINZ 2022 Treasury excellence award for capital management. Balance sheet funds acquisitions with headroom for growth.

[1] Based on normalised annual wind generation in NZ

[2] Derivative fair values recognised on acquisition relating to transactions with Norske Skog, Tilt and Trustpower transactions unwind (non-cash) through revenue (see Slide 31)

FINANCIAL PERFORMANCE

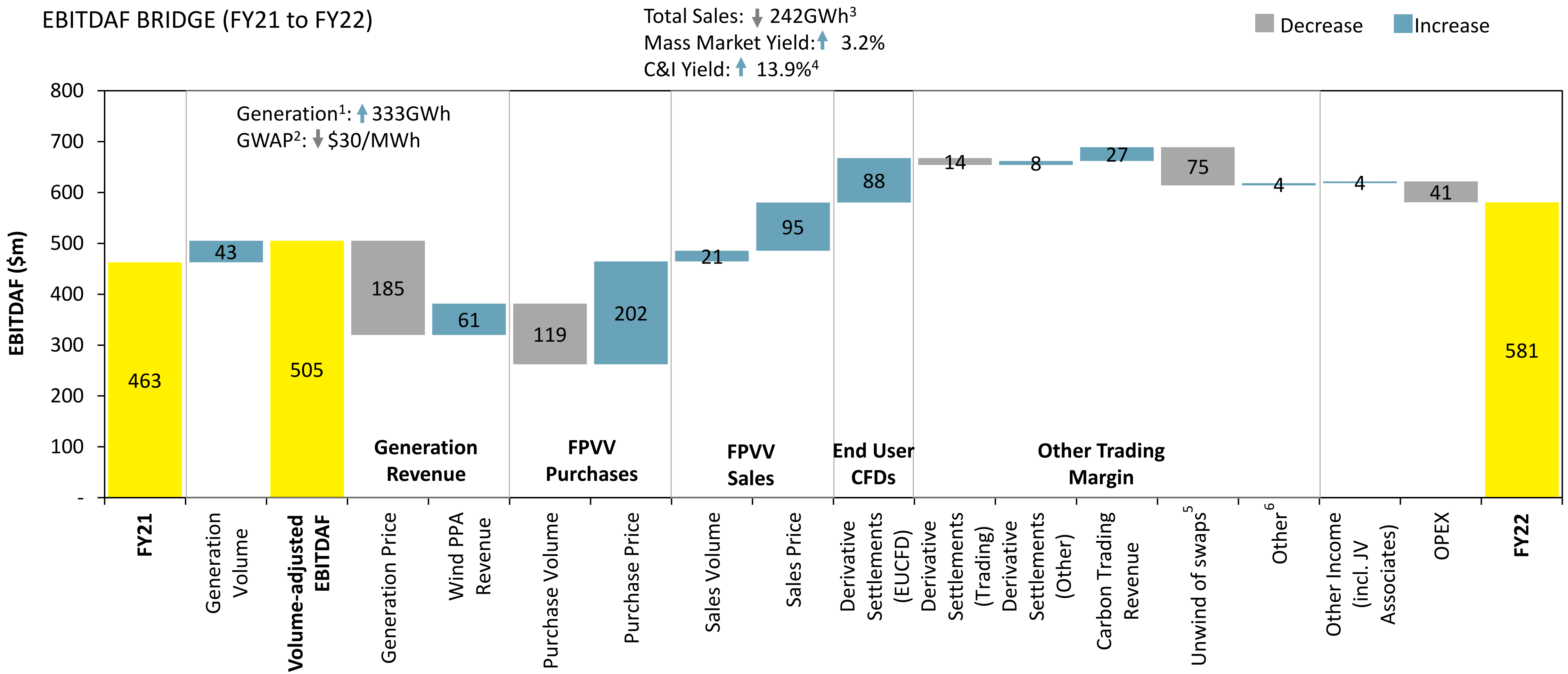


> Trading Margin and EBITDAF up versus FY21 reflecting additional generation from the northern section at Turitea and ex-Tilt wind farms acquired in August 2021. NPAT favourably impacted by $367m gain on sale of Tilt shares

> Stay in business capital expenditure up largely due to preparatory drilling costs and work at Kawerau following the outage in June/July 2021; Growth Investment up due to the Trustpower retail and Tilt NZ acquisitions and further investment in Turitea wind farm and the Rotokawa upgrade

> Operating Expenditure up versus FY21 mainly due to addition of wind and Trustpower related operating costs

GROWTH FROM NEW WIND GENERATION, CUSTOMER SALES AND THRIVE



[1] Generation volume includes new generation from Turitea and excludes wind PPAs
[2] Generation-Weighted Average Price received for hydro, geothermal and wind generation excluding PPAs
[3] Includes both physical and financial sales
[4] Includes Fixed Price Variable Volume (FPVV) sales and End User Contracts for Differences (CFDs)
[5] Includes Norske, Waipipi and Manawa electricity swaps
[6] Includes ancillary services & gas purchases and sales

FOCUS ON WELLBEING AND HEALTH & SAFETY

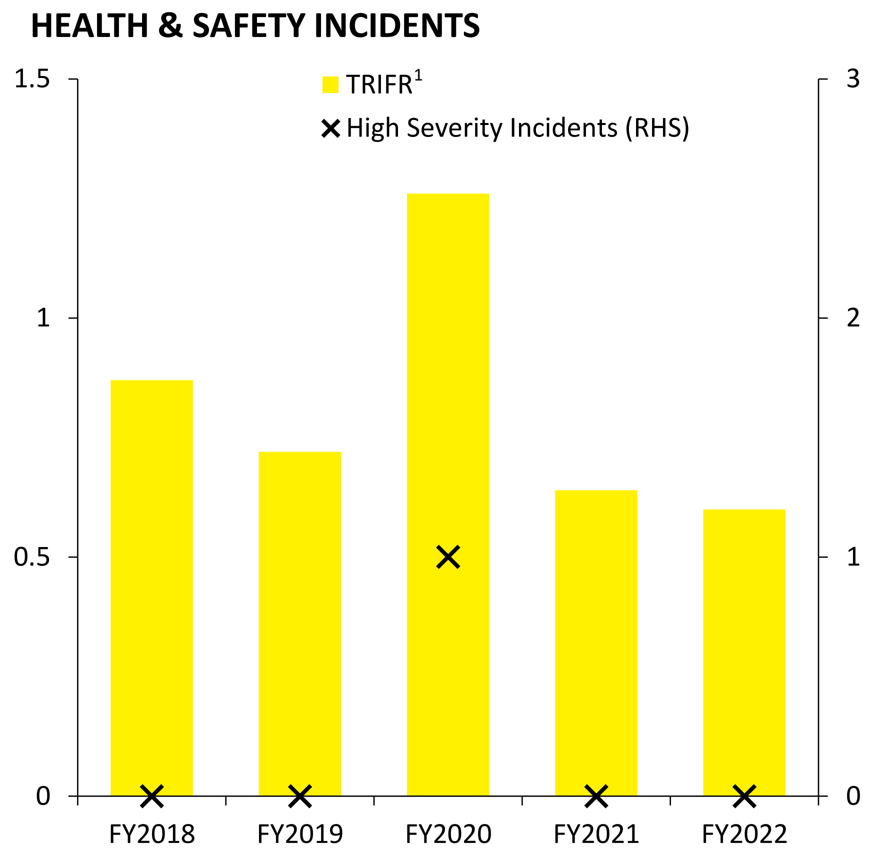
> An all of company staff wellbeing review provided insights into how we better support employee wellbeing

> Zero fatality and high severity Health & Safety incidents in FY22. TRIFR decreased slightly from 0.64 to 0.60. Rotokawa outage, Turitea construction, NAP Cooling Tower maintenance and Karapiro station refurb works were delivered safely in trying circumstances (COVID requirements)

> Zip (Sentis Zero Incident Program) and H&S Essentials Culture training rolling out across company, initially targeted at manager and higher risk roles to lift safety culture across company

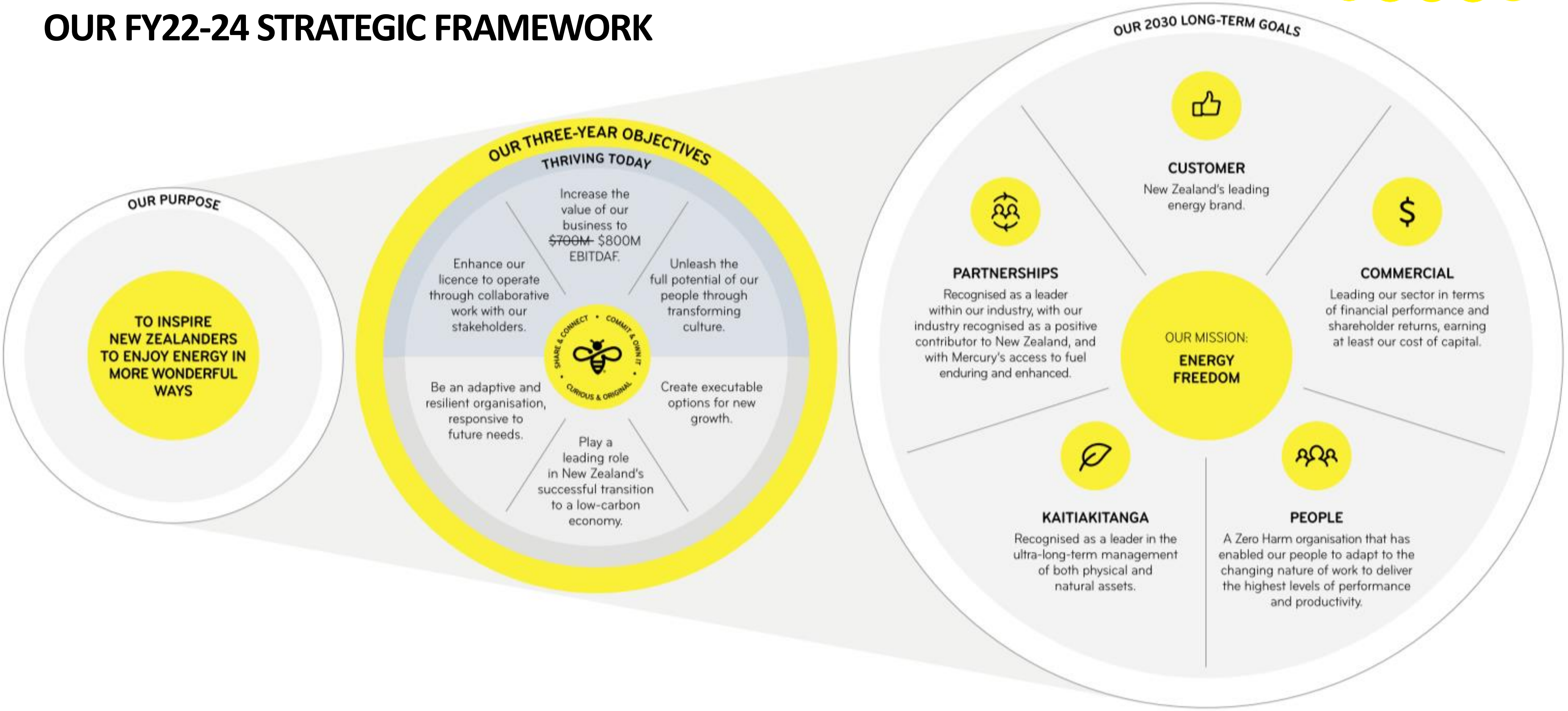
> 3 of Mercury's geothermal sites using pentane are classified as major hazard facilities (MHF). WorkSafe require all safety critical elements be verified as fit for purpose to meet MHF requirements for our safety cases. Improvements are being worked on. A steam hammer event occurred at Rotokawa in July 2021. There were no injuries, however the company has been charged by WorkSafe for breaches of health and safety legislation

> Daily RAT still required across generation sites



[1] Total Recordable Injury Frequency Rate per 200,000 hours, includes employees and on-site contractors. The high severity incident in 2020 involved a crushed leg from a headgate screen weed cleaner at one of our hydro stations.

