QUARTERLY OPERATIONAL UPDATE

Three months ended 30 June 2025

>> QUARTERLY HIGHLIGHTS

FY25 HYDRO GENERATION 3,410 GWH

4th LOWEST GENERATION FROM WAIKATO SCHEME SINCE 1980

MEAN HYDROLOGY INCREASES TO 4,140 GWH FROM FY26

UPLIFT FROM DIGITAL RIVER AND KARĀPIRO REHABILITATION

KARĀPIRO HYDRO REHAB PROJECT CONCLUDING

THIRD UNIT AT KARĀPIRO ANTICIPATED TO BE COMPLETED IN SEPTEMBER 2025

>> COMMENTARY

Market summary

National hydrological inflows of 62nd percentile during the quarter contributed to lower spot electricity prices averaging $216/MWh in Auckland. Forward electricity prices have eased to $179/MWh in Auckland for financial years 2026 to 2027 as of 30th June 2025.

FY25 hydro generation the 4th lowest from the Waikato scheme since 1980

Total generation for FY25 was 7,906GWh (874GWh, 11% lower than PCP). This primarily reflects lower hydro generation of 3,410GWh (686GWh, 17% lower than PCP) driven by 12th percentile Waikato catchment inflows and a lower than average Lake Taupō starting level. Lower wind generation of 1,936GWh (125GWh, 6% lower than PCP) from lower wind speeds and lower geothermal generation of 2,559GWh (63GWh, 2% lower than PCP) from planned outages contributed to the lower FY25 total generation.

For the quarter, a low Lake Taupō level and dry conditions to start the period contributed to lower hydro generation of 864GWh (155GWh, 15% lower than PCP). High hydro inflows at the end of the quarter increased Waikato catchment inflows to 79th percentile for the period, providing a healthy hydro storage leading into FY26.

Increasing mean hydro generation from Digital River and Karāpiro Rehabilitation

Looking ahead, Mercury's average annual hydro generation has increased 62GWh to 4,140GWh per annum. The uplift in the mean hydro expectations is driven by the Karāpiro Rehabilitation Project and the Digital River, Mercury's AI-powered decision platform and digital twin. The Digital River optimises hydro operations by simulating complex hydrology scenarios for value and has already contributed to record high hydro efficiency in FY25.

Karāpiro project concluding with third unit

Mercury is anticipating the completion of the full replacement of the third generating unit at Karāpiro hydro station in Sep-25, concluding the three-year programme of work at the site. The full replacement of the three units at Karāpiro increases hydro capacity by 16.5MW, resulting in 32GWh of additional generation assuming average inflows.

Mercury

>> OPERATING STATISTICS

OPERATING INFORMATION	Three months ended 30 June 2025		Three months ended 30 June 2024		Twelve months ended 30 June 2025		Twelve months ended 30 June 2024	
CONNECTION NUMBERS ('000s)								
Electricity connections (ICPs)		578		576				
Gas connections [1]		110		104				
Telecommunication connections		178		160				
Mobile connections		37		24				
Customers with 2 or more products		215		191				
	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)
ELECTRICITY SALES								
Physical	166.80	1,632	164.72	1,710	163.53	6,340	153.55	6,669
Mass Market [4]	160.01	1,109	168.05	1,175	168.73	4,281	162.80	4,461
Commercial & Industrial [5]	181.21	523	157.41	535	152.71	2,059	135.28	2,208
Network Losses		93		97		365		369
Physical Purchases [6]	215.83	1,726	275.02	1,807	211.24	6,705	189.55	7,037
Financial	150.65	707	154.63	798	147.42	3,024	137.53	3,247
End User CfDs	128.17	363	133.85	278	129.48	1,281	122.80	1,147
Other Sell CfDs [7]	174.34	344	165.76	520	160.62	1,742	145.58	2,100
Spot Settlement of CfDs	206.20		259.02		196.38		181.03	
Spot Customer Purchases	222.12	58	266.41	30	191.76	190	182.81	120
Gas Sales ($/GJ, TJ) [1]	35.58	561	23.04	612	31.14	2,225	23.95	2,310
Gas Purchases ($/GJ,TJ) [1]	17.90	561	24.66	618	21.27	2,242	16.27	2,325
Telco Sales ($/month/connection) [2]	77.56		81.74		79.69		84.95	
Telco Costs ($/month/connection) [2]	55.15		56.27		55.77		58.10	
ELECTRICITY GENERATION								
Physical	183.41	1,999	237.70	2,105	177.82	7,906	164.64	8,780
Hydro	207.96	864	274.71	1,019	211.93	3,410	190.68	4,096
Geothermal (consolidated) [8]	196.15	656	244.56	650	184.24	2,559	172.38	2,622
Wind Spot	178.37	175	225.24	168	161.06	718	149.57	855
Wind PPA	89.32	305	84.71	268	78.72	1,218	70.20	1,207
Financial	159.53	754	122.81	799	133.66	2,893	112.67	3,073
Buy CfDs [7]	159.53	754	122.81	799	133.66	2,893	112.67	3,073
Spot Settlement of CfDs	213.18		265.72		211.51		181.13	
Net Position [9]		15		31		-149		362

