

Kaiwaikawe Wind Farm Investment.

Mercury is delivering more generation for New Zealand

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MERCURY COMMITS TO KAIWAIKAWE WIND FARM NEAR DARGAVILLE.



Mercury is delivering more generation for New Zealand



Mercury has committed to the construction of Kaiwaikawe wind farm, a 77 MW and 221 GWh per annum generation development project near Dargaville



First generation is expected by mid CY26 and full generation by late CY26. Kaiwaikawe's grid location and wind profile will further enhance the geographical diversity of Mercury's portfolio



Forecast capital expenditure¹ of \$287 million brings the total commitment to new renewables in FY24 and FY25 to over \$1b with Ngā Tamariki geothermal expansion and Kaiwera Downs stage 2 investments



A multi-contract delivery approach will be utilised, similar to Kaiwera Downs stage one wind farm which was completed in Nov-23 on time and under budget



Kaiwaikawe's proximity to Auckland and low correlation to NZ's wind fleet will deliver higher generation-weighted average prices relative to the benchmark Auckland grid price



New Zealand's future is brighter because of the role of renewables. The electricity sector is undergoing transformational growth; we're excited to be at the forefront of this

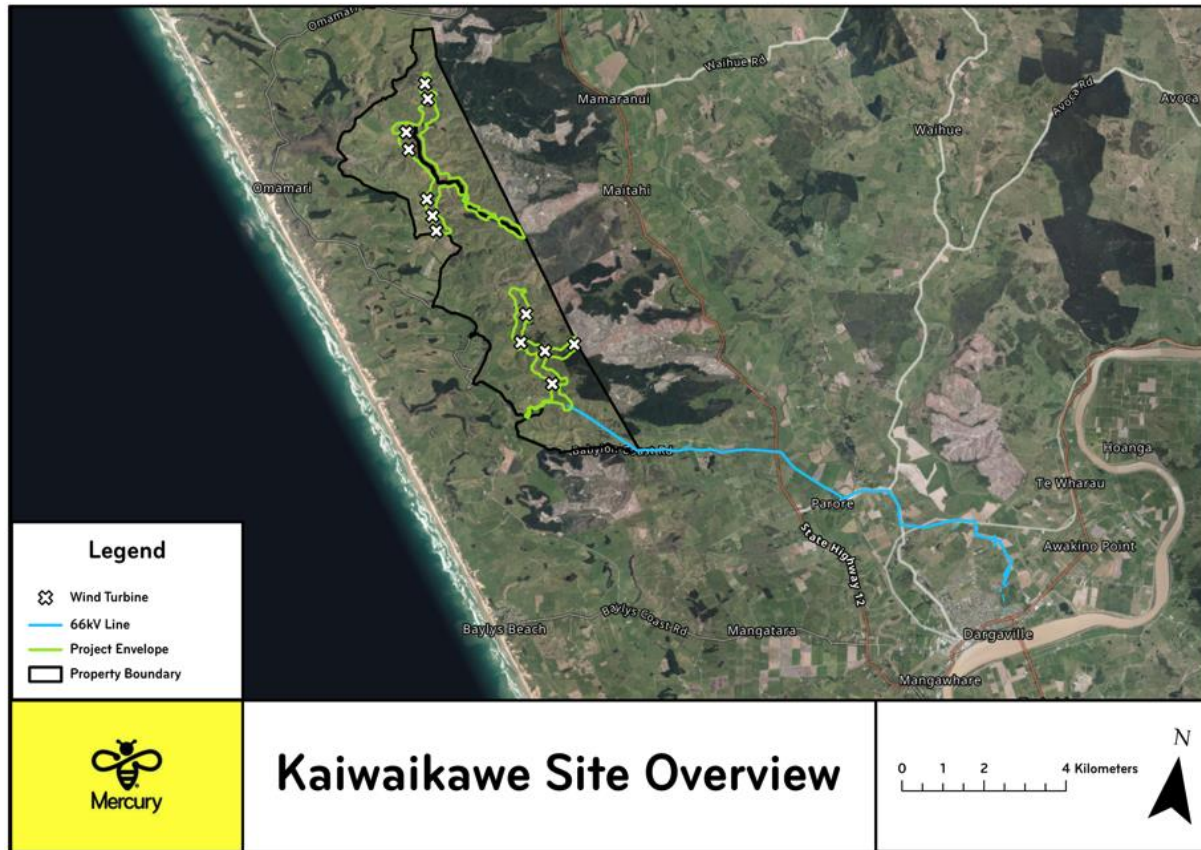
¹ Capital cost excludes capitalised interest and sunk costs