OUR FY22-24 STRATEGIC FRAMEWORK



CURRENTLY UNDER REVIEW

CURRENTLY UNDER REVIEW

KEY PERFORMANCE INDICATORS

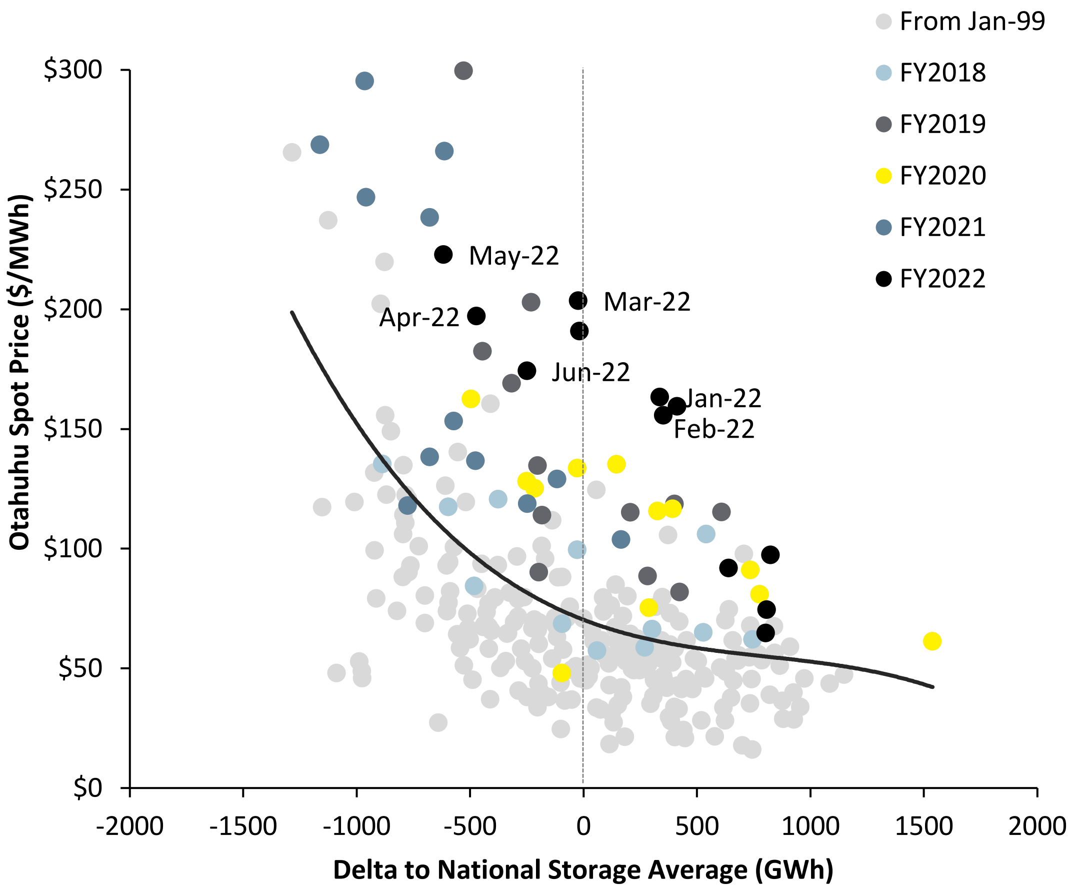
THREE-YEAR OBJECTIVES	FY22 OUTCOMES		
ENHANCE OUR LICENCE TO OPERATE THROUGH COLLABORATIVE WORK WITH OUR STAKEHOLDERS	Zero high severity health and safety incidents 	Customer care guidelines implemented and monitored	External relationships and sector engagement reviews completed
INCREASE THE VALUE OF OUR BUSINESS TO $700M EBITDAF	**-12.6%** Total shareholder return 	**12**CPS final dividend 	**$47M** FY22 Thrive benefit
UNLEASH THE FULL POTENTIAL OF OUR PEOPLE THROUGH TRANSFORMING CULTURE	Culture index increased from 72% to 75%	**17%** People leadership diverse representation	**90%** Of people leaders completed unconscious bias training

KEY PERFORMANCE INDICATORS

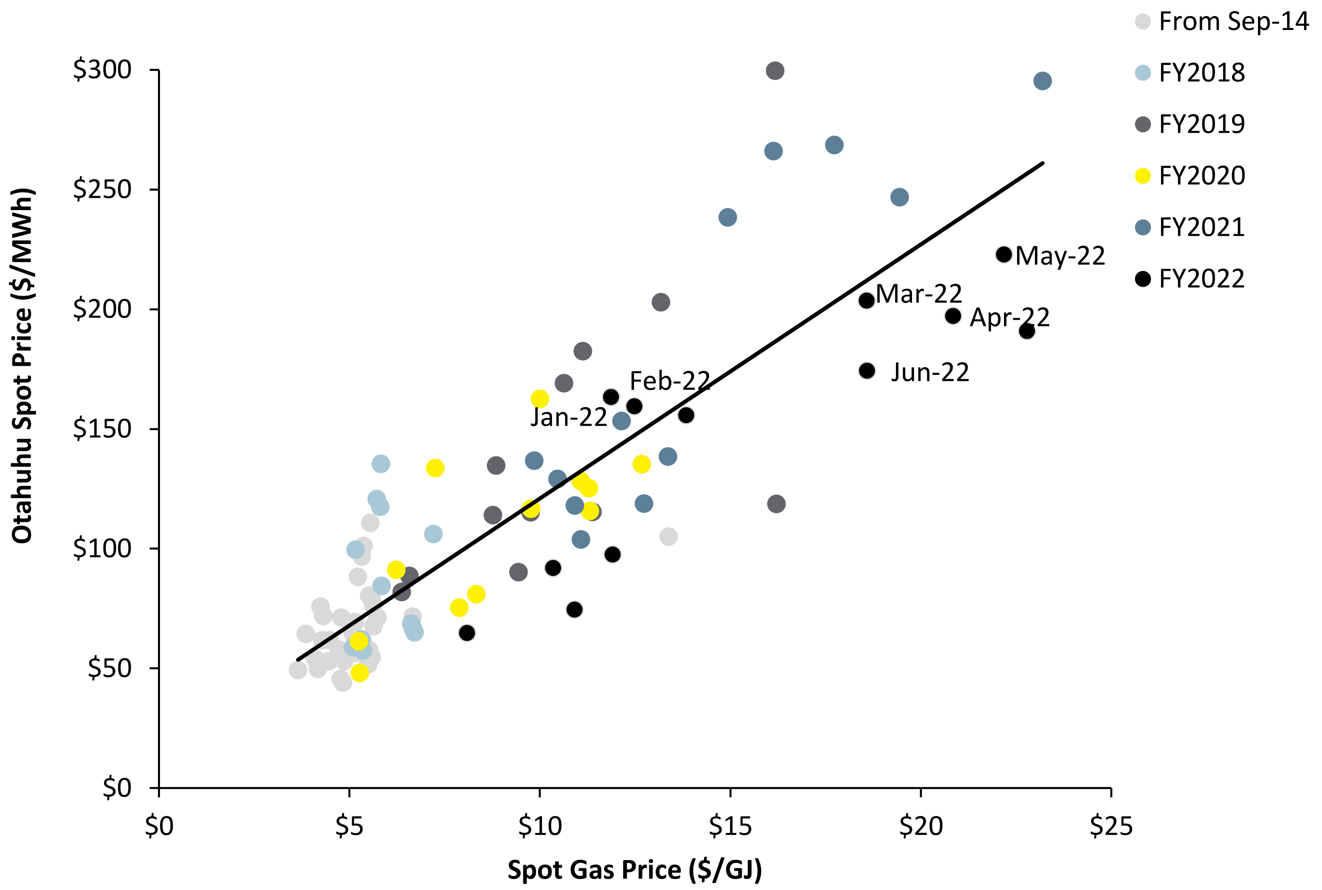
THREE-YEAR OBJECTIVES	FY22 OUTCOMES		
BE AN ADAPTIVE AND RESILIENT ORGANISATION, RESPONSIVE TO FUTURE NEEDS	**51%** Vacancies filled by internal candidates	Technology platform review completed	New high-trust fully flexible approach to working rolled out
PLAY A LEADING ROLE IN NEW ZEALAND'S SUCCESSFUL TRANSITION TO A LOW CARBON ECONOMY	Supporting cross-sector work on New Zealand's pathway to a low carbon economy	Wind PPA in place	Constructive engagement on key transition programmes including emissions reduction plan and NZ Battery Project
CREATE EXECUTABLE OPTIONS FOR NEW GROWTH	Trustpower Retail acquisition completed	Development pipeline progressed	Consent granted for Kaiwaikawe wind farm