[1] Includes LPG bottle connections

[2] Includes mobile

[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

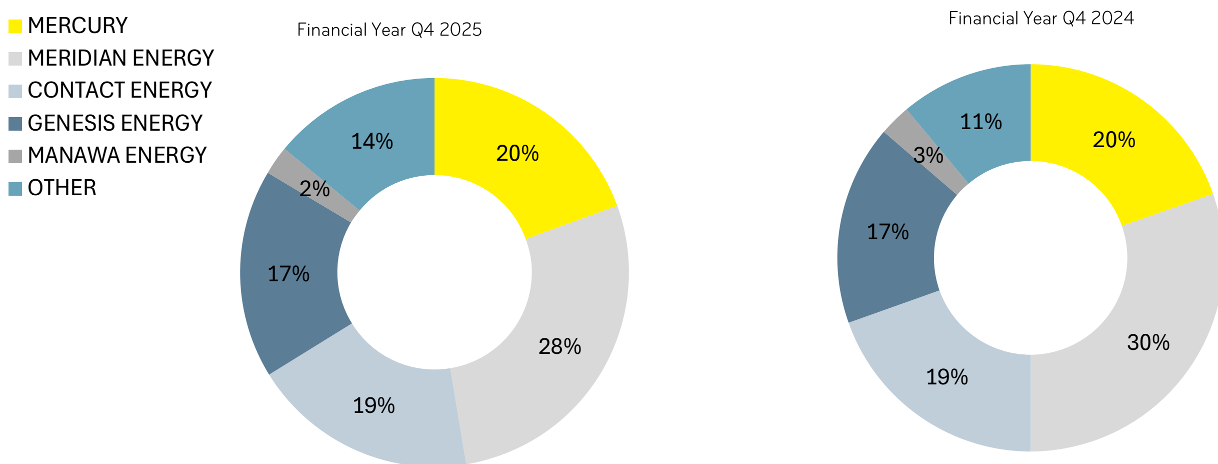
[7] Includes Virtual Asset Swap volumes of 37 GWh for the 3 months ended 30 June 2025 and 75 GWh for the 3 months ended 30 June 2024 and of 225 GWh for the 12 months ended 30 June 2025 and 376 GWh for the 12 months ended 30 June 2024. Also includes the Manawa CFD volumes relating to the Trustpower retail 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

