



**BETTER**

TODAY

**BUILDING**

TOMORROW

**BRIGHTER**

TOGETHER

**INVESTOR DAY**  
10 JUNE 2025

**STEW HAMILTON**  
CHIEF EXECUTIVE

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NAU MAI, HAERE MAI  
WELCOME



# AGENDA

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## TOPIC

## PRESENTERS

Welcome and strategy introduction  
Advantaged portfolio positioned for growth  
Scale and efficiency unlock value

Stew Hamilton  
Tim Thompson  
Craig Neustroski, Fiona Smith, Moa Haar-Simmonds

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## Lunch

Accelerating generation development  
Generation delivering value  
Better Today, Building Tomorrow, Brighter Together

Matt Tolcher, Ben Pezaro  
Kevin Taylor, Rob Rankin, Emily Collis  
Richard Hopkins, Stew Hamilton

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## Afternoon Tea

*Ngā Tamariki OEC5 project and site visit*

Aimee McGregor

# A CAPABLE AND MULTI-DISCIPLINED EXECUTIVE TEAM



**STEW HAMILTON**  
CHIEF EXECUTIVE

- Appointed CEO in 2024; joined Mercury in 2021 as EGM, Generation.
- Former CEO of NZ Aluminium Smelters; 25+ years in industrial energy across multiple continents.
- Chemical Engineer with an MBA; experienced in leading large, complex organisations.



**LUCIE DRUMMOND**  
CHIEF SUSTAINABILITY OFFICER

- Leads strategy, ESG integration, communications, iwi/community engagement, and regulatory affairs.
- Joined Mercury in 2012; previously practised environmental and energy law in NZ and the UK.
- Focused on unlocking new energy opportunities and future-focused innovation.



**RICHARD HOPKINS**  
CHIEF FINANCIAL OFFICER

- Joined in 2025 to lead financial strategy and operations.
- 25+ years experience, last 12 years as CFO of Zespri and Ballance Agri-Nutrients.
- 10+ years in European Power & Utilities Investment Banking.
- Expert in corporate finance, M&A, transformation, and strategic development.



**CRAIG NEUSTROSKI**  
CHIEF OPERATING OFFICER – CUSTOMER

- Heads customer service and commercial strategy for the customer business.
- Joined in 2021; formerly held senior roles in the energy sector at Trustpower.
- Brings over two decades of leadership experience in energy retail.



**FIONA SMITH**  
CHIEF PEOPLE EXPERIENCE AND TECHNOLOGY OFFICER

- Aligns people and technology strategies to support Mercury's future of work and tech adoption.
- Joined via Trustpower acquisition in 2022, where she spent 26 years in senior roles.
- Extensive electricity/telecoms knowledge and customer-centric experience.



**KEVIN TAYLOR**  
CHIEF OPERATING OFFICER – GENERATION

- Joined in 2025 to lead safe operation and maintenance of generation assets.
- 30+ years in industry with a focus on safety, risk, and performance (ex-Rio Tinto).
- Proven leader in building high-performing, safety-focused teams.



**TIM THOMPSON**  
EXECUTIVE GM – WHOLESAL

- Manages Mercury's electricity portfolio and wholesale market activity.
- Joined in 2005; past roles include GM Wholesale and Head of Treasury & Investor Relations.
- Deep experience in electricity trading and large customer sales.



**MATT TOLCHER**  
EXECUTIVE GM – GENERATION DEVELOPMENT

- Leads planning and delivery of new renewable generation projects.
- Joined in 2022; 20 years of experience in major infrastructure across NZ and the US.
- Skilled in complex utility development and engineering.



**CATHERINE THOMPSON**  
CHIEF SUSTAINABILITY OFFICER – INCOMING

- Will join Mercury in July 2025.
- 30 years experience in energy and legal sectors.
- Executive roles in Contact Energy and Manawa Energy.

# A DIVERSIFIED PORTFOLIO OF RENEWABLE ASSETS



## OUR PURPOSE

Tiakina te anamata, mā te tūhono i ngā tāngata me ngā wāhi o te inamata.

Taking care of tomorrow, connecting people and place today.

## OUR BUSINESS

Electricity generator and multi-product retailer across electricity, gas and telco in NZ

- 19% Generation market share<sup>4</sup>
- 25% Retail electricity market share<sup>2</sup>
- 206k Broadband and mobile connections<sup>2</sup>
- 209k customers with two or more products<sup>2</sup>

<sup>1</sup> Annual mean renewable generation  
<sup>2</sup> As at 31 March 2025  
<sup>3</sup> Annualised Total Shareholder Return from 10 May 2013 to 31 May 2025  
<sup>4</sup> For the 12 months to 31 March 2025

**~8.8 TWh**  
RENEWABLE GENERATION<sup>1</sup>

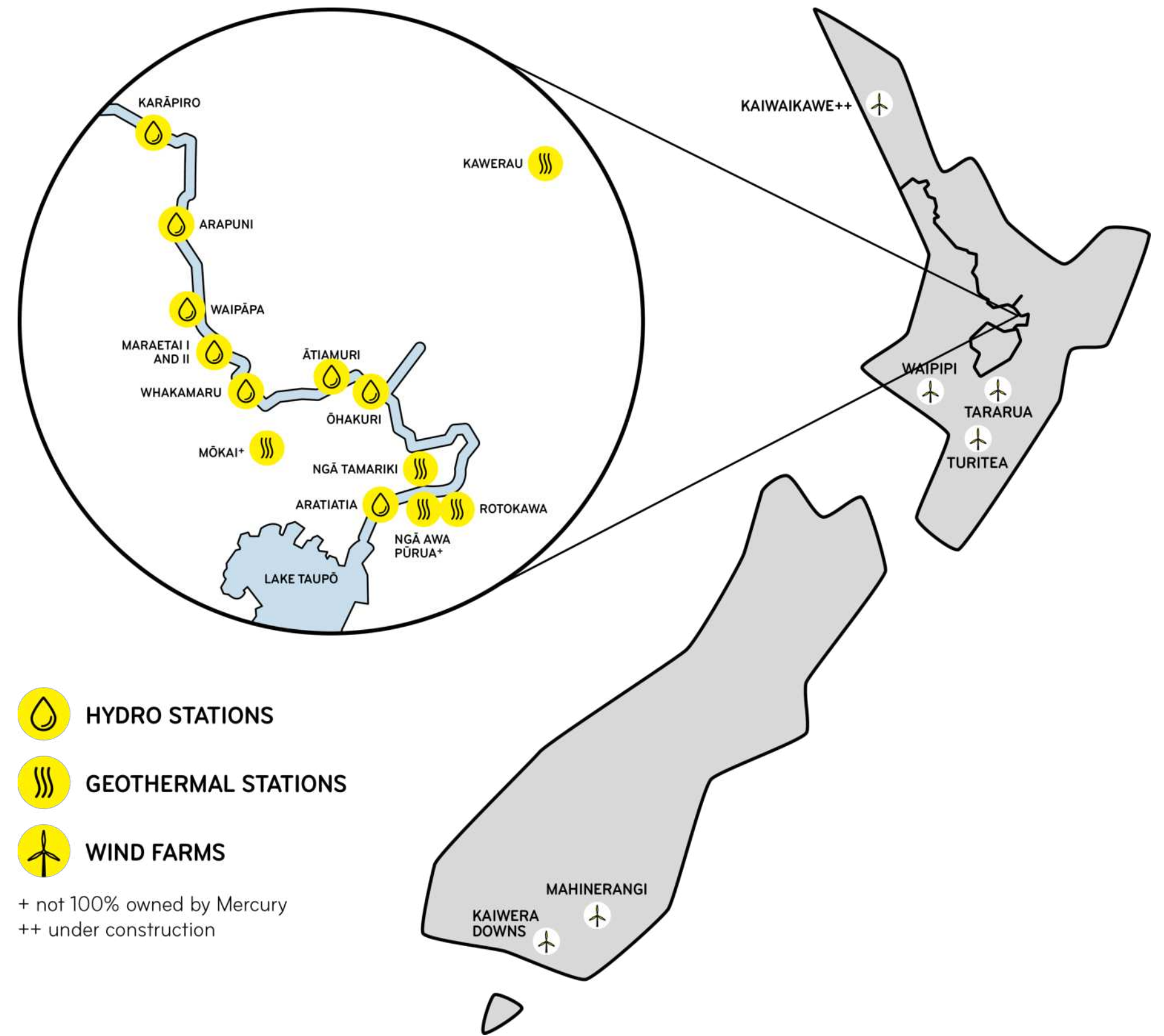
**~891k**  
CUSTOMER CONNECTIONS<sup>2</sup>

**10.3% TSR**  
SINCE LISTING<sup>3</sup>

**\$1b**  
Renewables in-construction

**16th year**  
OF ORDINARY DIVIDEND GROWTH TO FY24

**\$877m**  
FY24 EBITDAF



# A SECTOR WITH CHALLENGE AND OPPORTUNITY

**We are well positioned to mitigate and manage sector risks and pursue key opportunities**



**Declining trust as we navigate the transition**



**Delivering more renewable projects at the right rate and economics**



**Resilience in a more renewable system**



**Customer affordability, connectivity and electrification**



**Deliver performance through technology and talent**



**Attract talent and excite them with our purpose, culture and rewards**

# THE ENERGY TRANSITION

Historic scale, at pace — delivering infrastructure while ensuring energy security

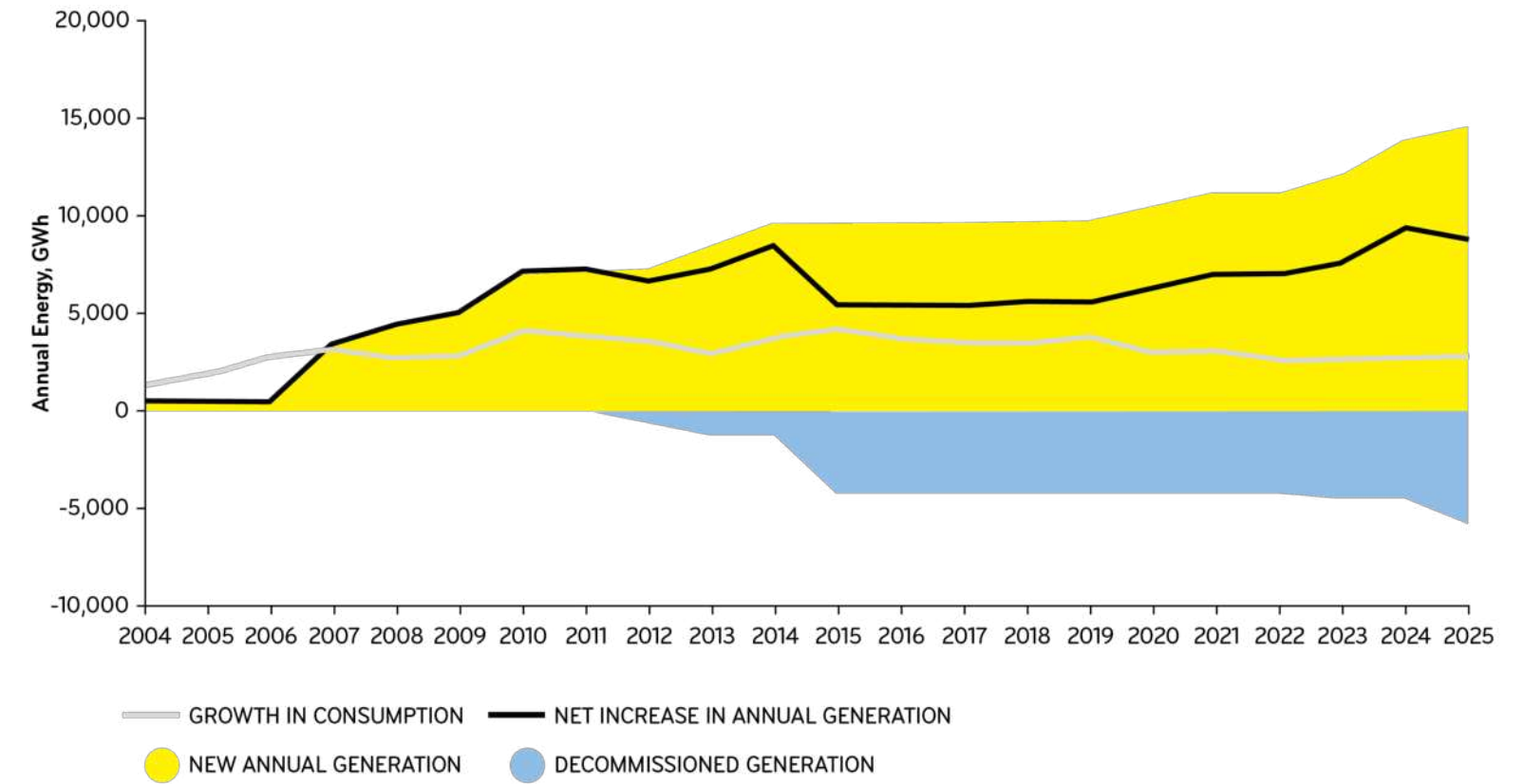
**50%**  
increase in installed capacity through to 2030

**\$10.2bn**  
investment in new generation through to 2030

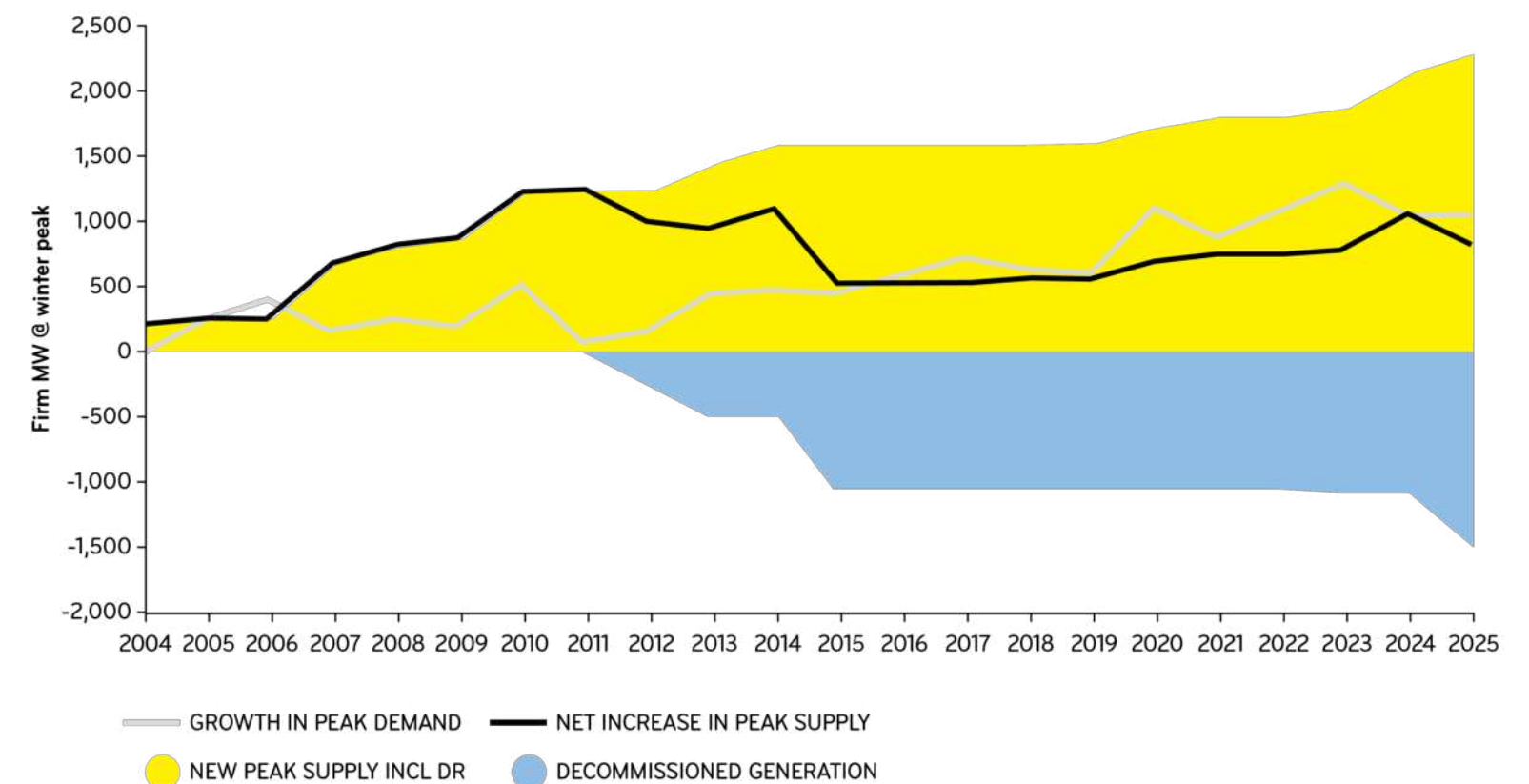
**2.2TWh**  
currently under construction – 5% of 2023 supply

**45%↓**  
gas produced in 2024 as compared to projected in 2022

SUPPLY-DEMAND BALANCE — ANNUAL CONSUMPTION 2003 - 2024



SUPPLY-DEMAND BALANCE — FIRM WINTER CAPACITY 2003 - 2024

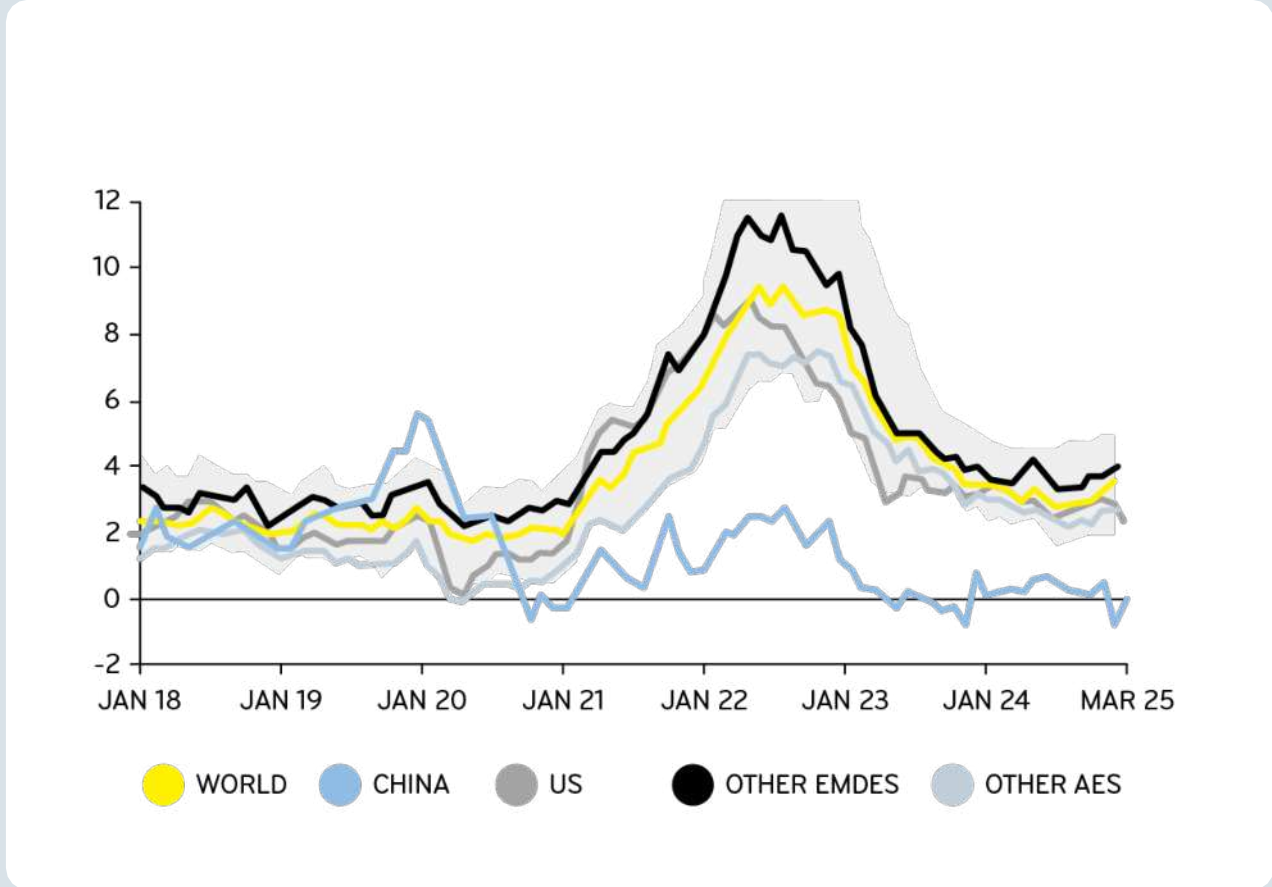


Sources: BCG, Future is electric, 2022; Concept, various analyses of current electricity and gas market dynamics, May 2025