ELECTRICITY SPOT PRICE REFLECTS GAS AVAILABILITY AND HYDROLOGY

HYDRO STORAGE VS. SPOT ELECTRICITY PRICE



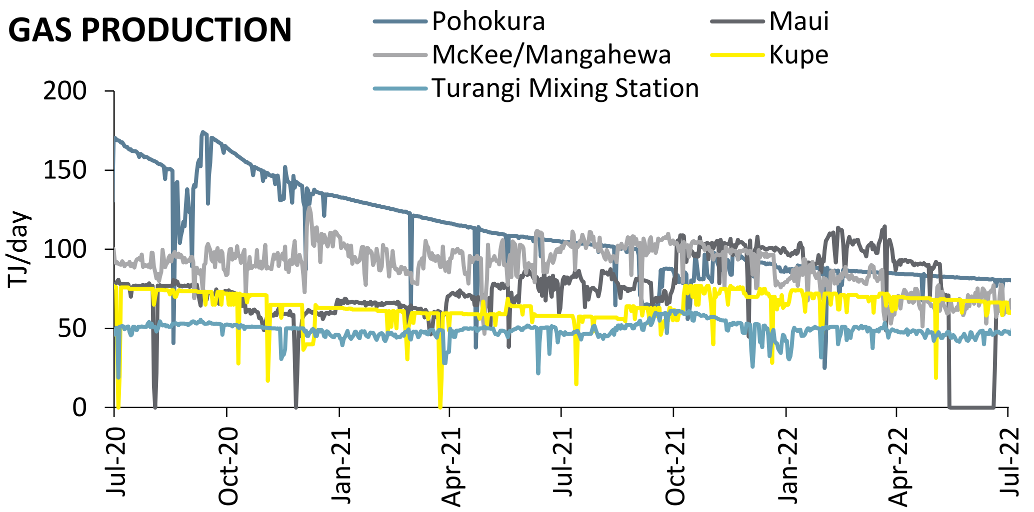
SPOT GAS VS. SPOT ELECTRICITY PRICE



Source: Comit Hydro, WITS, BGIX, Enerlytica, Mercury

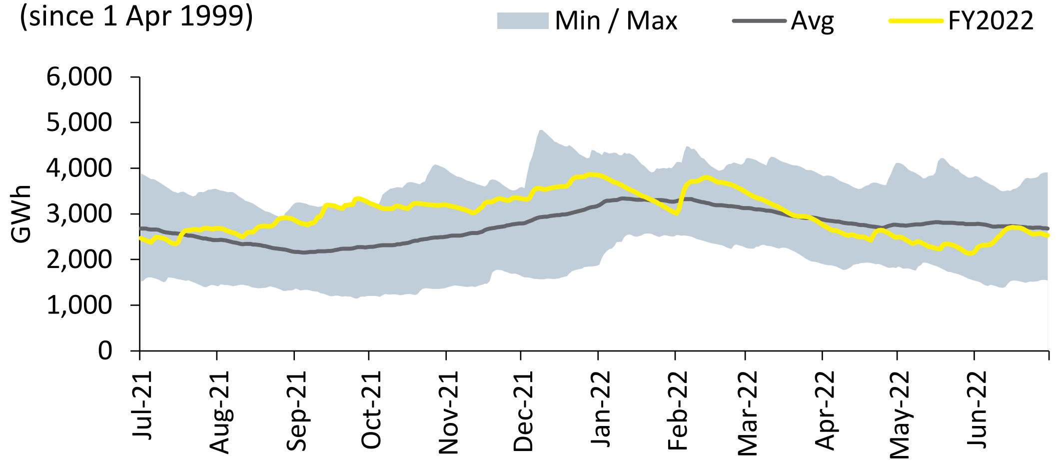
SPOT PRICES STILL REFLECTING REDUCED FUEL AVAILABILITY & HIGHER COSTS

GAS PRODUCTION

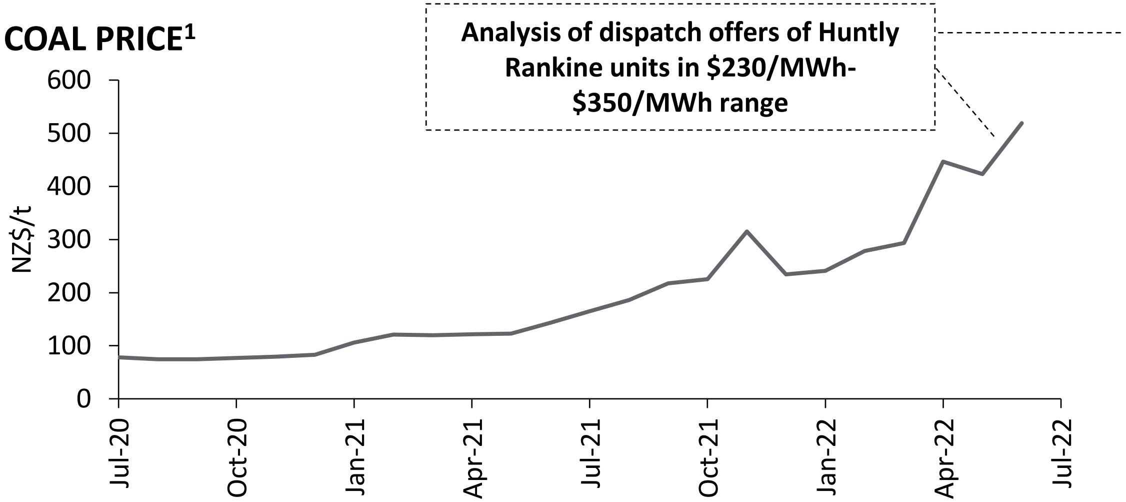


NATIONAL HYDRO STORAGE

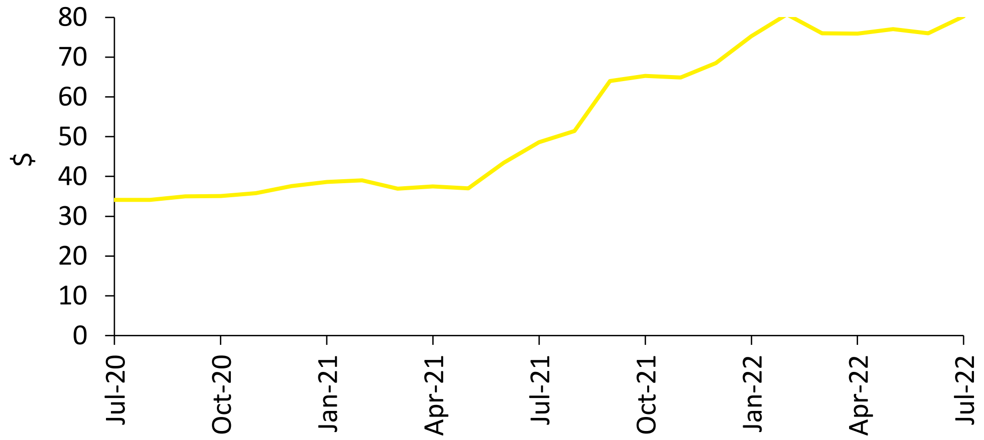
(since 1 Apr 1999)



COAL PRICE[1]



NZU CARBON PRICE

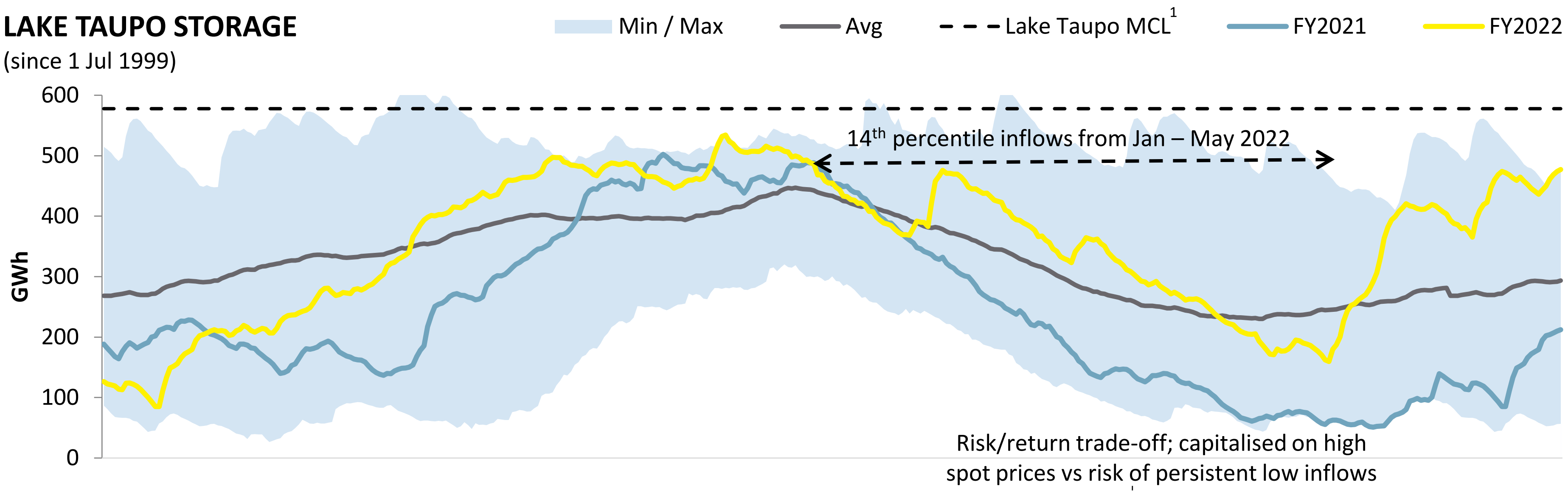


Source: Gas Industry Company, Comit Hydro, Enerlytica, Refinitive, Mercury

[1] HBA Indonesian FOB Coal Price

START LOW, FINISH HIGH

LAKE TAUPO STORAGE
(since 1 Jul 1999)



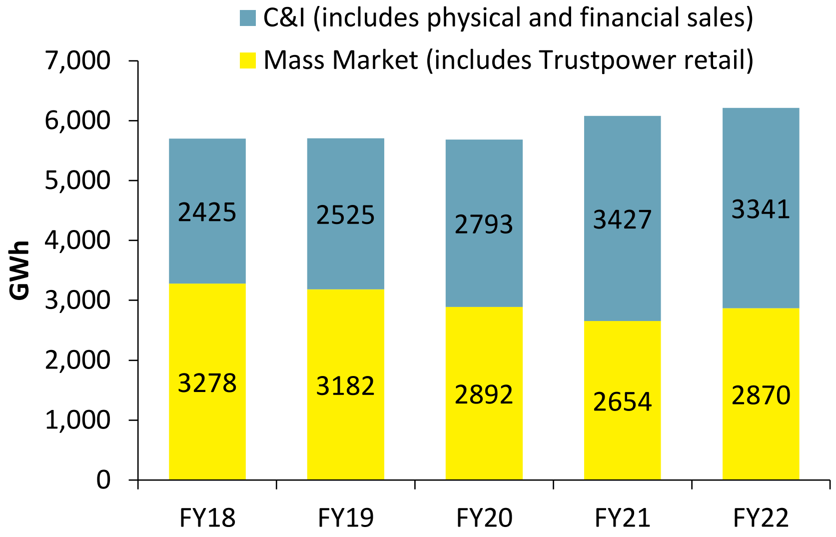
Month End	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Hydro Generation - Delta to Average[2] (GWh)		-67	-74	-89	-72	-9	-8	-14	-40	15	19	-6	0
Waikato Inflows - Delta to Average[3] (GWh)		-27	-69	-27	-48	-88	18	-145	24	-52	-98	-83	165
Taupo Storage – Delta to Average[2] (GWh)	-150	-81	-54	45	98	61	75	-20	81	66	-7	-59	122
Spot Price - Otahuhu ($/MWh)		$191	$156	$97	$74	$92	$65	$163	$159	$204	$197	$223	$174
Futures Price (M-3[4]) Otahuhu ($/MWh)		$287	$328	$182	$121	$118	$96	$105	$147	$136	$177	$199	$265

