

>> QUARTERLY HIGHLIGHTS

FIRST
GENERATION
FROM
KAIWERA
DOWNS 1

CONTRIBUTED 9GWH IN THE
QUARTER, FULL OPERATION
EXPECTED IN OCTOBER

SUCCESSFUL
TRIAL
MIGRATION
TO
GENTRACK

WITH OVER 50% OF CUSTOMERS
NOW MIGRATED

STRONG
ELECTRICITY
YIELD
GROWTH

THROUGH C&I CONTRACT
REPRICING ON A SUSTAINED
HIGHER FORWARD PRICE

>> COMMENTARY

Market summary

Higher national inflows during the quarter were reflected in spot electricity prices averaging \$132/MWh in Auckland. Forward prices remained high at \$152/MWh in Auckland for financial years 2024 to 2026 as at 30 September 2023.

Low Waikato hydro generation with 25th percentile inflows, partially offset by higher wind generation

Dry conditions with 25th percentile inflows in the Waikato catchment over the quarter saw Q1 hydro generation reduce to 1,144GWh (311GWh, 21% lower than PCP). Wind generation was higher at 529GWh (129GWh, 32% higher than PCP), primarily a result of a full quarter of generation from the Turitea South wind farm (86GWh). Kaiwera Downs 1 first generation occurred in August 2023, adding 9GWh to the quarter with full operation expected by the end of October. Commercial & Industrial yield growth (physical and end-user CfDs) was \$18/MWh higher for the quarter relative to PCP because of contract repricing to a sustained higher electricity forward curve.

Retail connection growth despite recent focus on customer migration

Electricity connections were 10k higher than PCP but 6k lower than Q4FY23, with the quarterly reduction primarily due to a focus on successfully delivering on customer migration. After a successful trial migration in the quarter, over 50% of all customers previously on SAP have successfully migrated to the Gentrack billing system. Mass Market yield for the quarter was \$156/MWh, \$2/MWh higher than PCP largely attributed to the change in customer mix. Telco connections were 34k higher than PCP, primarily driven by the inclusion of 25k NOW customers. Average rolling 12-month churn has stabilised in the last few months at 16%, and remained flat relative to PCP.

National demand higher from urban demand offsetting lower industrial demand

National demand was 0.5% higher for the quarter relative to PCP primarily driven by urban cities and partially offset by lower Industrial demand. Lower industrial demand was primarily driven by Cyclone Gabrielle impact on the Pan Pac timber mill.

>> OPERATING STATISTICS

OPERATING INFORMATION		Three months ended 30 September 2023		Three months ended 30 September 2022	
CONNECTION NUMBERS ('000s)					
Electricity connections (ICPs)			584		574
Gas connections	¹		102		96
Telecommunication connections	²		153		119
Mobile connections			19		14
Customers with 2 or more products			190		179
		VWAP ³ (\$/MWh)	Volume (GWh)	VWAP ³ (\$/MWh)	Volume (GWh)
ELECTRICITY SALES					
Physical		155.06	1,941	146.75	1,932
Mass Market	⁴	156.23	1,370	154.04	1,325
Commercial & Industrial	⁵	152.27	571	130.83	607
Network Losses			105		91
Physical Purchases	⁶	133.43	2,046	76.97	2,023
Financial		134.03	843	121.86	934
End User CfDs		120.49	360	105.40	304
Other Sell CfDs	⁷	144.14	483	129.79	630
Spot Settlement of CfDs		127.14		69.29	
Spot Customer Purchases		126.58	32	69.20	31
Gas Sales (\$/GJ, TJ)	¹	22.22	838	19.31	778
Gas Purchases (\$/GJ,TJ)	¹	13.92	847	13.67	786
Telco Sales (\$/month/connection)	²	84.20		80.78	
Telco Costs (\$/month/connection)	²	57.67		56.26	
ELECTRICITY GENERATION					
Physical		120.02	2,335	71.32	2,543
Hydro		133.60	1,144	77.23	1,455
Geothermal (consolidated)	⁸	122.36	661	64.31	688
Wind Spot		106.72	214	49.74	117
Wind PPA		74.90	315	66.94	283
Financial		108.20	845	96.80	873
Buy CfDs	⁷	108.20	845	96.80	873
Spot Settlement of CfDs		124.41		69.58	
Net Position	⁹		-25		176

¹ Includes LPG bottle connections

² Includes mobile and from December 2022 NOW connections

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

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

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

⁶ Excludes spot customer purchases

⁷ Includes Virtual Asset Swap volumes of 113 GWh for the 3 months ended 30 September 2023 and 151 GWh for the 3 months ended 30 September 2022. Also includes the Manawa CFD volumes relating to the Trustpower retail transaction since May 2022