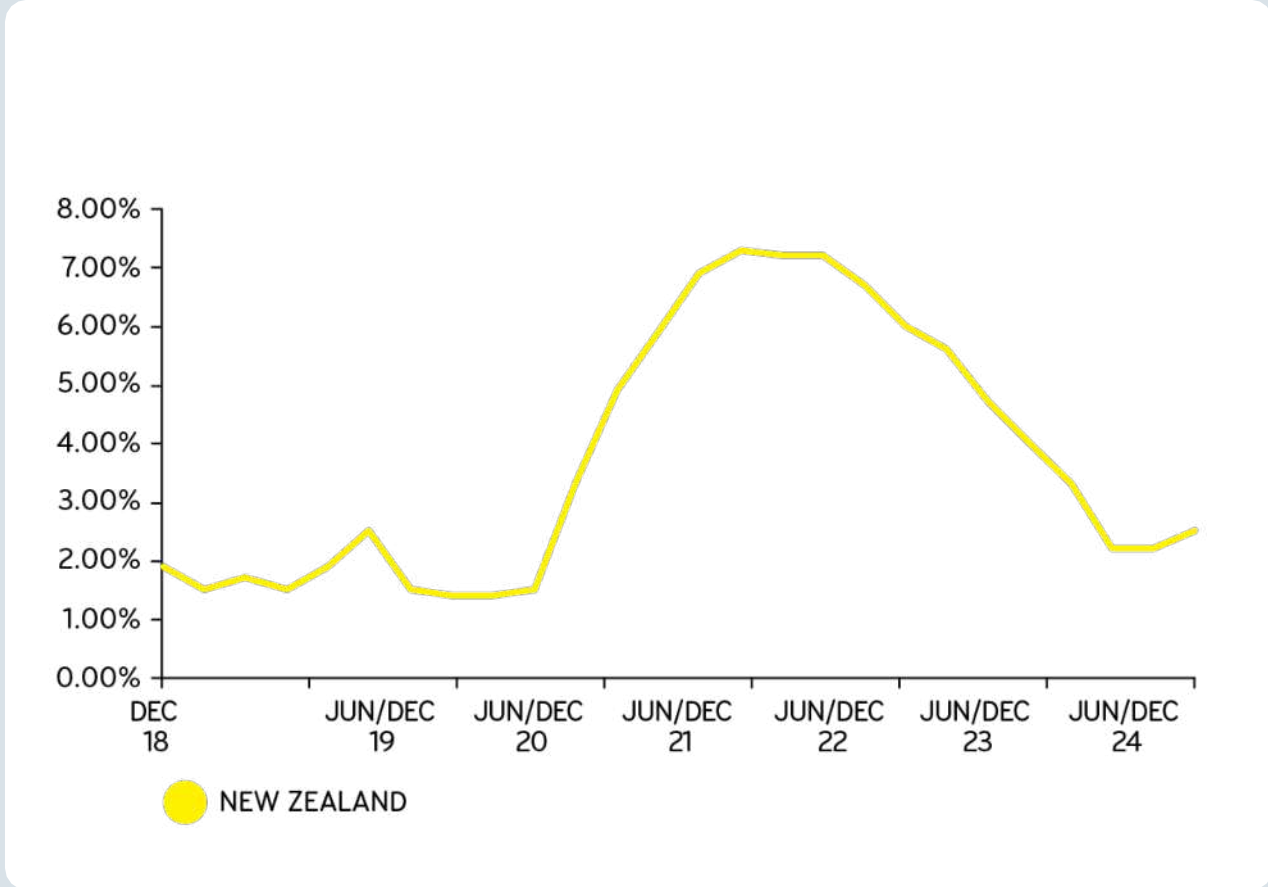
# NAVIGATING A HIGHER-COST ENVIRONMENT AMID A COST OF LIVING SQUEEZE

## March 2025 inflation increase – the first since 2022

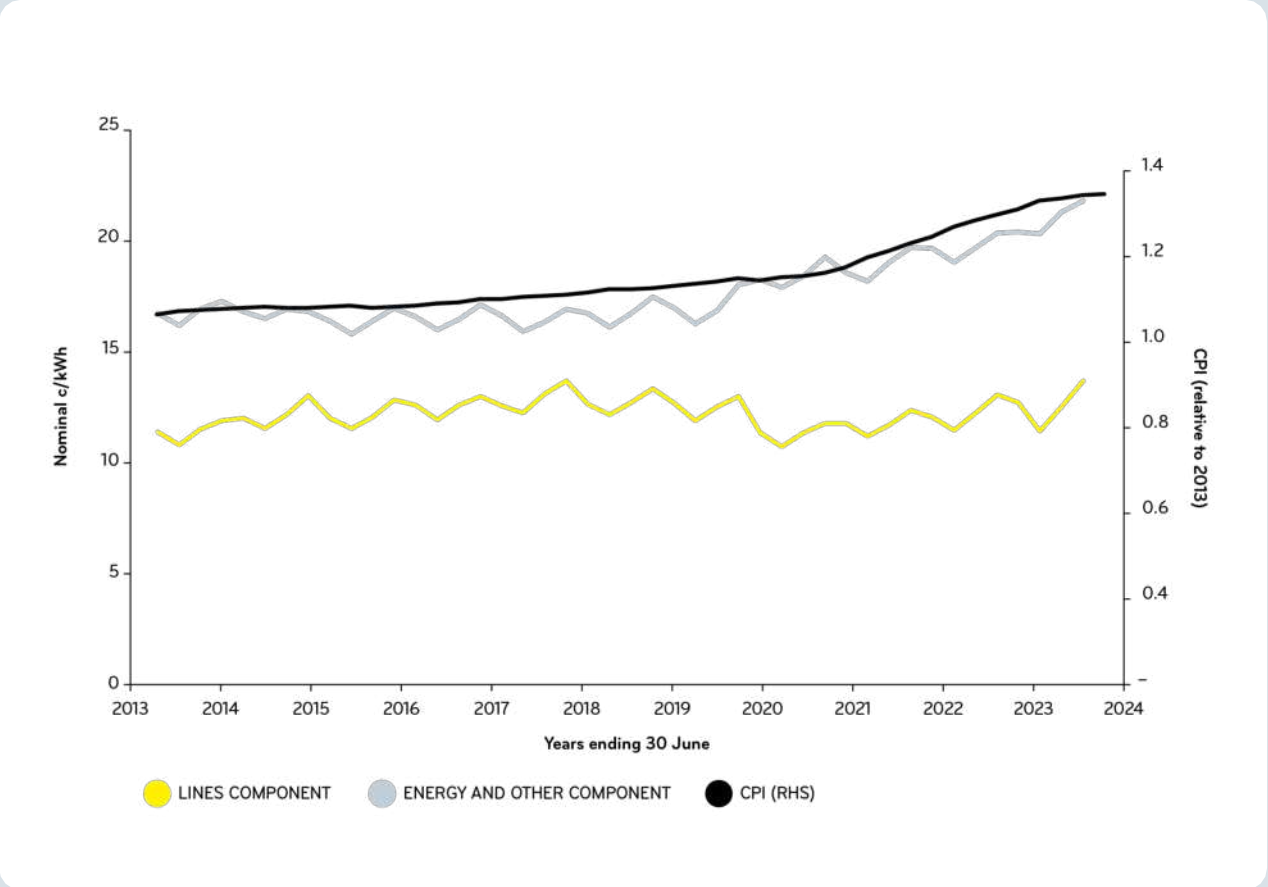
WORLD INFLATION RATES<sup>1</sup>



NEW ZEALAND INFLATION RATE



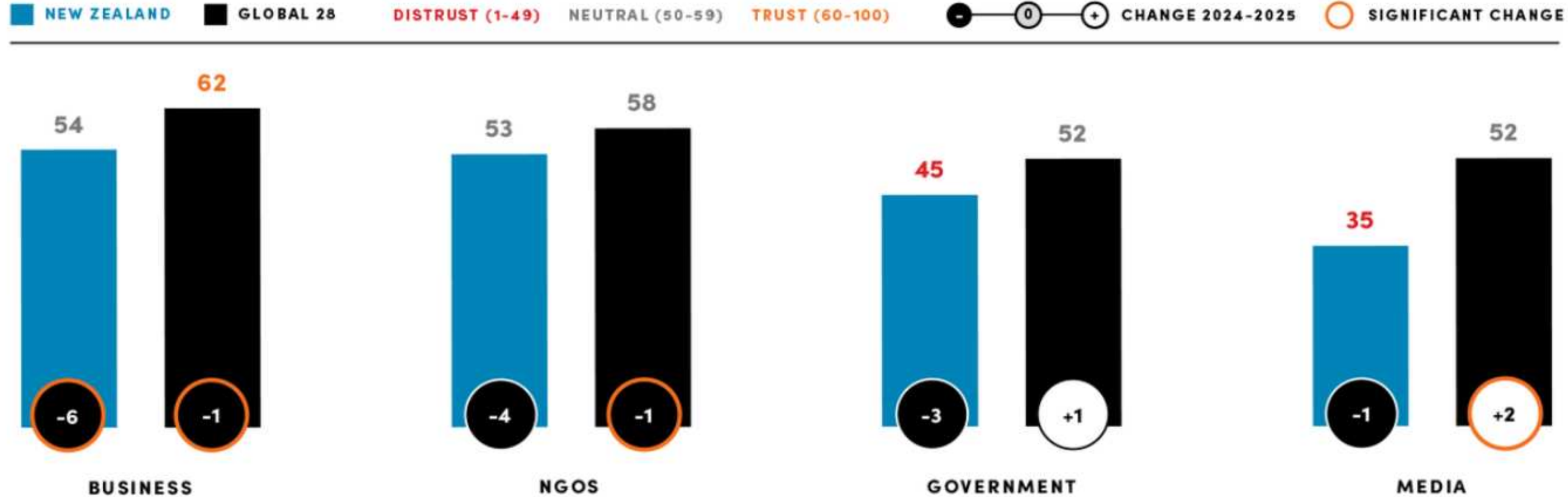
RESIDENTIAL PRICE



<sup>1</sup> IMF, World Economic Outlook, April 2025

# NEW ZEALAND NOT IMMUNE FROM GLOBAL TRUST EROSION

The Trust Index in New Zealand has been declining incrementally since 2022 and for the first time NZ is in the distrust category



**SOUNDBITES**

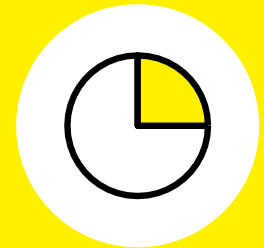
“This year, the Trust Barometer showed New Zealanders are feeling overlooked by those in power and disillusioned as a result. While business is still our most trusted institution, its trajectory is not going in the right direction.”

Adelle Keely, Acumen Chief Executive

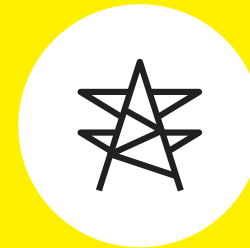
Business remains the most trusted institution in New Zealand, and the only institution seen as both competent and ethical...  
 ... it was also the only institution that had a statistically significant decline of 6 percentage points since 2024.

In the USA, community opposition is one of the top 3 drivers of renewable project delay or cancellation – impacting at a similar level to planning restrictions and grid interconnection.

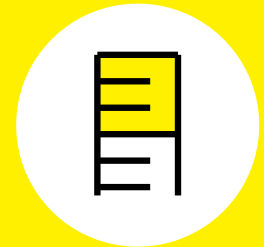
# CAPABILITY AND STRENGTH FORM THE BASIS FOR VALUE DELIVERY



Diverse portfolio – type and location to protect and maximise value



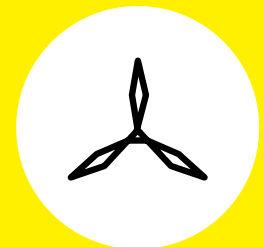
Strong connection with critical suppliers of wind, geo and hydro tech



River peaking that matches demand



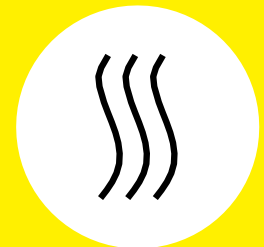
Large retail book with bundling capability



Best pipeline of wind prospects, exciting geothermal options



Leader in vulnerable customer support



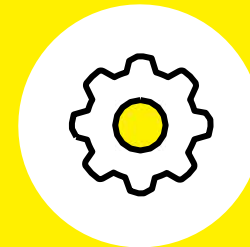
Team with proven execution in hydro, geothermal and wind development



Balance sheet headroom for disciplined investment



Decades of deep connection and partnership with iwi



Solution-focused approach to sector transition

# STRATEGY REFRESH: FOCUS ON PRIORITIES THAT WILL DELIVER VALUE



## OUR PURPOSE

Tiakina te anamata, mā te tūhono i ngā tāngata me ngā wāhi o te inamata.

Taking care of tomorrow, connecting people and place today.

FY35

ASPIRATIONS



### KAITIAKITANGA

Stewardship

Our assets and the natural environment are thriving.



### ARUMONI

Commercial

We are leaders in commercial growth.



### KIRITAKI

Customer

Customers are at the heart of what we do.



### NGĀ TĀNGATA

Our People

We learn and adapt to realise our full potential.



### KŌTUITANGA

Partnerships

We are the trusted partner of choice.

FY30

PRIORITIES

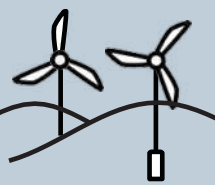
Deliver more reliable and renewable energy

Achieve what matters most through financial growth

Accelerate the shift to a low-carbon future

Perform with an adaptive culture enabled by technology

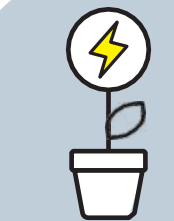
Create success with others



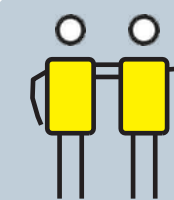
Generation development uplift



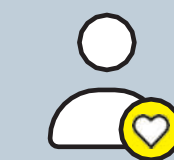
Earnings transformation



Capturing energy transition growth



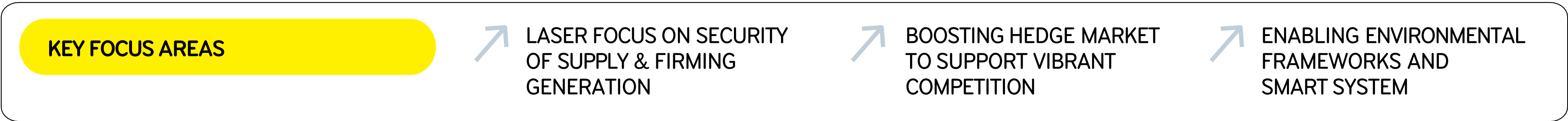
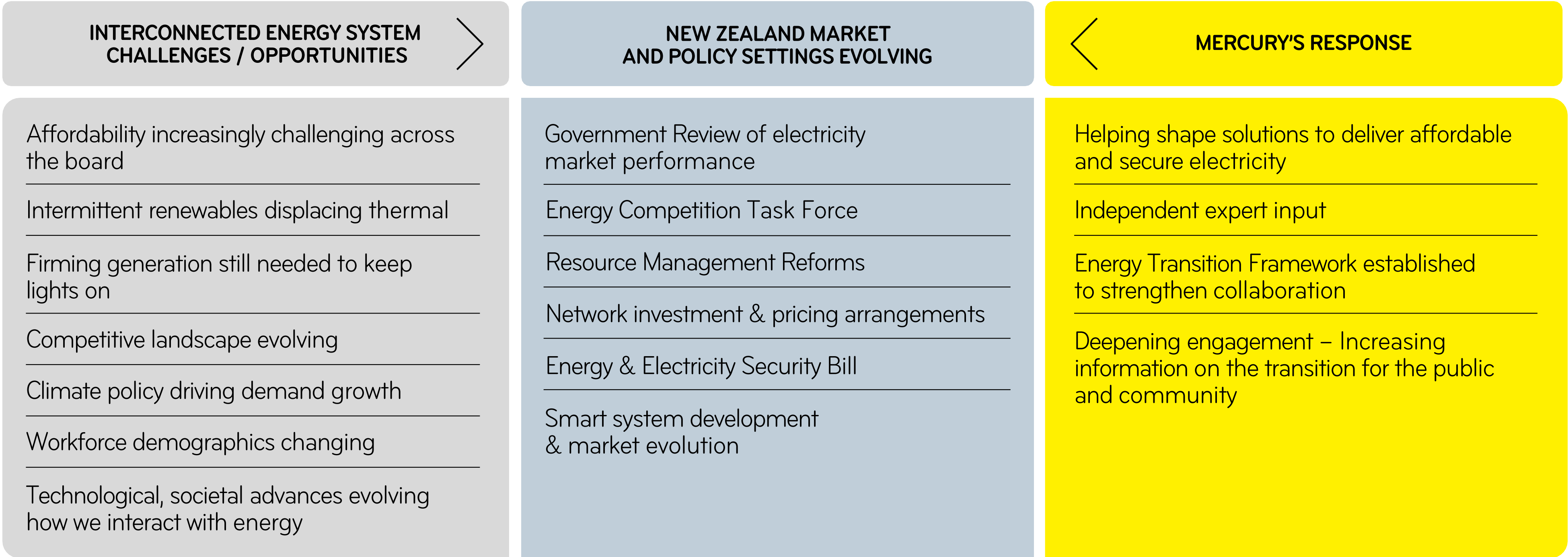
Connected and inclusive employee experience



Rebuild sector confidence

STRATEGIC OBJECTIVES

# REBUILDING SECTOR CONFIDENCE THROUGH THE ENERGY TRANSITION



# POLICY PRIORITIES FOR NAVIGATING THE TRANSITION

## Firming generation needed to keep lights on

Declining gas supplies and New Zealand's dry year problem have exacerbated the need for more firming generation to ensure secure supply when the rain doesn't fall, the wind doesn't blow, and the sun doesn't shine.

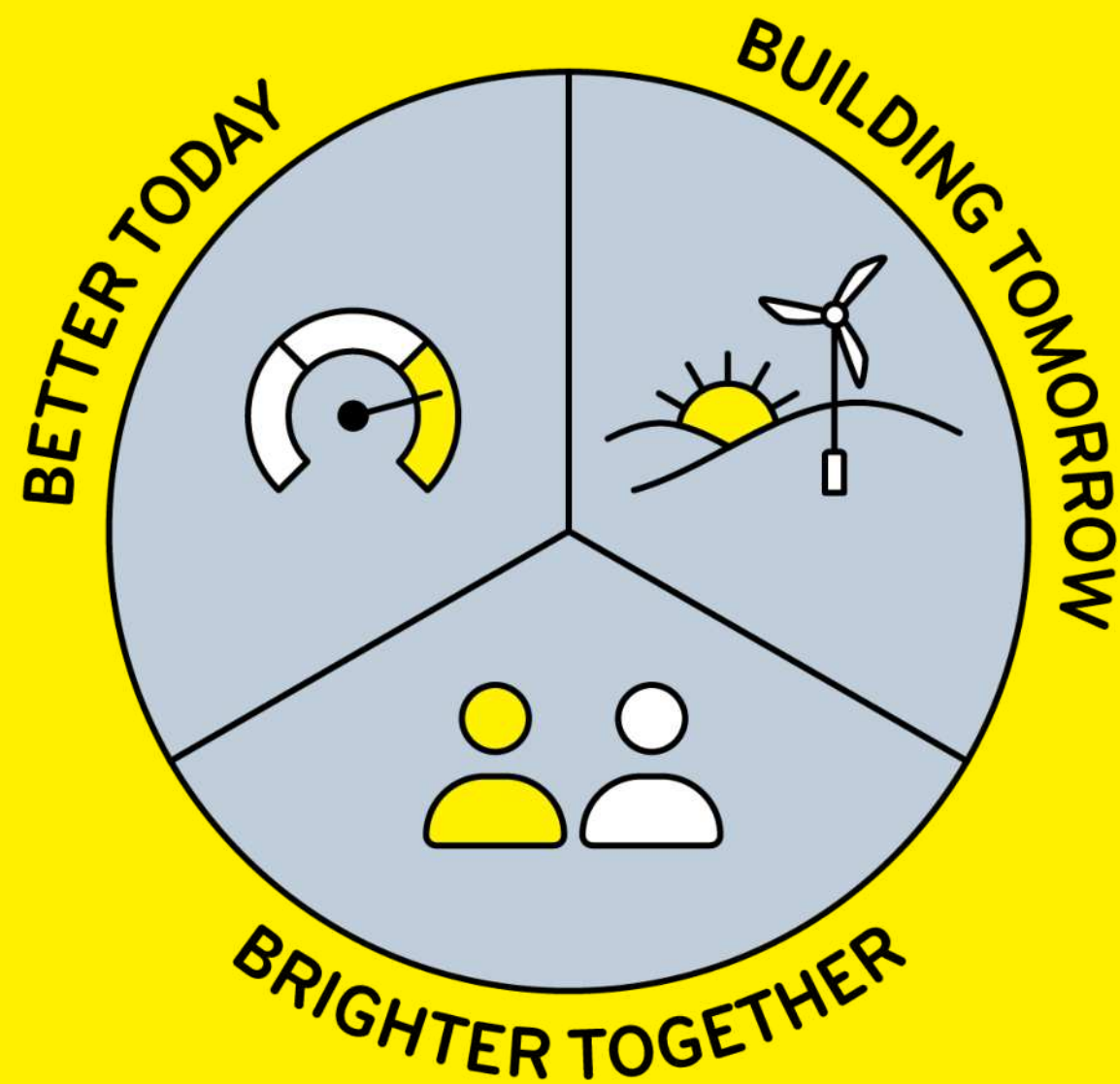
- Firming generation is the #1 priority.
- Existing thermal generation and ensuring fuel security is a key enabler.
- Other improvements to market arrangements are needed, including:
  - Increasing transparency of gas market information
  - Ensuring clear investment signals for new firming solutions (e.g. batteries) by unfettering scarcity pricing.
- Other options to support firming, such as capacity mechanisms or direct government intervention, require careful consideration of costs and risks

## Boost hedge market to enable vibrant competition

The EA and ComCom Energy Competition Task Force is currently considering how to enhance competition and to provide more options for end users of electricity. This includes exploring options to "level the playing field" via the introduction of non-discrimination provisions for gentailers.

- Mercury agrees there are some challenges for independent retailers accessing flexible contracts that urgently need to be resolved.
- Boosting the hedge market will better solve the actual issues with fewer unintended consequences than what is being explored by the Task Force.
- Our recommendations to boost the hedge market include:
  - Making conduct expectations for the OTC market mandatory and enforcing these
  - Shining further light on the hedge contract market by expanding the information being published and monitored.
- Continuing to develop further standardised flexibility products as they will make it easier for all companies to participate in the transition.
- Consider introducing market making obligations for gentailers for an appropriate shaped product to establish trust in market prices.
- More intrusive options like separation of gentailers will not effectively address the current challenges.

# TODAY. TOMORROW. TOGETHER.



- Better productivity to lift performance
- Best renewable development track-record to execute current projects
- Strong core and scale to focus on delivery

**Using our  
capability  
to operate  
for value**

- Advantaged portfolio positioned for supply growth
- Bigger value-accretive renewable pipeline to grow energy and capacity
- Growing Telco connections through bundling, scale and customer experience

**Plans to build  
for value**

- Shaping electrification opportunities to enable growth of supply
- Established leading position in wind development and geothermal pipeline
- Strengthening social licence and supply chain with our partners

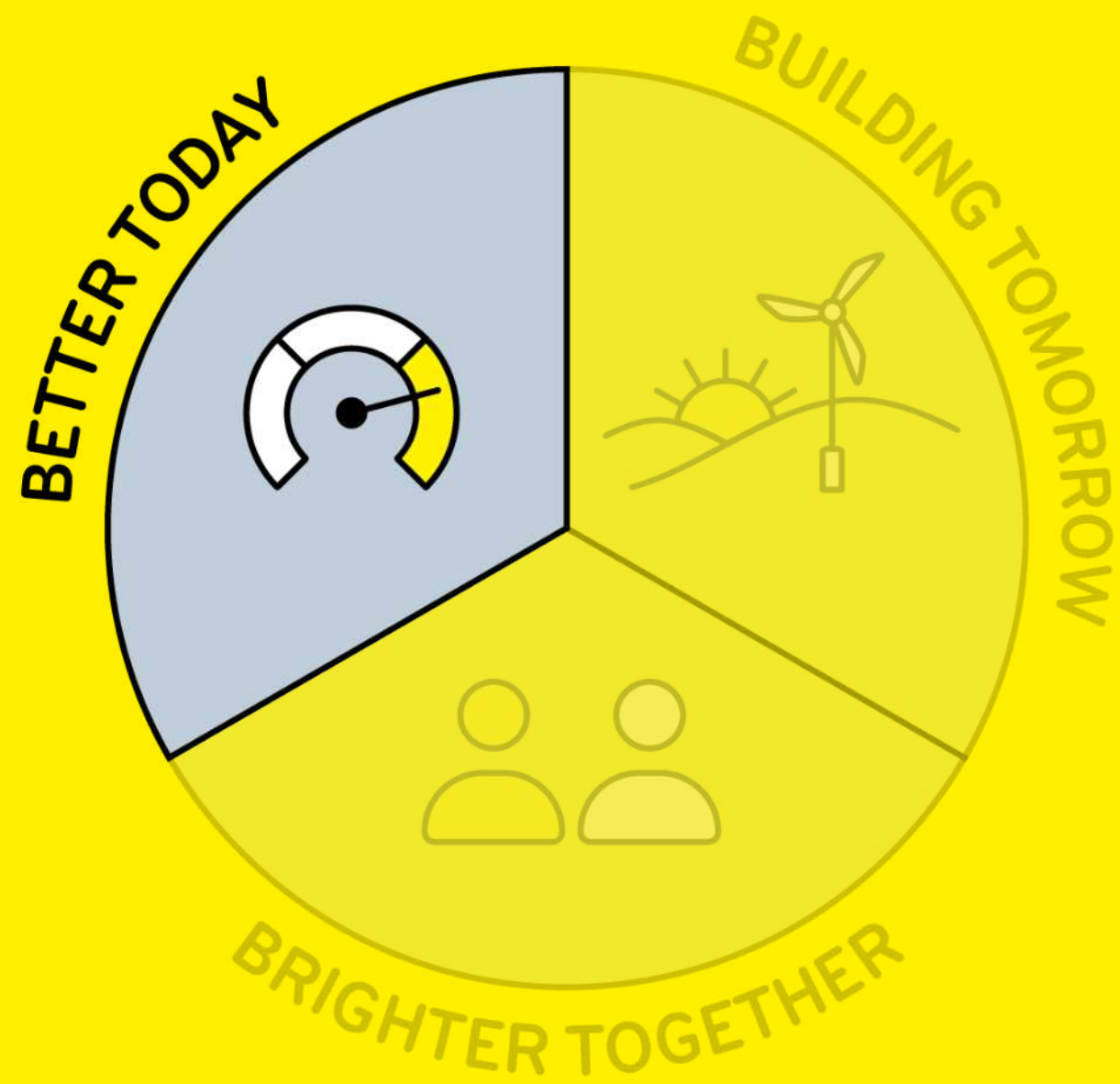
**Opportunity  
to optimise  
future value**

An aerial photograph of a river flowing through a dense, lush forest. The river is the central focus, winding through the green landscape. In the upper right, a metal truss bridge spans across the river. The forest is thick with various types of trees and ferns, creating a rich green texture. The lighting is soft, suggesting a late afternoon or early morning setting.