KAIWAIKAWE WIND FARM TURBINES WILL BE THE LARGEST AND TALLEST IN NZ



Kaiwaikawe wind farm and transmission layout



Key messages

- Kaiwaikawe wind farm (KWK) is a long dated high quality generation development option located in the Northland region 12km northwest of Dargaville and 3km inland from the Tasman sea
- KWK will have seven turbines located in the northern cluster and five turbines located in the southern cluster. The turbines will be the largest and tallest in New Zealand
- Underground 33kV lines will connect the turbines to the 66kV onsite substation. The wind farm connects to Northpower's substation located near Dargaville via a ~14km 66kV transmission line. The grid connection is at Maungatapere via overhead lines from Dargaville
- A multi-contract delivery approach, similar to the Kaiwera Downs stage 1 and stage 2 wind farm projects will be utilised to deliver the project



HIGH QUALITY GENERATION INVESTMENT.



Project Specification	Kaiwera Downs Stage 2 (KD2)	Kaiwaikawe
Full Generation	Late 2026	Late 2026
WTG Supplier	Vestas	Vestas
O&M Contractor / Term	Vestas / 30 years	Vestas / 30 years
Turbines	36 x V136 4.3MW	12 x V162 6.4MW
Turbine Tip Height / Tower Height	156m / 88m	206m / 125m
Rotor Diameter	136m	162m
Total Capacity	155 MW	76.8 MW
Net Capacity Factor	38.7%	33%
P50 Yield (Average over 30 years)	525 GWh pa	221 GWh pa
Capital Cost ¹	\$486m	\$287m
Total Operating Costs ² (First full year pa)	\$17.3/MWh	\$17.8/MWh
EBITDAF Impact (First full year)	\$43m	\$29m

¹ Capital cost excludes capitalised interest and sunk costs

² Total operating costs include operating expenditure and direct costs

Key messages

- KD2 wind farm is currently in construction near Gore. KWK's relative capital cost is higher than KD2 due to higher costs (smaller scale and inflation), electrical works relating to transmission and grid upgrade works
- The higher cost of KWK is partially offset by the location benefit of KWK's proximity to Auckland
- We are in the final stages of negotiating offtake arrangements with Genesis

