

>> QUARTERLY HIGHLIGHTS

9TWh TOTAL
GENERATION
IN FY2023

WITH NEW TURITEA WIND FARM
AND RECORD HYDRO GENERATION
OF 5,209GWh

"INTER-
GREATING"
RETAIL

ALL PROPOSITIONS MERGED
UNDER A SINGLE BRAND

STRONG
ELECTRICITY
YIELD
GROWTH

YIELD GROWTH IN BOTH MASS
MARKET & C&I

>> COMMENTARY

Market summary

High national hydro storage and inflows during the quarter and financial year were reflected in lower spot electricity prices averaging \$87/MWh and \$86/MWh respectively in Auckland. Forward prices remain high but have eased to \$156/MWh in Auckland for calendar years 2024 and 2025, reflecting a reduction in thermal generation input costs.

High hydro generation was partially offset by lower geothermal generation

Wet conditions over the quarter and financial year saw Q4 hydro generation lift to 1,254GWh (329GWh, 36% higher than PCP) and to 5,209GWh for the year (42% higher than PCP), the highest annual Waikato hydro generation since 1996. Hydro spill was significant totalling 1,025GWh. Planned and unplanned outages at our Kawerau and Rotokawa stations reduced quarterly geothermal generation by 179GWh (-28% lower than PCP). Turitea South wind farm became fully operational during the quarter, lifting Mercury's FY23 total generation over 9TWh for the first time. Most additional generation from higher inflows was hedged through various short term channels to lock in higher prices compared to spot, resulting in a net square portfolio position for the quarter and higher other sell CfD yields (\$134/MWh versus PCP of \$105/MWh for the quarter, and \$124/MWh in FY23 versus \$99/MWh in FY22).

Retail connection growth continued while we transitioned to one brand

Significant progress was made during FY23 "interGREATing" our Trustpower and Mercury employees, customers, brands processes and systems. All Trustpower customers rebranded to Mercury in June with a refreshed Gentrack stack, loyalty programme, new bill, website, and app. Total connections lifted to 860k by year end, 61k higher than a year ago. Commercial & Industrial yield growth (physical and end-user CfDs) was \$22/MWh and \$14/MWh higher for the quarter and financial year relative to PCP because of contract repricing to a sustained higher electricity forward curve. Mass Market yield was \$155/MWh for the quarter, \$1/MWh lower than PCP primarily from deferred price changes, including the flood impacted areas, and customer mix changes. Mass Market yield for the financial year was \$154/MWh, \$7/MWh higher than PCP largely as a result of the change in customer mix following the Trustpower acquisition in May 2022.

National demand marginally higher from urban demand offsetting lower industrial demand

National demand was 0.3% and 0.1% higher for the quarter and financial year to date relative to PCP. For the financial year, main urban centre demand increased by 0.8% versus PCP, partially offset by 9.2% lower industrial demand. NZAS load remained relatively flat. Lower industrial demand was a result of the full year impact of Marsden Point Refinery closure in April 2022, Cyclone Gabrielle impact on Pan Pac timber mill and a reduction in demand at the Glenbrook steel mill.