# ADVANTAGED PORTFOLIO POSITIONED FOR GROWTH

**INVESTOR DAY**  
10 JUNE 2025

**TIM THOMPSON**  
EGM WHOLESAL MARKET



# SUPERIOR RETURNS TODAY

# OUR RESILIENT PORTFOLIO IS DELIVERING SUPERIOR RETURNS TODAY

## Renewable generation

- Baseload geothermal, intermittent wind, flexible hydro
- Diversified, complementary, low-cost fuel sources

## Superior asset location

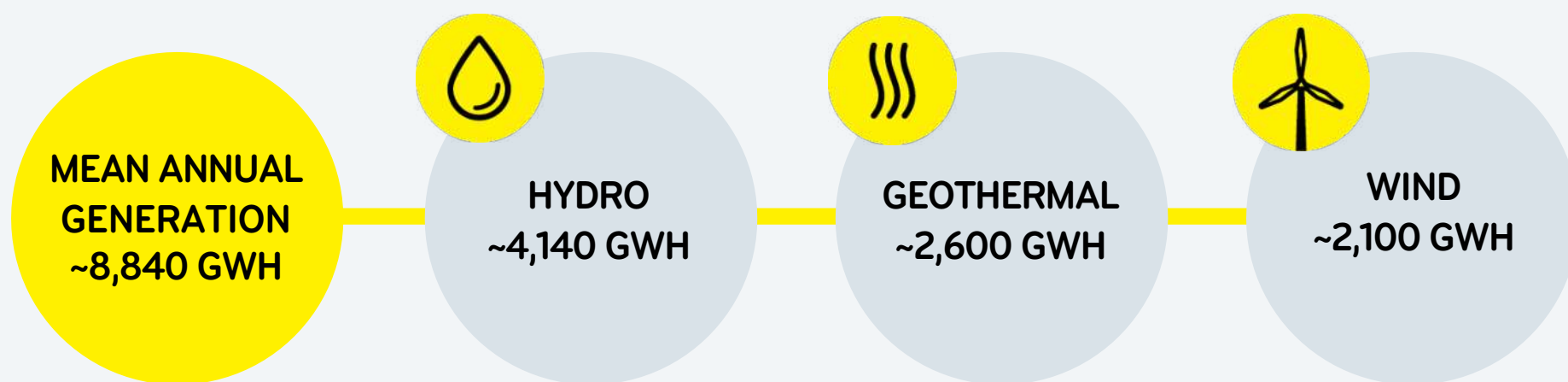
- North Island generation close to major demand centres
- Rain-fed hydro aligned with winter peak demand

## Substantial near-term growth

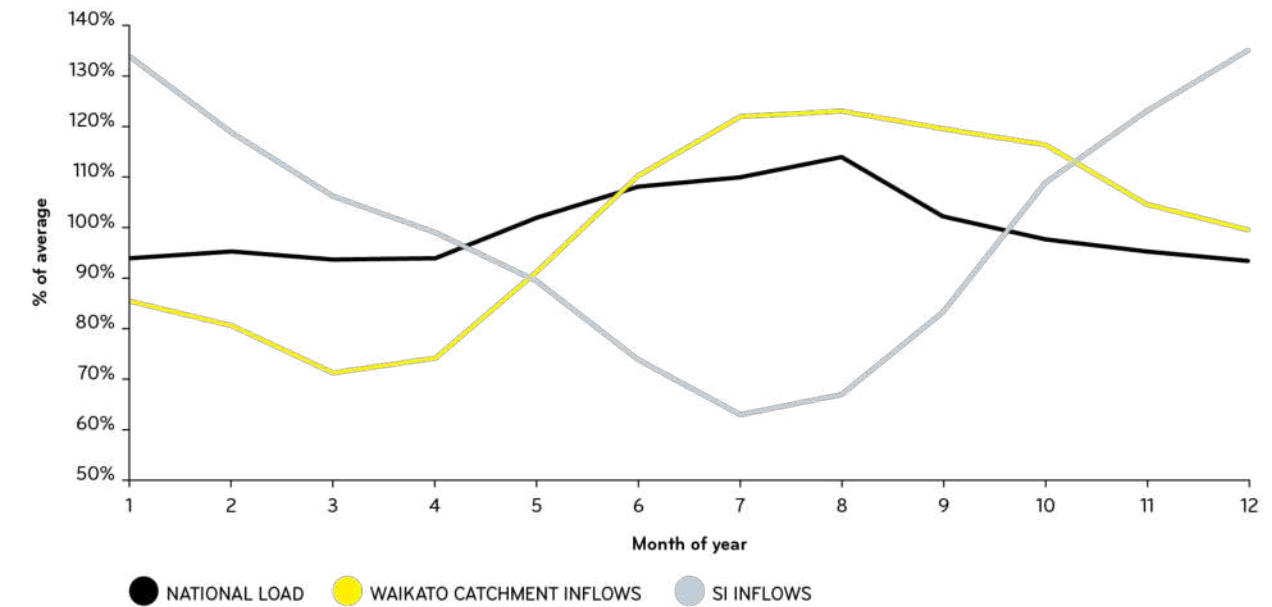
- 1+ TWh new generation in construction (wind + geothermal)
- Backed by long-term sales commitments and portfolio demand

## Experienced trading & risk management

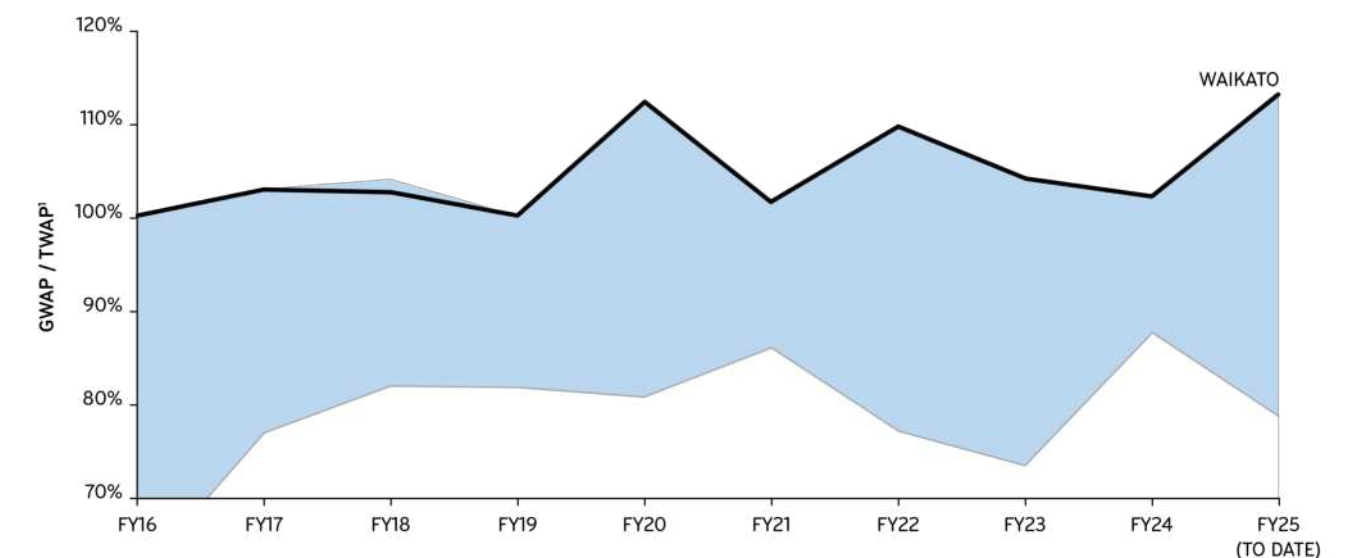
- 50+ years of senior leadership experience in wholesale and risk
- Proven expertise across trading and portfolio management



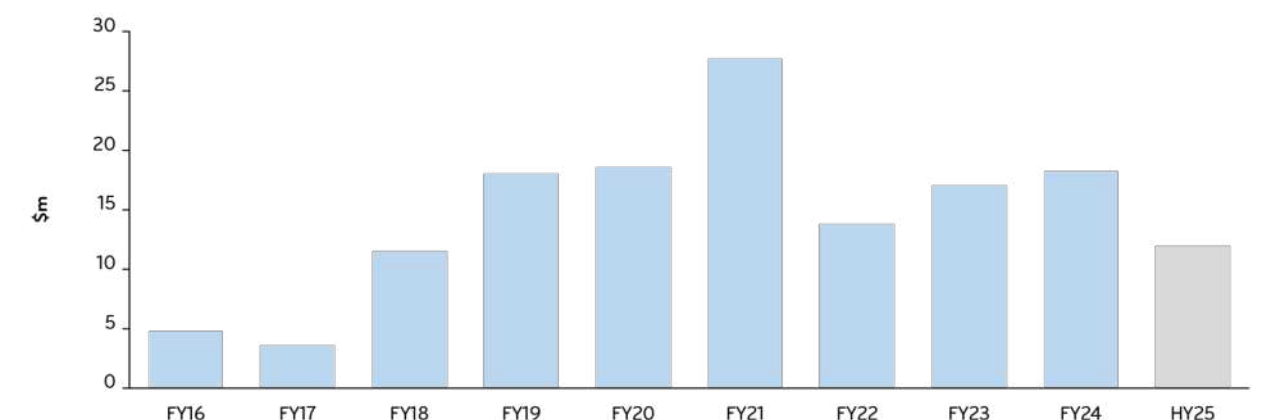
NATIONAL DEMAND VS. CATCHMENT INFLOWS



WAIKATO HYDRO GWAP TO TWAP VS. NATIONAL CATCHMENT RANGE<sup>1</sup>



ANNUAL FINANCIAL TRADING PERFORMANCE



<sup>1</sup> Generation Weighted Average Price (GWAP) vs. Time Weighted Average Price (TWAP) at OTA2201 Includes: Waikato, Tongariro, Waitaki, Manapouri and Clutha catchments.

# THE WAIKATO HYDRO SYSTEMS PLAYS A CRITICAL FIRING ROLE

**PEAK DEMAND**  
(Trading Periods)

**DUNKELFLAUTE<sup>1</sup>**  
(Weeks)

**DRY-YEAR**  
(Months)

**Our advantaged portfolio:** Diverse renewable generation / Superior asset location / Experienced trading & risk management / Proven track record

**Portfolio Management**

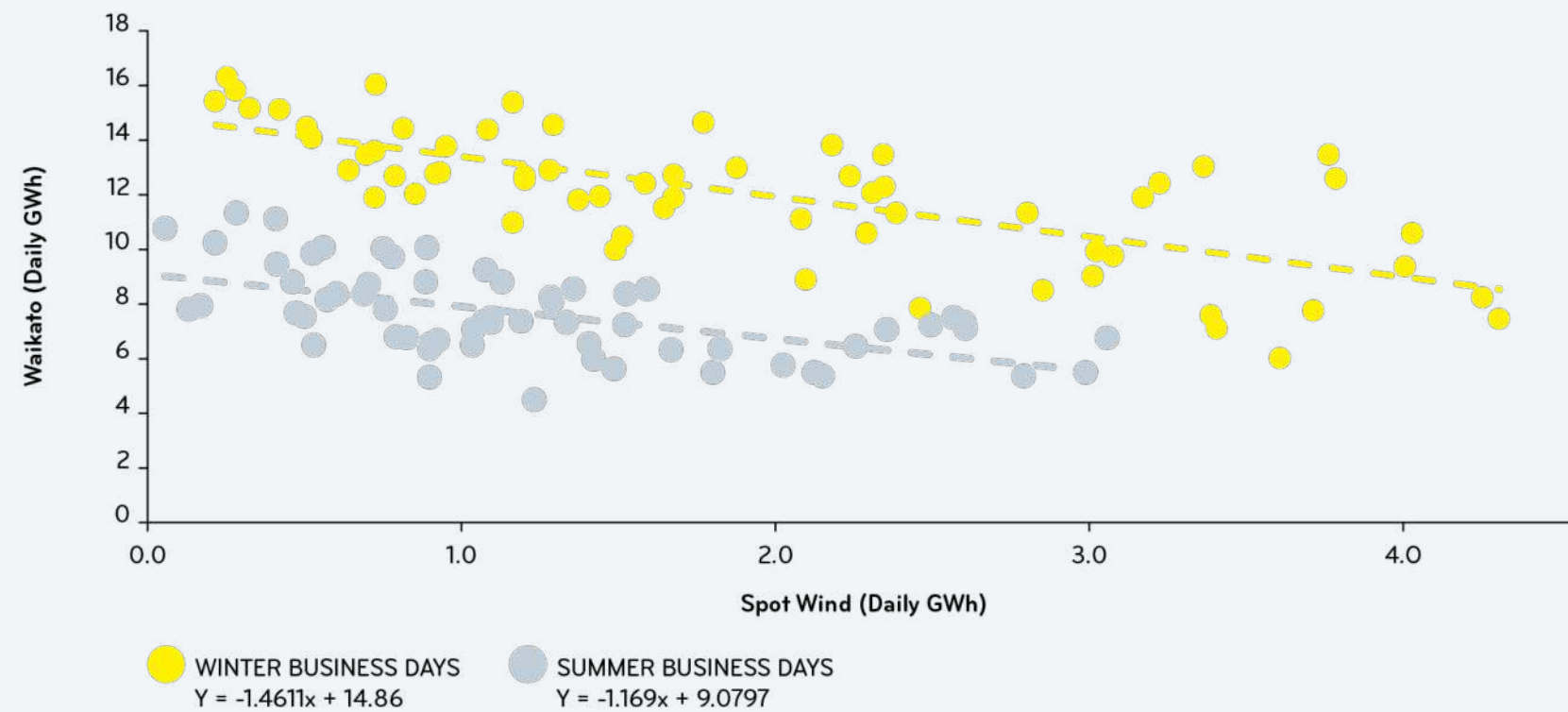
**Hydro flexibility**

**Hydro storage**

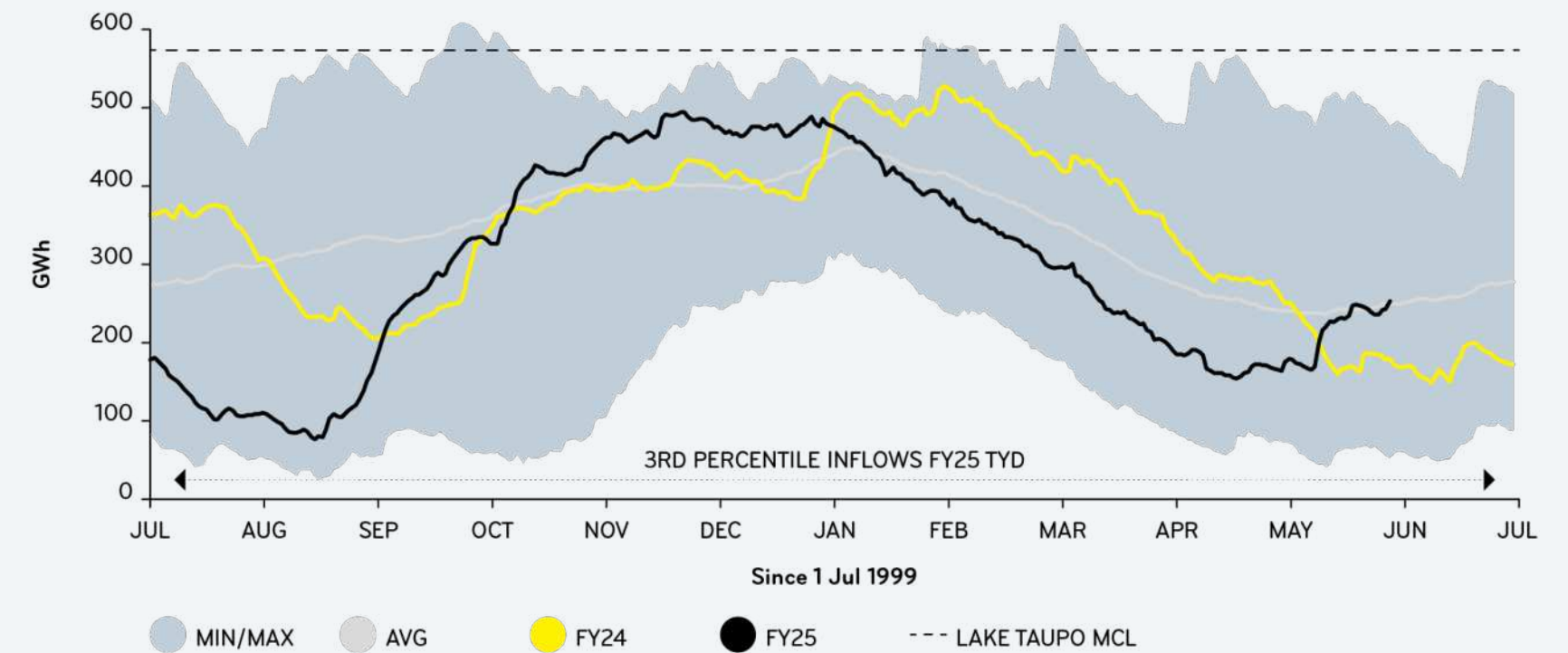
Average portfolio settings of 750GWh/  
annum long

580GWh of storage; min - max  
generation<sup>2</sup> of 3.9 - 19.8GWh per day

## WAIKATO HYDRO SYSTEM FIRING OF WIND PORTFOLIO



## STORAGE & PORTFOLIO MANAGEMENT KEY MITIGATIONS OF INFLOW DEFICIT



<sup>1</sup> A period of high demand and low solar and wind output due to cloudy and still conditions

<sup>2</sup> For 5-year period to 30-Apr-25

# WE'RE BUILDING ON OUR ADVANTAGE WITH TECHNOLOGY ENABLED INNOVATION

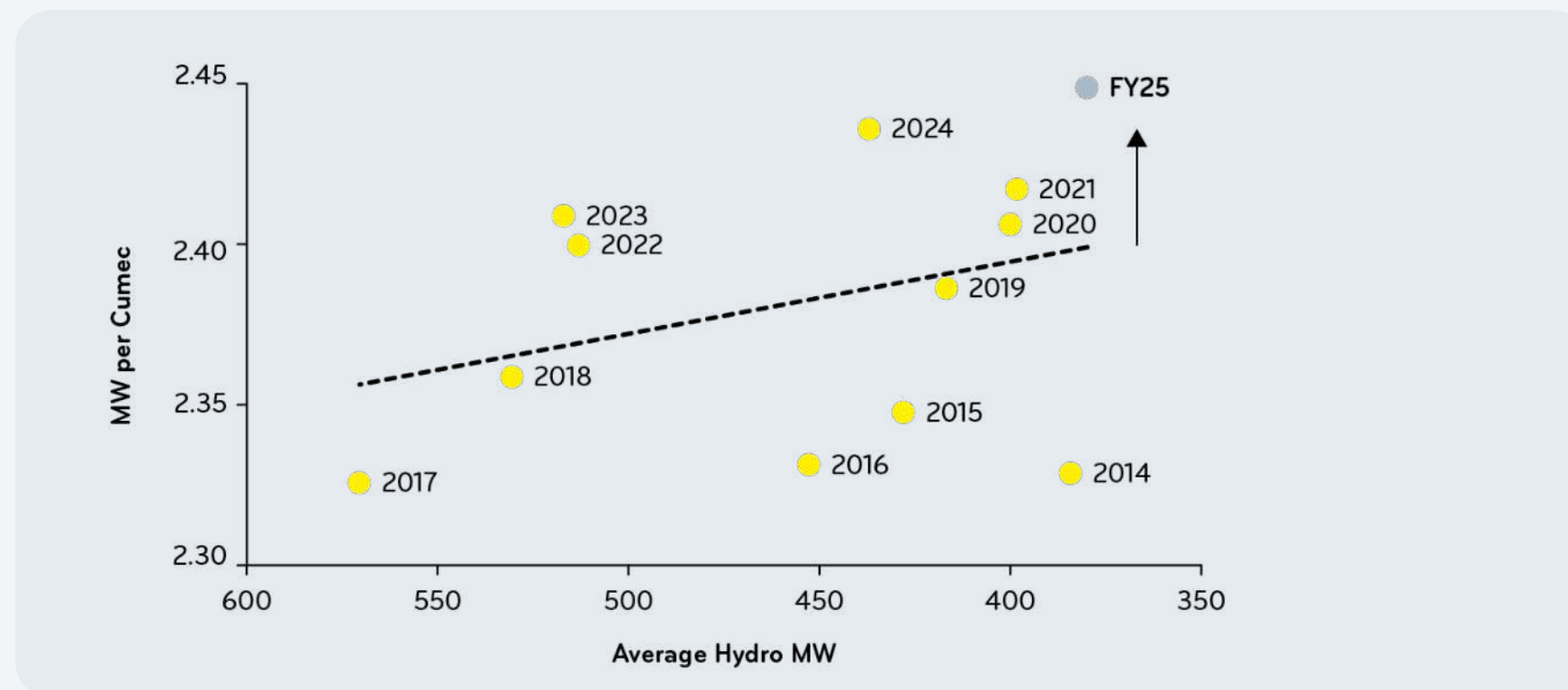
## Leveraging What We Have

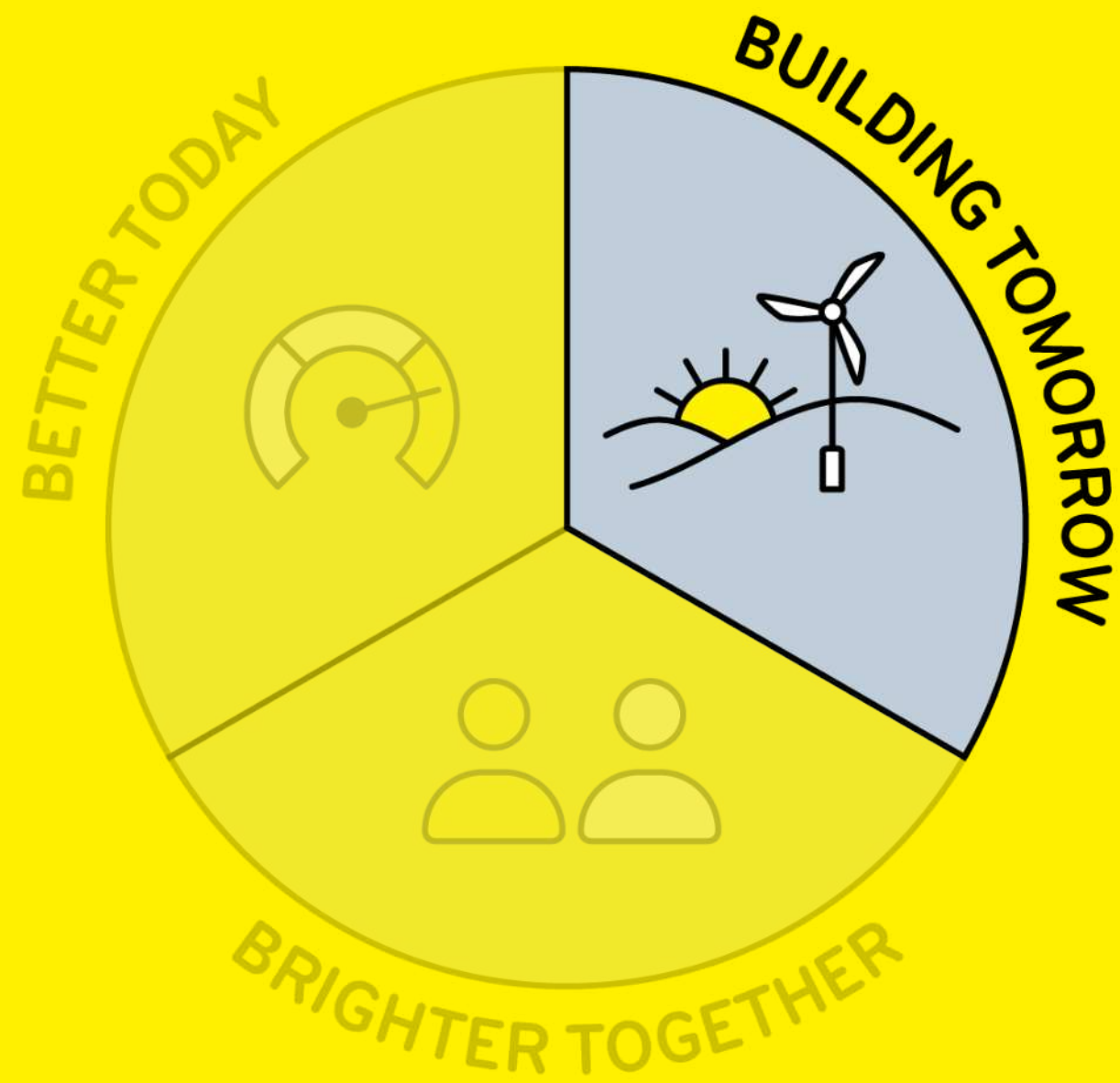
- Digital River is Mercury's AI-powered decision platform and digital twin
- Optimises hydro operations by simulating complex hydrology scenarios for value
- Demonstrates our commitment to tech-driven continuous improvement