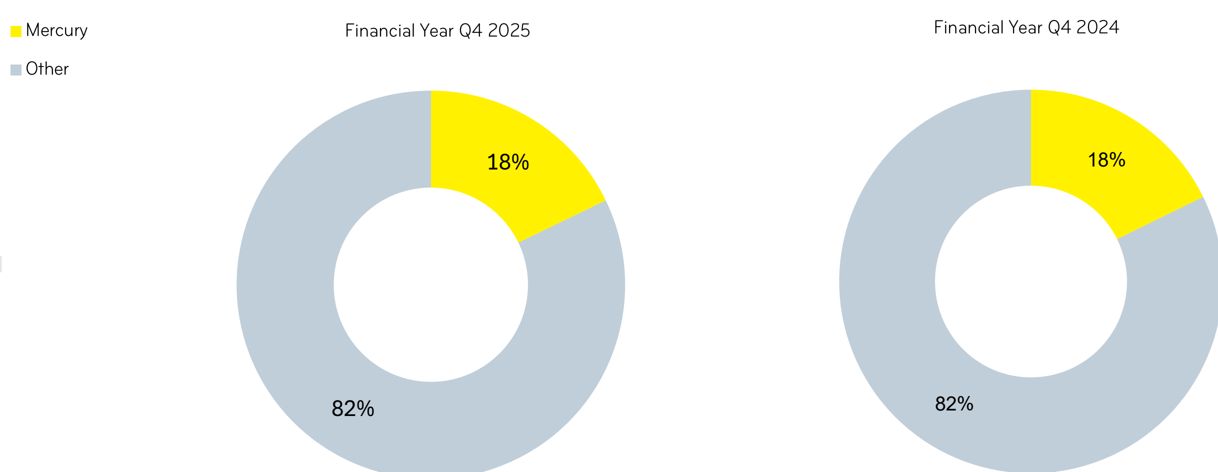
>> MARKET DATA

> ELECTRICITY GENERATION BY COMPANY FOR THE THREE MONTHS ENDED 30 JUNE



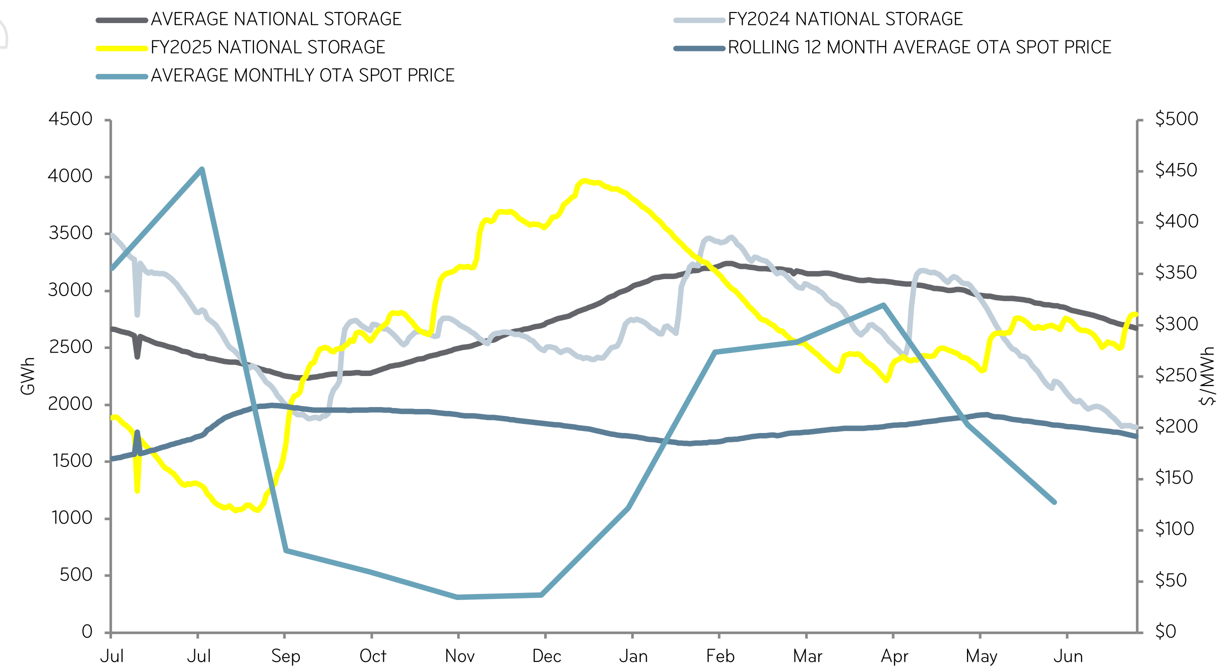
