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QUARTERLY OPERATIONAL UPDATE

Three months ended 31 December 2024

>> QUARTERLY HIGHLIGHTS

ELECTRICITY FUTURES REMAIN ELEVATED

SPOT PRICES LOW IN Q2, BUT FUTURES PRICES REMAIN FIRM

TAUPO STORAGE MANAGED

DESPITE DRY CONDITIONS, PROVIDING A STRONG Q3 PORTFOLIO POSITION

CONSTRUCTION UNDERWAY AT KAIWAIKAWE WIND FARM

221 GWH PER ANNUM NEAR DARGAVILLE

>> COMMENTARY

Market summary

77th percentile national hydro inflows and lower electricity demand during the quarter were reflected in lower spot electricity prices averaging $44/MWh in Auckland. Whilst forward prices eased slightly from last quarter's outlook, they remain elevated at $174/MWh in Auckland for financial years 2025 to 2027 as at 31st December 2024. National demand was 2.1% lower for the quarter relative to PCP. After normalising demand for industrial demand response initiated during Q1, demand increased by 0.7% versus the PCP.

Portfolio management has resulted in a good starting Taupō lake level for Q3, despite drier conditions

Lower Waikato catchment inflows of 22nd percentile over the quarter saw Q2 hydro generation reduce to 872 GWh (56 GWh, 6% lower than PCP). Taupō hydro storage was conserved to end the quarter with an above average lake level. This was achieved by reducing hydro generation while spot electricity prices were low relative to forward electricity prices in the second half of 2025.

Wind generation was 44 GWh or 8% lower for the quarter relative to PCP because of lower than average wind. Planned maintenance outages at Nga Awa Purua and Rotokawa stations have resulted in 55 GWh lower geothermal generation than PCP at 589 GWh. Commercial & Industrial yield growth (physical and end-user CfDs) was $15/MWh higher for the quarter relative to PCP because of contract repricing to a sustained higher electricity forward curve.

Telco and mobile connections increased by 25k relative to PCP and 6k versus the last quarter due to cross-sell focus and various customer offers.

Mercury commits to Kaiwaikawe wind farm in Northland

Mercury confirmed it will construct a $287m wind farm near Dargaville, bringing the total commitment to new renewables to more than $1b over two years. The 77 MW and 221 GWh per annum is expected to reach full generation by late CY26.

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>> OPERATING STATISTICS

OPERATING INFORMATION	Three months ended 31 December 2024		Three months ended 31 December 2023 [10]		Six months ended 31 December 2024		Six months ended 31 December 2023 [10]	
CONNECTION NUMBERS ('000s)								
Electricity connections (ICPs)		582		579				
Gas connections [1]		107		102				
Telecommunication connections [2]		169		154				
Mobile connections		30		20				
Customers with 2 or more products		203		186				
	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)
ELECTRICITY SALES								
Physical	155.53	1,473	143.15	1,549	161.05	3,324	149.77	3,491
Mass Market [4]	174.30	970	165.01	992	168.16	2,294	159.92	2,363
Commercial & Industrial [5]	119.38	503	104.18	557	145.19	1,030	128.53	1,128
Network Losses		84		85		193		190
Physical Purchases [6]	45.00	1,557	154.58	1,635	201.35	3,517	142.82	3,680
Financial	136.65	750	120.45	821	151.72	1,621	127.33	1,665
End User CfDs	130.06	244	115.05	262	134.94	601	118.20	623
Other Sell CfDs [7]	139.83	506	122.98	559	161.60	1,020	132.78	1,042
Spot Settlement of CfDs	42.33		150.47		179.33		138.65	
Spot Customer Purchases	39.89	50	144.79	28	147.02	81	134.98	60
Gas Sales ($/GJ, TJ) [1]	31.61	475	24.48	447	27.41	1,339	23.01	1,286
Gas Purchases ($/GJ,TJ) [1]	12.92	480	12.47	449	23.06	1,355	13.42	1,295
Telco Sales ($/month/connection) [2]	81.65		86.09		82.26		85.15	
Telco Costs ($/month/connection) [2]	56.56		60.59		56.77		58.91	
ELECTRICITY GENERATION								
Physical	50.89	1,996	134.52	2,151	165.46	4,191	126.90	4,486
Hydro	57.73	872	156.03	928	204.93	1,836	143.65	2,072
Geothermal (consolidated) [8]	39.32	589	144.10	644	167.24	1,272	133.09	1,305
Wind Spot	26.87	196	129.16	267	133.12	398	119.22	482
Wind PPA	66.60	339	55.00	312	75.11	685	65.01	627
Financial	106.88	593	105.78	742	122.02	1,458	107.07	1,587
Buy CfDs [7]	106.88	593	105.78	742	122.02	1,458	107.07	1,587
Spot Settlement of CfDs	39.96		146.12		203.14		134.56	
Net Position [9]		-57		125		-174		101