## Delivering Tangible Outcomes – 50GWh annual benefit

- On track for record hydro efficiency in FY2025
- Uplift of average annual hydro generation by 50GWh to ~4,140GWh due to efficiency gains
- Broader insights support trading, portfolio and asset management

## WAIKATO HYDRO EFFICIENCY & GENERATION BY YEAR





# BUILDING FOR TOMORROW THROUGH A CHALLENGING TRANSITION

# WE'RE POSITIONED FOR GROWTH BUT ADAPTABLE TO ALL FUTURE OUTCOMES

## Electrification is NZ's Path to Net Zero

- Electrifying transport & heat can deliver ~70% of NZ's carbon reduction
- NZ's world-class wind and geothermal resources are key enablers

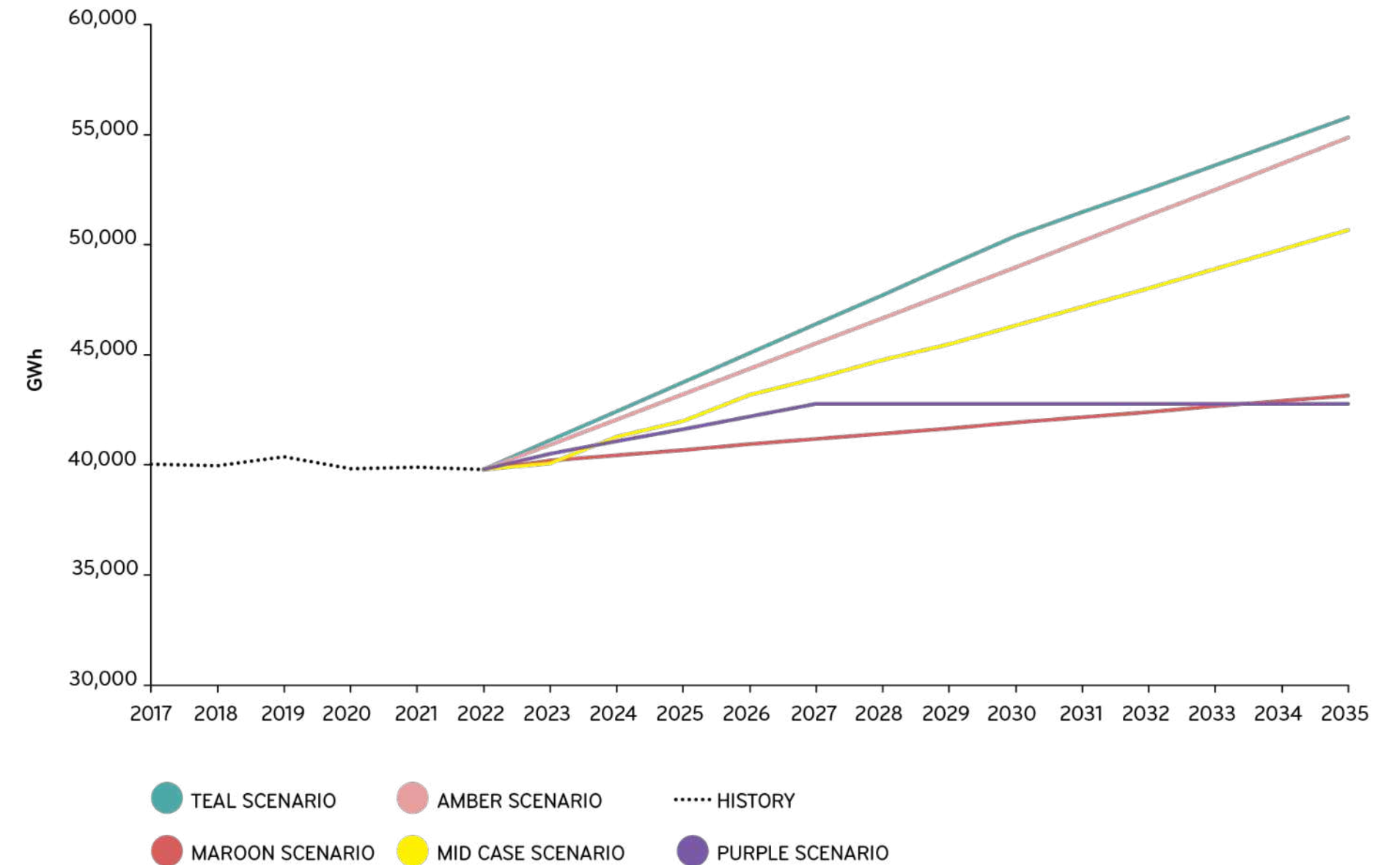
## Security of Supply is Critical

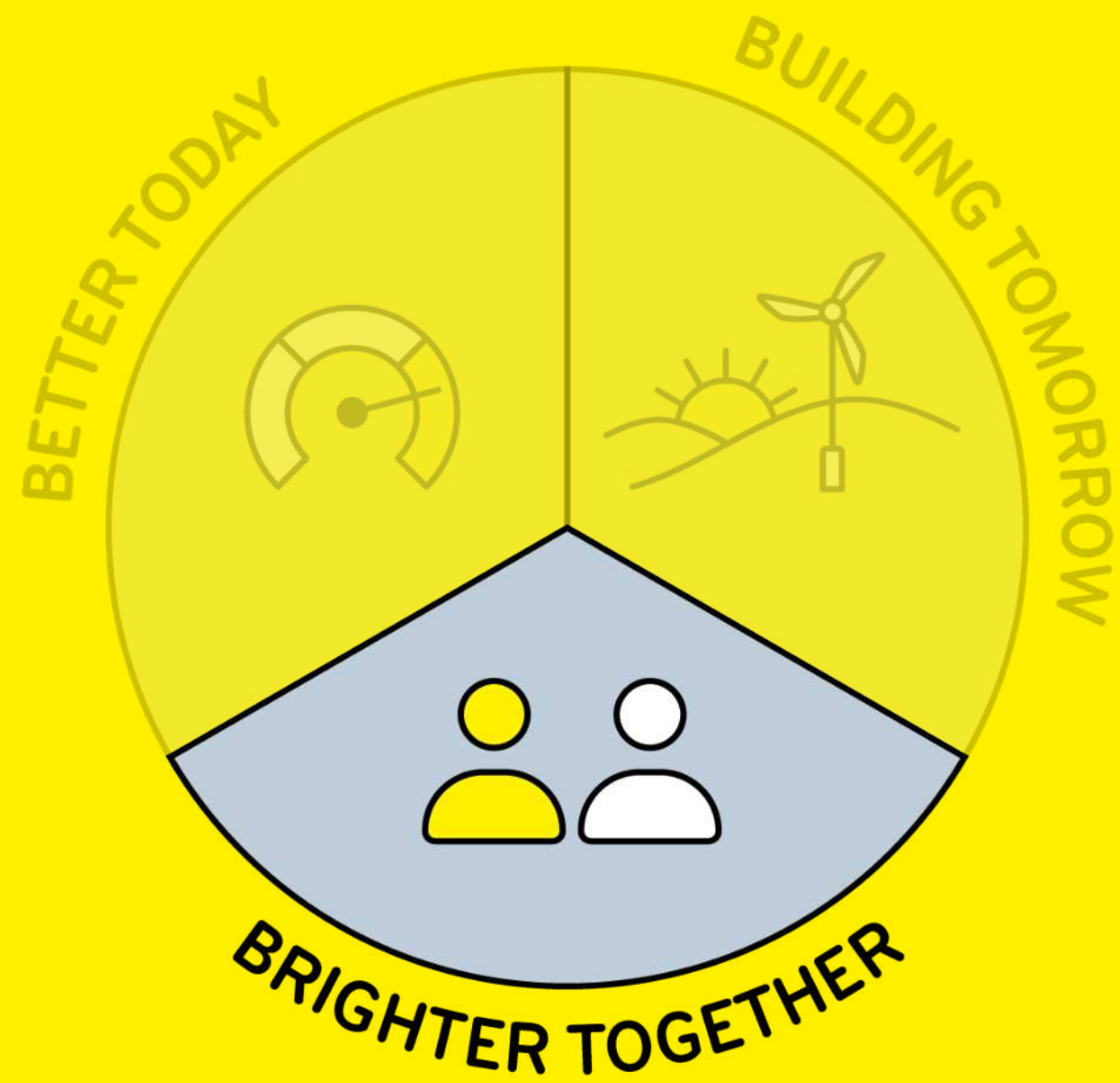
- Need to ensure security of supply in all periods – from winter peak demand (e.g. 9 May 2024) to dry years (e.g. 2024–25)
- Rising reliance on intermittent renewables (wind/solar) increases the challenge
- Sector must support thermal and new flexible capacity for firming

## Affordability Relies on Efficient Investment

- System cost pressures driven by security needs and infrastructure upgrades across the energy system
- Mid to long term solutions require efficient investment in lowest-cost, smart infrastructure that enables an integrated energy system

MERCURY STRATEGIC SCENARIOS





# POSITIONING FOR RESILIENT LONG-TERM GROWTH

# WE HAVE AN INTEGRATED LONG-TERM PORTFOLIO PLAN

## Proven Portfolio Strategy

- Mercury has a proven track record in portfolio management
- Net long generation ~750GWh annually (varies with hydrology, plant availability, hedging, and sales)
- Closely aligned with sales and generation development strategies

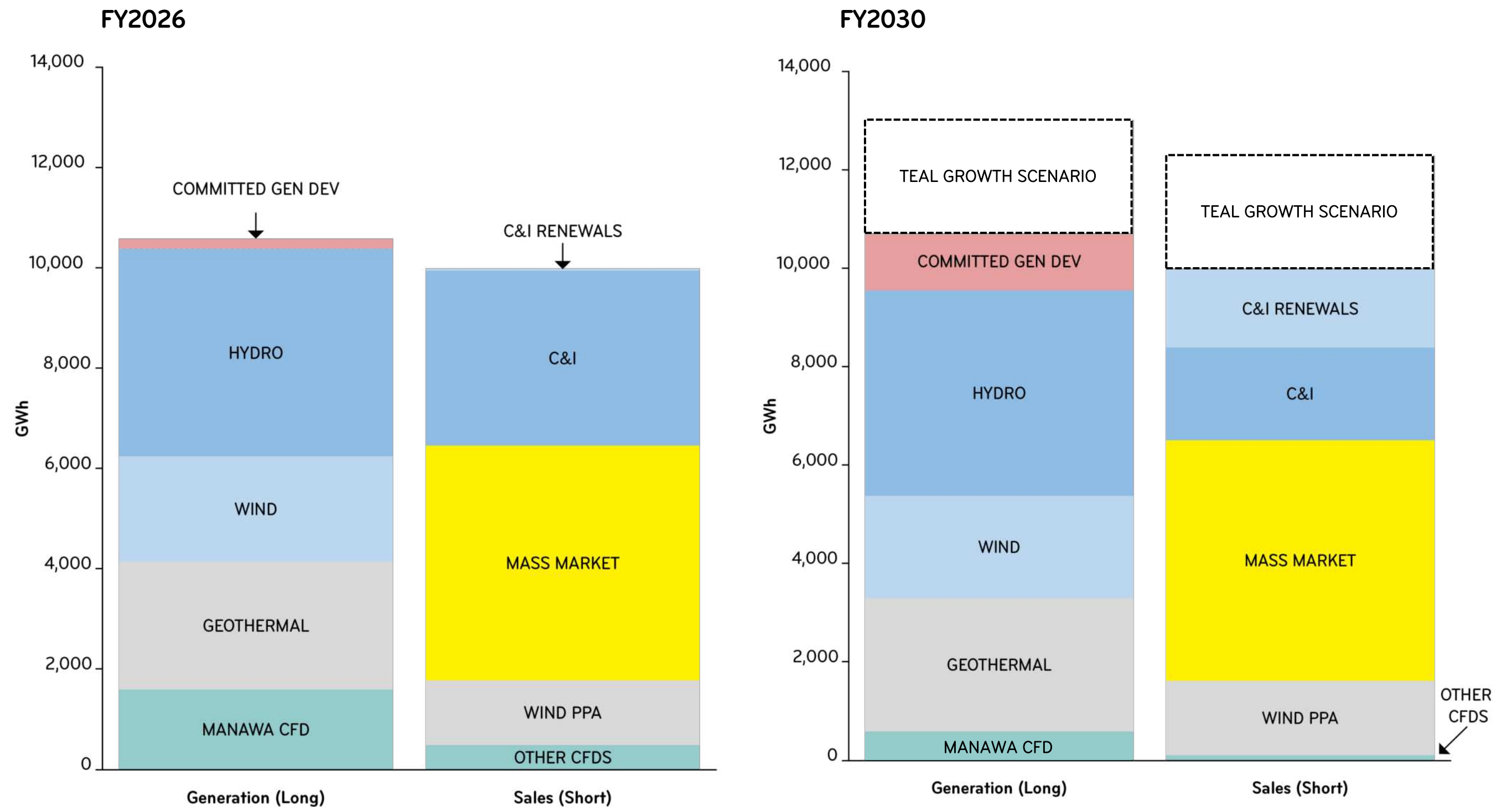
## Integrated, Forward-Looking Approach

- Long-term view guides sales, hedging (incl. 3rd party PPAs), and generation development
- Manawa CFD decay provides a natural hedge

## Strategic Sales Enable Development

- Long-term C&I sales (e.g. NZAS, AWS) linked to developments
- Managed as part of C&I sales and renewals strategy
- Avg. C&I contract duration ~5 years; helps customers manage transition, supports generation development, and management of renewal risk

## INDICATIVE NET POSITION BREAKDOWN



# OUR APPROACH TO CAPACITY WILL UNLOCK FURTHER HYDRO FIRING

## Portfolio-Enabled Firing with a Hydro Cornerstone

- Waikato Hydro Scheme provides significant firing today
- Additional firing enabled via capacity additions, renewable diversity, strategic sales, and contracting

## Renewable Diversity Reduces Firing Needs

- Location and resource diversity (e.g. KD2, KWK) reduce firing demand

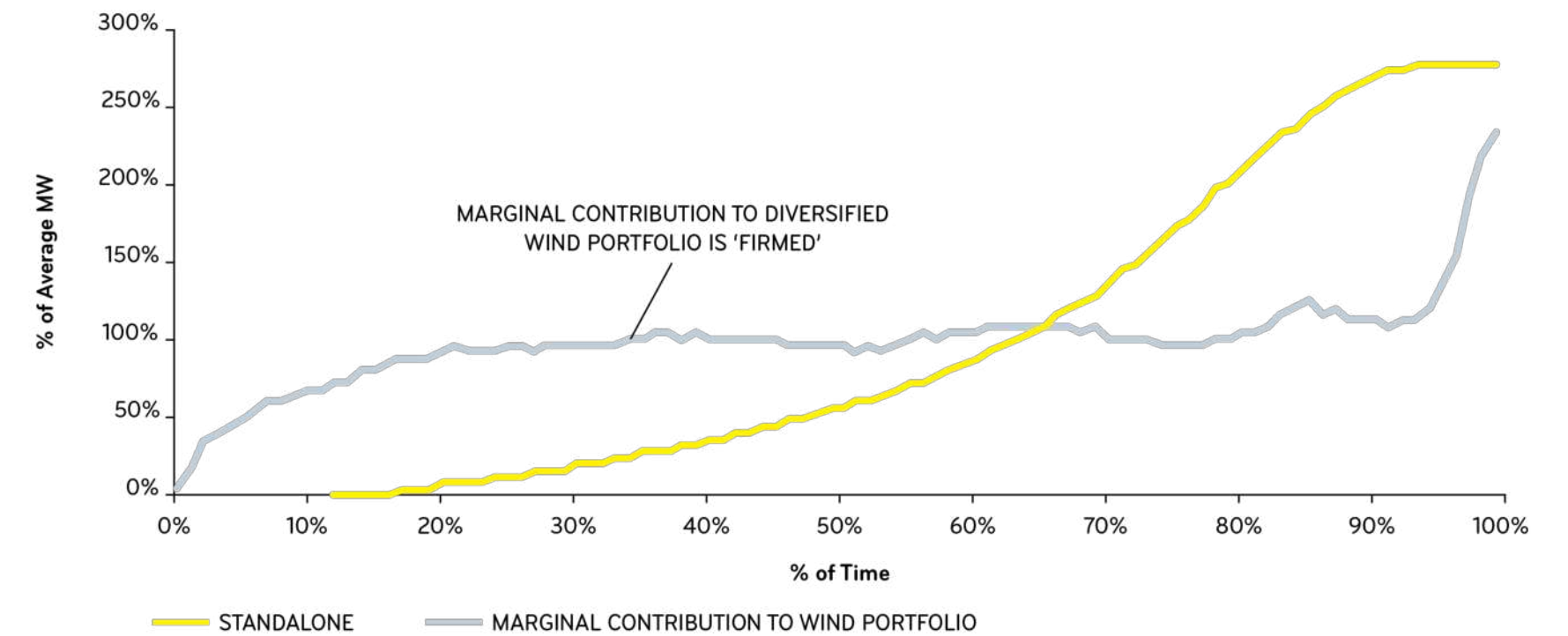
## Capacity Additions Unlock Hydro Firing

- Hydro firing limited by peak demand periods
- Spare flexibility outside peaks can be unlocked with capacity additions
- Mercury is progressing both supply-side (e.g. WKM battery) and demand-side (e.g. hot water control) flexibility options

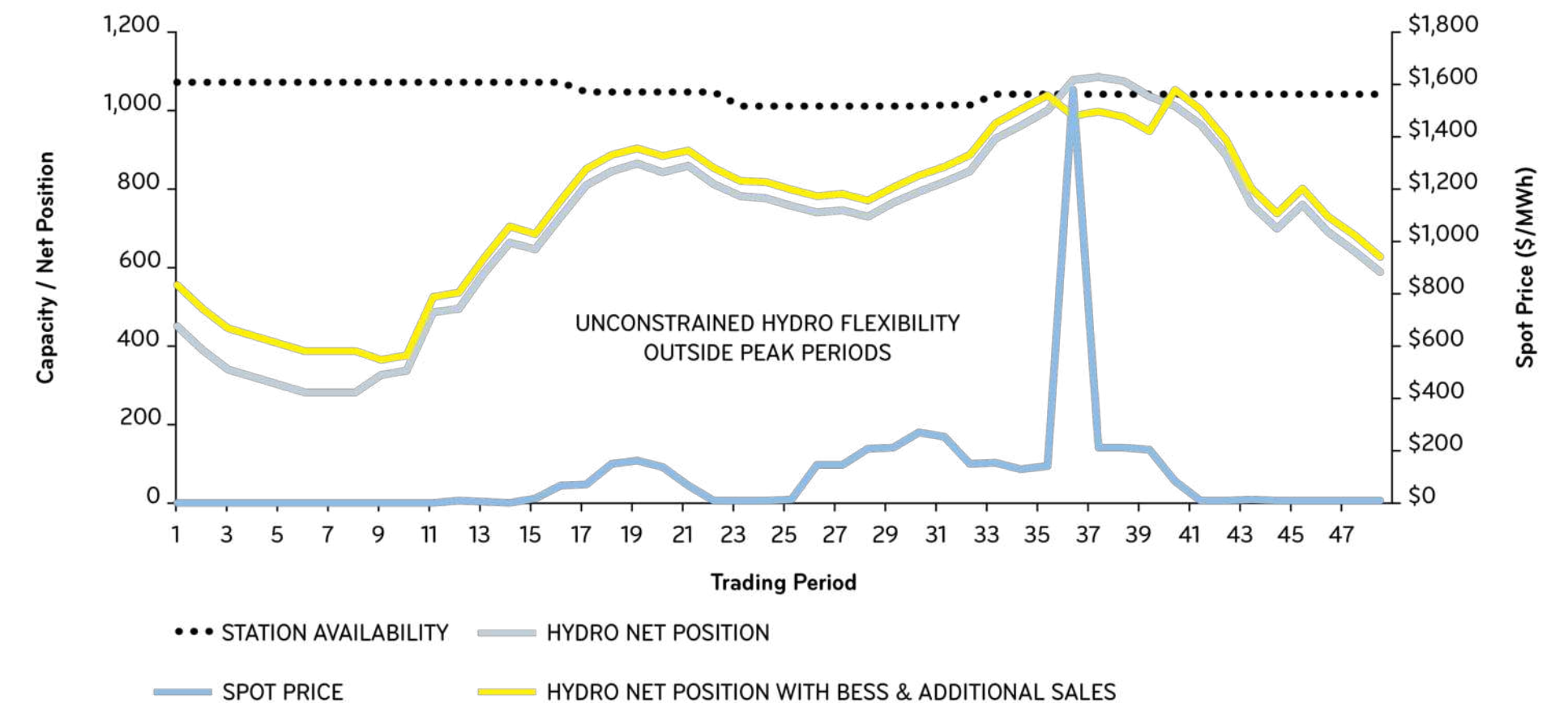
## Strategic Sales & Hedging Enhance the Portfolio

- Targeted sales (e.g. AWS, Visy) and active hedging (e.g. Huntly HFO) strengthen portfolio performance

MARGINAL WIND PORTFOLIO CONTRIBUTION OF KAIWAIKAWE<sup>1</sup>



EXAMPLE OF CAPACITY ADDITIONS SUPPLEMENTING HYDRO<sup>2</sup>



<sup>1</sup> Wind portfolio includes non-PPA Turitea, KD1 & KD2

<sup>2</sup> Hydro Net Position = residual sales commitments to be covered by our hydro assets after elimination of other generation sources (including flexibility resources e.g. BESS) and equivalent sales

# OUR FIRING POTENTIAL IS SUFFICIENT TO ENABLE OUR GROWTH AMBITIONS

## Renewable diversity

### Proof Point:

Geographic diversity of wind developments / Geothermal feature in Generation Development pipeline / hydro refurbishment programme enhancing capacity

## 'Portfolio of flex'

### Proof Point:

13k hot waters under control in winter 2024; expanding to 50k in 2025 / development of distributed battery model / Mass Market trials including EV charging and Time-Of-Use pricing