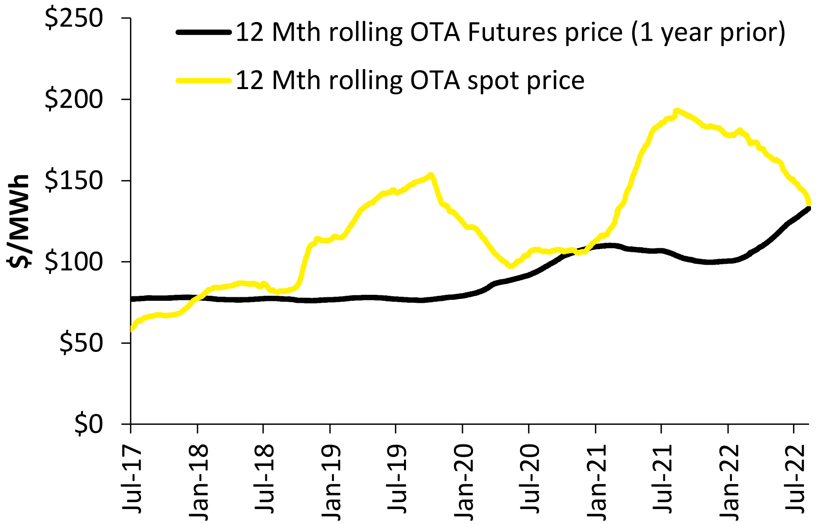
Source: NZXHydro, WITS, ASX

[1] Maximum Control Level
[2] Monthly average since July 1999
[3] Monthly average since July 1927
[4] Closing price 3 months prior

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

CUSTOMER MIX TILTED TOWARD C&I; TRUSTPOWER LIFTS MASS MARKET SALES





- Elevated wholesale prices persist, but retail mass market segment remains highly competitive despite low margins against spot or futures prices. National ICP annual churn at 18%
- Residential electricity pricing changes were 3.06%, below inflation of 7.3% (June 2022)
- Trustpower connections continue steady growth. No differential churn impact observed post acquisition in May
- Mercury brand electricity customers declined through FY22 by 7,000 to 321,000 as acquisition activity remained subdued. ‘Move with Mercury’ campaign through first 1H22 attracted customers
- C&I sales position reduced in FY22 mainly due to close out of the 80MW Norske Skog CFD
  - Customers often signing longer term contracts (5-10 years) to average down price impact
- Sales yields lift in all segments over FY22. Mass Market energy yield up $4.50/MWh (3.2%) and C&I yields (including end user CFDs) up $13.10/MWh (13.9%, positively influenced by Norske Skog CFD deal)

TRUSTPOWER RETAIL ACQUISITION COMPLETE, INTEGRATION UNDERWAY

- Trustpower retail acquisition and transition completed successfully in May 2022 making Mercury NZ's largest electricity multi-product retailer
- $470m[1] transaction price includes Trustpower's retail business, 570 staff, 10-year electricity supply hedge agreement (CFD), ISP network and restructured (TECT) rebate arrangements
- Added 253k electricity connections, 48k gas customers (includes LPG), 117k telco customers (mostly broadband) and 13k mobile customers
- Connection growth steady since acquisition in May. Customer experience maintained
- Retail lead team reorganised to align team across brands, deliver improved commercial and customer outcomes and to deliver initiatives that support our vision, integration and synergies
- Technology platform review undertaken. Integration team established focusing on integration of processes and systems, change management focused on mitigating impacts on customers and staff
- Full-year normalised EBITDAF contribution from Trustpower retail business of $50m forecast, and retail integration costs of $50m with sustainable forecast synergies of ~$35m[2] pa following integration completion. Expect integration completion within 3 years
- Acquisition and derivative accounting complex with day-1 derivative values unwinding (non-cash) through trading margin over the medium-term (see slide 31)

[1] See note 1 of accounts for purchase price allocation. Price included $50m of receivables.

[2] Full forecast synergies realised after expected 3 year transition period. $35m synergy represents estimated cash synergies (opex and capex).

TILT RENEWABLES ASSETS BOOST WIND PORTFOLIO

> Acquisition of Tilt Renewables' New Zealand operations, valued at $797m, completed in August and is fully integrated into Mercury generation portfolio. Mercury now New Zealand's largest wind generator

> Transaction washups reduced net debt transferred by $6m. Tilt transaction costs of $9m

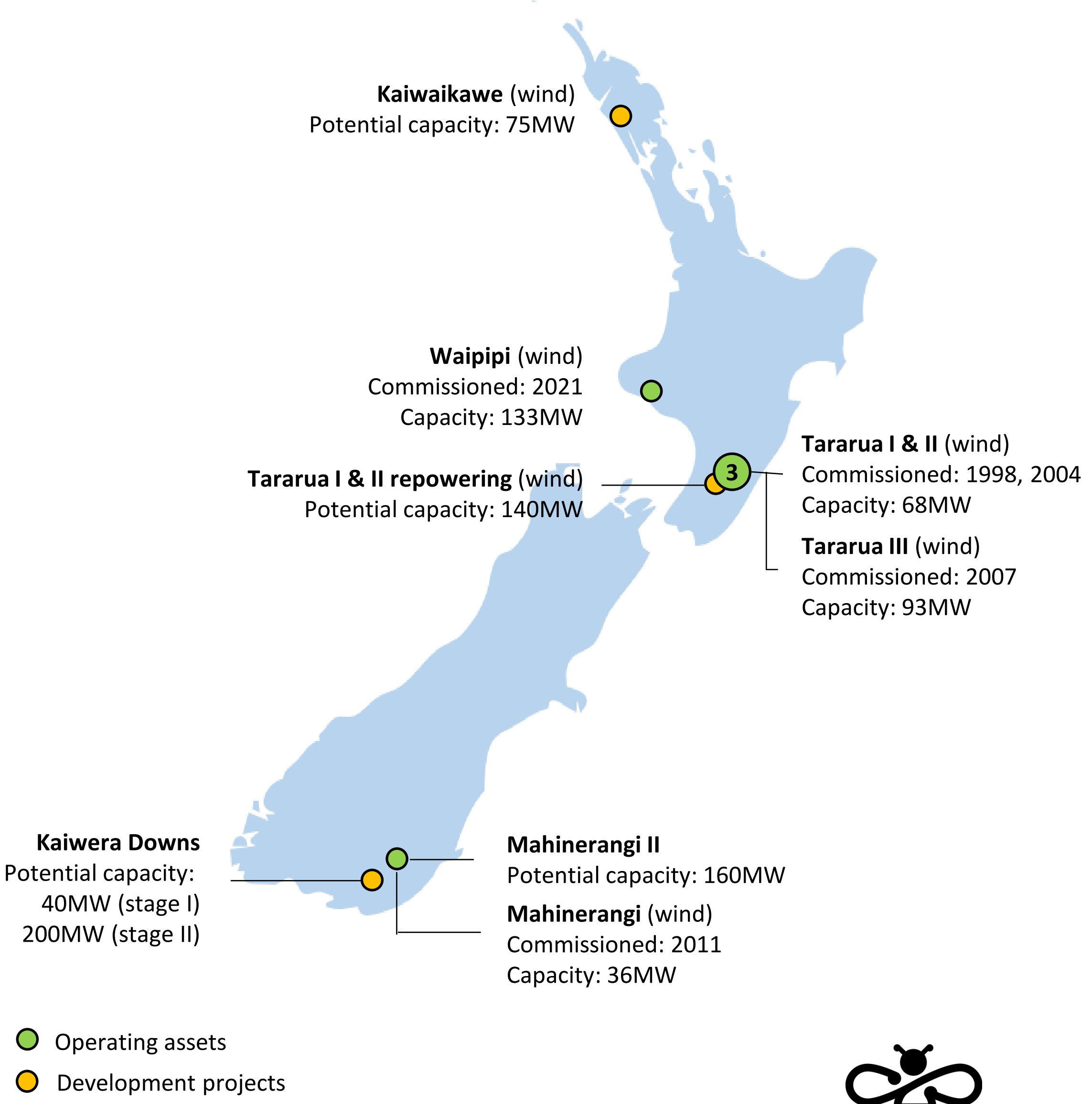
> A less windy year saw 960GWh of wind generation produced in FY22 (annualised and normalised would be 1,100GWh pa) and a development pipeline which is being progressed

> Generation hedged through long-term PPA/CFDs so no change to portfolio risk

> Turbine fire on one V90 turbine at Tararua. Replacement unit in country and will be installed shortly

> Kaiwaikawe CFD signed with Genesis

> Ex-Tilt operations contributed $47m[2] to FY22 EBITDAF, normalised for the impact of the CFD



[1] See note 1 of accounts for purchase price allocation
2 EBITDAF $62m normalised for favourable impact of CFD of $15m (see slide 31)

TURITEA : NORTHERN SECTION COMPLETE, SOUTH SECTION PROGRESSING

Construction

> Northern section complete and operating well (~470GWh pa)

> O&M performed by Vestas under long term agreement

> Southern Section (~370GWh pa) significantly delayed; expecting completion of southern turbines by mid-2023

> Roading infrastructure largely complete, Southern sub-station under construction, turbine foundations being poured

> Actively engaged in settlement discussions regarding contract disputes and differences which include contractor and principal claims, liquidated damages, and programme

> Turitea total spend of $411m[1] as at end of FY22 with $69m spent in FY22

> Total forecast project cost unchanged from HY22 at $480m[1]

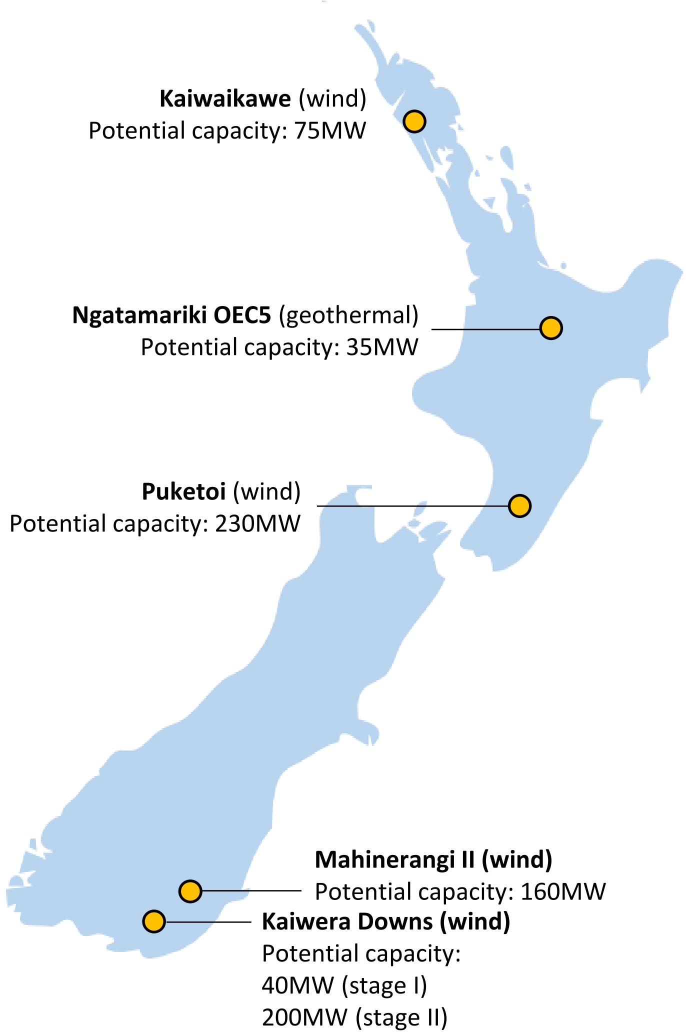
Cable Layer at Turitea

Turbines at Turitea

[1] Excludes capitalised interest forecast at $27m on top of total project cost.