Source: Transpower SCADA

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



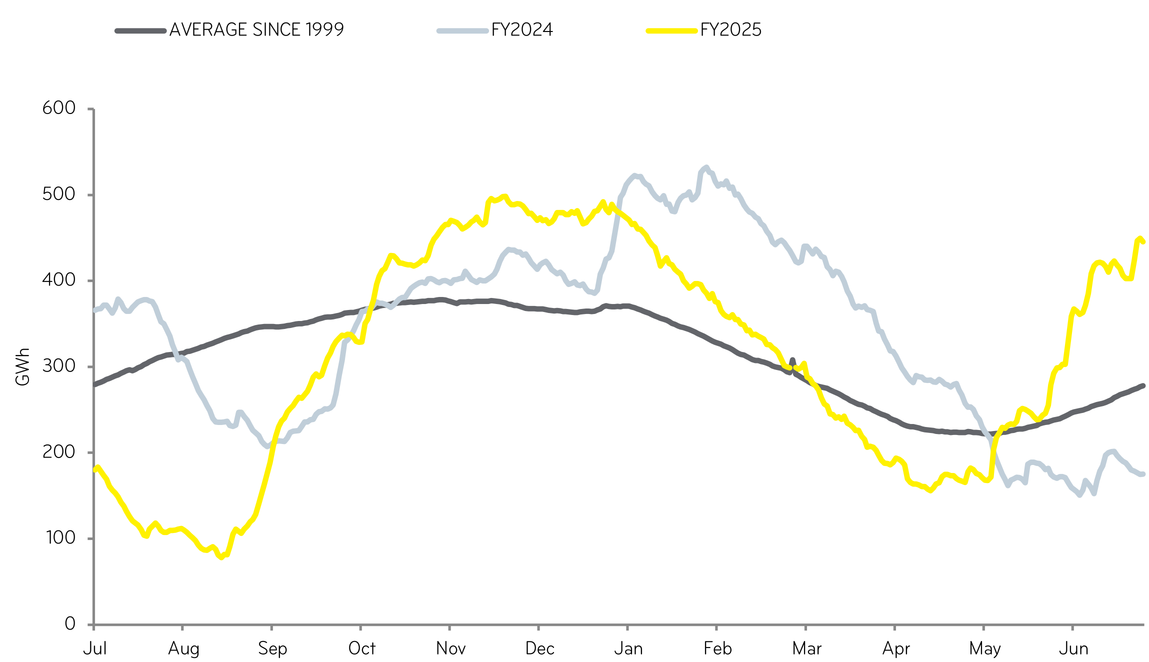
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