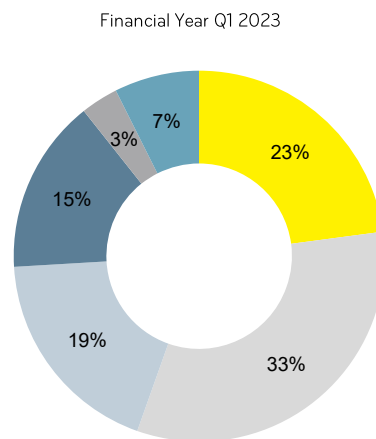
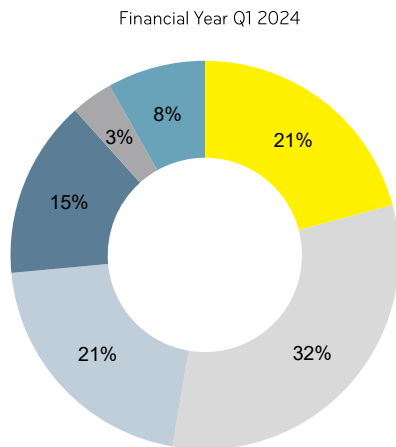
⁸ Includes Mercury's 65% share of Nga Awa Purua generation

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 SEPTEMBER

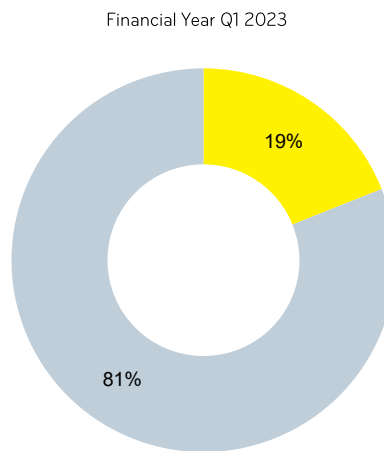
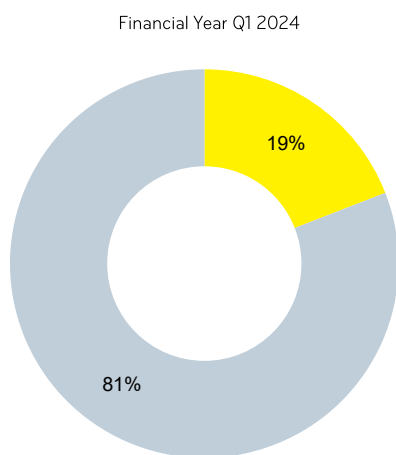
- MERCURY
- MERIDIAN ENERGY
- CONTACT ENERGY
- GENESIS ENERGY
- MANAWA ENERGY
- OTHER



Source: Transpower SCADA

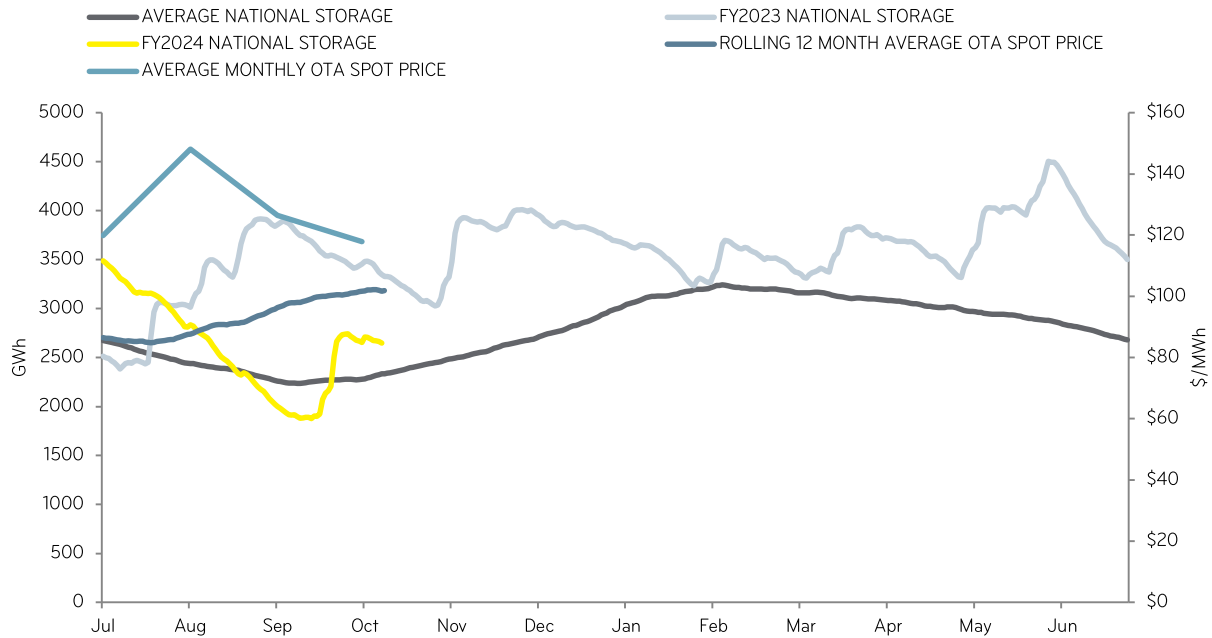
> SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 30 SEPTEMBER (EXCLUDING CFDs)