[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 76 GWh for the 3 months ended 31 December 2024 and 113 GWh for the 3 months ended 31 December 2023 and of 151 GWh for the 6 months ended 31 December 2024 and 226 GWh for the 6 months ended 31 December 2023. Also includes the Manawa CFD volumes relating to the Trustpower retail transaction since May 2022

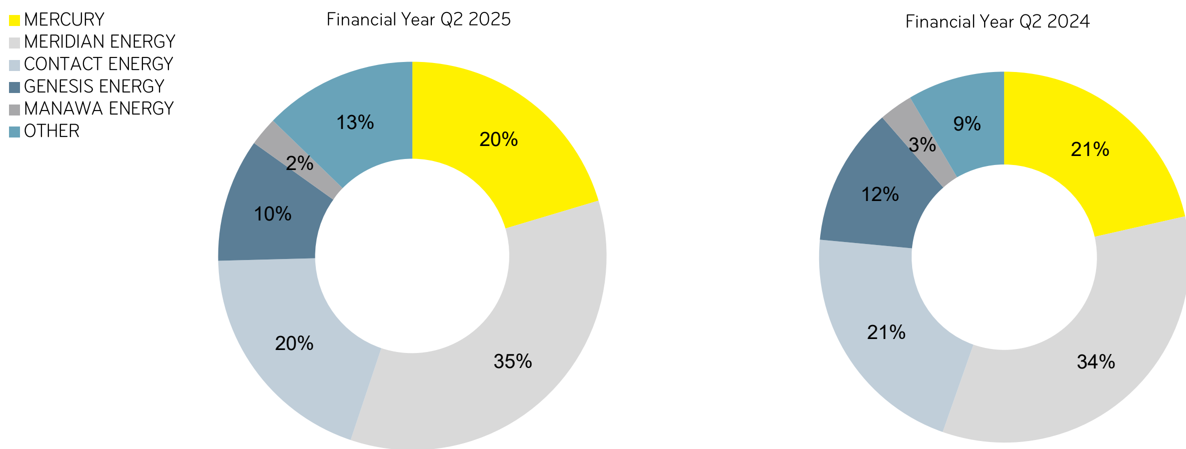
[8] Includes Mercury's 65% share of Nga Awa Purua generation

[9] Includes all physical and financial buys and sells except spot customer purchases and wind ppa

