

## >> QUARTERLY HIGHLIGHTS

STILL WET  
WET WET!

WETTEST JULY TO MARCH PERIOD  
EVER. Q3 HYDRO GENERATION UP  
367GWh ON PCP

CONNECTION  
GROWTH  
ACROSS ALL  
PRODUCTS

TOTAL CONNECTIONS LIFT  
11,000 IN Q3

ELECTRICITY  
FUTURES  
REMAIN HIGH

ELECTRICITY FUTURES PRICES  
REMAIN ELEVATED AT AROUND  
\$170/MWh OUT TO CY26

## >> COMMENTARY

### WET CONDITIONS CONTINUE OVER QUARTER

Inflows into the Waikato catchment remained very high for the quarter on the back of Cyclone Hale and the tropical atmospheric river experienced over Auckland Anniversary weekend. This continued a trend of very wet conditions since the start of the financial year, with the inflow sequence since 1 July 2022 remaining the wettest on record. Hydro generation was 1,220GWh for the three months ended 31 March 2023, up 367GWh (43%) on the prior comparable period, reflecting the high inflows. Hydro spill was approximately 160 GWh for the quarter and circa 850GWh since 1 July 2022 to maintain lakes within normal operating ranges.

### ELECTRICITY SPOT PRICES FIRM ON LOW SOUTH ISLAND INFLOWS, FORWARD PRICES REMAIN HIGH

National inflows were below average for the quarter, driven by South Island inflows being at the lower quartile for the period. This reflected in electricity spot prices firming since last quarter, averaging \$142/MWh and \$86/MWh in Auckland for the quarter and the financial year to date respectively. Forward prices remain high but have moderated to around \$170/MWh in Auckland for calendar years 2024 - 2026, reflecting a reduction in thermal generation costs.

### NATIONAL DEMAND IMPACTED BY CYCLONE GABRIELLE

National demand reduced 1.1% relative to the prior comparable period and is at the lowest level for Q3 since financial year 2009. The reduction in national demand was driven mainly by lower industrial load, partly contributed to with reduced consumption by the ex-refinery at Marsden Point. Cyclone Gabrielle also impacted on demand due to network outages and flooding damage, including Pan Pac and Ravensdown facilities based in Hawkes Bay.

### STRONG HYDRO GENERATION PRODUCTION, SLIGHTLY OFFSET BY GEOTHERMAL UNPLANNED OUTAGES

As noted above, hydro generation was strong for the quarter due to the wet weather. Geothermal generation was 596GWh for the quarter, down 57GWh on the prior comparable period due mainly to unplanned outages at Kawerau and Rotokawa. Wind generation was down 0.9% for the quarter due mainly to lighter wind conditions. For the financial year, we are forecasting hydro generation of 5,100GWh. Higher financial year 2023 hydro generation is forecast to be largely offset by impacts of the Kawerau outage with a return to service scheduled for early June.

### CONNECTION GROWTH CONTINUES, COMMERCIAL & INDUSTRIAL YIELDS LIFT

Mercury's quarterly operational update now includes the impact of the Trustpower retail and NOW businesses resulting in higher mass market connections, volumes and prices relative to the prior comparable period. Mercury saw connection growth across all product lines, lifting total connections by 11,000 over the quarter. Commercial & Industrial yields (physical and end-user CfDs) remained strong, increased by \$12/MWh to \$119/MWh versus the prior comparable period, reflecting repricing contract renewals into the high electricity forward curve.