- MERCURY
- OTHER



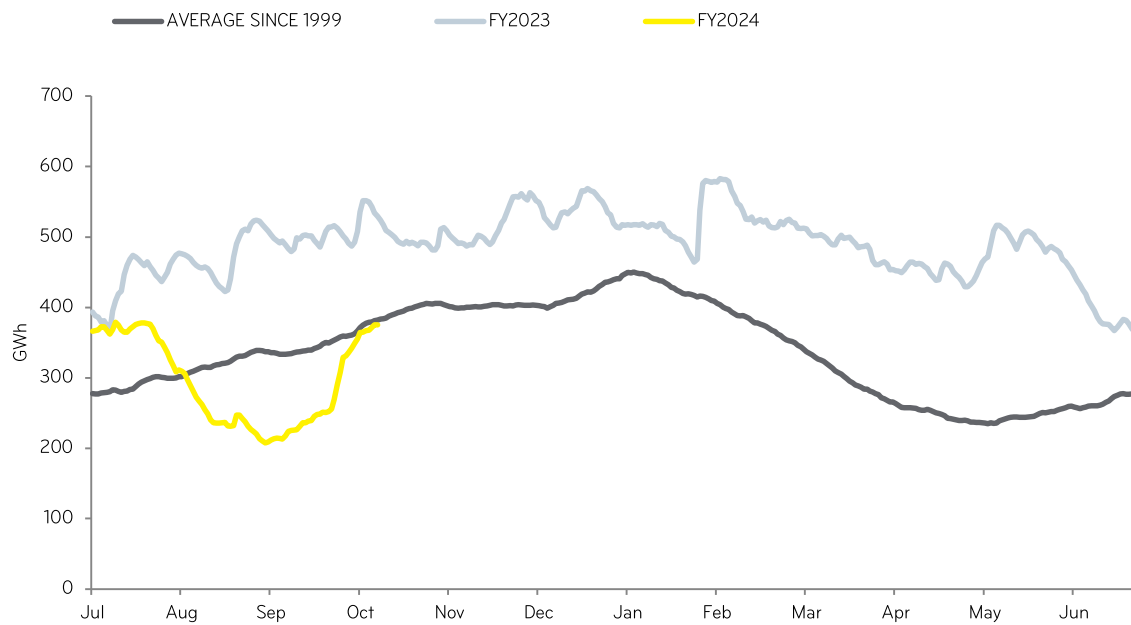
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



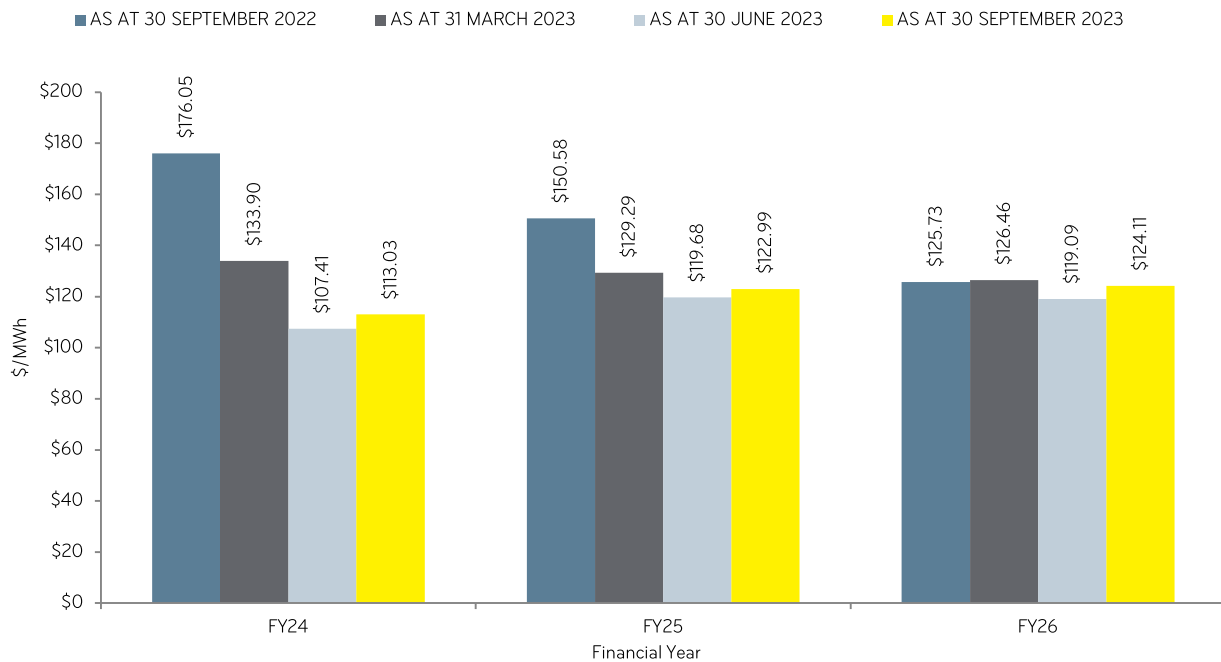
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