>> OPERATING STATISTICS

OPERATING INFORMATION	Three months ended 30 June 2023		Three months ended 30 June 2022		Twelve months ended 30 June 2023		Twelve months ended 30 June 2022	
CONNECTION NUMBERS ('000s)								
Electricity connections (ICPs)		590		574				
Gas connections	¹	102		95				
Telecommunication connections	²	151		117				
Mobile connections		17		13				
Customers with 2 or more products		190		176				
		VWAP ³		VWAP ³		VWAP ³		VWAP ³
		(\$/MWh)		(\$/MWh)		(\$/MWh)		(\$/MWh)
		Volume		Volume		Volume		Volume
		(GWh)		(GWh)		(GWh)		(GWh)
ELECTRICITY SALES								
Physical		153.35		144.25		144.63		132.26
Mass Market	⁴	155.06		156.03		154.21		146.85
Commercial & Industrial	⁵	149.89		125.04		127.24		113.52
Network Losses		92		79		350		244
Physical Purchases	⁶	90.76		200.68		90.17		155.36
Financial		130.98		105.76		120.06		98.14
End User CfDs		126.40		106.88		112.40		96.42
Other Sell CfDs	⁷	134.44		104.95		124.31		99.18
Spot Settlement of CfDs		86.64		192.00		82.73		141.49
Spot Customer Purchases		86.12		201.79		93.70		146.98
Gas Sales (\$/GJ, TJ)	¹	22.35		20.49		21.57		17.55
Gas Purchases (\$/GJ,TJ)	¹	11.88		12.72		12.85		9.78
Telco Sales (\$/month/connection)	²	85.95		82.69		84.41		82.74
Telco Costs (\$/month/connection)	²	59.72		59.37		58.61		62.87
ELECTRICITY GENERATION								
Physical		86.56		175.63		82.45		138.61
Hydro		95.80		199.82		89.97		161.45
Geothermal (consolidated)	⁸	80.92		182.46		79.51		135.86
Wind Spot		54.75		169.07		56.43		123.21
Wind PPA		65.75		72.14		62.29		63.78
Financial		106.02		105.04		100.30		109.66
Buy CfDs	⁷	106.02		105.04		100.30		109.66
Spot Settlement of CfDs		82.47		191.53		81.47		153.03
Net Position	⁹			23		560		-34

¹ Includes LPG bottle connections

² Includes mobile and from December 2022 NOW connections

³ For electricity and gas, 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 112 GWh for the 3 months ended 30 June 2023 and 149 GWh for the 3 months ended 30 June 2022 and 525 GWh for the 12 months ended 30 June 2023 and 599 GWh for the 12 months ended 30 June 2022. Also includes the Manawa CFD volumes relating to the Trustpower retail transaction since May 2022

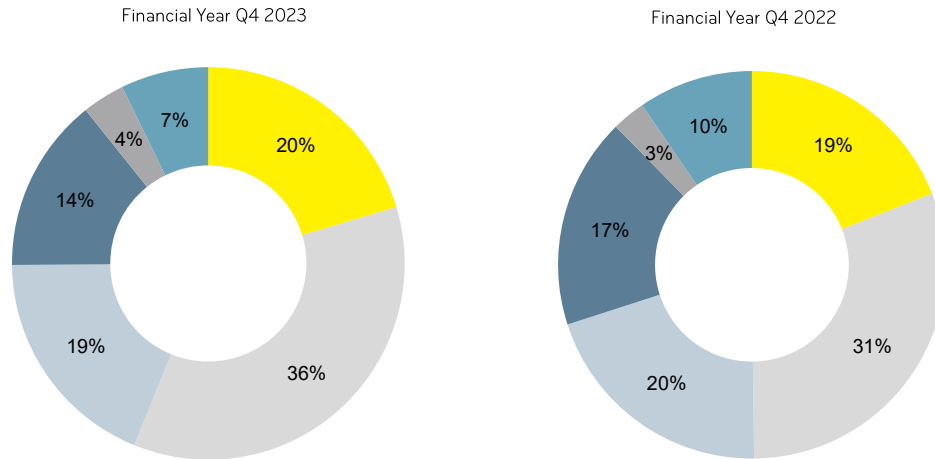
⁸ Includes Mercury's 65% share of Nga Awa Purua generation