## >> OPERATING STATISTICS

OPERATING INFORMATION	Three months ended 31 March 2023		Three months ended 31 March 2022		Nine months ended 31 March 2023		Nine months ended 31 March 2022		
<b>ELECTRICITY CUSTOMERS</b> ('000s ICPs)									
Electricity connections		585		324					
Gas connections	<sup>1</sup>	100		47					
Telecommunication customers		148							
Mobile connections		16							
Customers with two or more products		186		47					
		VWAP <sup>2</sup> (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)	VWAP (\$/MWh)	Volume (GWh)
<b>ELECTRICITY SALES</b>									
Physical		141.36	1,487	126.70	1,123	141.61	5,009	126.96	3,542
Mass Market	<sup>3</sup>	154.09	901	143.65	528	153.91	3,188	142.18	1,901
Commercial & Industrial	<sup>4</sup>	121.78	586	111.68	595	120.08	1,821	109.34	1,641
Network Losses		86		52		258		165	
Physical Purchases	<sup>5</sup>	146.14	1,573	180.02	1,175	89.97	5,267	132.62	3,707
Financial		130.21	768	99.21	676	116.73	2,567	95.82	2,255
End User CfDs		112.20	253	96.86	254	106.89	858	92.69	816
Other Sell CfDs		139.04	516	100.62	422	121.67	1,709	97.60	1,439
Spot Settlement of CfDs		136.59		168.71		81.53		126.13	
Spot Customer Purchases		144.72	48	174.92	30	97.24	107	130.63	92
GAS SALES (\$/GJ, TJ)	<sup>1</sup>	25.93	346	21.68	138	21.25	1,573	15.58	756
Gas purchases (\$/GJ, TJ)	<sup>1</sup>	13.37	349	10.56	141	13.26	1,588	9.04	773
TELCO SALES (\$/month/connection)	<sup>6</sup>	80.51				80.92			
Telco costs (\$/month/connection)	<sup>6</sup>	56.04				56.88			
<b>ELECTRICITY GENERATION</b>									
Physical		127.11	2,137	160.80	1,831	81.22	6,954	125.74	5,571
Hydro		138.81	1,220	188.72	853	88.13	3,955	148.41	2,737
Geothermal (consolidated)	<sup>7</sup>	134.47	596	161.81	653	79.16	1,890	120.17	1,921
Wind Spot		99.04	87	145.05	99	57.12	320	100.02	204
Wind PPA		58.05	235	59.28	226	61.30	789	60.71	709
Financial		105.44	644	101.91	323	98.34	2,226	112.65	1,042
Buy CfDs	<sup>8</sup>	105.44	644	101.91	323	98.34	2,226	112.65	1,042
Spot Settlement of CfDs		137.87		157.98		81.13		128.05	
Net Position	<sup>9</sup>		205		77		557		-58

<sup>1</sup> Includes LPG bottle connections

<sup>2</sup> For electricity and gas, VWAP is the volume weighted average energy-only price sold to customers after lines, metering and fees

<sup>3</sup> Mass market includes residential segments and non time-of-use commercial customers

<sup>4</sup> Fixed-price, variable-volume (FPVV) sales to time-of-use commercial customers

<sup>5</sup> Excludes spot customer purchases

<sup>6</sup> Includes mobile connections, excludes NOW connections

<sup>7</sup> Includes Mercury's 65% share of Nga Awa Purua generation

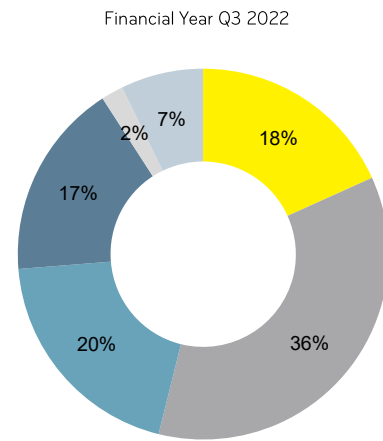
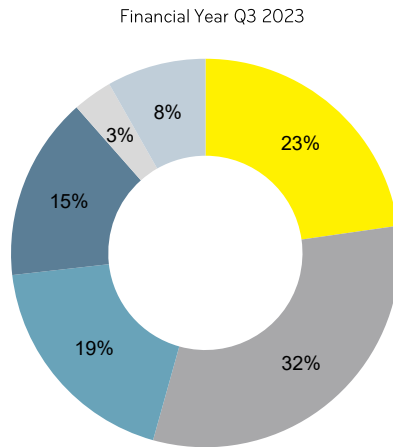
<sup>8</sup> Includes Virtual Asset Swap volumes of 111 GWh for the 3 months ended 31 March 2023 and 148 GWh for the 3 months ended 31 March 2022 and of 413 GWh for the 9 months ended 31 March 2023 and 450 GWh for the 9 months ended 31 March 2022. Also includes the Manawa CFD volumes relating to the Trustpower retail transaction.