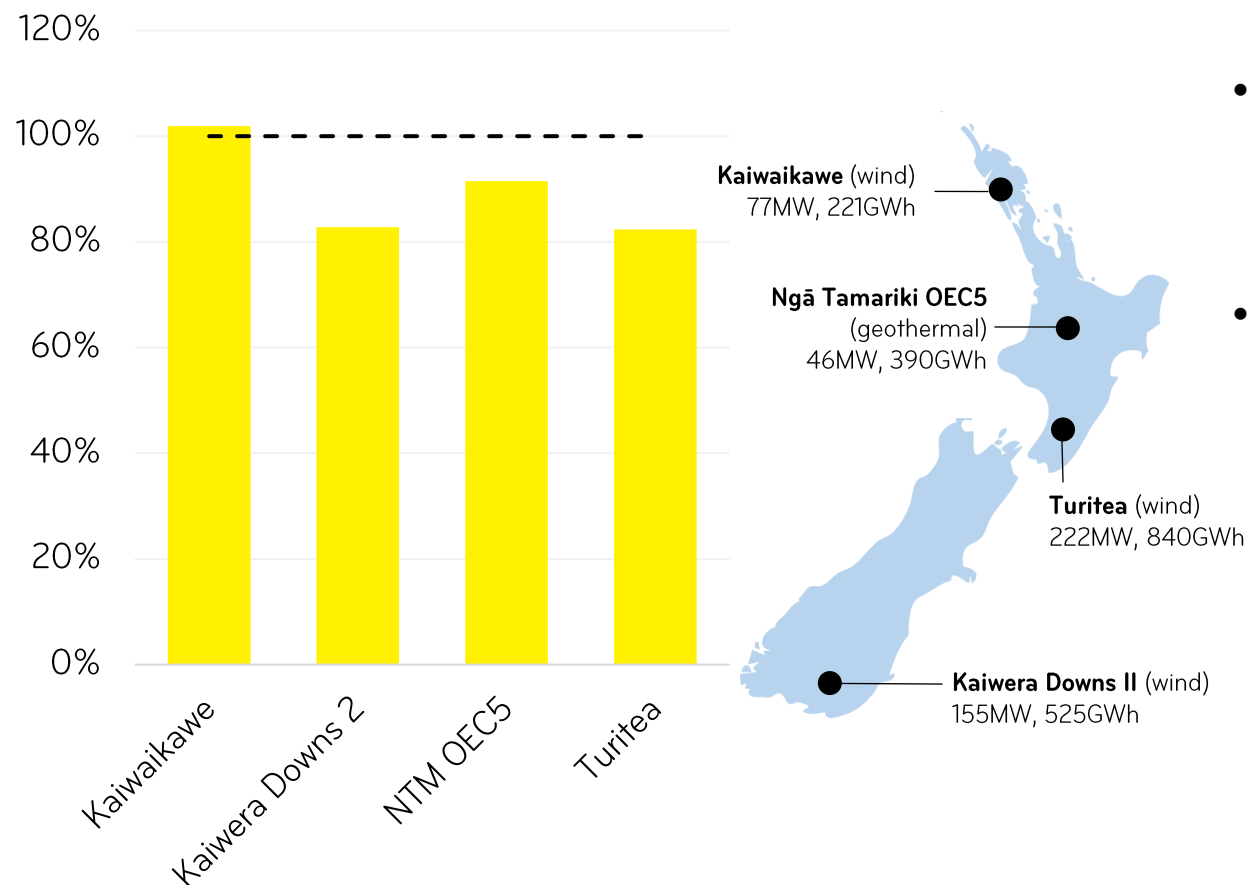


LOCATIONAL BENEFITS PARTIALLY OFFSET INCREASED COST



Kaiwaikawe has a location advantage

GWAP/TWAP¹



Key messages

- Kaiwaikawe's geographic diversity and low correlation to NZ's wind fleet delivers higher generation-weighted average prices (GWAP) relative to competing development options
- These benefits partially offset the higher relative capital cost of KWK compared with KD2

¹ Generation Average Weighted Price (GWAP) vs. Time-weighted average price at OTA. 2023 actual or modelled Year 1 prices



HIGH QUALITY GENERATION PIPELINE.



Kaiwaikawe wind farm development committed

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 late Cal-26
Kaiwaikawe	77	221	Wind farm near Dargaville	Construction	First generation mid Cal-26 Full generation late Cal-26
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. Development work progressing
Whakamaru BESS stage 1	100-150	2hr (300MWh)	BESS near Taupo	Feasibility & 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 Turitea South and Kaiwera Downs stage 1 wind generation projects at a total cost of \$565 million. With the commitment to develop Kaiwaikawe, Mercury has three generation projects in the construction stage
- 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 in FY25, a grid-scale battery at Whakamaru hydro station and a wind farm west of Huntly



GENERATION CONSTRUCTION UPDATE



Kaiwera Downs stage 2 under construction



Kaiwera Downs stage 2 construction is on plan despite a few wet months over spring. We are 5 months into civil work. ~10kms of onsite roading and a number of hardstands are in progress. Substation hardstand is complete and handed over to electrical balance of plant contractor who have started onsite. 33kv reticulation cable started with ~6kms laid to date.

Ngā Tamariki OEC5 geothermal under construction

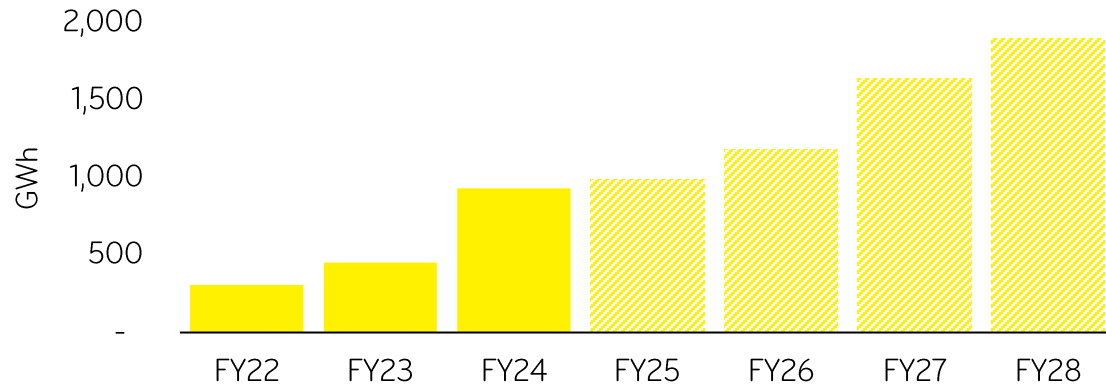


Ngā Tamariki OEC5 construction is on plan and major milestones met. Air Cooled Condenser structure and bundles have all been erected. OEC switchroom is well underway. All major equipment from Ormat has arrived on site.



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 FY24 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