MERCURY ADVANCING GENERATION DEVELOPMENT OPPORTUNITIES

Development Options	Potential Capacity	Commentary
Puketoi	~230MW	Consented lapse period extended to 2031 Constructability work and consent enhancements progressing
Kaiwaikawe	~70MW	Resource consent secured, CFD executed with Genesis. Constructability work underway
Mahinerangi II	~160MW	Consented
Kaiwera Downs Stage 1	~40MW	Constructability work underway
Kaiwera Downs Stage 2	~200MW	Consented
Ngatamariki	~35MW	Consent submitted to council.
Mercury also holds a portfolio of early stage options in addition to the above		



- Advancing generation development options in response to market price signals and the need to support NZ's decarbonisation
  - It is critical that the reform of the RMA to the NBEA recognises that ALL renewable electricity is the platform for other industries to decarbonise
  - Development economics and timing materially impacted by global cost escalations including civil construction, turbine supply, and shipping
  - Global constraints unlikely to abate in medium term given OEM capacity constraints and rising demand for renewables globally
  - Actively engaging with solar developers around offtake contracts

MARKET & REGULATORY

- During FY22, numerous regulatory processes with the potential for significant impact to us were progressed including:
  - RMA reform
  - NZ Battery Project
  - Wholesale market review
  - Low Fixed Charge Tariff and
  - Prompt Payment discount removal
- Industry responding to elevated spot and futures prices with ~2.3TWh of new renewable generation (5% of existing generation) under construction[1]
- Grid emergency event:
  - Issues with Transpower's processes were identified as the primary cause for the 9 August 2021 outage (34k customers disconnected)
  - NZ's flexible hydro generation means meeting peak demand is not normally an issue
  - As thermal generation costs increase, inflexible thermal generation may be dispatched less, creating a remote risk of tight supply reserves under very high demand/low wind conditions

[1] From south section of Turitea wind farm, Harapaki wind farm and Tauhara geothermal power plant

MARKET & REGULATORY

> New Zealand Battery Project:
  > Recent cabinet paper shows the Onslow project faces challenges (impacts on environmental, social and cultural values; and on the Clutha system)
  > Ownership model and dispatch method require more work to identify impacts on generation investment and spot price outcomes

> NZAS:
  > The smelter see "there is a positive pathway to securing a long-term presence for the smelter"
  > Contract price expected to rise with smelter being globally cost competitive

> During the year we worked with the Commerce Commission after incorrectly applying early termination fees for 2,055 customers between 2016 and 2020. We have focused on making this right with impacted customers. In July 2022, the Commission charged Mercury for breaching the Fair Trading Act

> The revised Transmission Pricing Methodology will increase Mercury's transmission charges for use of the National Grid from $5m pa to $17m pa from April 2023

[1] From Turitea wind farm, Harapaki wind farm and Tauhara geothermal power plant

A CULTURE OF CONTINUOUS IMPROVEMENT

- Mercury's focus on continuous improvement to work smarter, faster and better, and set us up to thrive in the future exceeded expectations
  - $47m benefit achieved in FY22 against target of $30m;
- Examples of the initiatives delivered during FY22 are:
  - 'Digital River' – better use of data and technology to inform dispatch decisions across our hydro stations
  - Maraetai tail water lowering – an example of the critical interrogation of operating restrictions across our assets
  - Whakapuāwai – our culture change programme, designed to help Mercury evolve and thrive, continues into FY23
  - Strategic framework and quarterly planning – our strategy and planning frameworks continue to evolve to maintain cadence and alignment
  - Derivatives trading – leveraging our strengths with increased scope to trade electricity and carbon delivered significant results
  - Procurement improvement - examples include IT support agreements, manual meter reading, connection arrangements
  - Class 3 outage review – an example of optimising our asset maintenance activities for time, cost and quality

KAWERAU OUTAGE AND ETS/CARBON TRANSACTIONS

Kawerau outage

> A progress payment of ~$26m was received from insurers in March 2022 in compensation for property damage and lost generation revenue resulting from the unplanned outage at Kawerau from 7 June to 20 July 2021

> Replacement generator and steam path have been ordered from Sumitomo and scheduled for installation in May/June 2023

> Final insurance receipts expected to be received in FY24, once all repair costs lost generation revenue in relation to the unplanned outage can be determined

Carbon trading

> Transferred 0.7m emissions credits from intangibles to inventory held for trading at the start of FY22

> Acquired a further 1.3m units at Government auctions and sold 1.1m units during FY22

> Realised gain of $27m during the year and hold 0.9m units valued at $65m at end of FY22

Carbon obligations

> Mercury continues to acquire emissions units (through long standing agreements with various forestry groups) to cover our obligations under the emissions trading scheme for geothermal generation and retail gas sales

> Emissions credits inventory of 1.7m[1] units held at end of FY22

[1] Includes credits held directly by Mercury and a proportionate share of the credits held by the NAP JV

ASX FUTURES PRUDENTIAL COST RISE BUT EXPOSURE CLOSELY MANAGED

> Mercury lodges cash to cover ASX prudential exposure

> Total cash lodged with ASX broker increased by $33m over FY22 to $97m as at 30 June 2022, peaking at ~$119m in March 2022

> Exchange For Physical (EFP) transactions used to help manage ASX prudential exposure. Under an EFP deal, Mercury sells futures contracts in exchange for CFDs

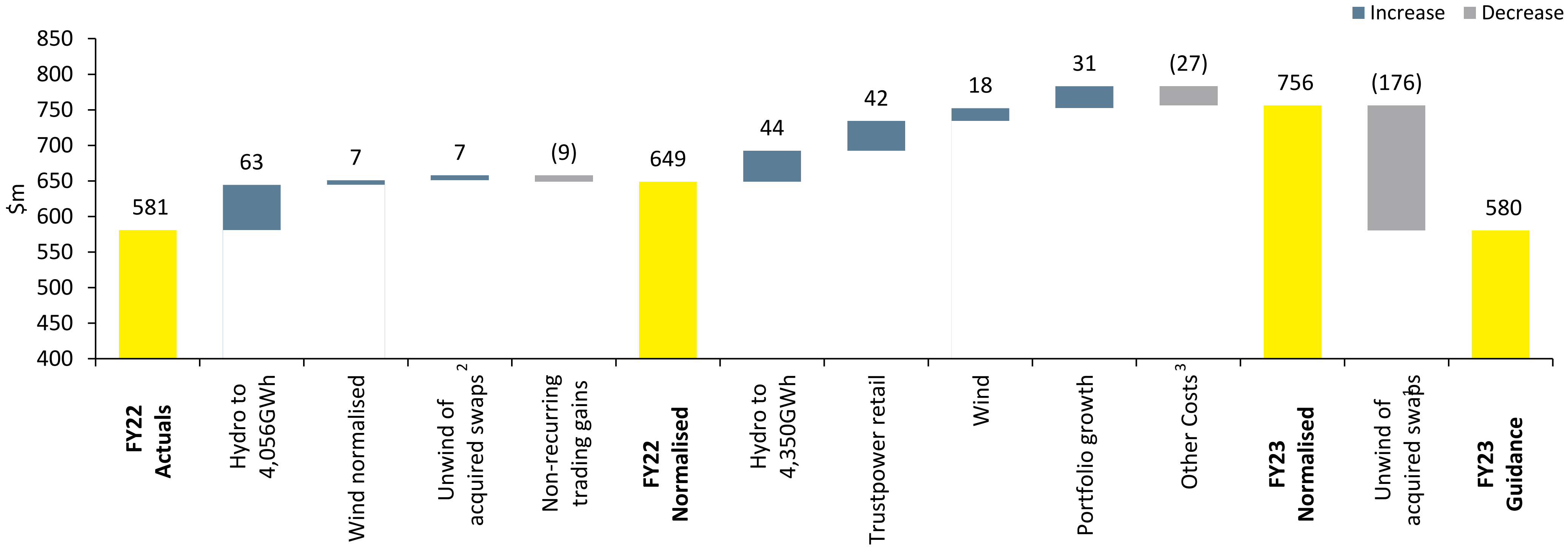
> Mercury has prudential exposure with the NZX for electricity purchases, net of generation revenue. NZX prudential exposure is normally covered via a letter of credit

FY23 GUIDANCE

> Headline FY23 EBITDAF guidance of $580m on 4,350GWh of hydro generation (normalised EBITDAF of $756m[1]), subject to hydrological volatility, wholesale market conditions and any material adverse events, significant one-off expenses or other unforeseeable circumstances

> FY23 ordinary dividend guidance 21.8cps (up 9% on FY22)

> FY23 stay-in-business capital expenditure guidance of $160m increased mainly due to geothermal drilling, hydro rehabilitation projects and Kawerau asset replacement



[1] Adjusted for the non-cash unwind of acquired swaps relating to Norske Skog, Tilt and Trustpower transactions

[2] Non-cash unwind of acquired swaps relating to Norske Skog, Tilt and Trustpower transactions

[3] Other Costs increasing in FY23 due to inflationary pressures and integration costs for the Trustpower retail business (partially offset by synergies and Thrive savings)

Q&A

Northern section of Turitea during construction

APPENDIX

MERCURY AT A GLANCE

- > Vertically integrated 100% renewable and national energy retailer
- > New Zealand's second largest gentailer by value, NZ's largest wind generator and largest electricity retailer by customer market share
- > Generation market share of 18%
- > 51% owned by the New Zealand Government