<sup>9</sup> 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 31 MARCH

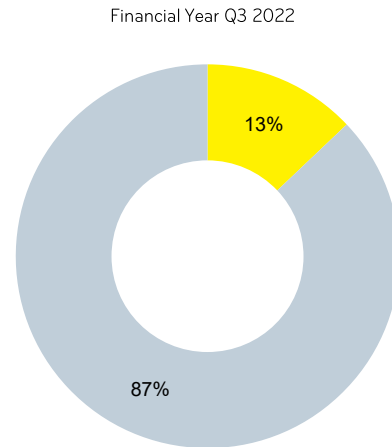
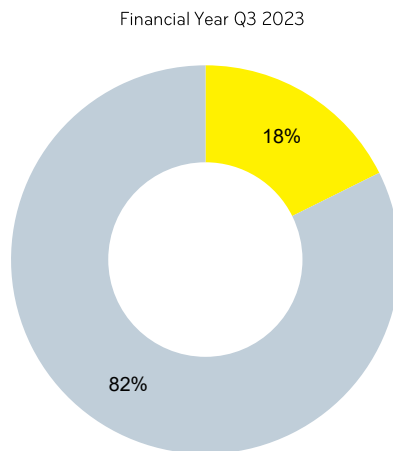
- MERCURY
- MERIDIAN ENERGY
- CONTACT ENERGY
- GENESIS ENERGY
- MANAWA ENERGY
- OTHER



Source: Electricity Authority

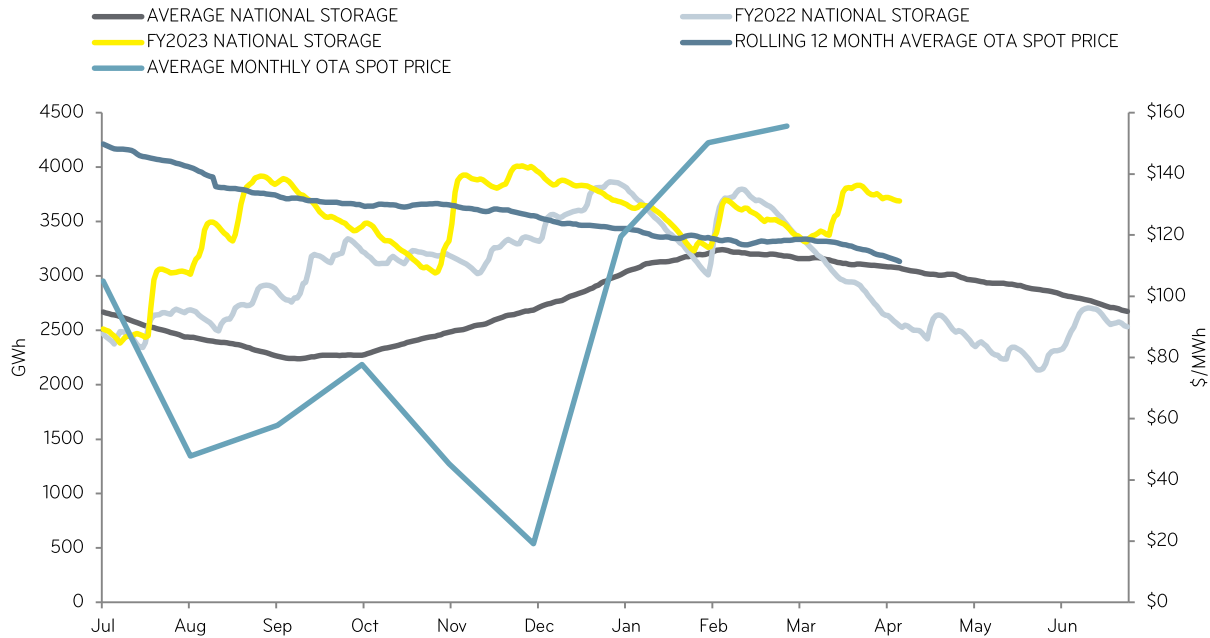
> SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 31 MARCH (EXCLUDING CFDs)