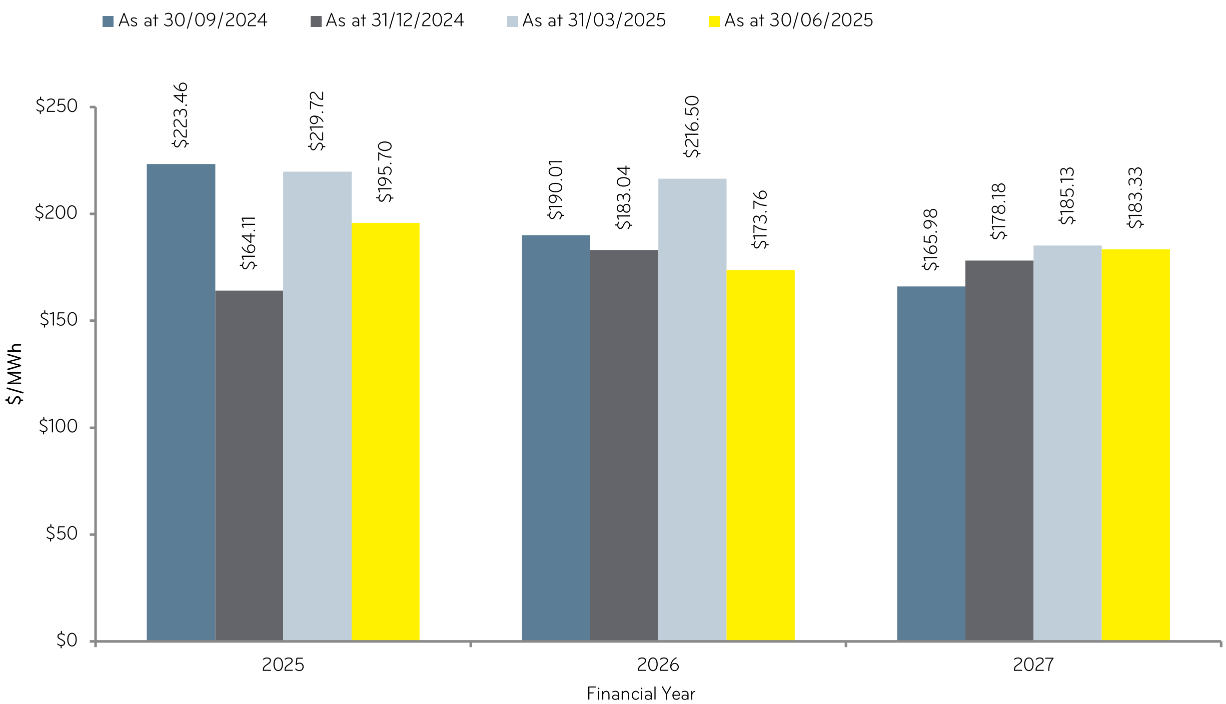
Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



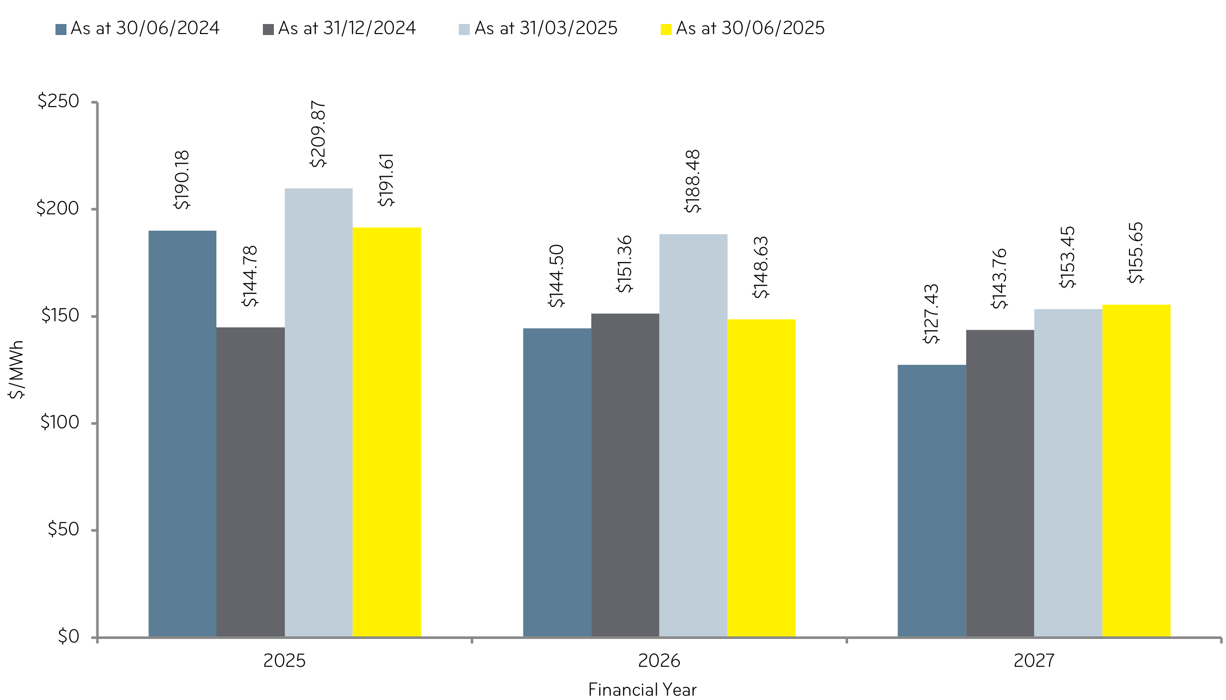
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