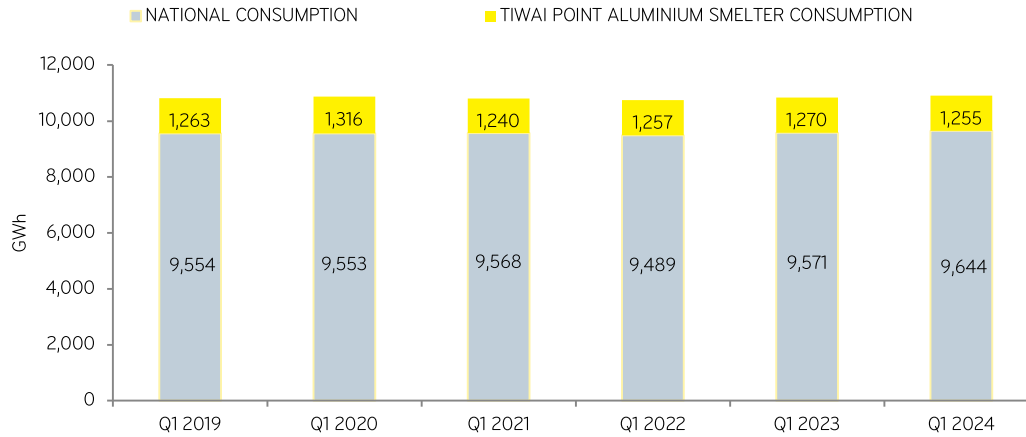
Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



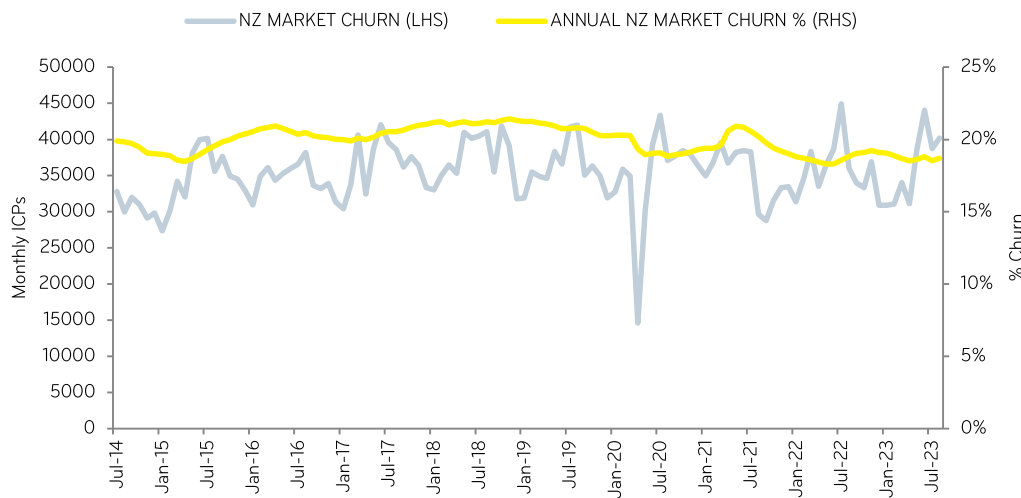
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY (°C)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2024	12.2	-	-	-
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
Historical Average (since 1999)	11.9	16.2	19.5	14.2

Source: Met Service

> MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)



Source: Electricity Authority