[10] FY23 mass market and C&I yield results have been restated

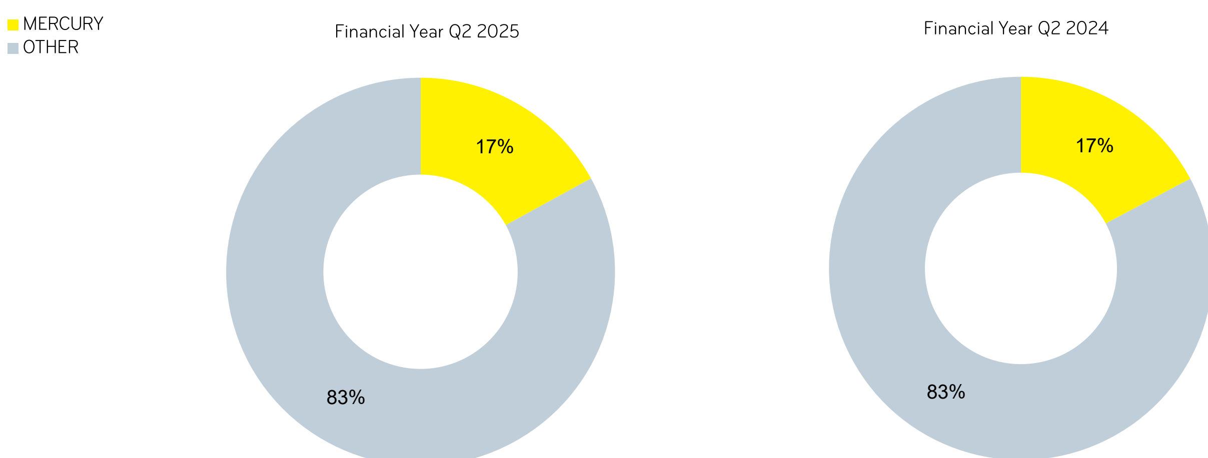
>> MARKET DATA

> ELECTRICITY GENERATION BY COMPANY FOR THE THREE MONTHS ENDED 31 DECEMBER