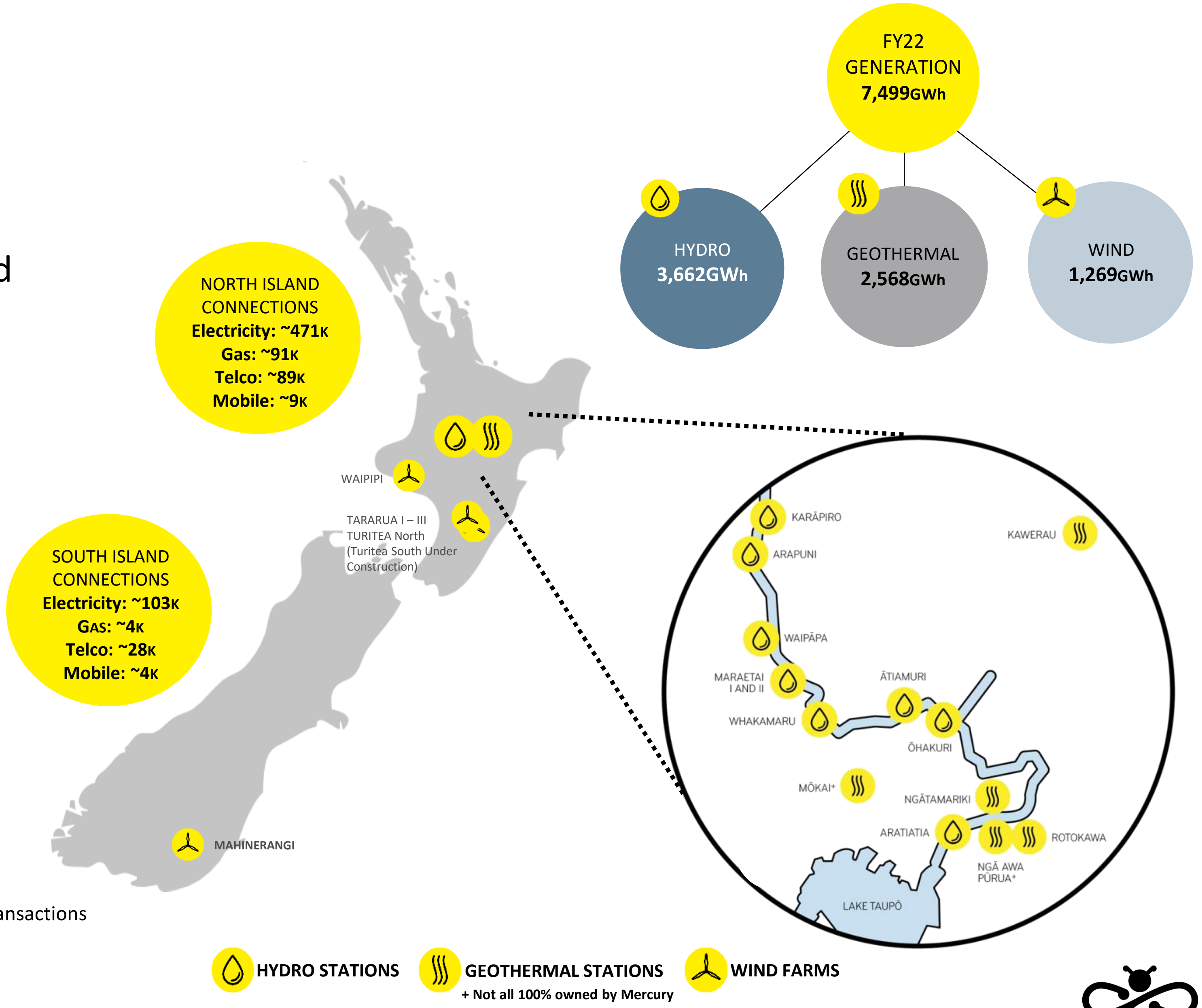
KEY INFORMATION

Ticker Codes: **MCY.NZ / MCY.AX**

Market Capitalisation: **~NZ$9.0 billion**[1]

Credit Rating: **BBB+/Stable (S&P Global)**

FY23 EBITDAF Guidance: **NZ$756 million**[2]



[1] As at 12 August 2022

[2] Normalised for derivative unwind across Manawa, Norske and Tilt transactions

MERCURY'S COMPETITIVE ADVANTAGE

100% renewable generation

> Three low-cost complementary fuel sources in baseload geothermal and peaking hydro with wind added

Superior asset location

> North Island generation located near major load centres; rain-fed hydro catchment inflows aligned with winter peak demand

Substantial peaking capacity

> The Waikato hydro system is the largest group of peaking stations in the North Island able to firm intermittent renewables

High performance teams

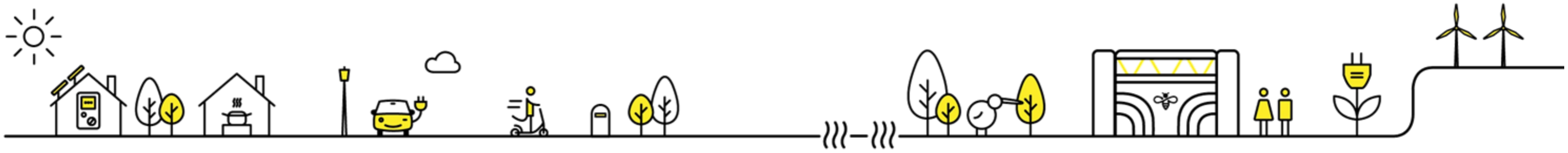
> Dynamic company culture built on the understanding that our people, working together and in alignment, set us apart

Track record of customer engagement

> Brand capital built through customer-led innovation and rewarding loyalty

Long-term commercial partnerships

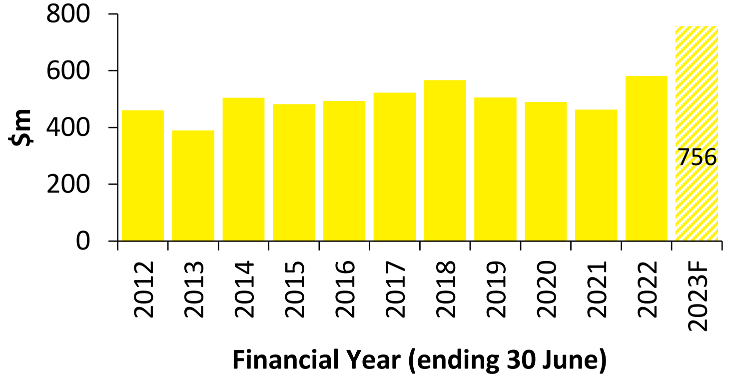
> With Māori landowners and other key stakeholders



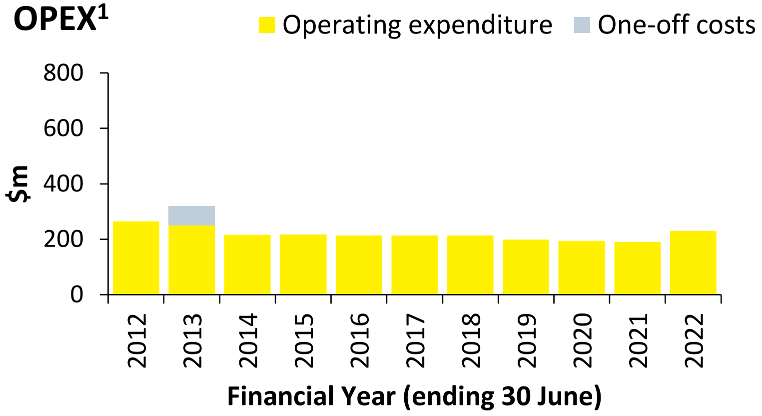
MERCURY'S LONG TERM TRACK RECORD

EBITDAF

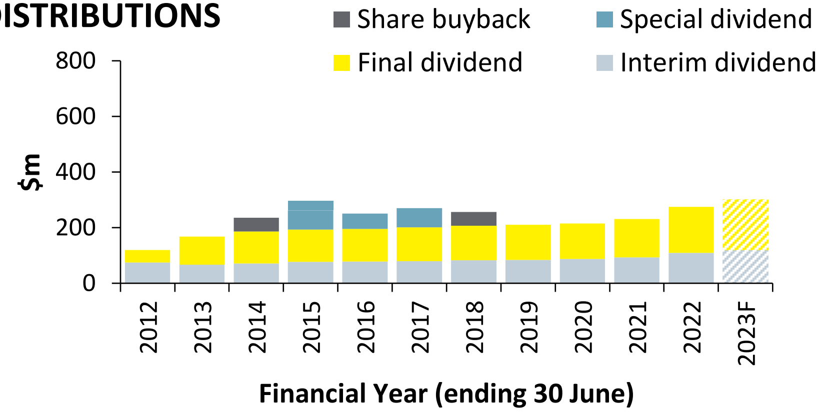
FY23F is normalised for derivative unwind across Manawa, Norske and Tilt transactions



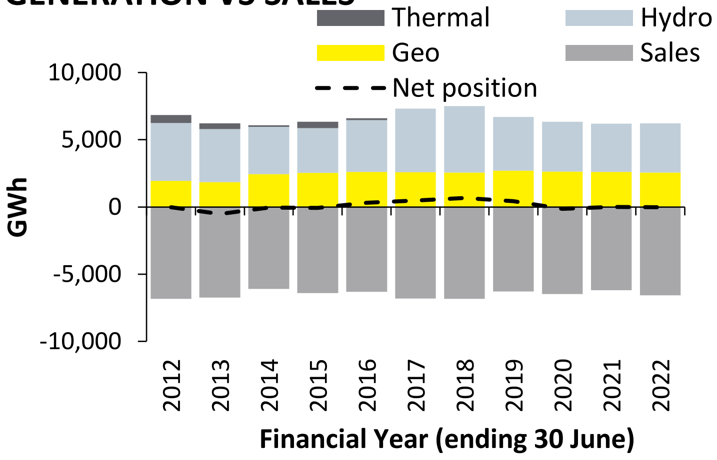
OPEX[1]



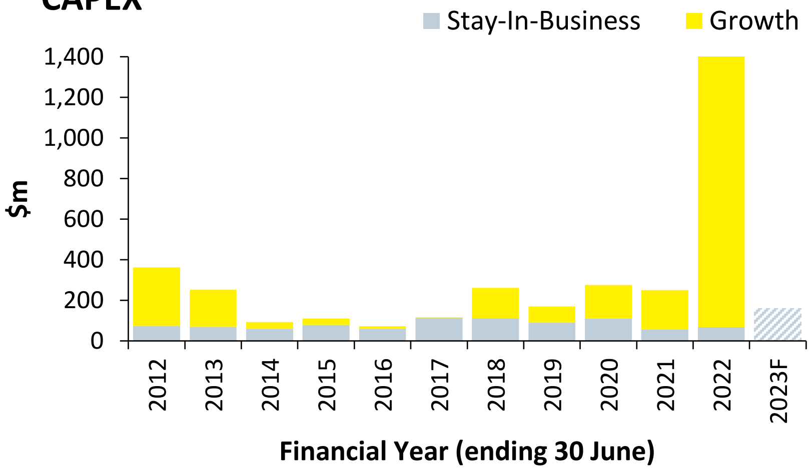
DISTRIBUTIONS



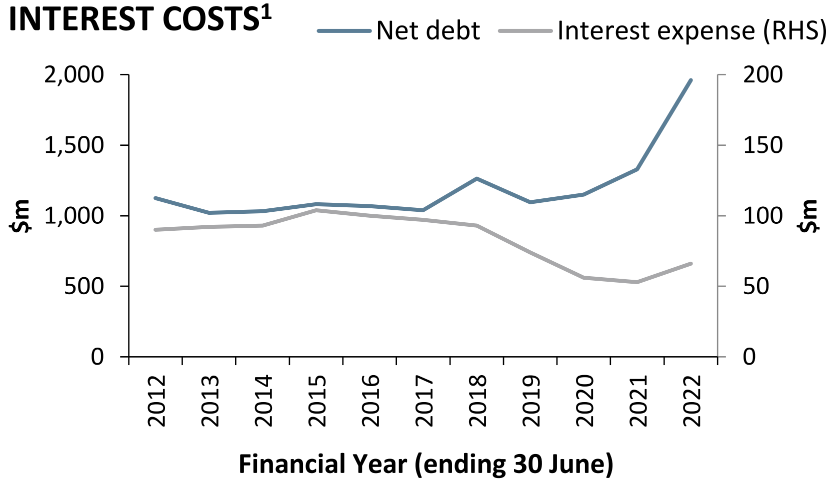
GENERATION VS SALES[1]