Source: ASX

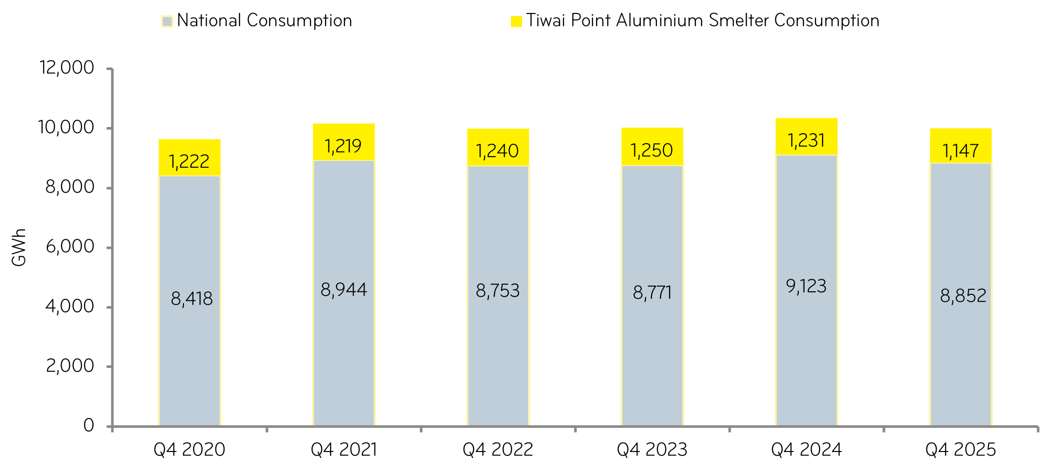
> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

Mercury

> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



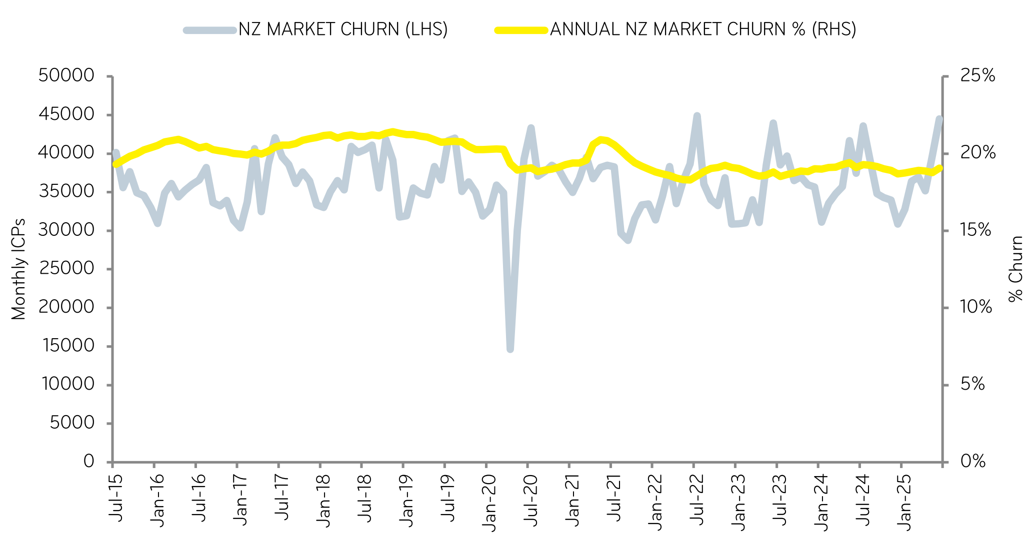
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY (^{0}C)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2025	12.5	17.1	19.7	15.3
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	16.2	19.5	14.2

Source: Met Service

> MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)



Source: Electricity Authority