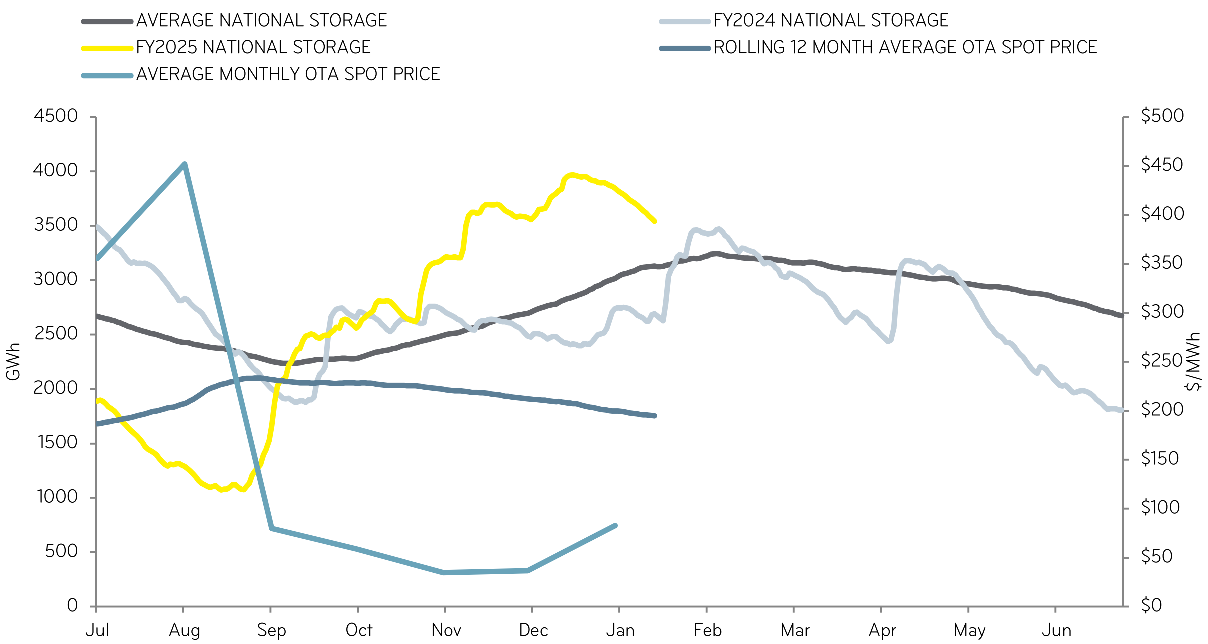
Source: Transpower SCADA

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



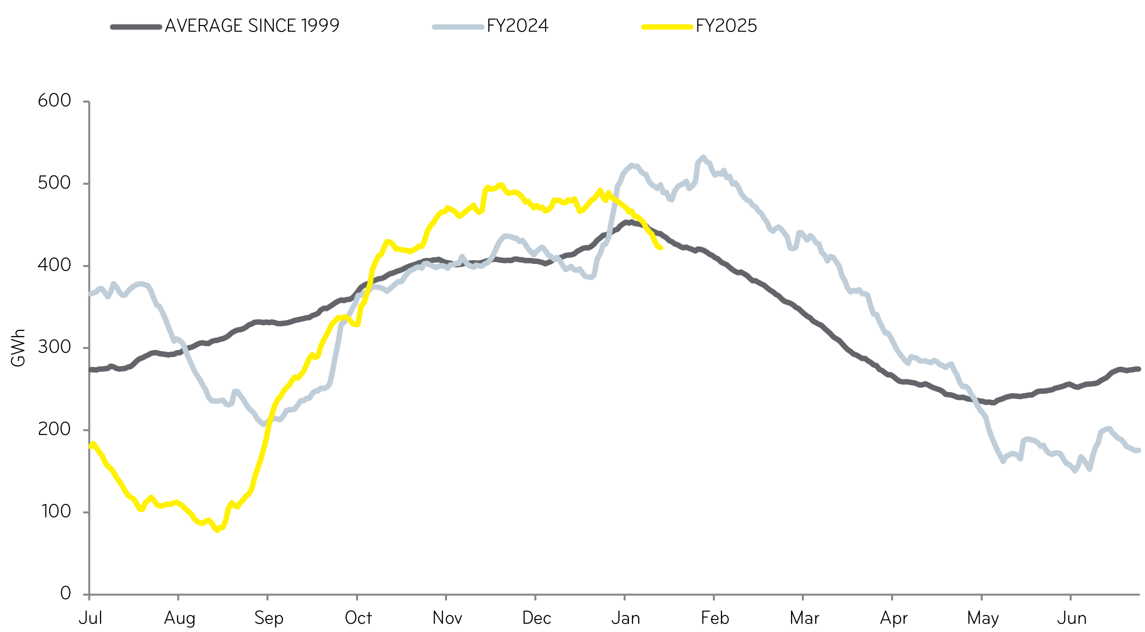
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