CAPEX



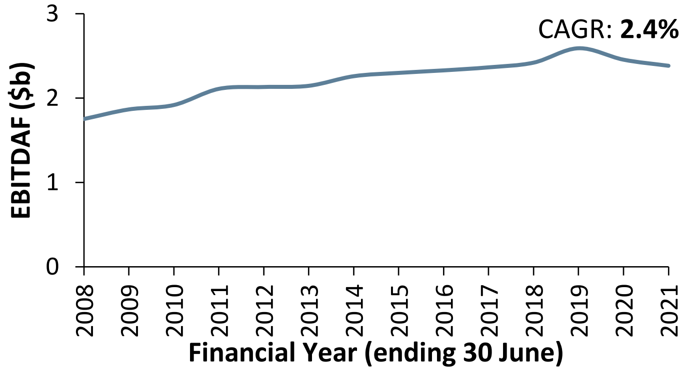
INTEREST COSTS[1]



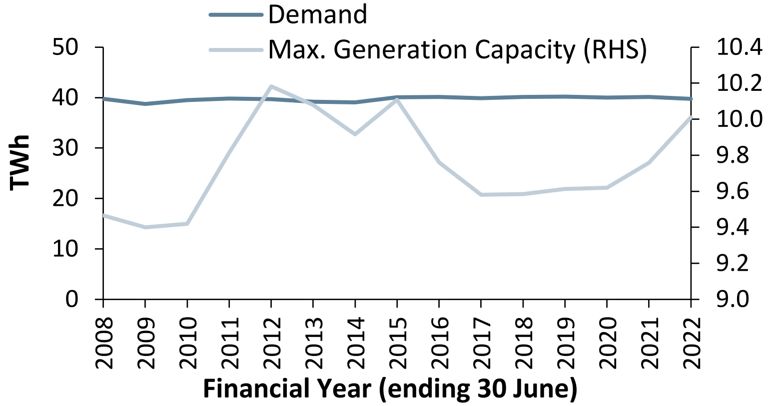
[1] FY23F figures not available as Mercury does not give guidance for Opex, Generation and Sales and Interest

LONG TERM INDUSTRY TRENDS

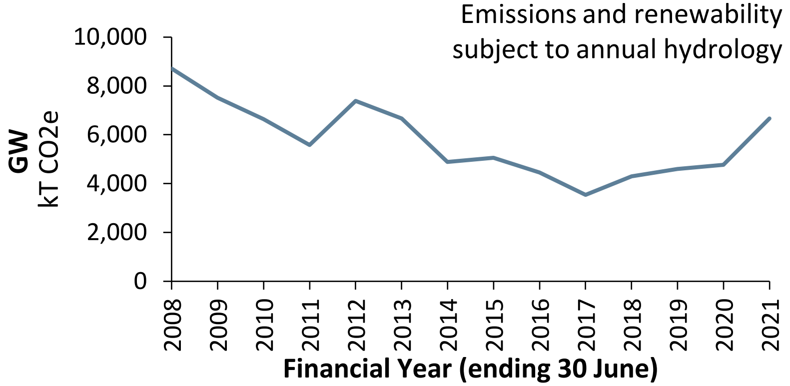
SECTOR EARNINGS[1]



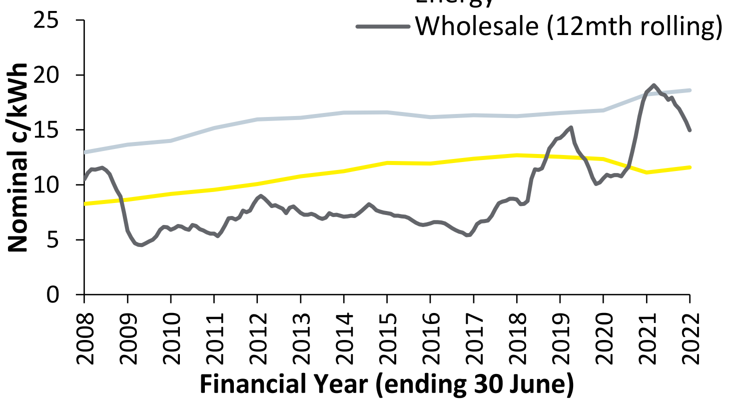
DEMAND AND GENERATION CAPACITY



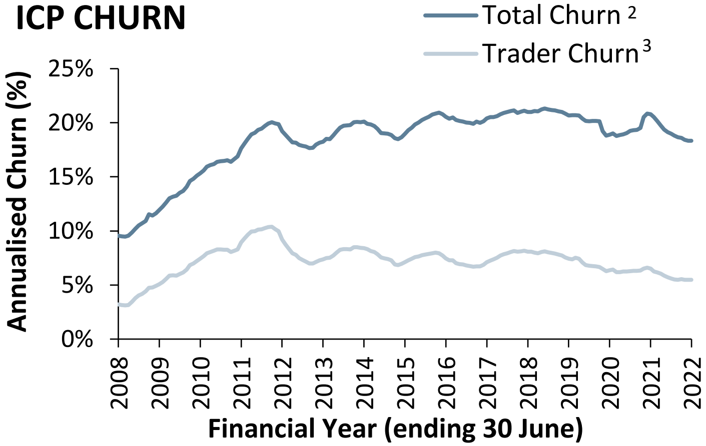
CARBON EMISSIONS[1]



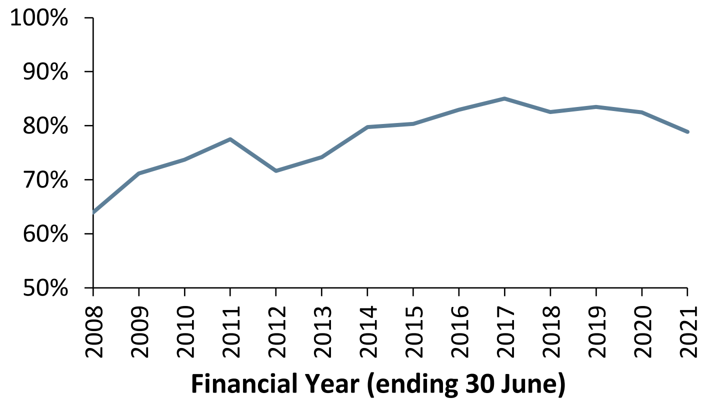
RESIDENTIAL PRICE



ICP CHURN



RENEWABLES PROPORTION[1]



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

[1] FY22 data not available

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

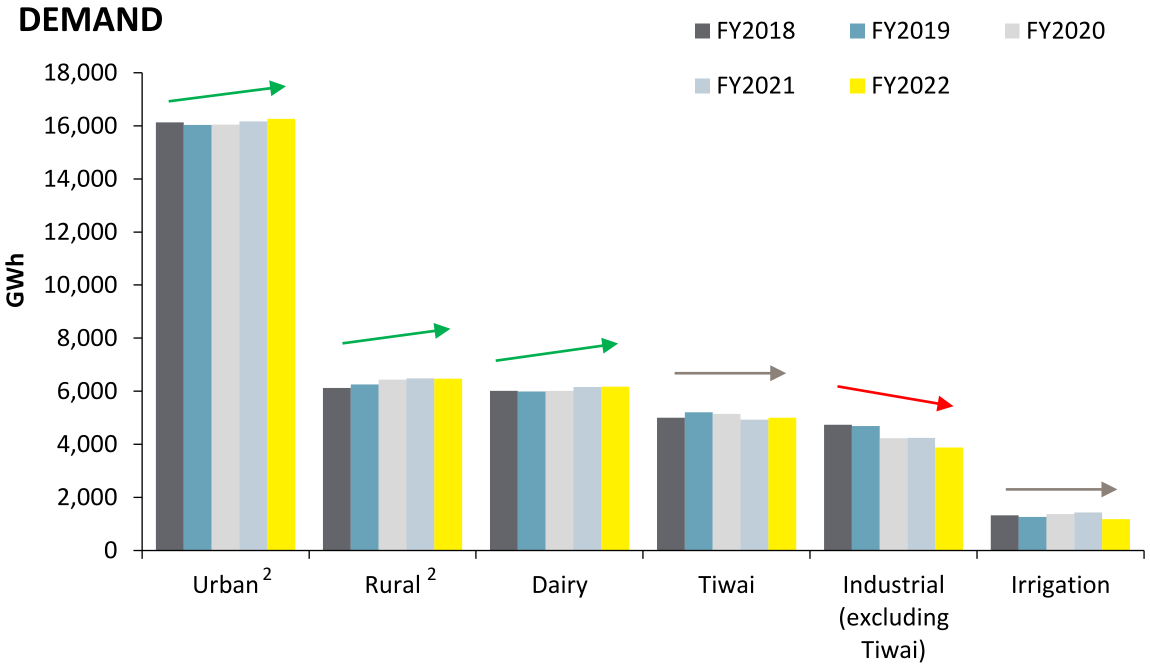
[3] Switches where a customer changes retailer without changing residence

DEMAND LIFTS FOLLOWING LOCKDOWN AFFECTED PERIOD

> National demand down 0.9%[1] versus FY21, driven by reductions in industrial and irrigation sectors
  > Industrial demand has been impacted by the closure of Norske Skog's Tasman newsprint mill and conversion of the Marden Point Refinery to an import terminal
  > Irrigation demand decreased relative to FY21, attributable to South Island being particularly dry in FY21

FY21 NORMALISED DEMAND GROWTH BY SECTOR

Sector	GWh	Sector %△	Total %△
Urban[1]	+184	1.1%	0.5%
Rural[1]	-9	(0.1)%	(0.0)%
Dairy processing	+21	0.3%	0.0%
Irrigation	-252	(17.7)%	(0.6)%
Industrial	-304	(3.3)%	(0.8)%
Other	-14	(1.9)%	(0.0)%
Total	**-374**		**(0.9)%**



Source: Transpower SCADA data, Mercury
[1] Normalised for temperature
[2] Not normalised