- MERCURY
- OTHER



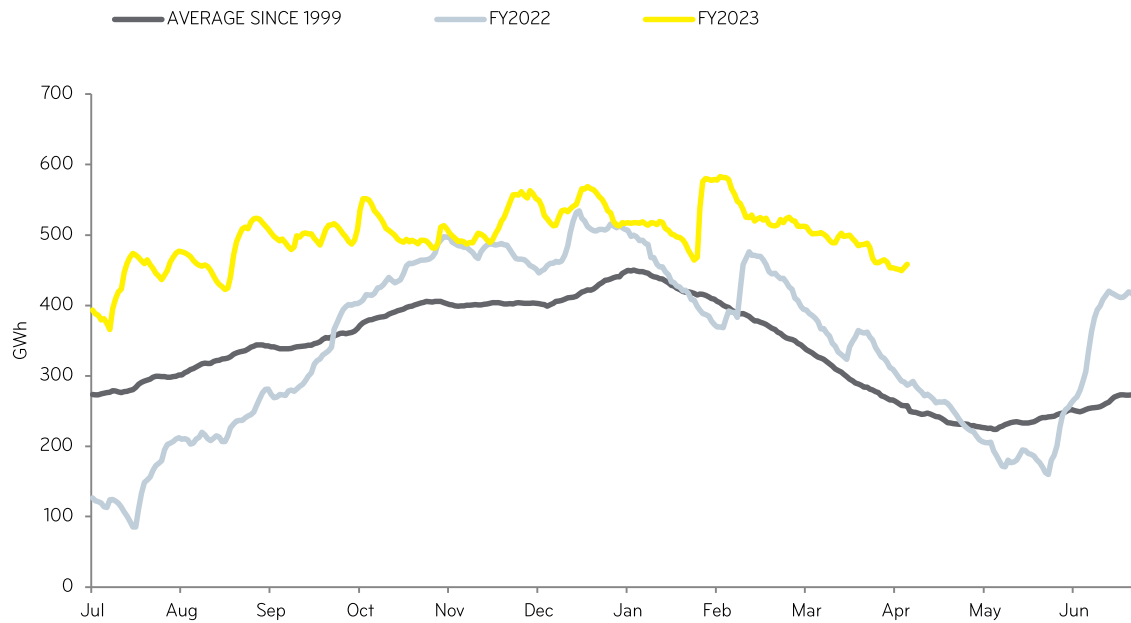
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