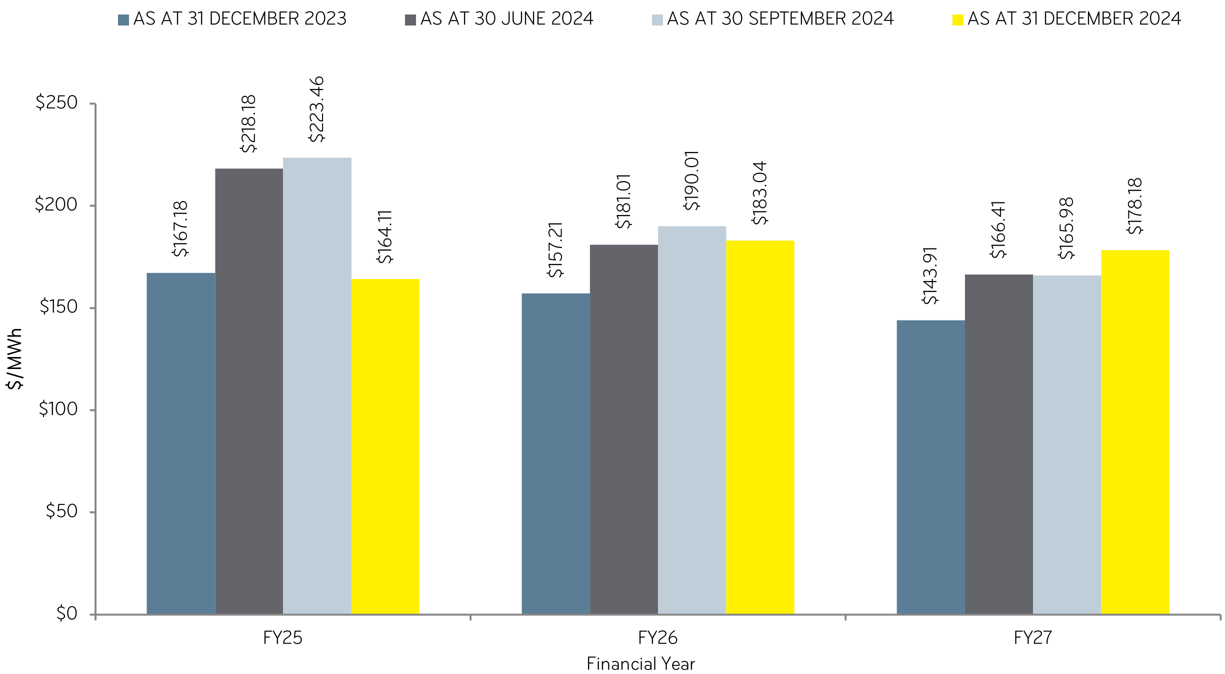
Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



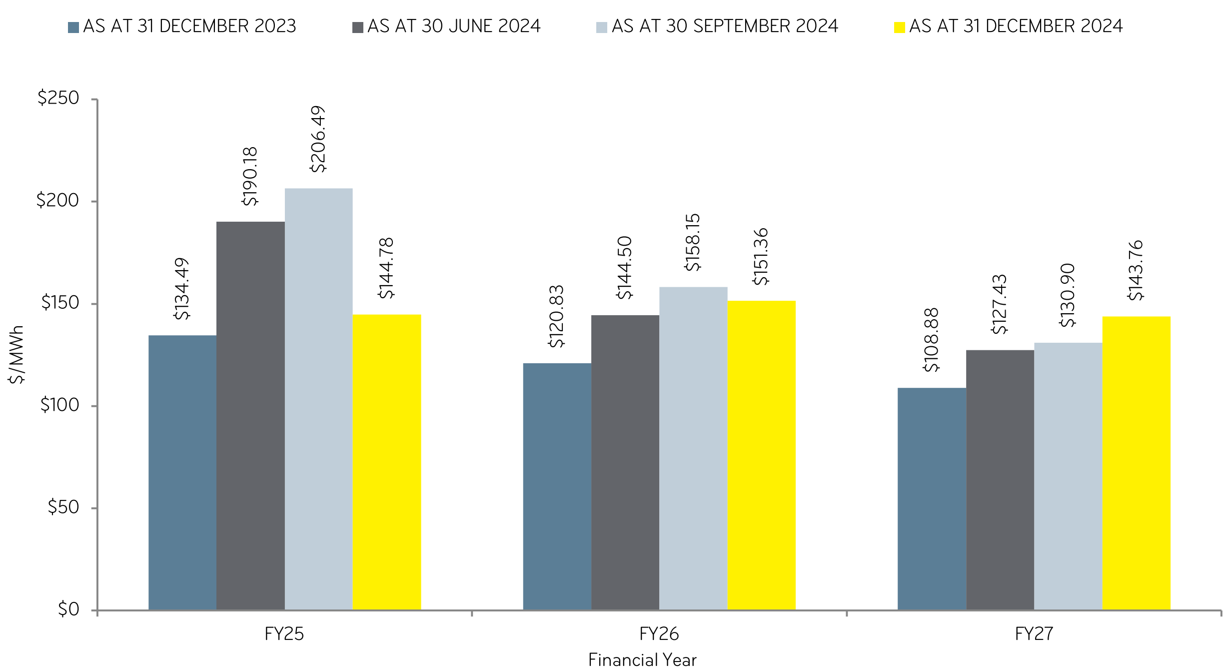
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