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 JUNE

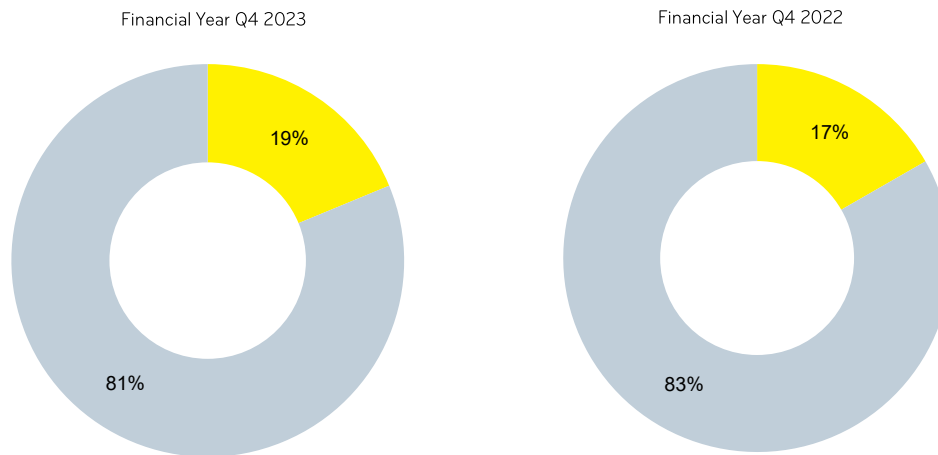
- MERCURY
- MERIDIAN ENERGY
- CONTACT ENERGY
- GENESIS ENERGY
- MANAWA ENERGY
- OTHER



Source: Transpower SCADA

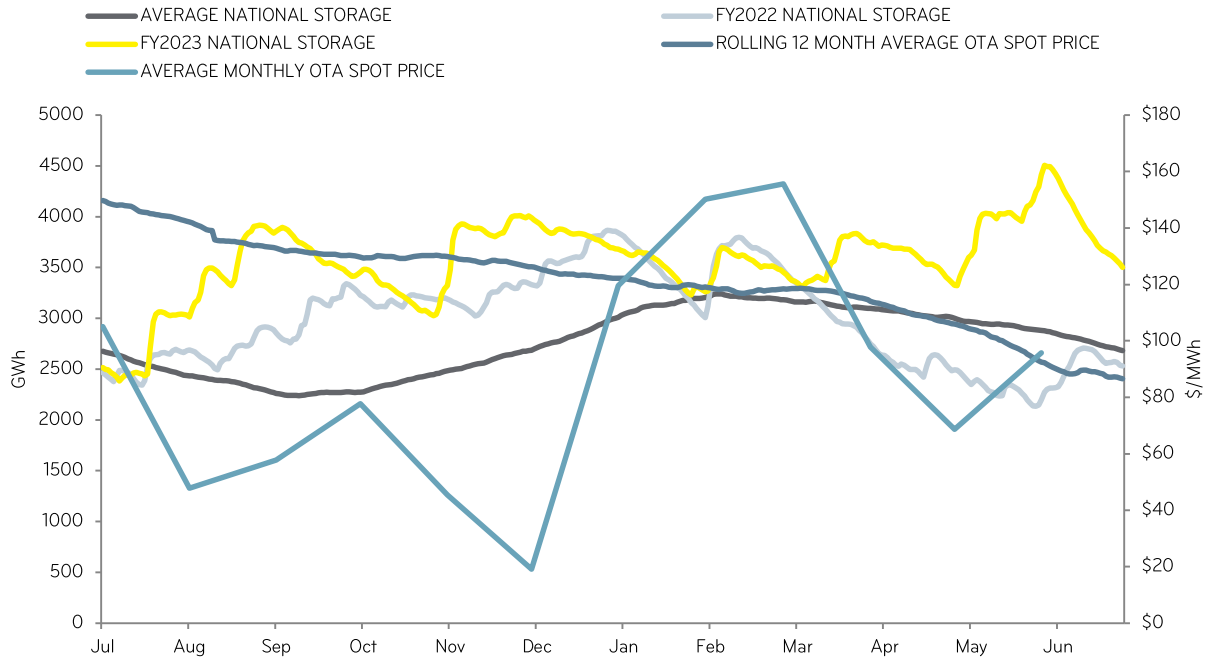
> SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 30 JUNE (EXCLUDING CFDs)