## Contracted flexibility

### Proof Point:

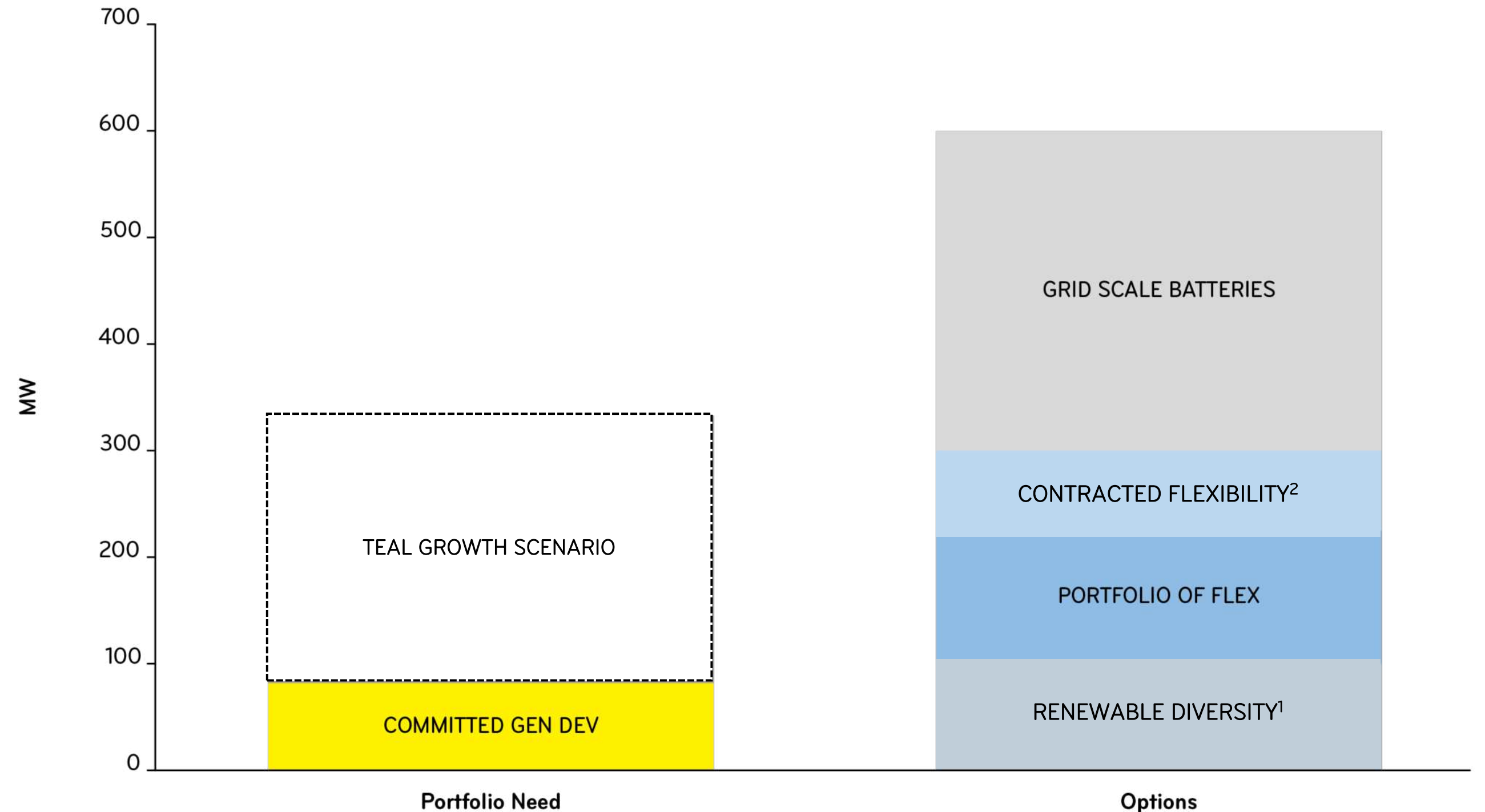
Genesis HFO contracting / AWS, Visy and other generation-following sales

## Grid-scale battery

### Proof Point:

300MW Whakamaru BESS option – co-optimisable with Waikato Hydro System

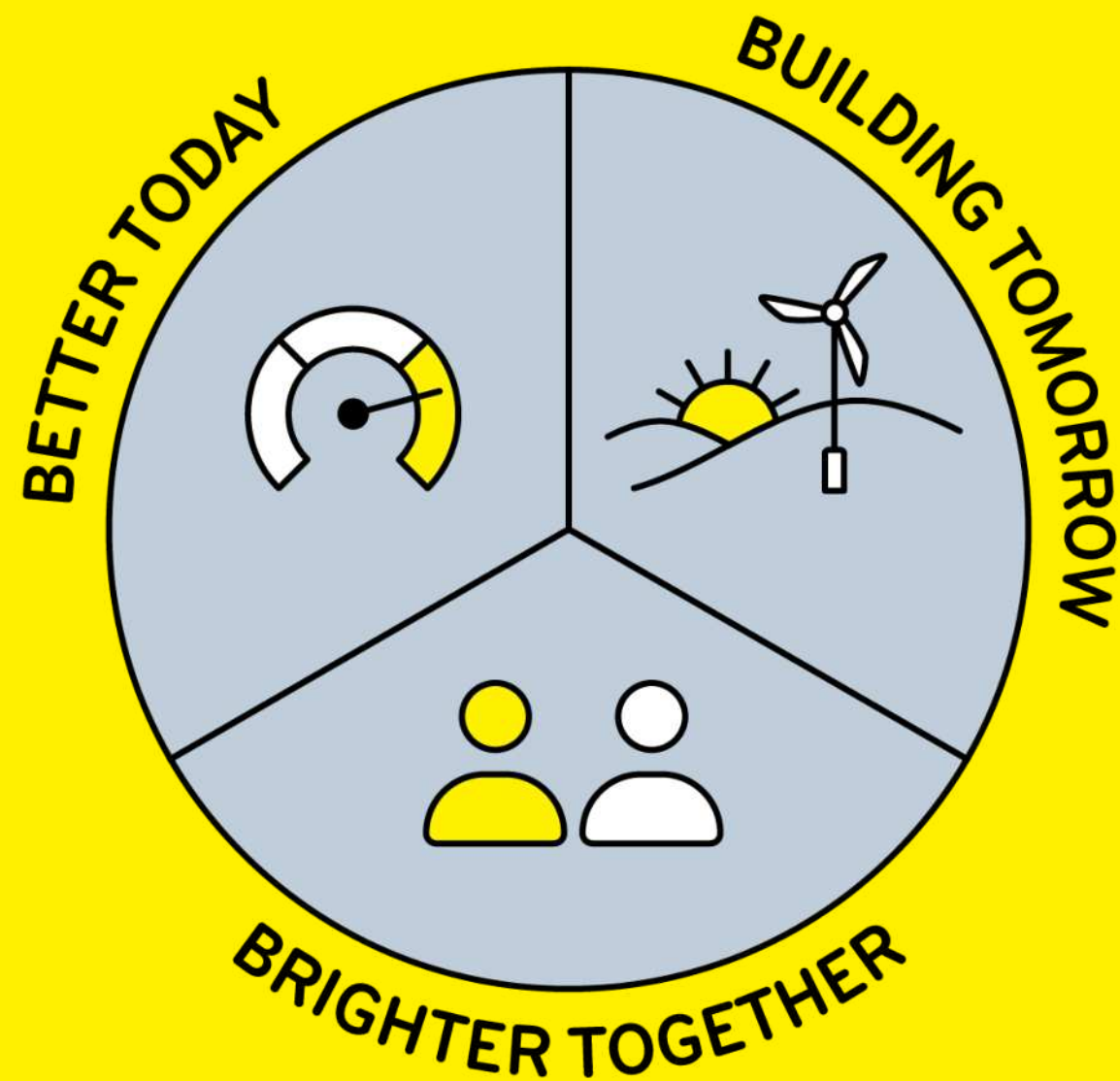
INDICATIVE FY30 CAPACITY REQUIREMENTS VS. OPTIONS



<sup>1</sup> Wind diversity only with hydro refurbishments and OEC5 included as offsets in Portfolio Need; includes potential of generation development in Teal Growth Scenario

<sup>2</sup> Includes Huntly Firming Options and indicative new customer contracting (such as AWS & Visy)

# ADVANTAGED PORTFOLIO POSITIONED FOR GROWTH



## SUPERIOR RETURNS TODAY

**Our advantaged portfolio:** Diversified renewable generation / Superior asset location / Substantial near-term growth / Experienced trading & risk management / Track record of performance

## BUILDING FOR TOMORROW THROUGH A CHALLENGING TRANSITION

**Electrification:** New Zealand's best decarbonisation option

**Security:** Focus needed to ensure solutions across all timeframes

**Affordability:** Working to support the lowest cost system

## POSITIONING FOR RESILIENT LONG-TERM GROW

**Renewable diversity:** Geographic and fuel diversity reduces firming need

**Portfolio firming:** Hydro firming can be unlocked with capacity additions

**Active portfolio management:** Strategic sales and hedging further enable flex

**400 GWh  
C&I  
electrification  
/ new demand  
by 2027**

**50MW  
of additional  
managed  
capacity by  
2026**

# SCALE & EFFICIENCY UNLOCK VALUE

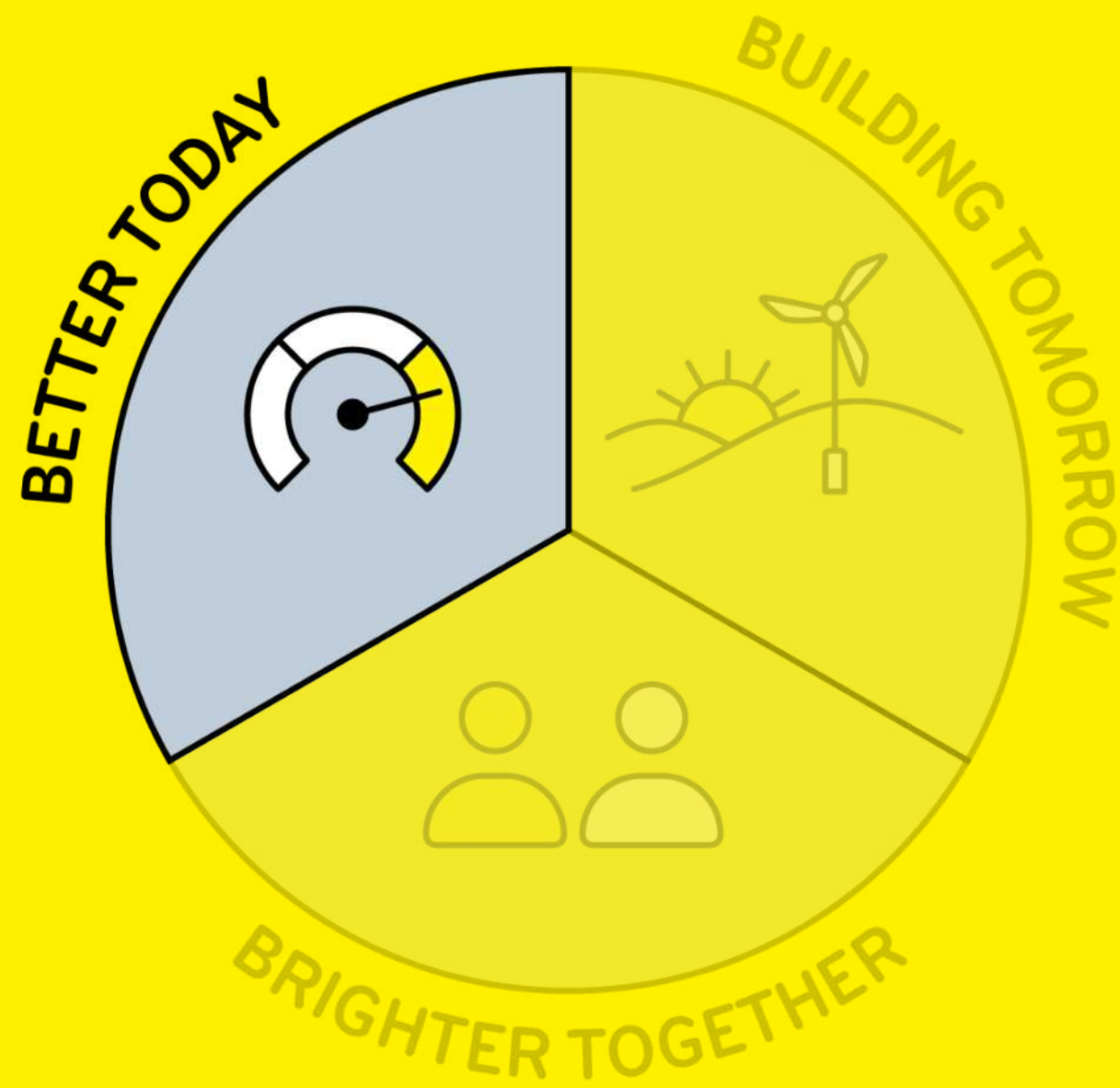
INVESTOR DAY  
10 JUNE 2025

CRAIG NEUSTROSKI  
COO – CUSTOMER

FIONA SMITH  
CHIEF PEOPLE EXPERIENCE  
& TECHNOLOGY OFFICER

MOA HAAR-SIMMONDS  
GM ENGAGE





# VALUE DELIVERED BY INTEGRATION

# SYNERGIES SECURED

## Delivering Value Through Synergies

- \$34 million of synergies delivered by the end of FY25, including \$30 million in Opex
- On track to exceed original \$35 million synergy targeted
- Remaining synergies come from final SAP exit and recent organisational changes

## MARCH 2023

### DELIVERY OF SYNERGIES ON TRACK

- On track to realise forecast cost synergies (Opex and Capex) over 3-year period

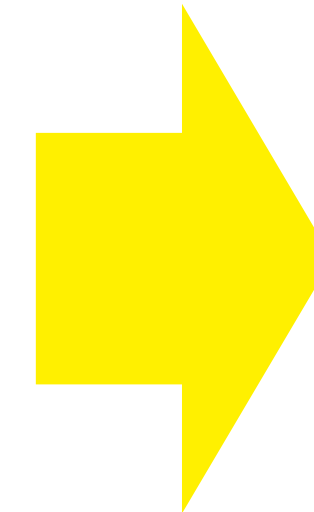
**\$35m**

### \$10m of synergies to be realised in year 1 through:

- Corporate shared services
- Technology
- Core retail business activity

### Additional synergies to be realised through FY24 – FY25 from:

- Shift to Common Operating Model
- Retirement of duplicate technologies
- Becoming Future Ready



## MAY 2025

### SYNERGIES SECURE

- On track to exceed forecast cost synergies (Opex and Capex) over 3-year period

**\$40m+**

### \$17m of annualised synergies delivered across FY25, of which \$16m is Opex related. Achieved through:

- Labour savings
- Technology rationalisation
- Refining core retail business activity

### Residual synergies in FY26 from:

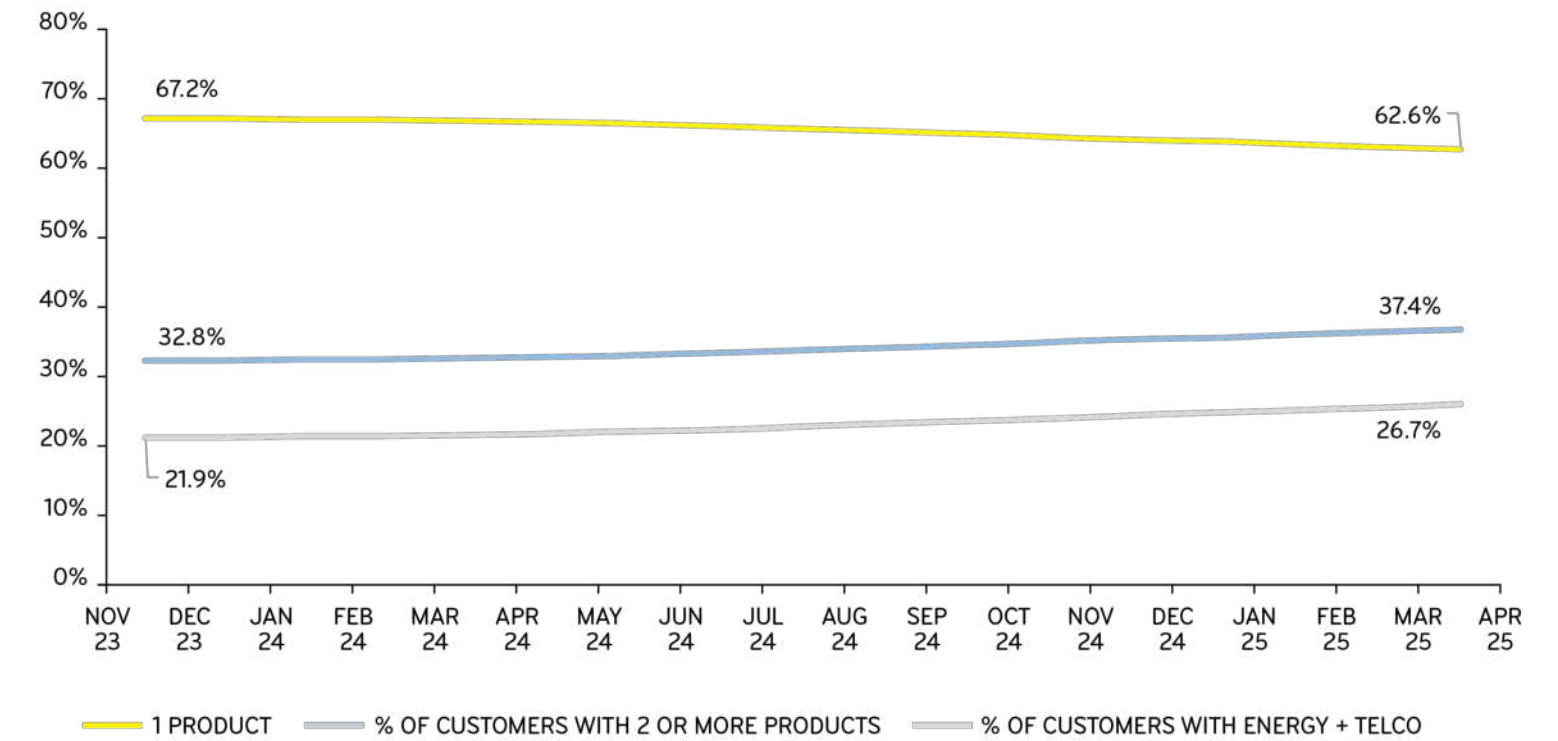
- Technology retirement (SAP Exit)
- In flight organisational change

# BUSINESS CASE ASSUMPTIONS WERE CONSERVATIVE

## Growing the multi-product customer base

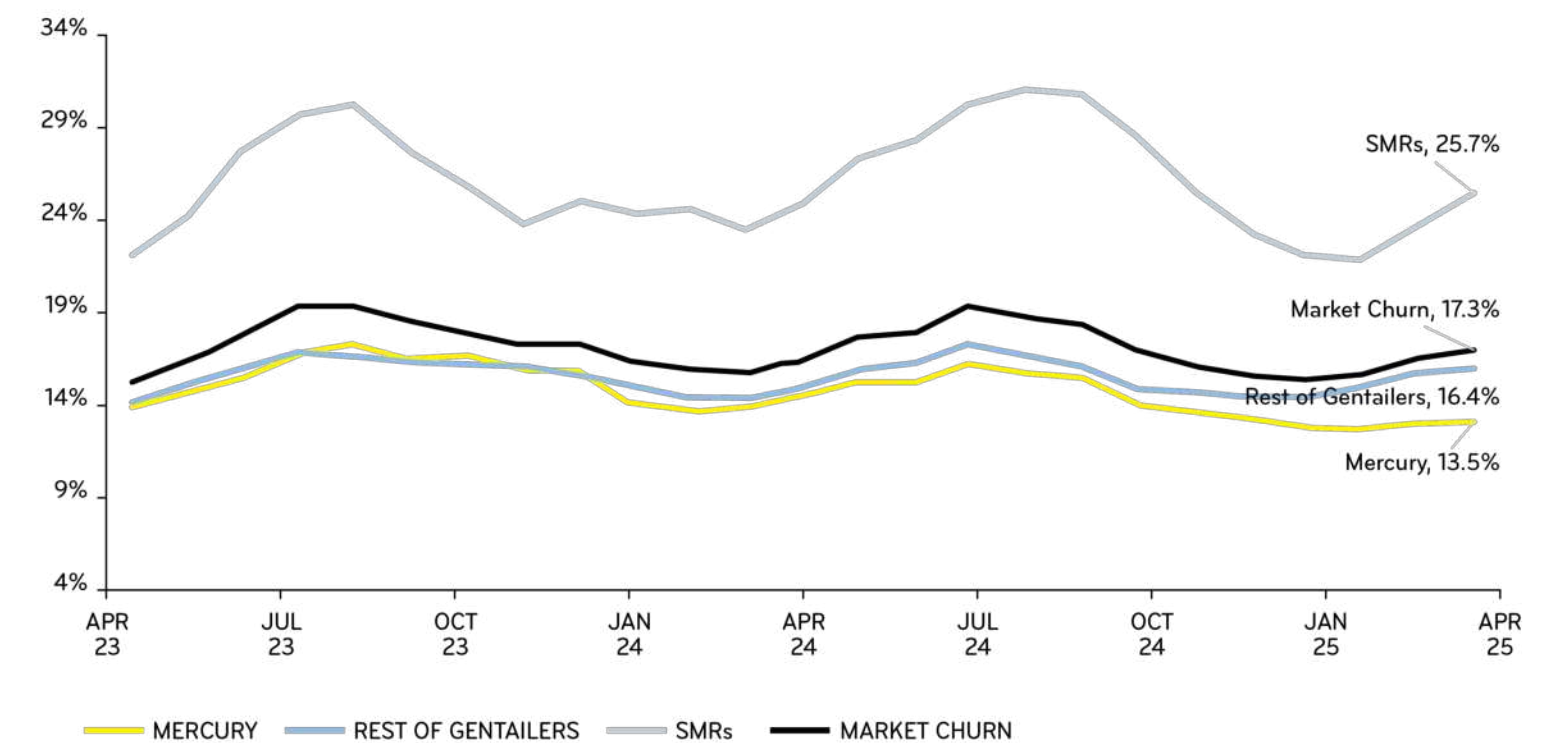
- Trustpower acquisition enabled connection growth via telco cross-sell and multi-product acquisition
- Dual energy + telco customers increased from 21.9% to 26.7%. In the last 12 months 9K legacy Mercury customers have added telco
- ~70% of sales are multi-product, driving higher revenue and lower churn
- Churn of the legacy Trustpower customer base has been lower than modelled and now 2 years after Brand change is likely in-line with what Trustpower might have seen

## SPLIT OF CUSTOMERS SINCE INTEGRATION



- Electricity connections stable and within target range
- Telco cross sell and new to Mercury trends as expected
- Plenty of opportunity remains

## 3 MONTH ROLLING CHURN – ELECTRICITY



# SET TO DELIVER FURTHER VALUE

## The Strategic Contribution of the Customer Business Is Delivering Earnings Transformation

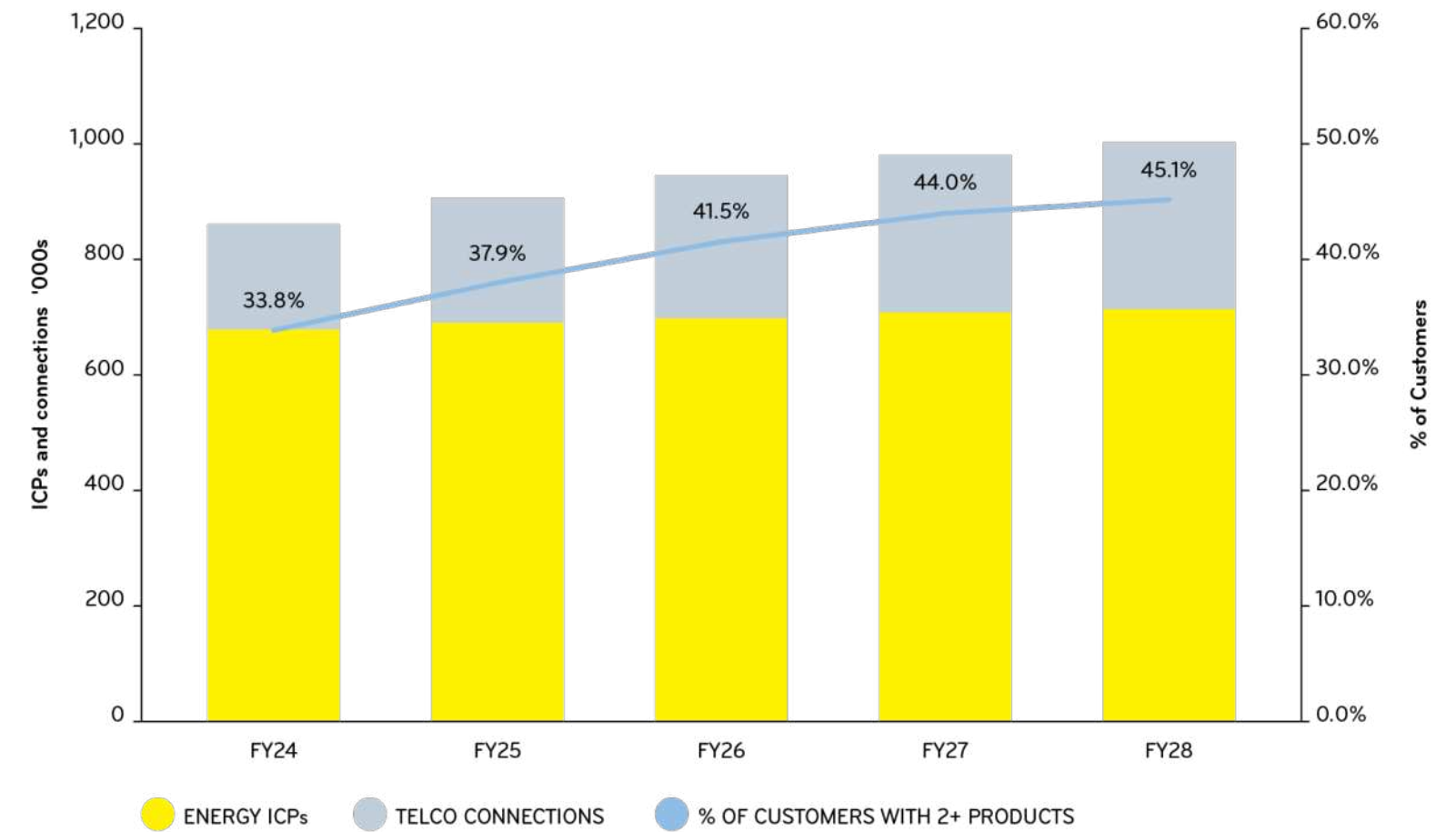
### Delivered by:

- Scaling connection growth through telco bundling
- Material reduction cost-to-serve via smart operations and smart technology
- Differentiated strategy based on bundling and creating value rather than competing simply on price

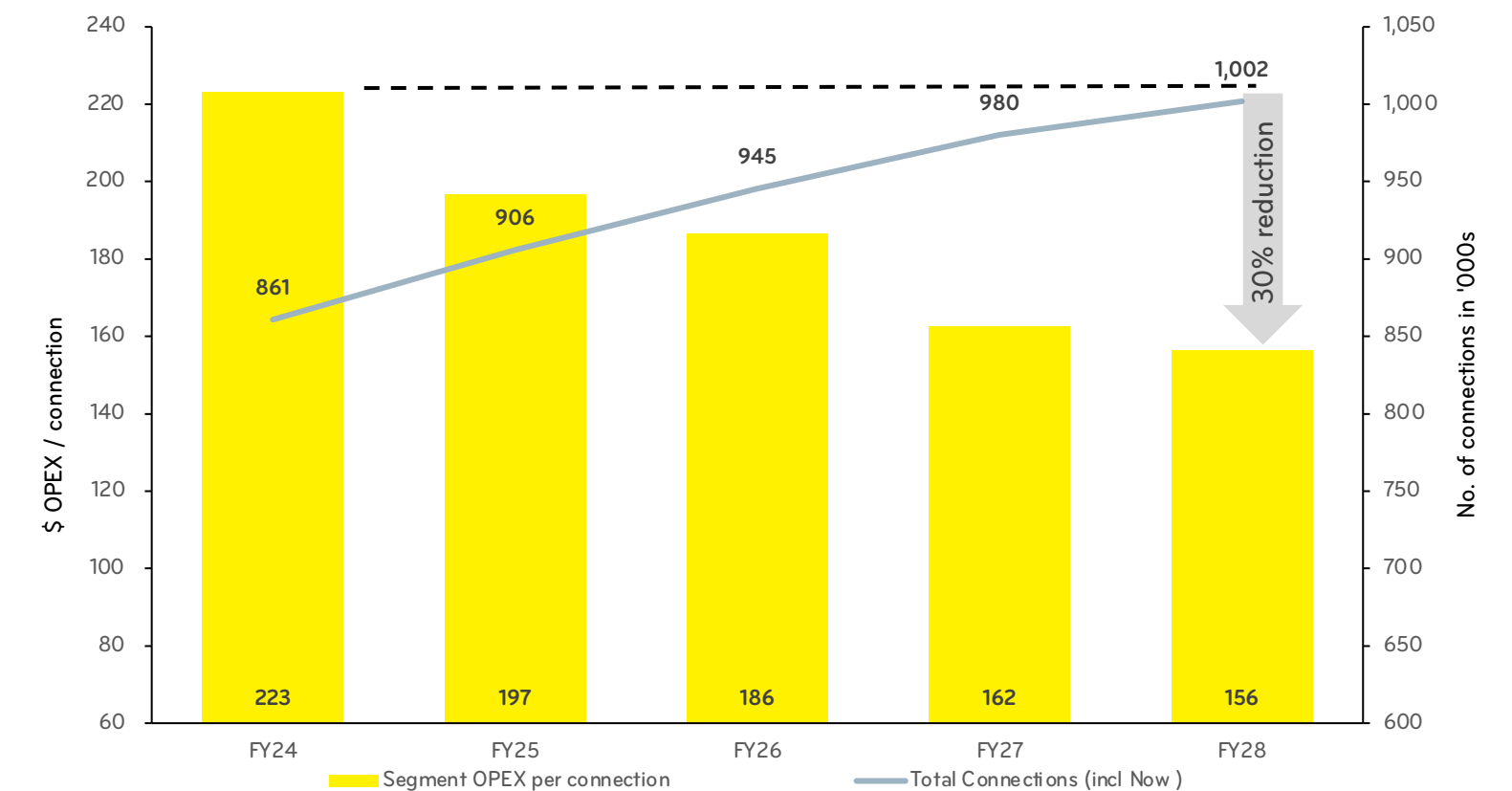
### What this looks like:

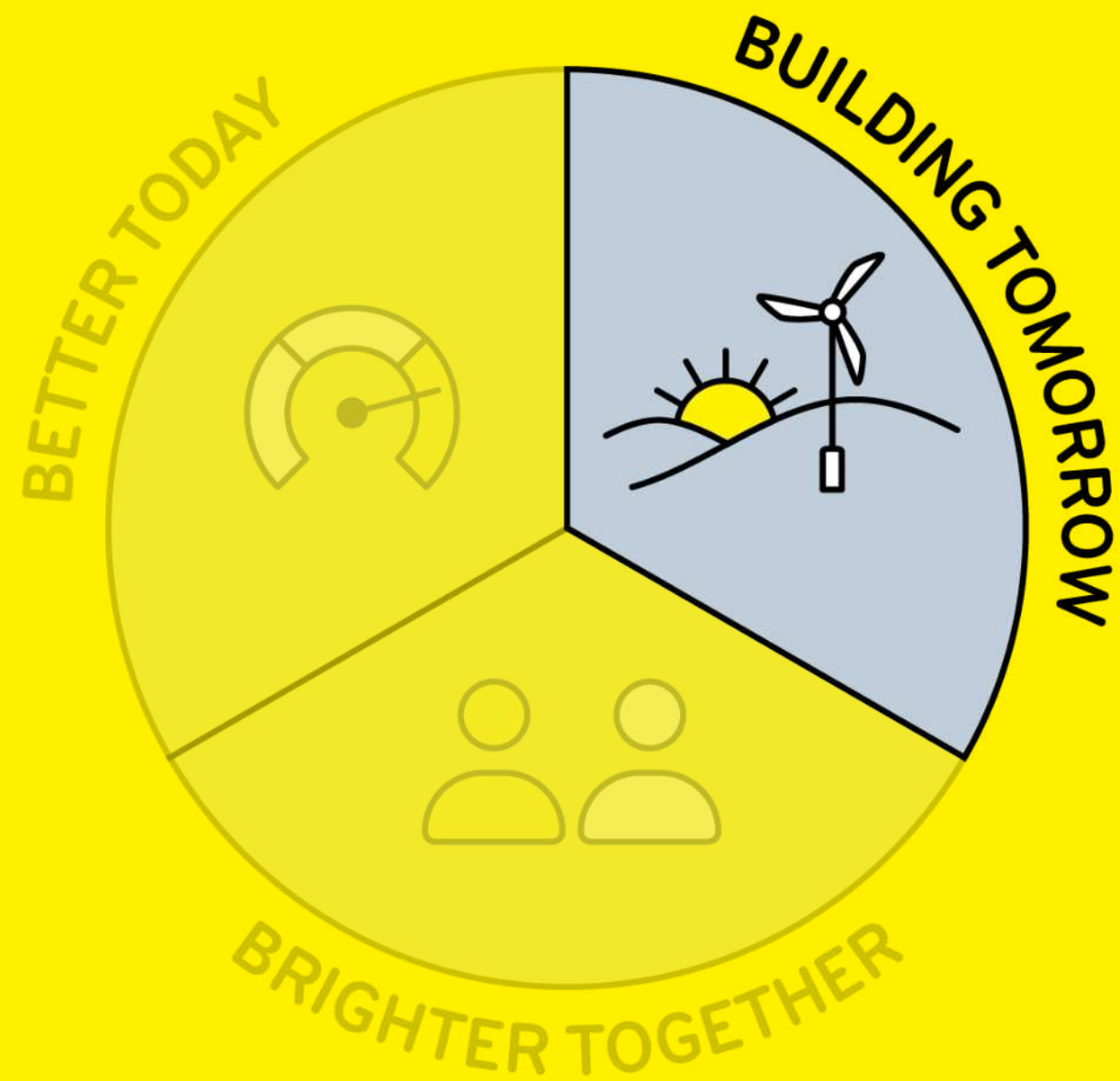
- More multi-product customers, 1m connections, and market-leading retention
- Significantly lower opex per connection (circa 30%) with enhanced customer experience
- Electricity market share maintained at 25–26%
- Broadband connections growing to ~210k by FY27 and ~240k by FY30

## CUSTOMER CONNECTIONS AND BUNDLING GROWTH



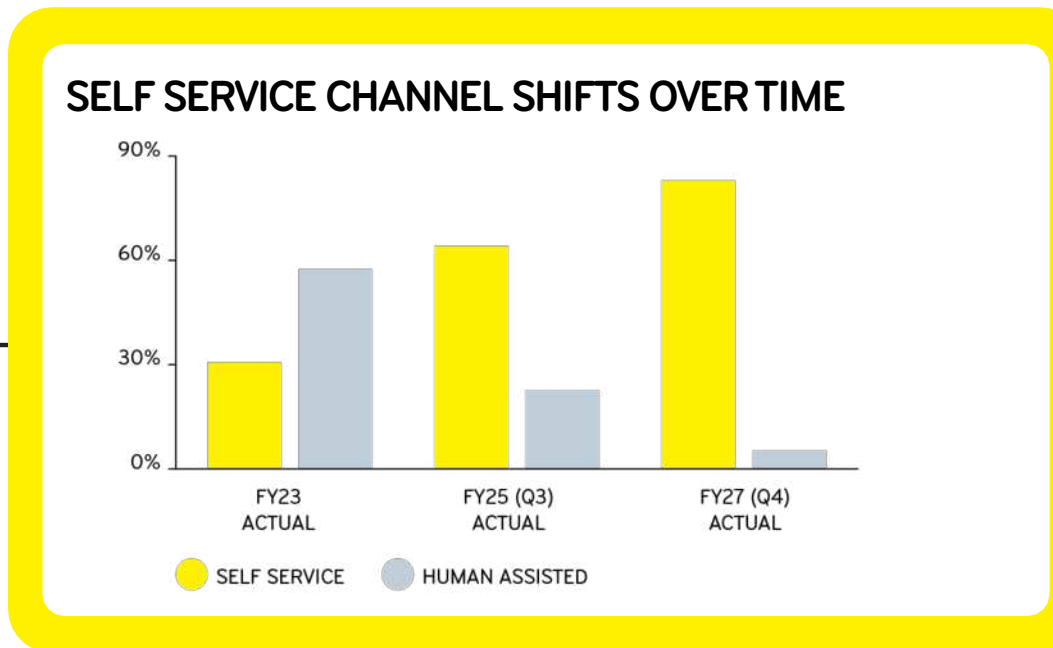
## LEVERAGING SCALE AND TECHNOLOGY





# SMART OPERATIONS & TECH UNLOCK SCALABLE EFFICIENCY

# FROM LABOUR LED TO TECH ENABLED



## Building tomorrow

- Seamless integration - minimal customer impact, on time & within budget
- Data mastery - building on solid platforms
- Software Engineering - AI coding
- AI Assistant pilots & Robotics - unlocking productivity & building capability
- Insight & Transcription - customer sentiment tracking & cost out of 20,000 hours
- Value add digitisation - self-service channel volumes doubled to 2.1 million interactions
- Digital River - extracting value from existing assets
- Optimus Brine - autonomous robot delivering safe real time monitoring

## AI IN SOFTWARE ENGINEERING

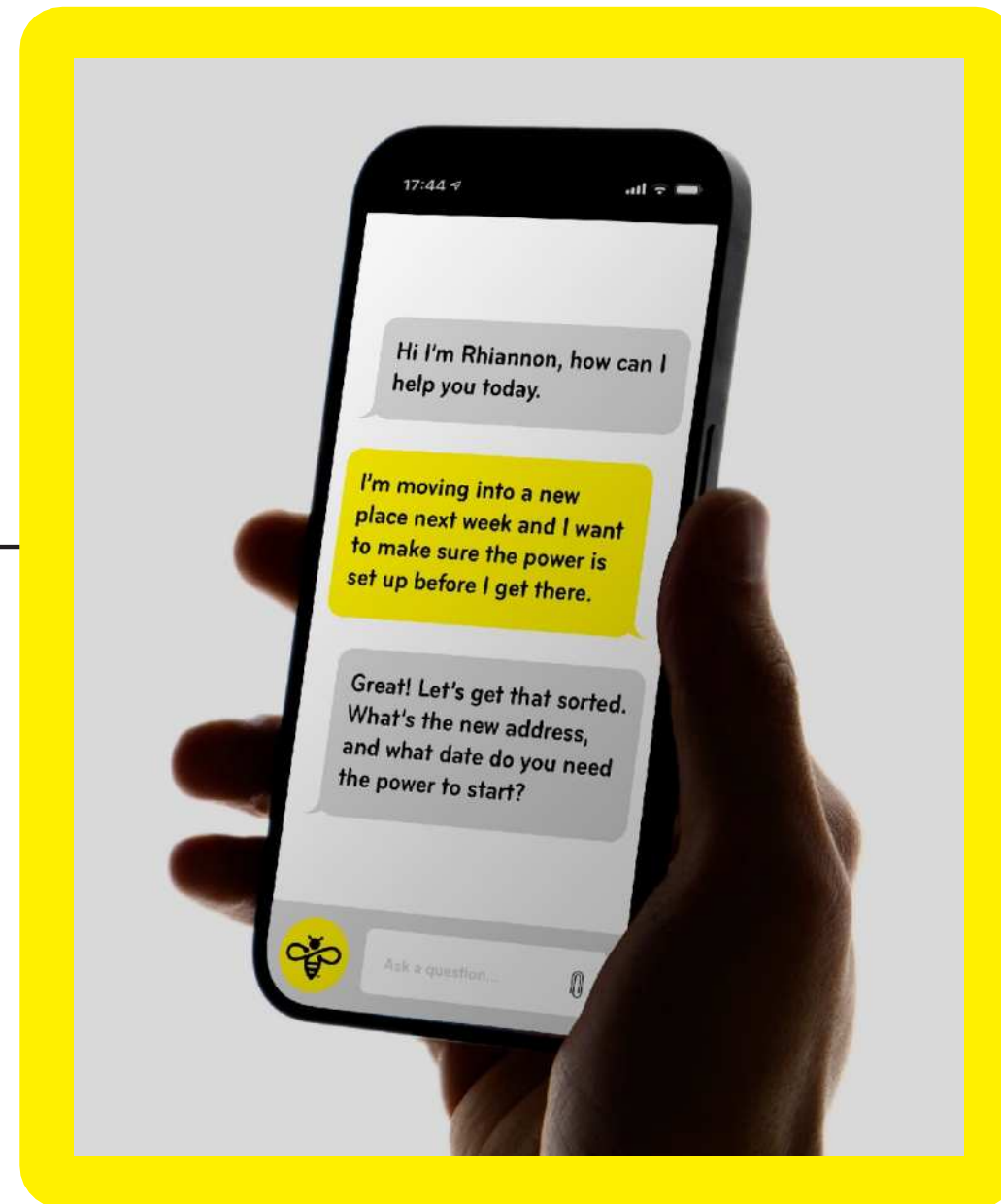
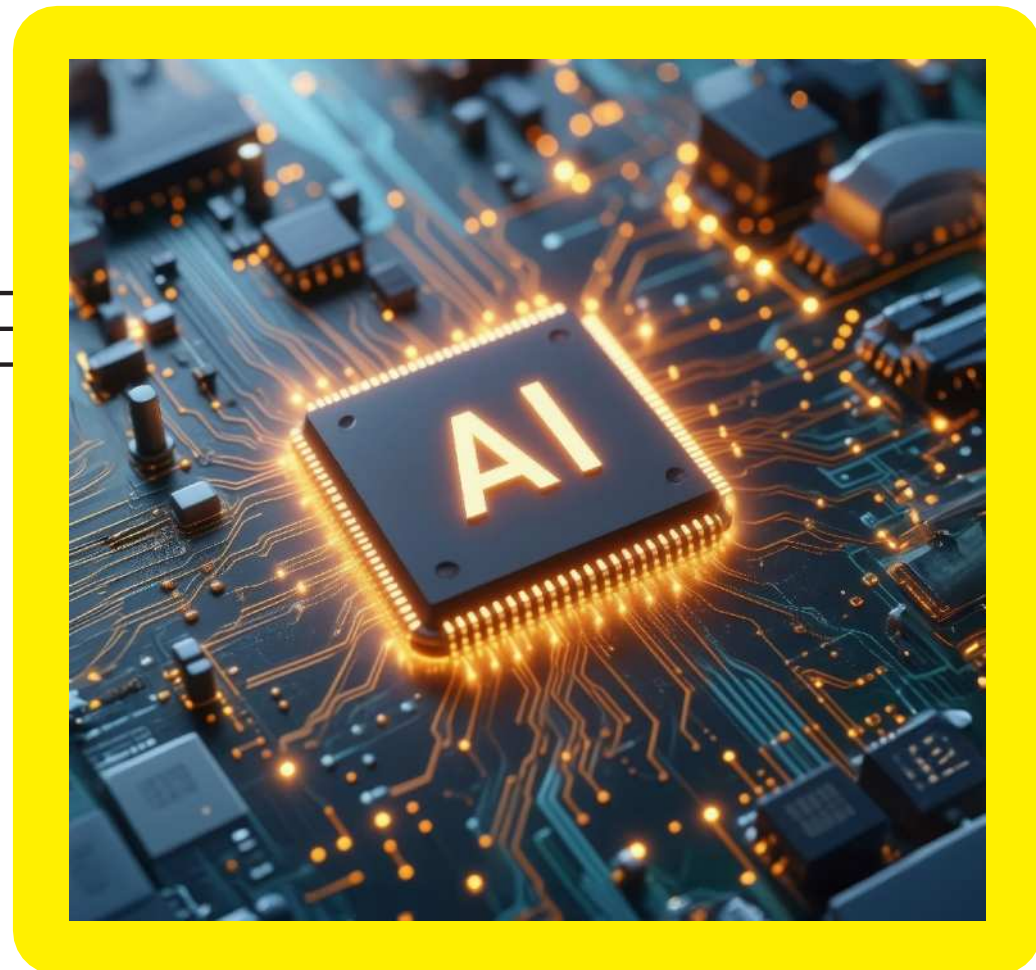
**17.3%**

Acceptance Rate (by lines)  
Over the last 28 days

**36522**

Total lines of code suggested  
Over the last 28 days

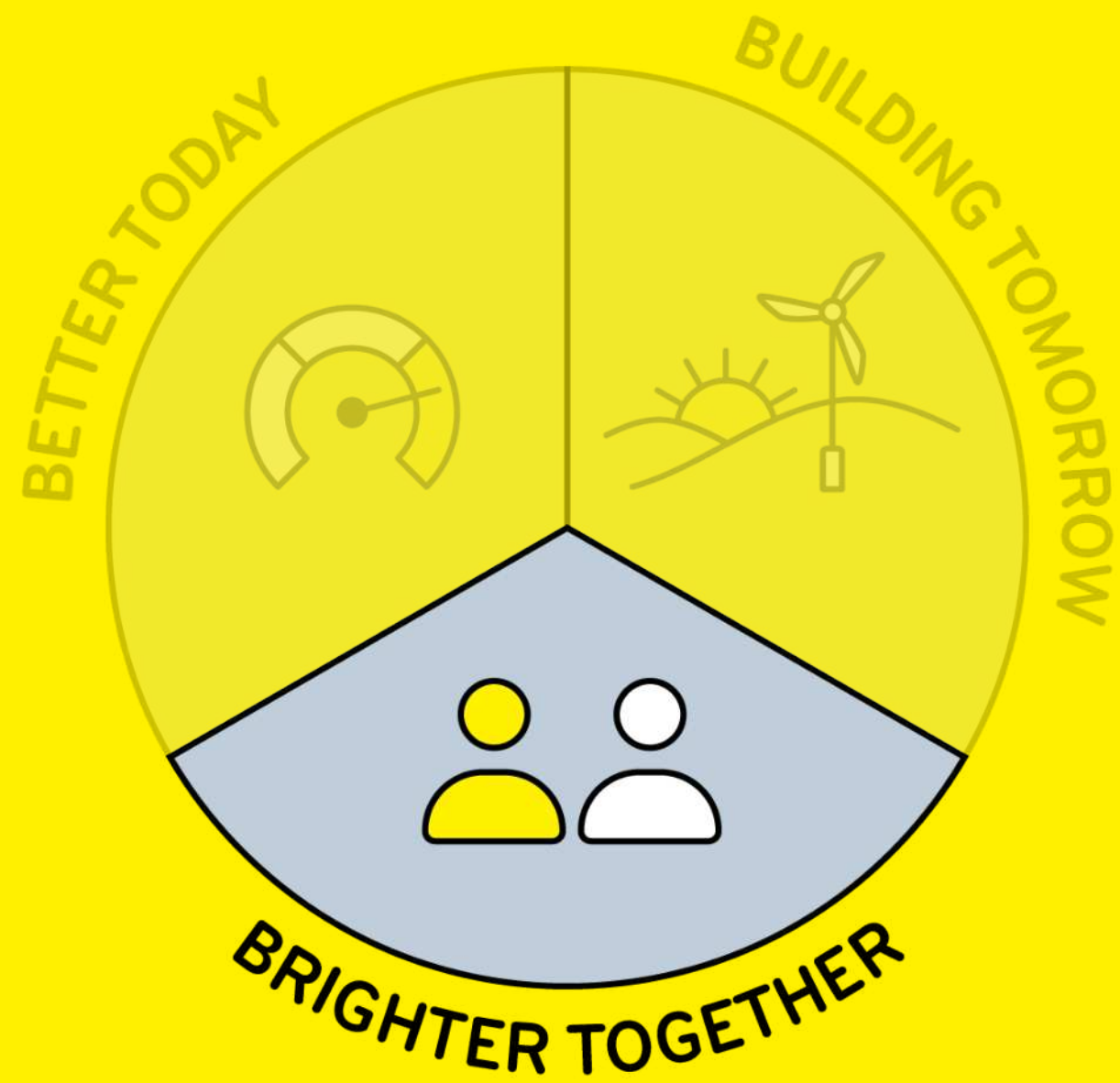
# LEVERAGING SMART TECH TO DRIVE COST OUT



## Building tomorrow

- Telephony integrations – modular & fit for future
- Automation & Digitisation – self-service channel volume triples to 3.3 million interactions
- AI assistants for all – productivity & cost savings every day
- Geothermal optimisation – more from the same assets
- Agentic autonomous agents – real time AI customer facing interactions