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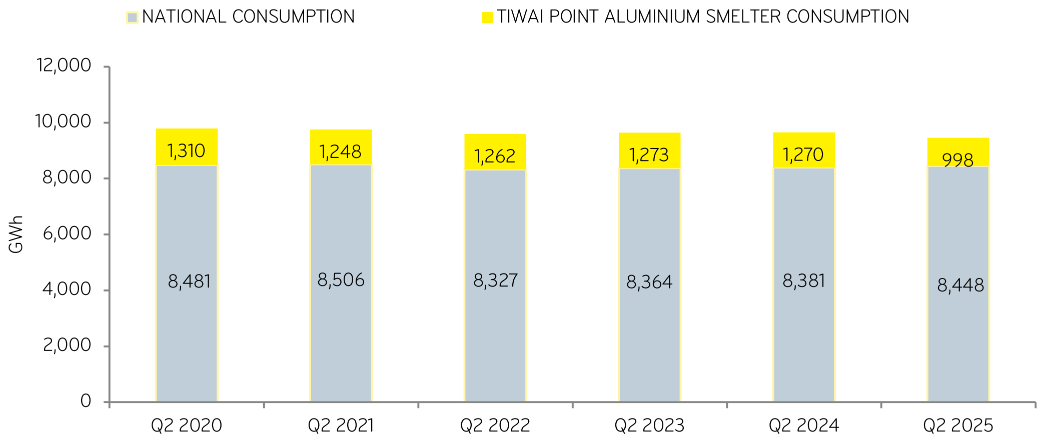
> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



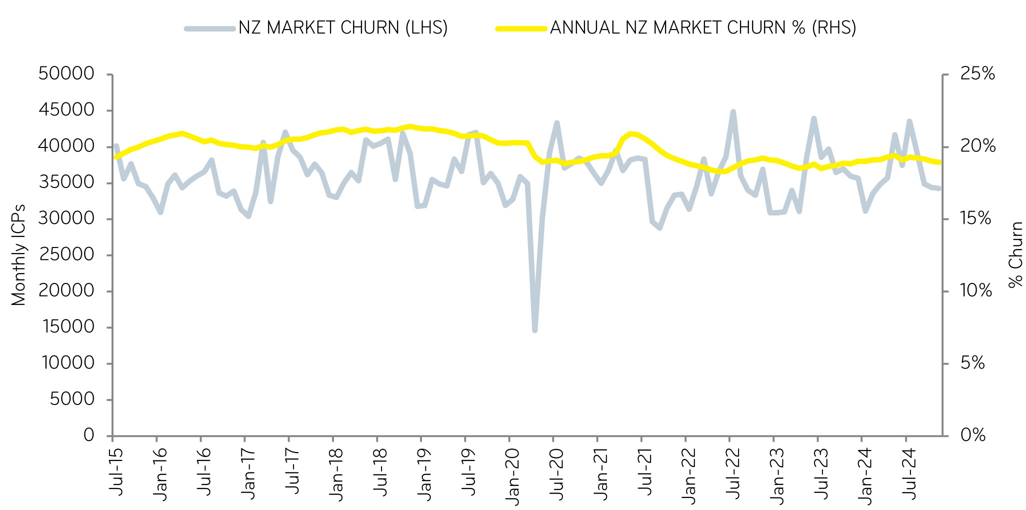
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY (ºC)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2025	12.5	17.1	-	-
2024	12.2	16.8	19.6	14.3
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
Historical Average (since 1999)	12.0	16.2	19.5	14.2

Source: Met Service

> MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)



Source: Electricity Authority