- MERCURY
- OTHER



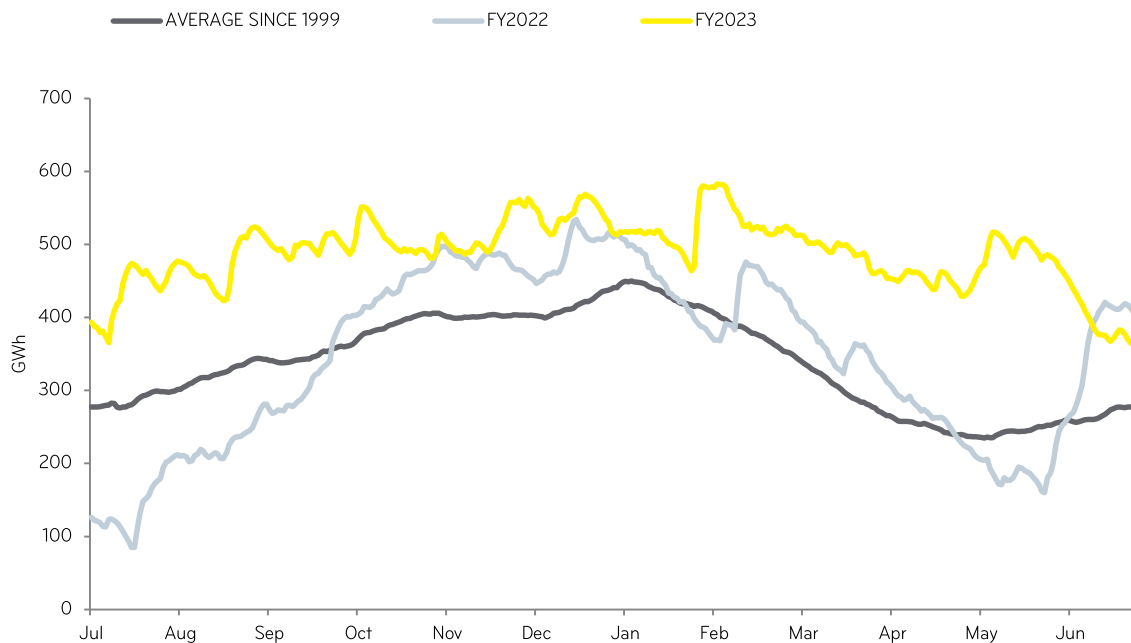
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



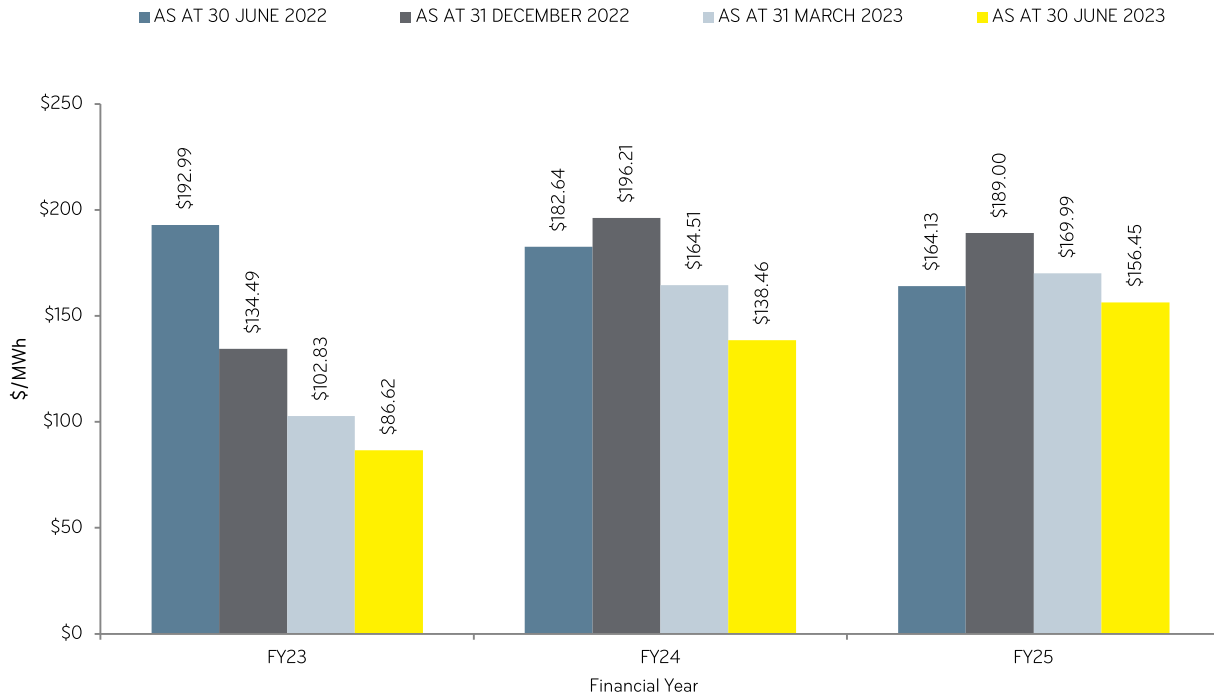
Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