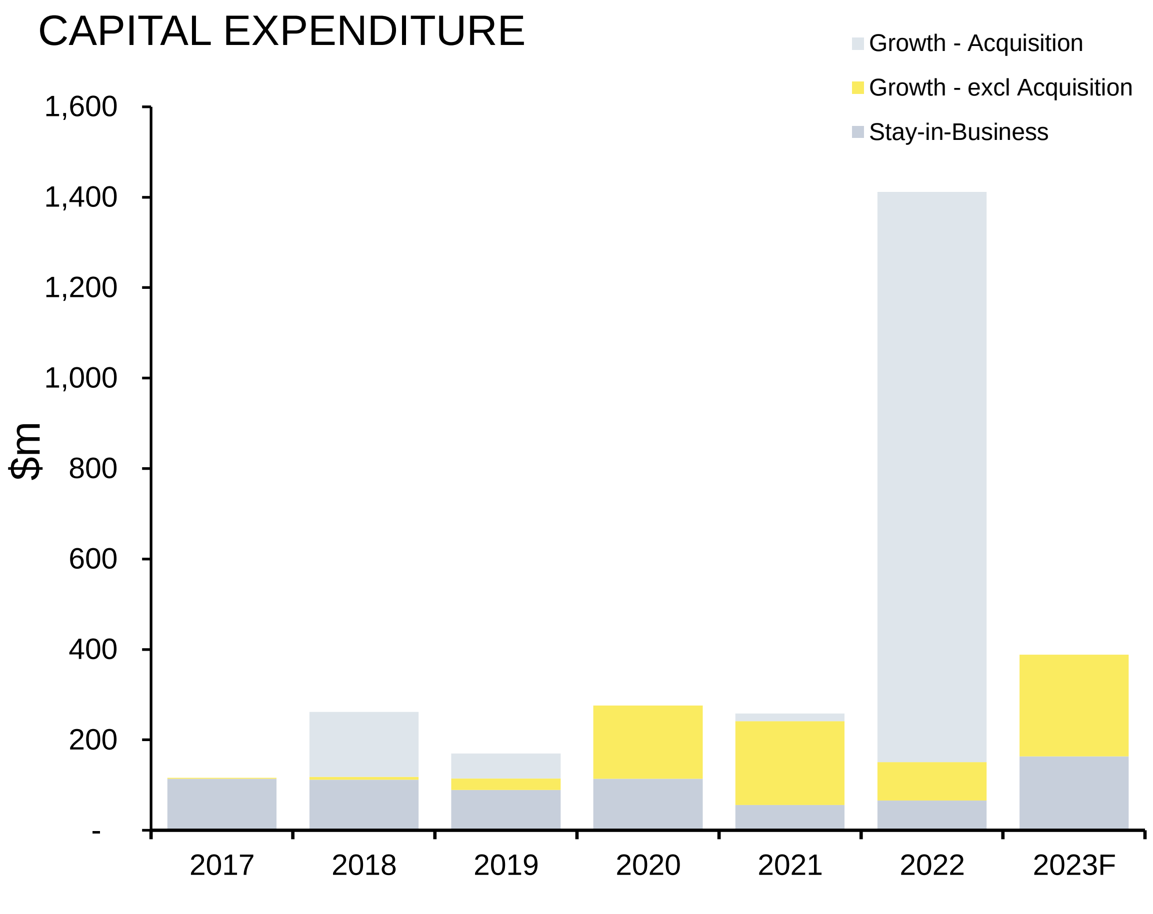
ACCOUNTING IMPACTS – ACQUIRED ELECTRICITY SWAPS

- Three transactions involved acquisition of electricity swaps (CFDs) with material value:
  - Norske Skog: as part of the close out of the 80MW foundation hedge for the Kawerau power station, Mercury acquired several CFDs with a day 1 value of $33m liability
  - Tilt: as part of the acquisition of the Tilt NZ assets, Mercury acquired a CFD (Waipipi windfarm) with a day 1 value of $43m liability
  - Trustpower retail: as part of the acquisition of the Trustpower retail business, Mercury acquired a CFD with Manawa with a day 1 value of $488m
- Acquisition accounting principles under IFRS 9:
  - Value ascribed to each acquired derivative asset/liability at day-1
  - Value unwinds through trading margin across life of asset/liability e.g. for a derivative asset this is a reduction in revenue (see table) and non-cash
- Hedge accounting
  - These CFDs cannot be hedge accounted due to variable volumes or ASX linked resetting prices.
  - Changes in fair value recognised through P&L, below EBITDAF.

$m	Day 1	FY22	FY23	FY24	FY25	FY26
Norske Skog						
Liability (B/S)	(33)					
Unwind (EBITDAF)		24	8	1		
Tilt						
Liability (B/S)	(43)					
Unwind (EBITDAF)		15	16	11	2	
Trustpower						
Asset (B/S)	488					
Unwind (EBITDAF)		(46)	(200)	(145)	(87)	(8)
Total unwind to EBITDAF (non-cash)		**(7)**	**(176)**	**(134)**	**(85)**	**(8)**

CAPITAL EXPENDITURE

- Annual stay-in-business capital expenditure subject to timing of refurbishments, technology investment and geothermal make-up well drilling
  - Long term normalised stay-in-business capital expenditure reset from $80m to $110m
  - Geothermal drilling campaign at Kawerau, Rotokawa & Ngatamariki commences in 2H23. Combined with hydro rehabilitation projects, FY23 and FY24 stay-in-business capital expenditure up to $160m.
- Growth capex includes:
  - Acquisition of the NZ operations of Tilt Renewables, valued at $797m. Cash paid of $634m (enterprise value less net debt transferred) was funded through sale of 19.9% Tilt shareholding ($608m) and net debt.
  - Acquisition of Trustpower Retail business for $470m
  - A further $76m[1] on the development of Turitea wind farm (FY21 was $156m)

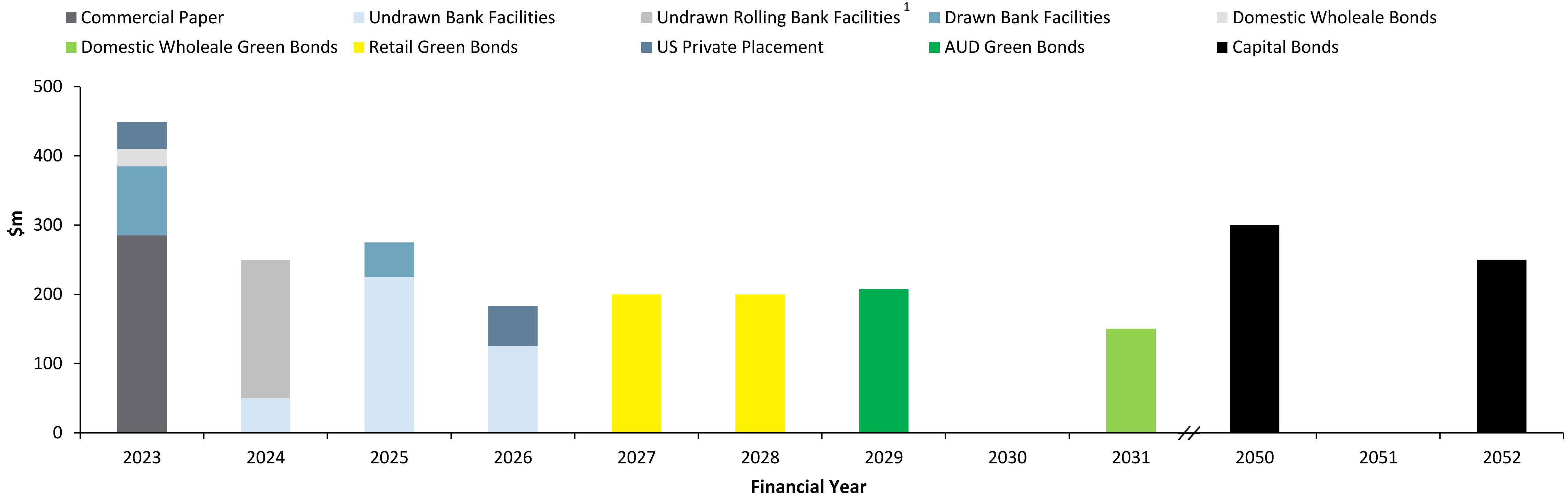


[1] Includes capitalised interest of $6m

[2] FY18 figure includes Tilt Renewables 19.99% shareholding acquisition, FY19 figure includes Tilt Renewables capital contribution, FY22 growth Capex forecast based on acquisition of Tilt NZ assets, Trustpower Retail and Turitea spend only. Mercury does not provide guidance for other growth Capex.

DIVERSIFIED FUNDING PROFILE

DEBT MATURIES AS AT 12 AUGUST 2022



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

> NZD 250m capital bonds issued in May 2022 to partially refinance drawn debt relating to the acquisition of Trustpower' retail business

[1] Requires 18 months notice of termination from lender

CAPITAL STRUCTURE FLEXIBILITY ENABLES GROWTH

- Debt / EBITDAF expected to have peaked in FY22, reducing to a forecast of ~2.2x[1] in FY23 driven by an increase in forecast EBITDA[2] with full year contributions from Turitea North, Tilt Renewables assets and Trustpower Retail
- S&P Global re-affirmed Mercury's credit rating of BBB+/stable in November 2021 acknowledging the capacity within Mercury's capital structure to fund announced investments
  - Mercury targets Debt/EBITDAF between 2-3x after adjusting for S&P Global treatment, consistent with our BBB+ rating
- Mercury commenced a Dividend Reinvestment Plan (DRP) in FY22, which was underwritten for the FY22 interim ordinary dividend payment (total proceeds of ~$109m)

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Net Debt ($m)	1,961	1,329	1,149	1,096	1,264[3]	1,038
Debt/EBITDAF (x)[1]	2.7	2.5	2.0	1.9	1.9	1.8
Issuer Credit Rating	BBB+/stable	BBB+/stable	BBB+/stable	BBB+/stable	BBB+/stable	BBB+/stable
Ordinary Dividend	20.0cps	17.0cps	15.8cps	15.5cps	15.1cps	14.6cps

1 Adjusted for S&P Global treatment of Capital Bonds and unwind of Manawa CFD
2 Normalised for derivative unwind across Manawa, Norske and Tilt transactions
3 Restated to reflect changes in IFRS

FINANCIAL DERIVATIVES

	12 months ended 30 June 2022	12 months ended 30 June 2021
Energy Margin contribution ($m)		
Sell CFDs	(127)	(286)
Buy CFDs	75	106
Other Financial Derivatives [1]	(71)	44
Total Energy Margin contribution	**(124)**	**(136)**

[1] FY22 includes $65m loss on close out of Norske Skog 80MW CFD and $7m loss from (non-cash) unwind of day 1 value of acquired swaps:

> Norske Skog novated CFDs: $24m gain
> Tilt: $15m gain
> Trustpower: $46m loss

NON-GAAP MEASURES

> Trading Margin is Energy Margin plus Telco Margin

> Energy Margin is sales from electricity generation and sales to customers and derivatives, less energy costs, line charges, other direct costs of sales, and third-party metering

> Telco Margin is mobile and broadband sales to customers less direct costs of those sales including last mile charges.

> Operating Expenditure represents employee compensation and benefits, maintenance expenses and other expenses

> 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

> Underlying Earnings After Tax is profit for the year after removing one-off and/or infrequently occurring events (exceeding $10 million of profit before tax, which represents material items), impairments, any change in the fair value of derivative financial instruments and gain on sale, all net of tax expense

> Free Cash Flow is net cash from operating activities less stay-in-business capital expenditure

> Stay-In-Business Capital Expenditure is the capital expenditure incurred by the company to maintain its assets in good working order

> Growth Investment is expenditure incurred by the company to create new assets and revenue

FOR FURTHER INFORMATION > **WILLIAM MEEK| CHIEF FINANCIAL OFFICER +64 21 666 265 INVESTOR@MERCURY.CO.NZ**