TARGETING A  
30% REDUCTION  
IN OPEX PER  
CONNECTION  
BY FY28



# TRANSFORMING CUSTOMER EXPERIENCE TO DELIVER EFFICIENCY & LIFT SATISFACTION

# SIMPLE AND SMART WITH A HUMAN TOUCH

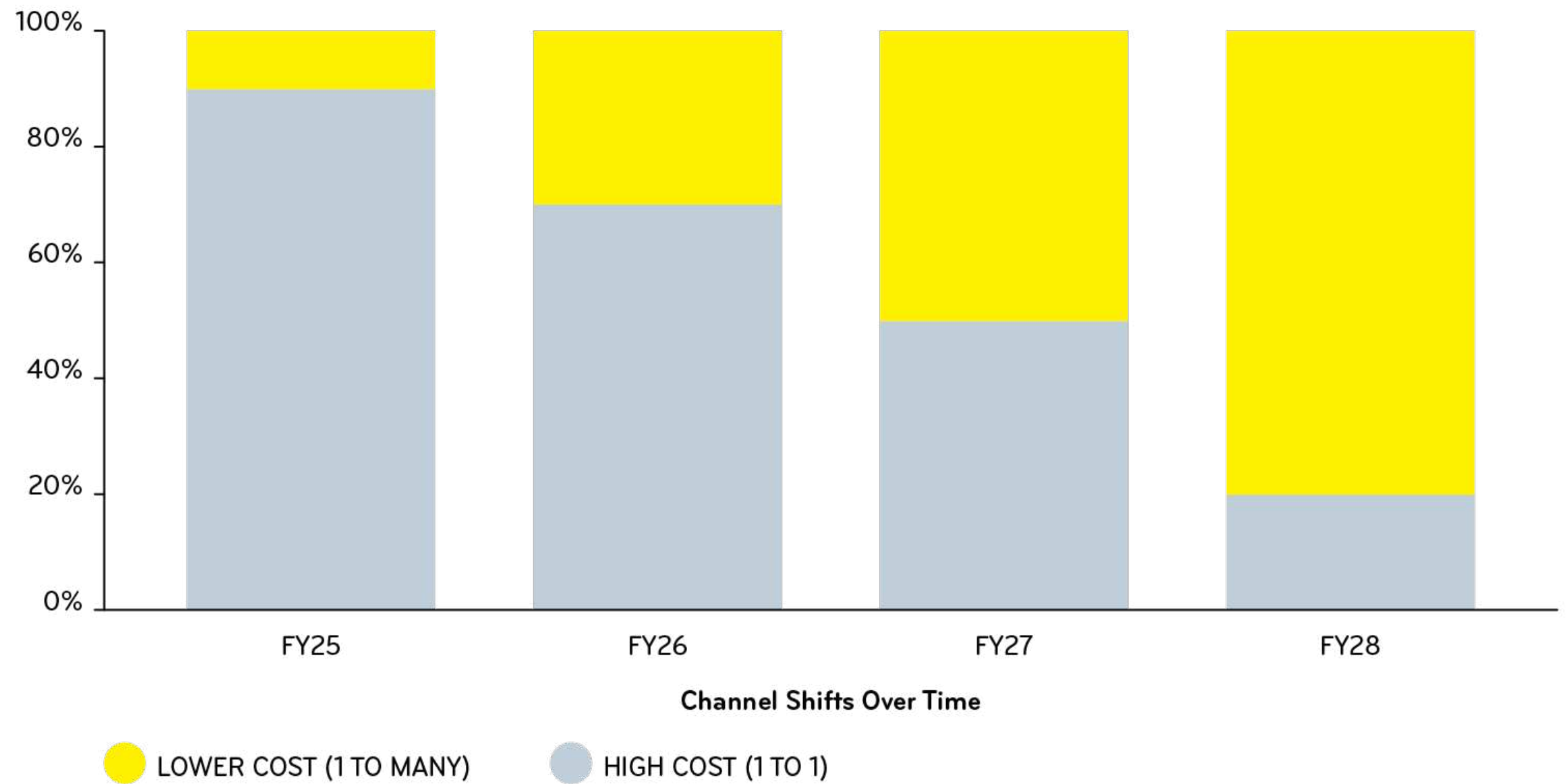
## Significantly reducing our cost to serve by:

- Simplifying - Personalising customer interactions
- Shifting - Offering smart digital-first experiences investing in self service capability
- Earning - Maintaining strong service levels, with targeted support for those in hardship

## Value for customers enabled through a digital shift and smarter propositions

- Access to smarter pricing solutions i.e. Time of use pricing
- More control through real-time usage insights giving visibility of costs and consumption
- More relevant offers with personalised plans and bundled propositions
- More reasons to stay via access to Mercury Rewards
- Efficiency gains through faster speeds to resolution and tech that scales

## FROM HIGH COST TO LOWER COST SERVICE CHANNELS



Increasing app downloads by 280,000 to drive digital engagement

Shifting 80% of our service volume to low cost channels

Targeting a 50% reduction in cost to serve

# OUR APPROACH TO AFFORDABILITY

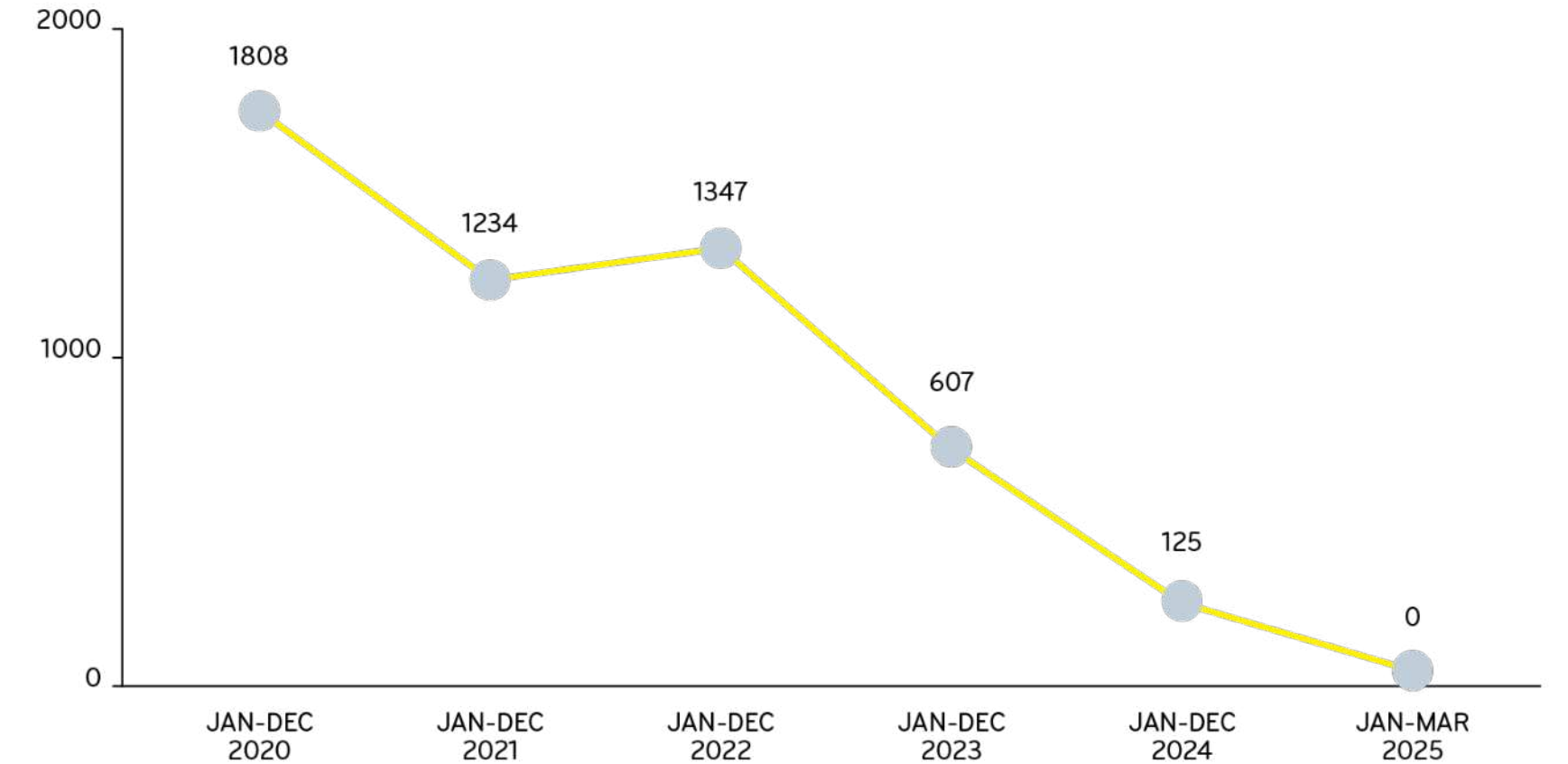
## Delivering greater clarity, control and care

- Clarity in cost through real-time usage insights that help customers understand and manage what they are spending
- Control through choice, providing flexible plans and tools that help customers manage consumption, and get back on track following a set back
- Care when it's needed, through targeted help for vulnerable customers to stay connected



HIDDEN HARDSHIPS HUI – MERCURY TEAM

## MERCURY RESIDENTIAL POST PAY CREDIT DISCONNECTIONS JAN 20 - MAR 25



# CUSTOMER CARE PROGRAM APPROACH

## Increasing knowledge and understanding

Collaborative research with Genesis and NGOs into **hidden hardship** completed

Working with ERANZ across various programs, unlocking insights into sector challenges, and approaches

## Direct Support

A broader range of propositions such as **Time of Use** putting customers in control of their usage and pricing

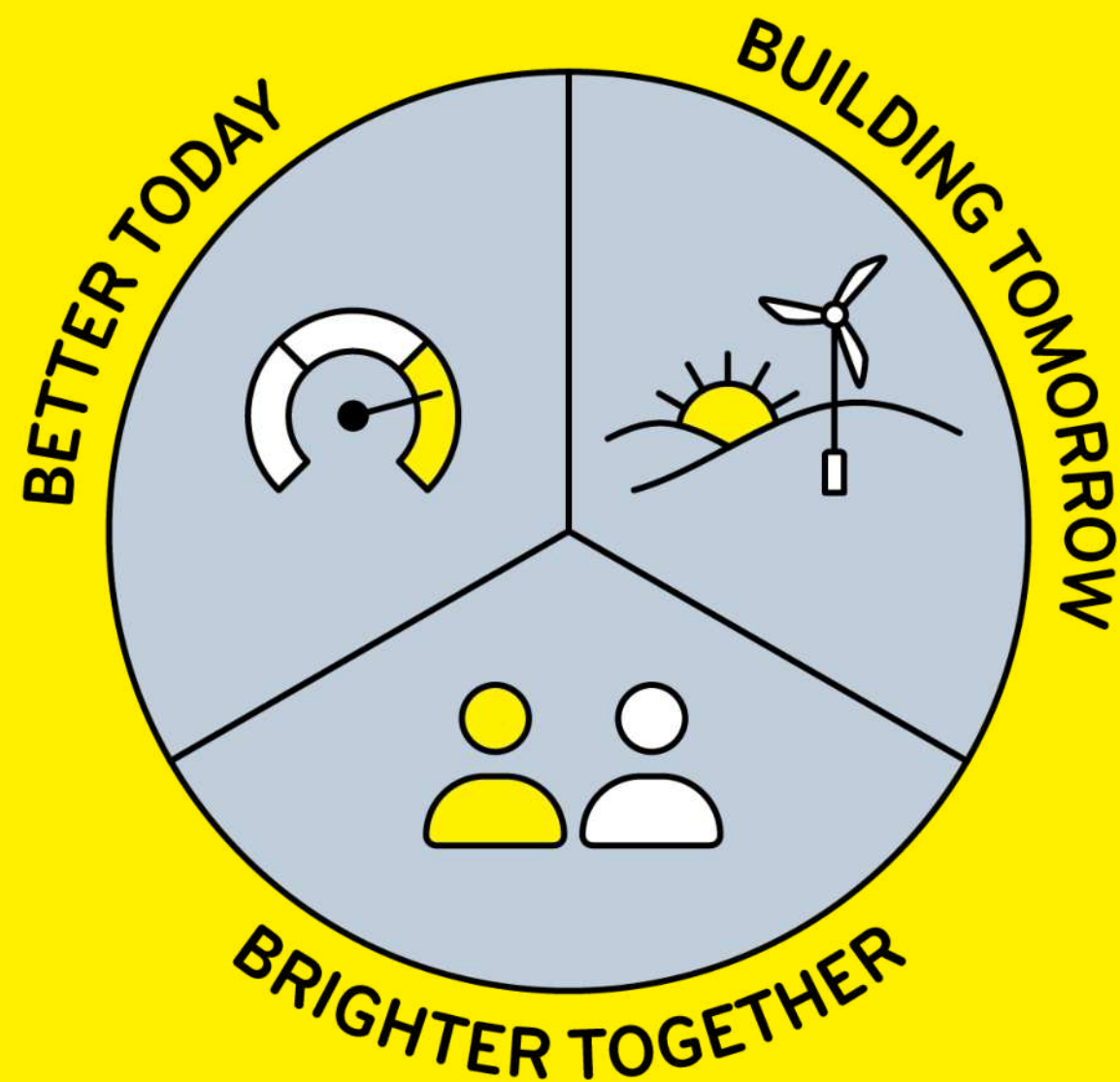
Tailored payment solutions supporting customers in hardship to stay connected while enabling targeted debt recovery and long-term customer value

## Partnerships/Collaboration with others

Hedges provided to Nau Mai Rā and Toast Electric extend impact beyond Mercury's customer base

Two-year winter energy study with Kāinga Ora trialled capped bills for low-income households completed

# LEVERAGING OUR SCALE TO DELIVER VALUE FOR CUSTOMERS & SHAREHOLDERS



## VALUE DELIVERED BY INTEGRATION

- We have reached scale and completed integration
- Synergies have been secured (\$40m+)
- Mercury is well-positioned to deliver value. Broadband and mobile cross-sell potential is significant given our strong electricity customer base.
- Targeting 1 million connections by 2028

**Synergies  
Secured**

## SMART OPERATIONS & TECH UNLOCK SCALABLE EFFICIENCY

- Automation and AI are key levers to enhance experience and reduce cost
- Success comes from building on solid foundations and unleashes the full potential of AI & automation - enabling us to simplify, standardise & scale
- We have a track record of delivery

**Scale &  
Efficiency**

## TRANSFORMING CUSTOMER EXPERIENCE TO DELIVER EFFICIENCY & LIFT SATISFACTION

- Customer expectations are changing—fast, seamless, and personalised is the new standard, digital & AI are the unlock
- We are targeting 30% lower opex per connection by FY28
- We are improving outcomes for all customers – and leaning in to affordability and support for vulnerable customers

**Improved  
Experience**

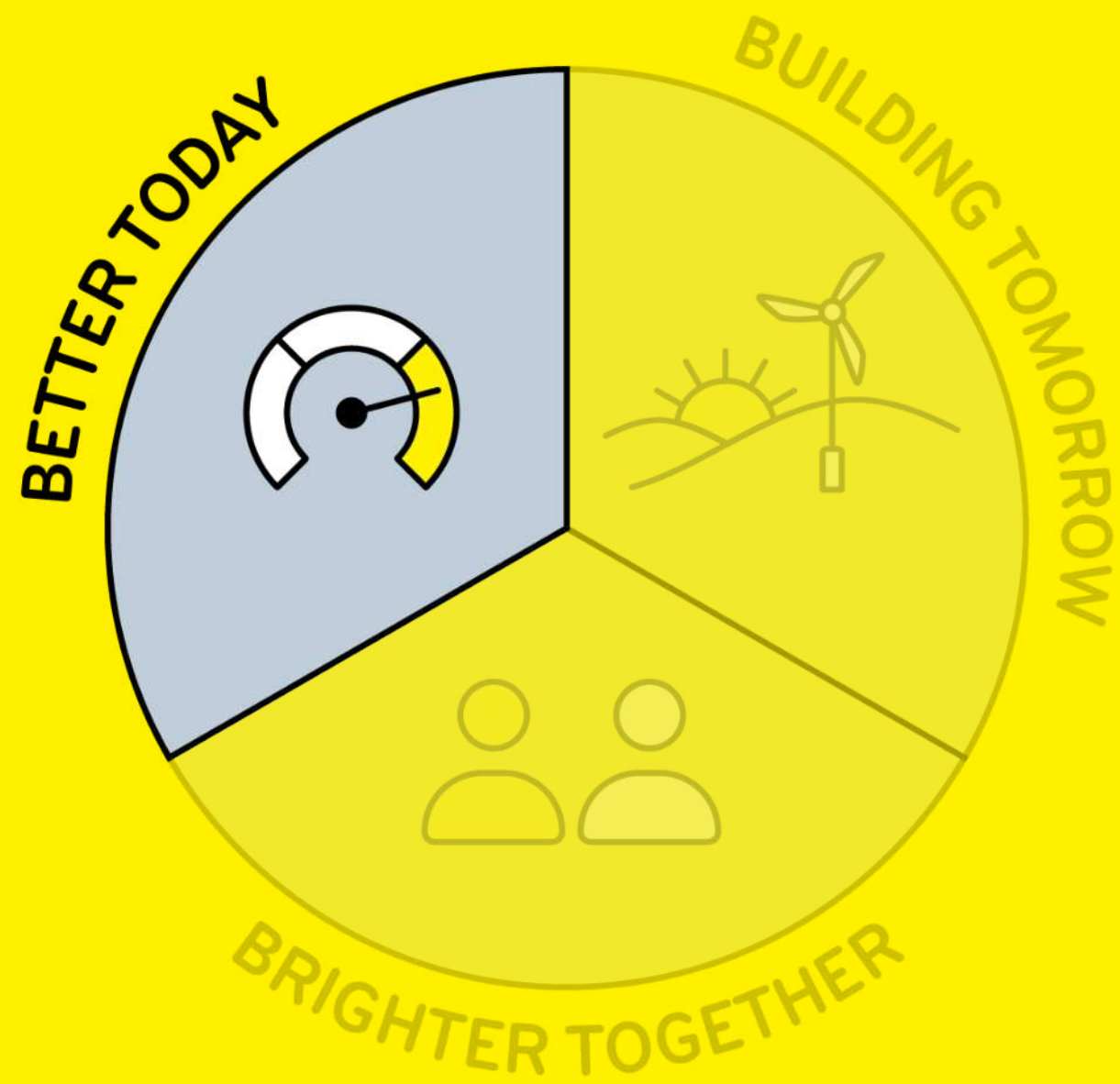
# ACCELERATING GENERATION DEVELOPMENT

**INVESTOR DAY**  
10 JUNE 2025

**MATT TOLCHER**  
EGM GENERATION  
DEVELOPMENT

**BEN PEZARO**  
HEAD OF GEOTHERMAL  
GENERATION DEVELOPMENT





# BETTER DELIVERY TODAY

# OUR TRACK RECORD IS ONE OF SUCCESS & SUSTAINED MOMENTUM

- Our team reached FID or delivered 5 of the 6 New Zealand wind projects in the last 5 years
- Our three construction projects are going to plan and will provide attractive returns
- We're leveraging our experience in geothermal, and we're back in geothermal dev with OEC5



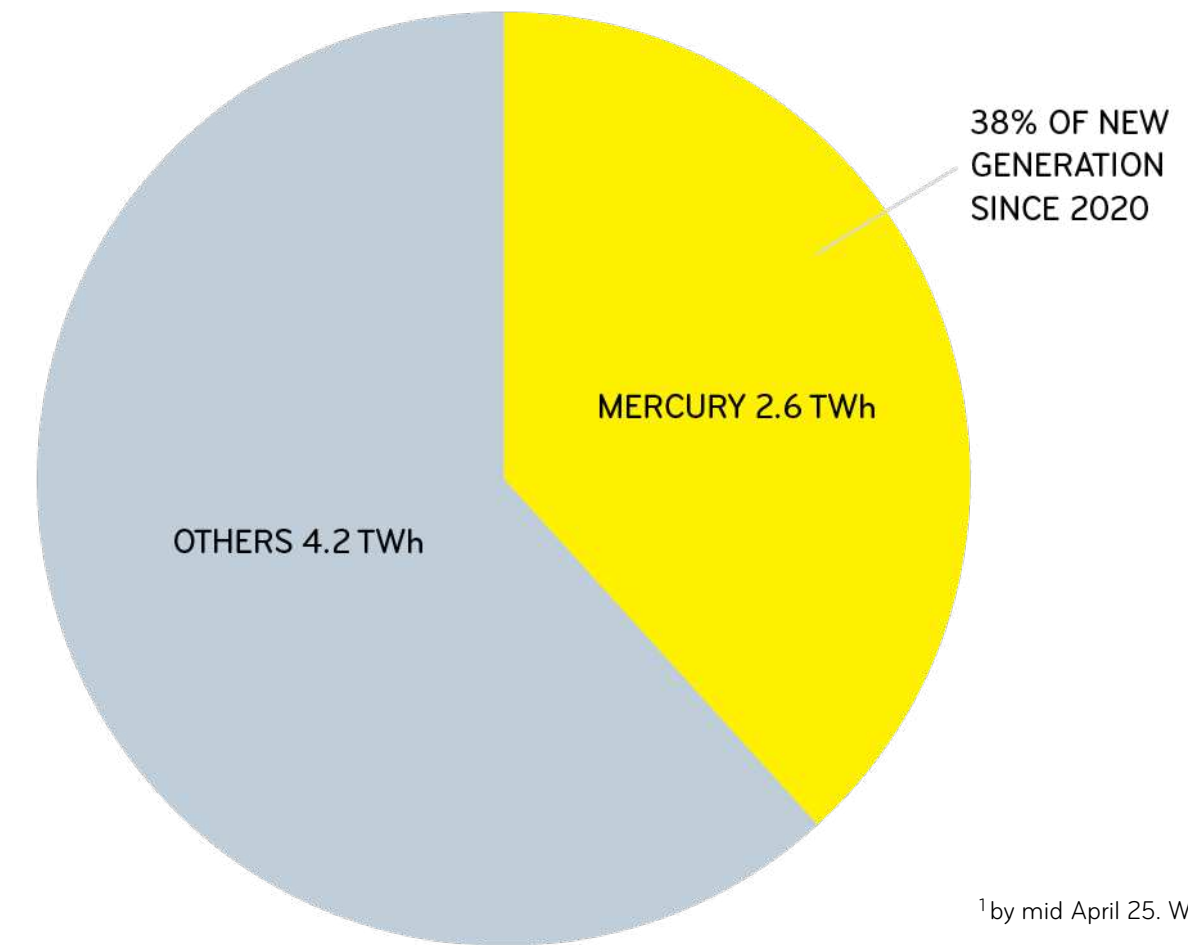
**TURITEA WIND FARM**



**KAIWERA DOWNS S1 WIND FARM**

## WE'RE OUTPACING OUR PEERS AT BUILDING VALUE ACCRETIVE RENEWABLES

New generation commissioned and committed since 2020<sup>1</sup>



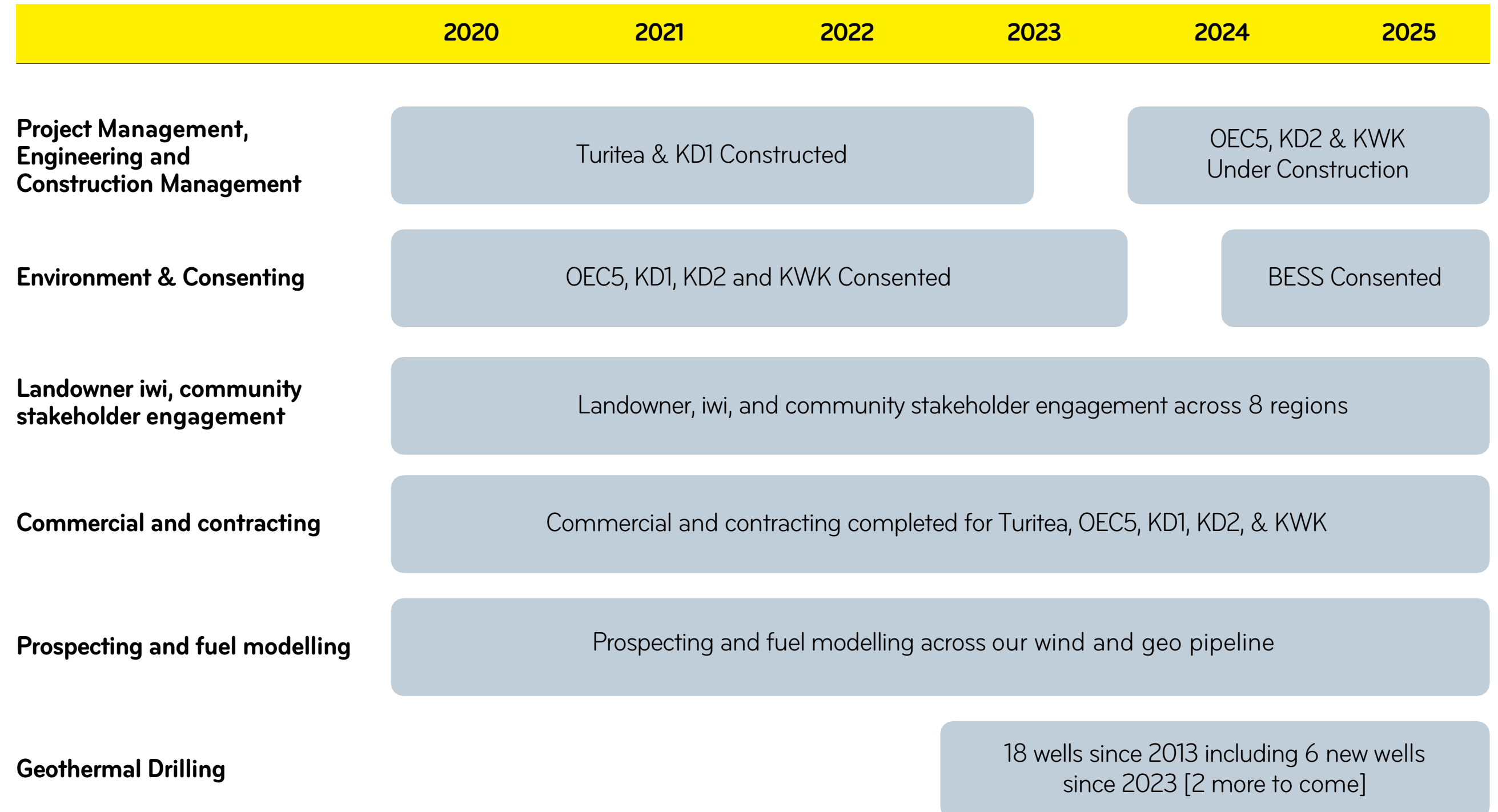
<sup>1</sup>by mid April 25. Waipipi included as MCY