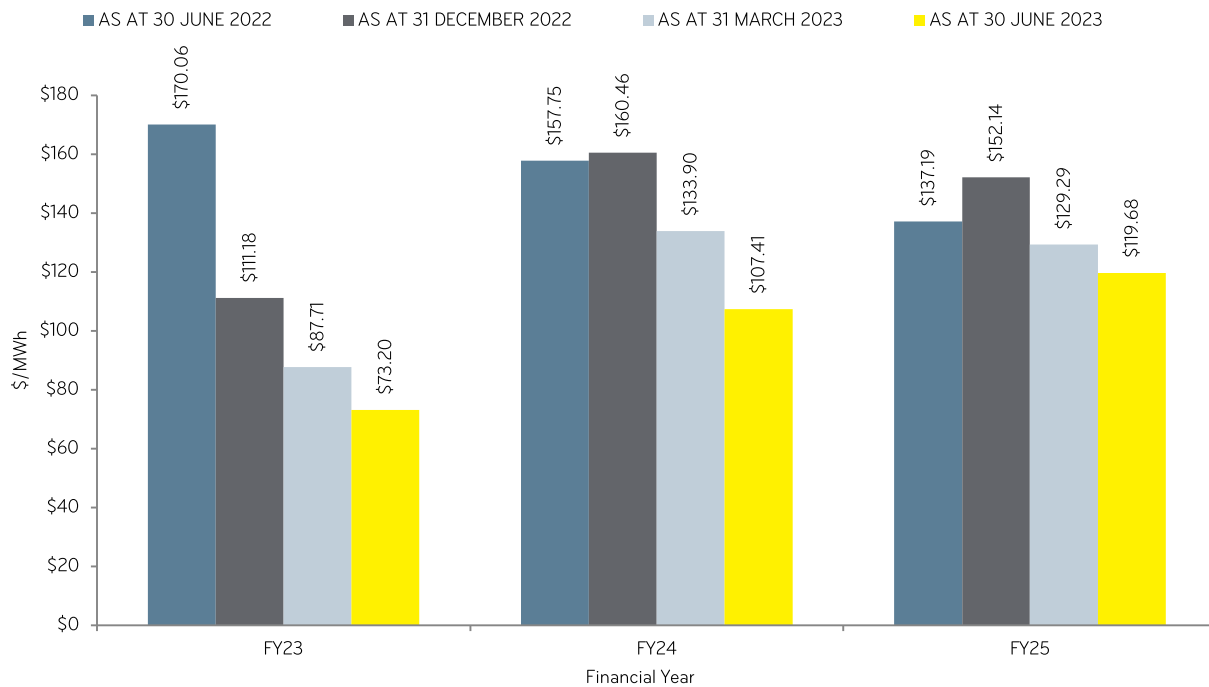
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