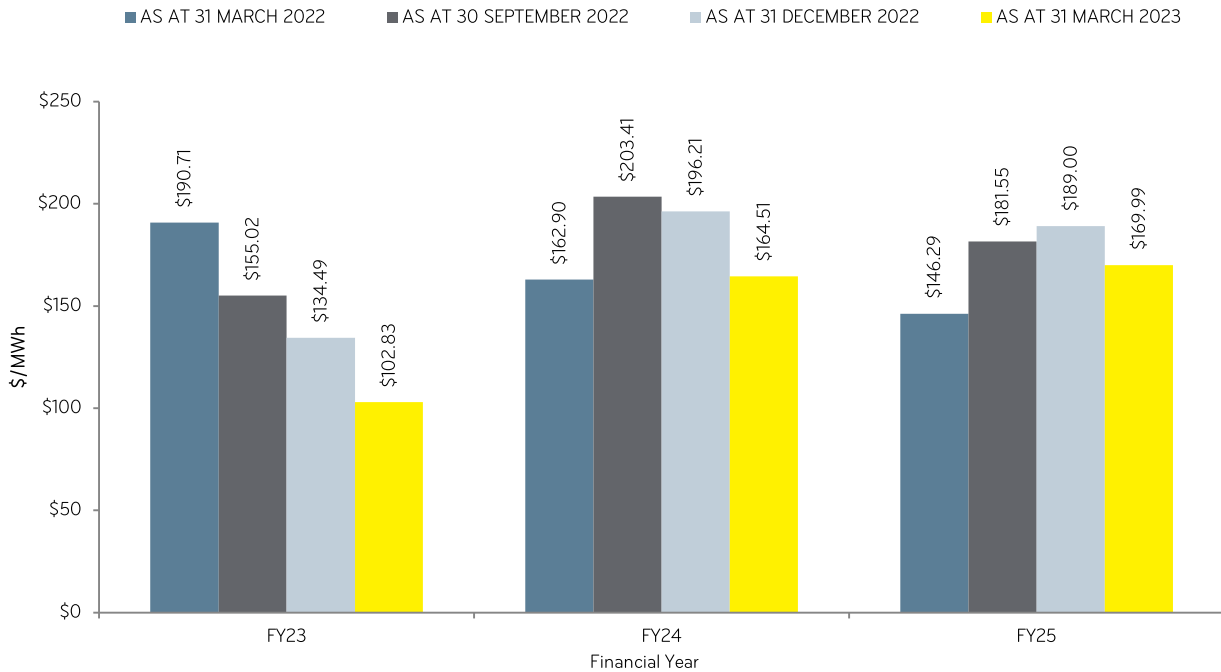
Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



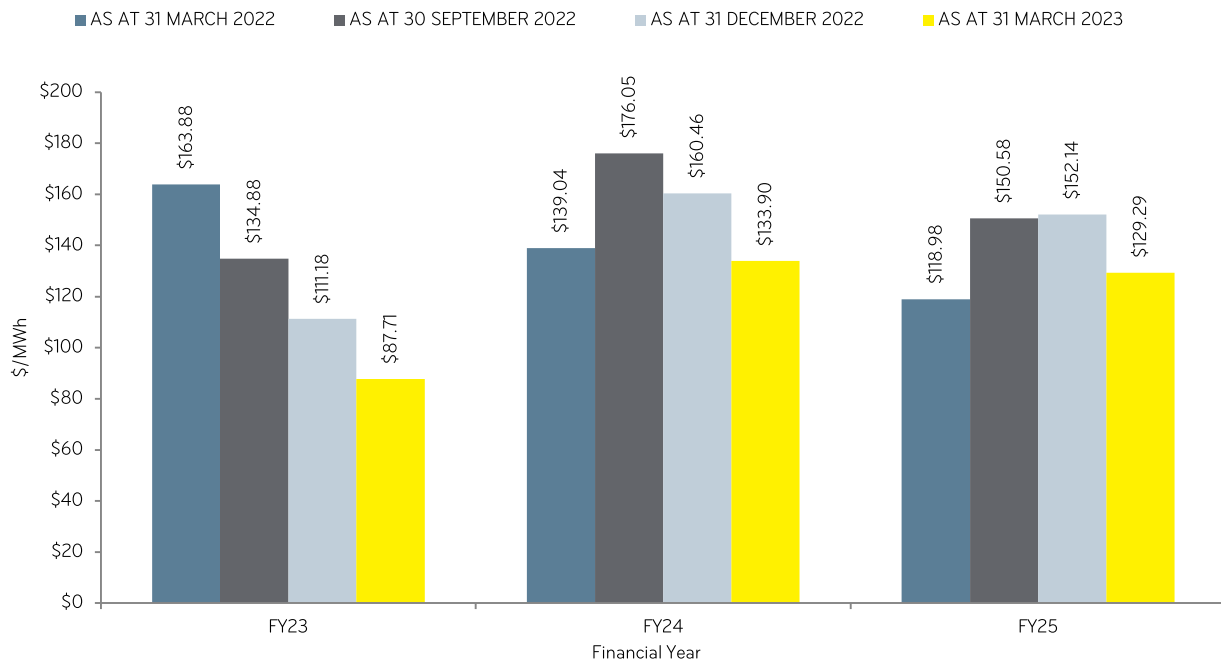
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



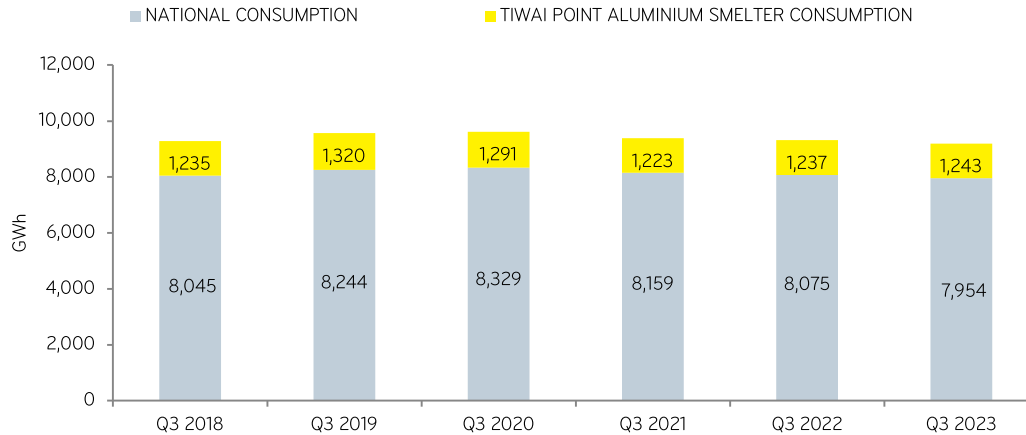
Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



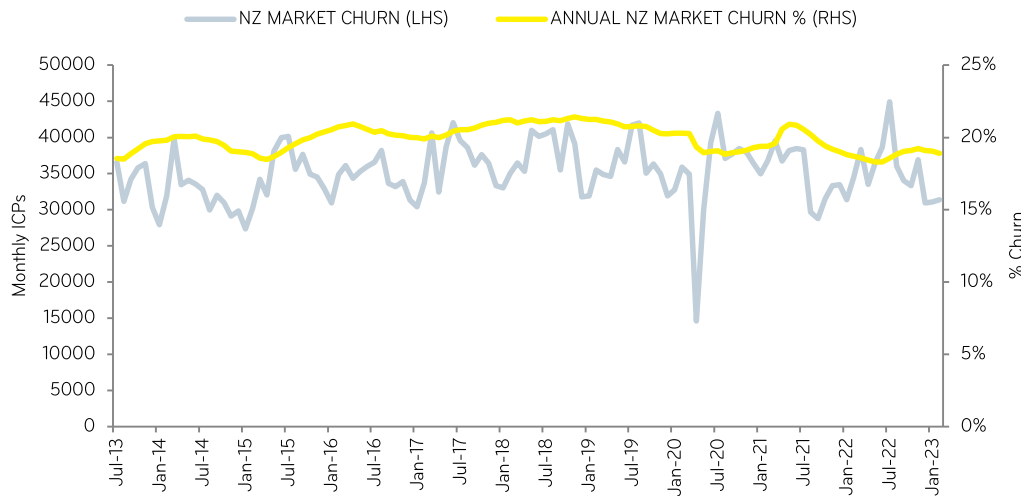
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY ( °C)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2023	12.9	17.2	19.2	-
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