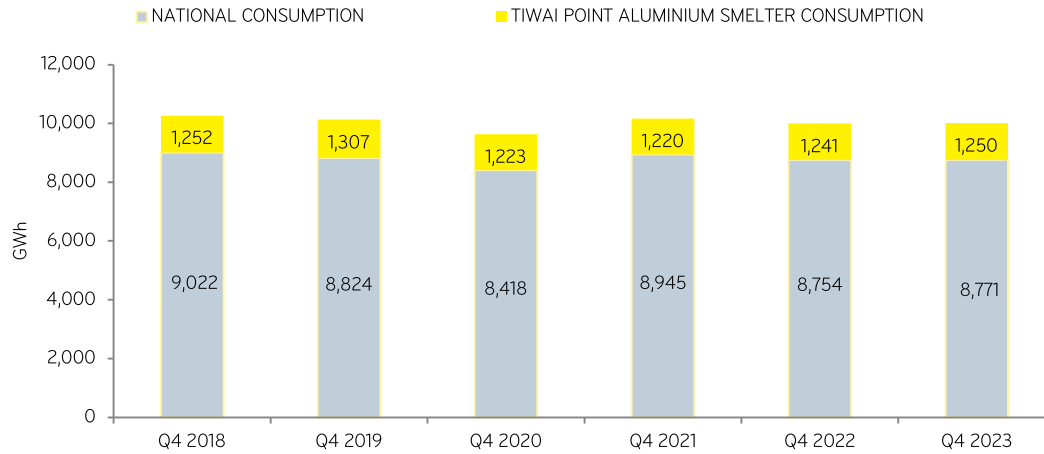
Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



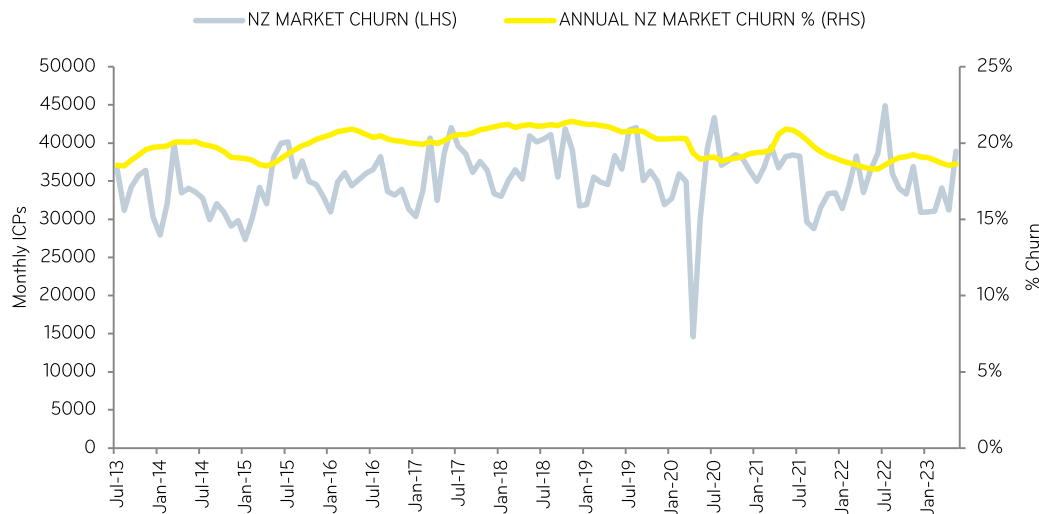
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY (°C)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2023	12.9	17.2	19.2	15.1
2022	12.2	17.8	20.8	15.1
2021	12.3	16.9	19.5	14.8
2020	12.3	16.7	19.5	14.4
2019	12.1	16.3	20.2	14.1
Historical Average (since 1999)	11.9	16.2	19.5	14.2

Source: Met Service

> MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)



Source: Electricity Authority