## OUR 2020'S TRACK RECORD IS ONE OF SUCCESSFUL DEVELOPMENT AND DELIVERY

	TURITEA	KAIWERA DOWNS STAGE 1
<b>COST</b>	● On budget	● Below budget
<b>TIME</b>	● Delayed	● Delivered early
<b>QUALITY</b>	● Achieved objectives	● Achieved objectives
<b>HSE</b>	● Good performance	● Good performance

# OUR IN-HOUSE TEAM IS SEASONED, WITH END-TO-END CAPABILITY IN WIND AND GEO

- Gen Dev is in our DNA and our organisation is structured to deliver on our Gen Dev ambitions
- Our wind development capability is NZ leading
- Our geothermal team is world class in reservoir management and drilling, and we've rebuilt our geothermal delivery expertise through OEC5



# OUR SUPPLY CHAIN IS PROVEN AND READY TO DELIVER

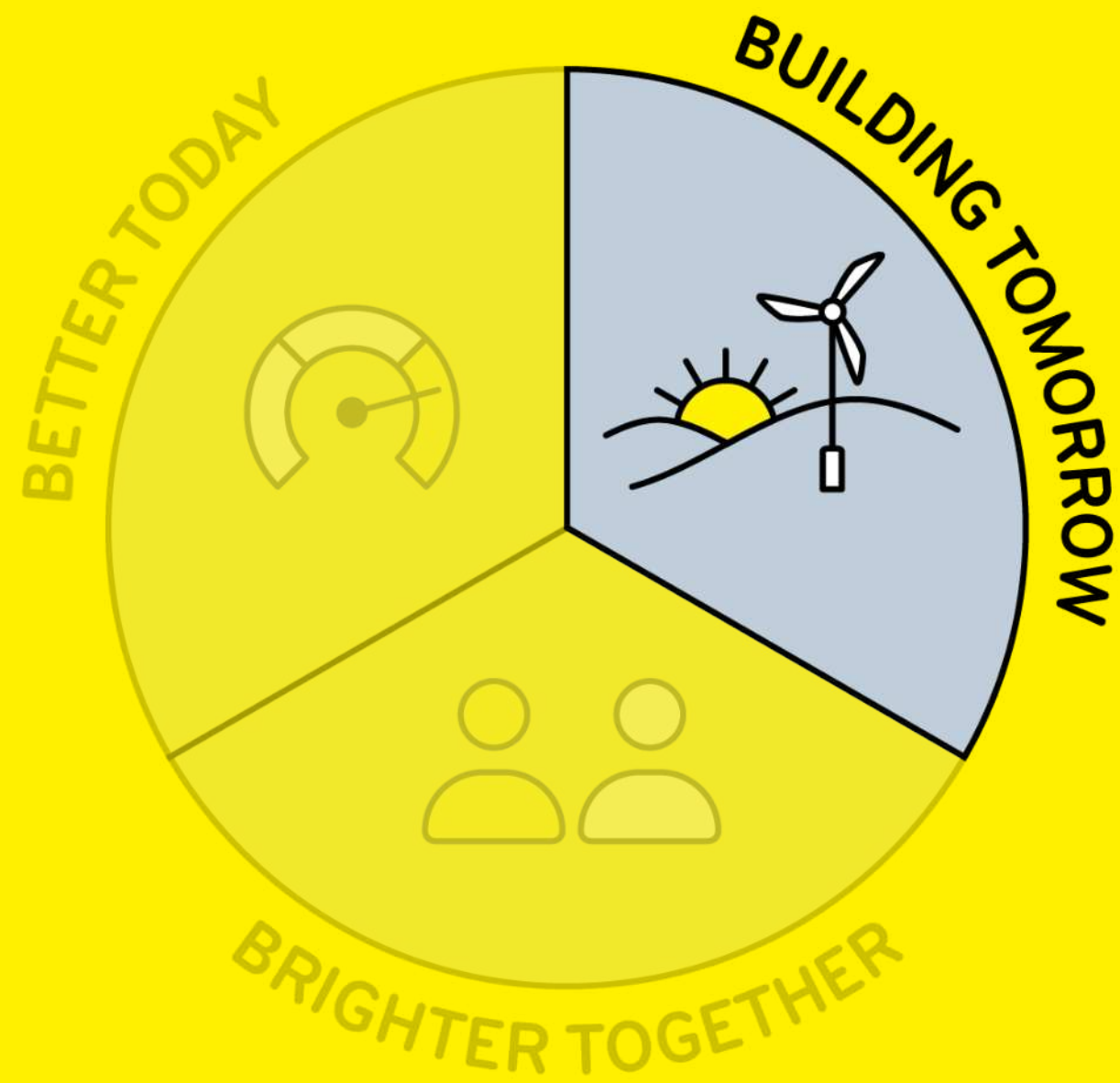


## Strategic Partnerships Driving Resilience and Value

- We've formed strategic supply chain partnerships for resilience and value across design, OEM, civil, & electrical
- We've proven a commercial approach that balances scope and risk allocation and commercial outcomes for all parties.
- We're testing the market through competitive procurement processes on Mahinerangi 2 and Whakamaru BESS

**“We deeply value our long-term partnership with Mercury — built on a strong track record and steady pipeline of projects. What makes this partnership powerful is how it combines Vestas’ global supply chain strength with Mercury’s tenacity, capability, and deep local market knowledge — one doesn’t work without the other.”**

Jan-Daniel Kammer, VP Sales, Vestas ANZ



# POSITIONED TO BUILD FOR VALUE TOMORROW

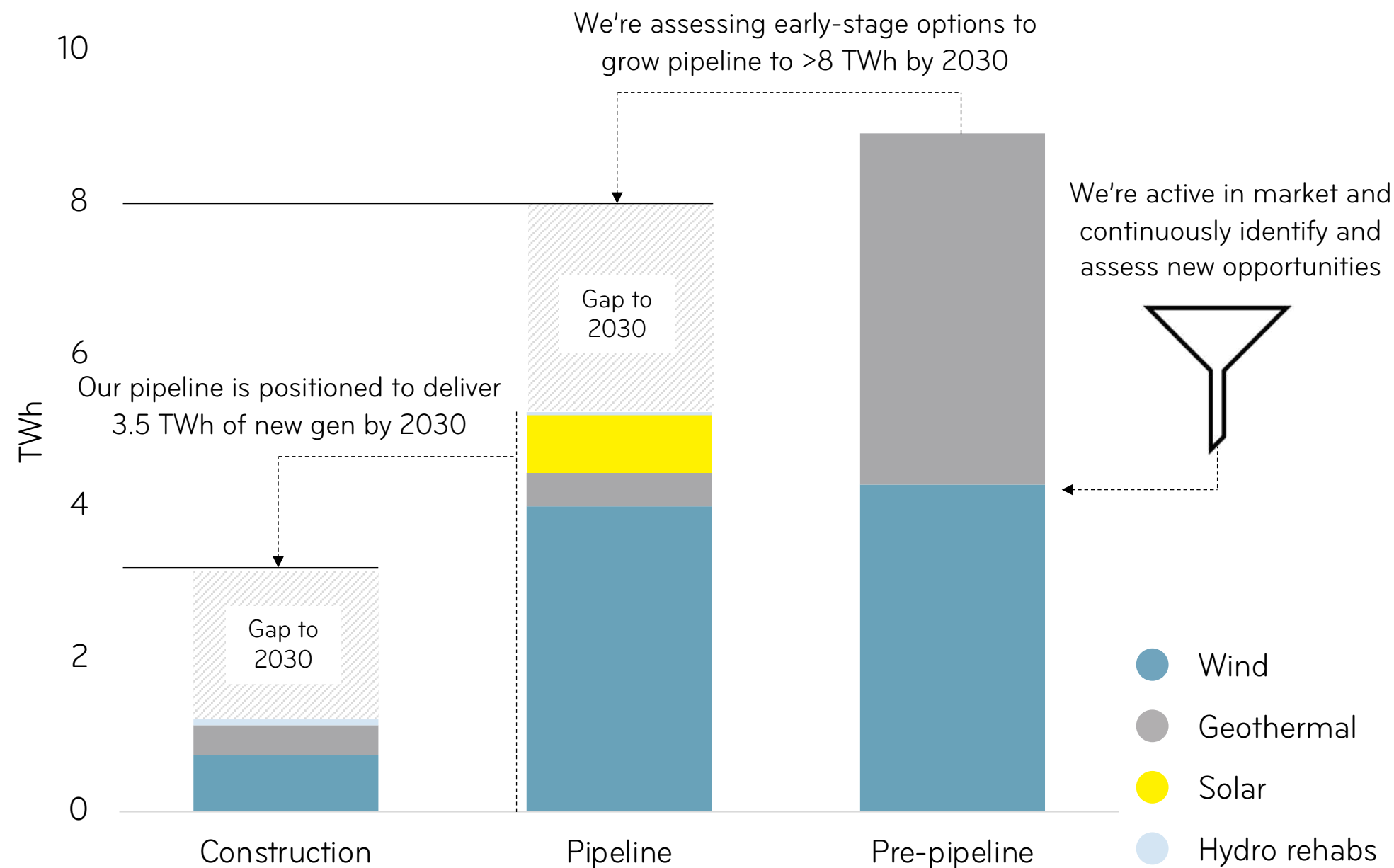
# MERCURY'S GENERATION DEVELOPMENT PLATFORM HAS QUALITY OPTIONS ACROSS THE ENTIRE DEVELOPMENT LIFECYCLE

## Mercury's Generation Development Programme

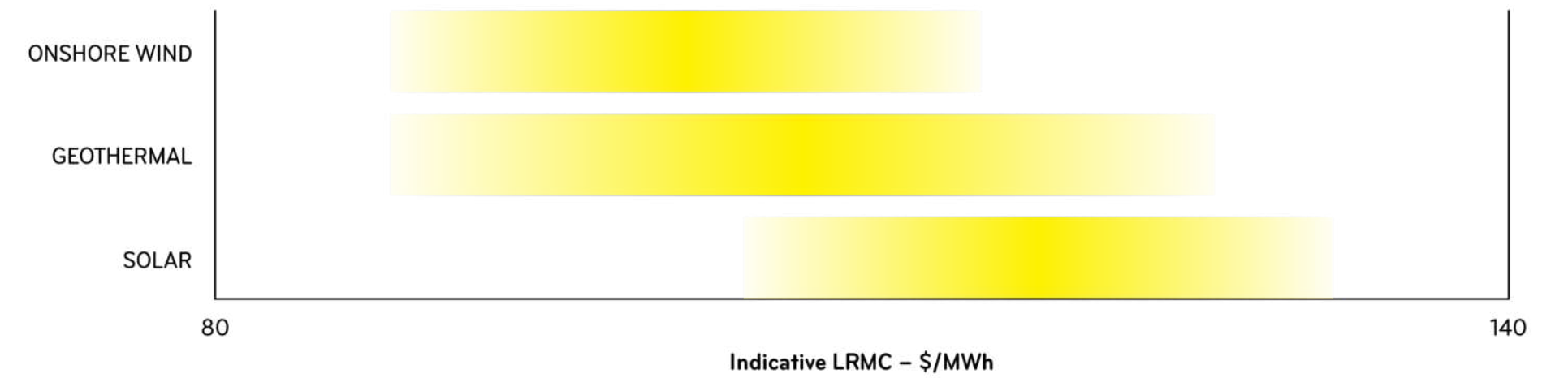
We're advancing ~15 TWh of options at various stages of development.

1.1 TWh is currently in construction, and we're planning to deliver

3.5 TWh and grow pipeline to >8 TWh by 2030



## Technology Fundamentals Drive Portfolio Composition

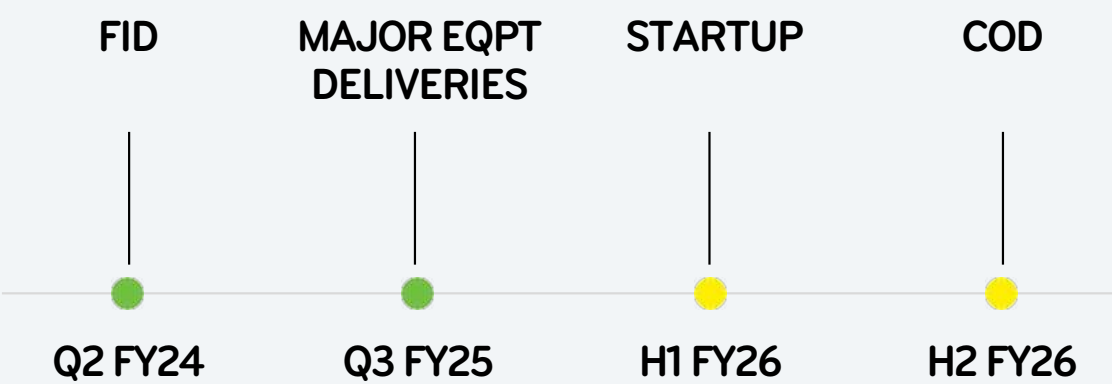


- **Wind** - Wind remains our focus given its LRMC advantage, our leading pipeline and our proven capability
- **Geothermal** - An expanded geothermal pipeline is under investigation and could add attractive baseload post-2030
- **Solar** - Flexibility across buy, build, and partner enables optionality to target low-cost solar options and scale as market dynamics shift. We recently completed an EOI process for 100MW solar PPA and we've shortlisted 2 projects for due diligence
- **BESS** - We see an increasing role for BESS in our portfolio as variable renewable generation grows. We have 150MW of pre-2030 BESS options and are progressing another 500MW of options for post-2030

# OUR \$1B & 1.1 TWH OF CONSTRUCTION PROJECTS ARE ON TIME AND ON BUDGET

## NGĀ TAMARIKI OEC5 GEO

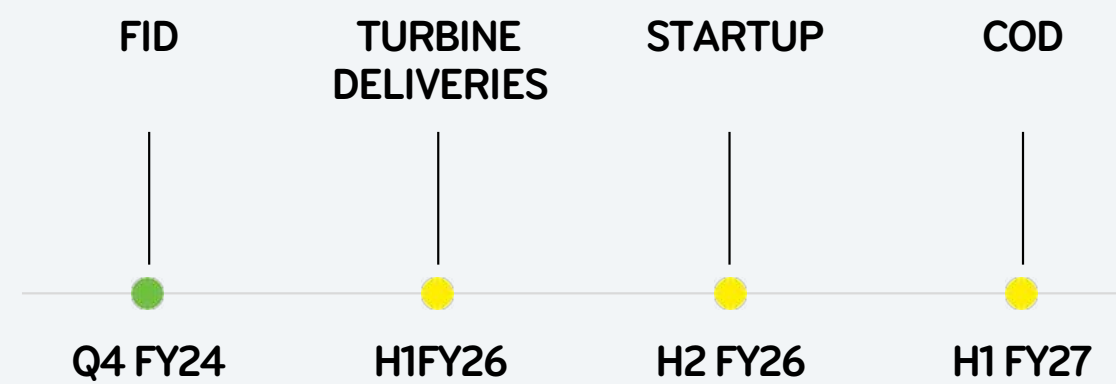
- Baseload gen adds energy & supports firming
- Leverages existing reservoir and geothermal station



	STATUS	COMMENTS
<b>TIME</b>	●	Risk of small delay due to equipment delivery and construction challenges
<b>COST</b>	●	Current forecast is on plan
<b>QUALITY</b>	●	On track
<b>HSE</b>	●	Zero serious harm to date

## KAIWERA DOWNS S2 WIND

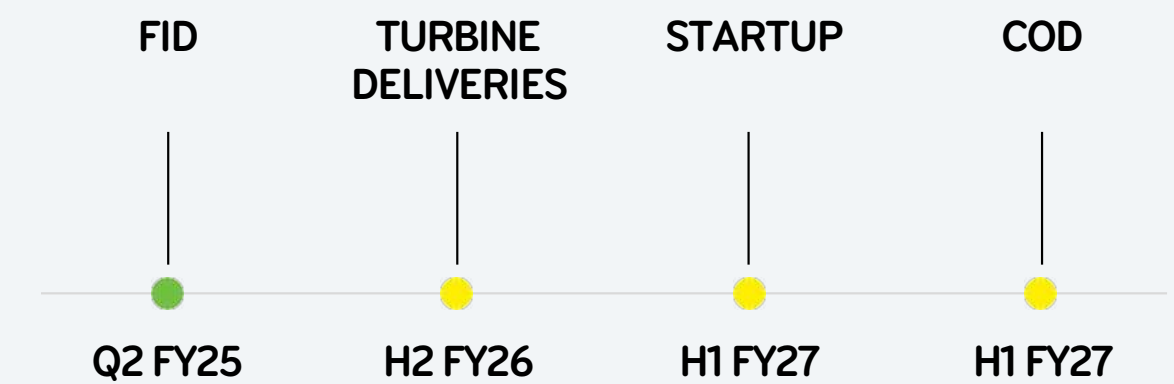
- Hedged and supporting Tiwai's long-term commitment to NZ
- Favourable wind, geotech, civils, and connection



	STATUS	COMMENTS
<b>TIME</b>	●	Civil, electrical, transmission & component deliveries are on plan
<b>COST</b>	●	Current forecast is on plan
<b>QUALITY</b>	●	On track
<b>HSE</b>	●	Zero serious harm to date

## KAIWAIKAWE WIND

- Northland location
- Benefits from diverse wind profile (geography)



	STATUS	COMMENTS
<b>TIME</b>	●	Civil, electrical, transmission & component deliveries are on plan
<b>COST</b>	●	Current forecast is on plan
<b>QUALITY</b>	●	On track
<b>HSE</b>	●	Zero serious harm to date

# OUR \$1B & 1.1 TWH OF CONSTRUCTION PROJECTS ARE ON TIME AND ON BUDGET

OEC5 GEOTHERMAL



CONSTRUCTION START – MAY 2024

KD2 WIND FARM



220KV SUBSTATION CIVIL & STRUCTURES ARE COMPLETE

KAIWAIKAWE WIND FARM



BULK EARTHWORKS ARE NEARLY COMPLETE



ONE YEAR ON – MAY 2025



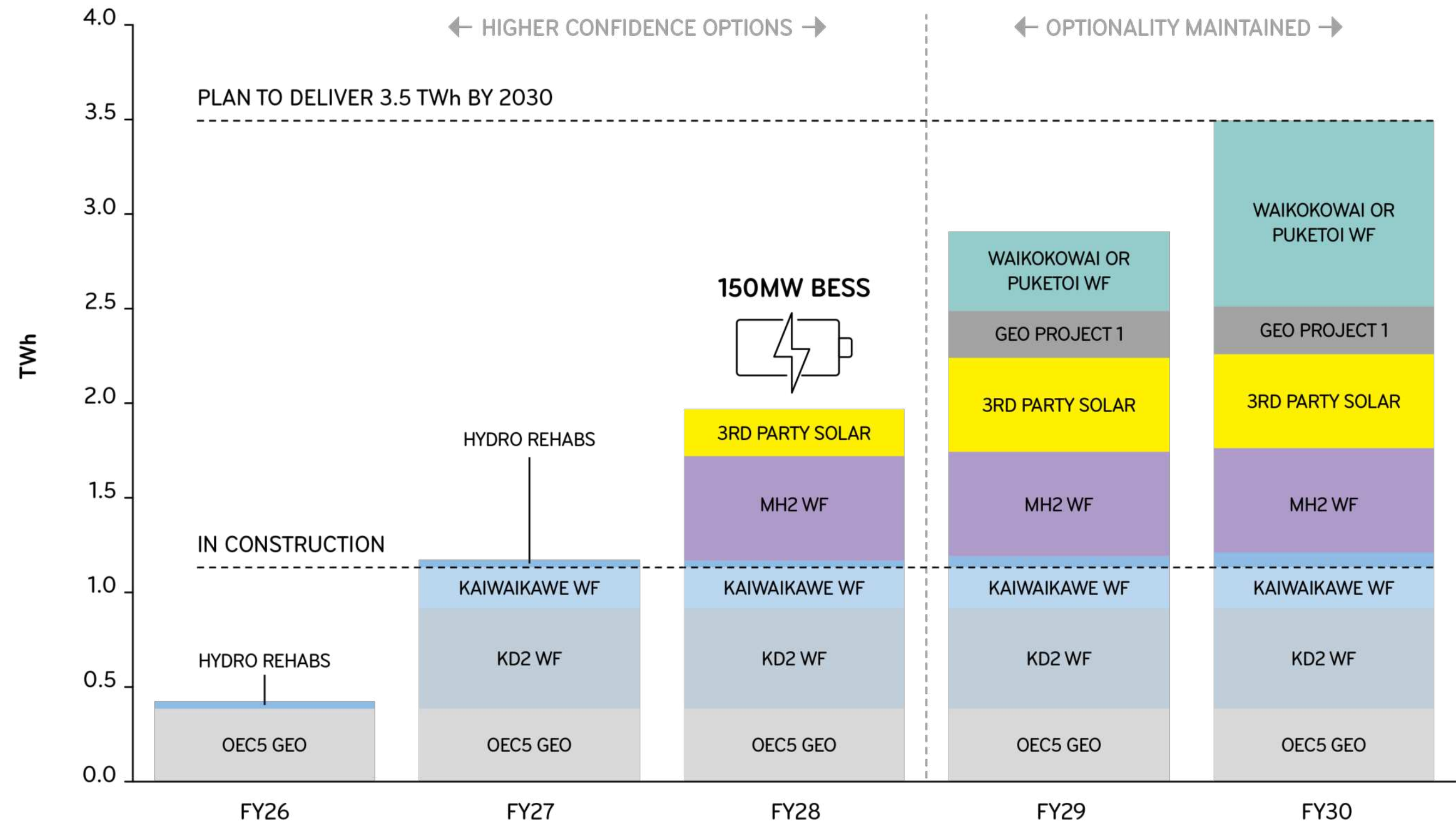
FINISHED ROADING, HARDSTAND & FOUNDATION



BATCHING PLANT INSTALLED FOR FOUNDATION POURS

# WE ARE PLANNING TO DELIVER 3.5 TWh BY 2030

- We're leveraging our strength in wind / geo and our advantaged project pipeline
- ~35% is being delivered through projects currently in construction (OEC5, Kaiwera Downs S2, Kaiwaikawe)
- ~150MW of capacity is targeted for delivery in FY28 via Whakamaru BESS
- We see a role for solar and will maintain flexibility across buy, build, and partner. A lower barrier to entry means we can scale for pre-2030 delivery if value-accretive
- Waikokowai, Puketoj, and geo remain options for 2030; along with portfolio high-grading and prospect acceleration



Note: TWh in this chart are delivered by FY year end, not energy generated in that FY

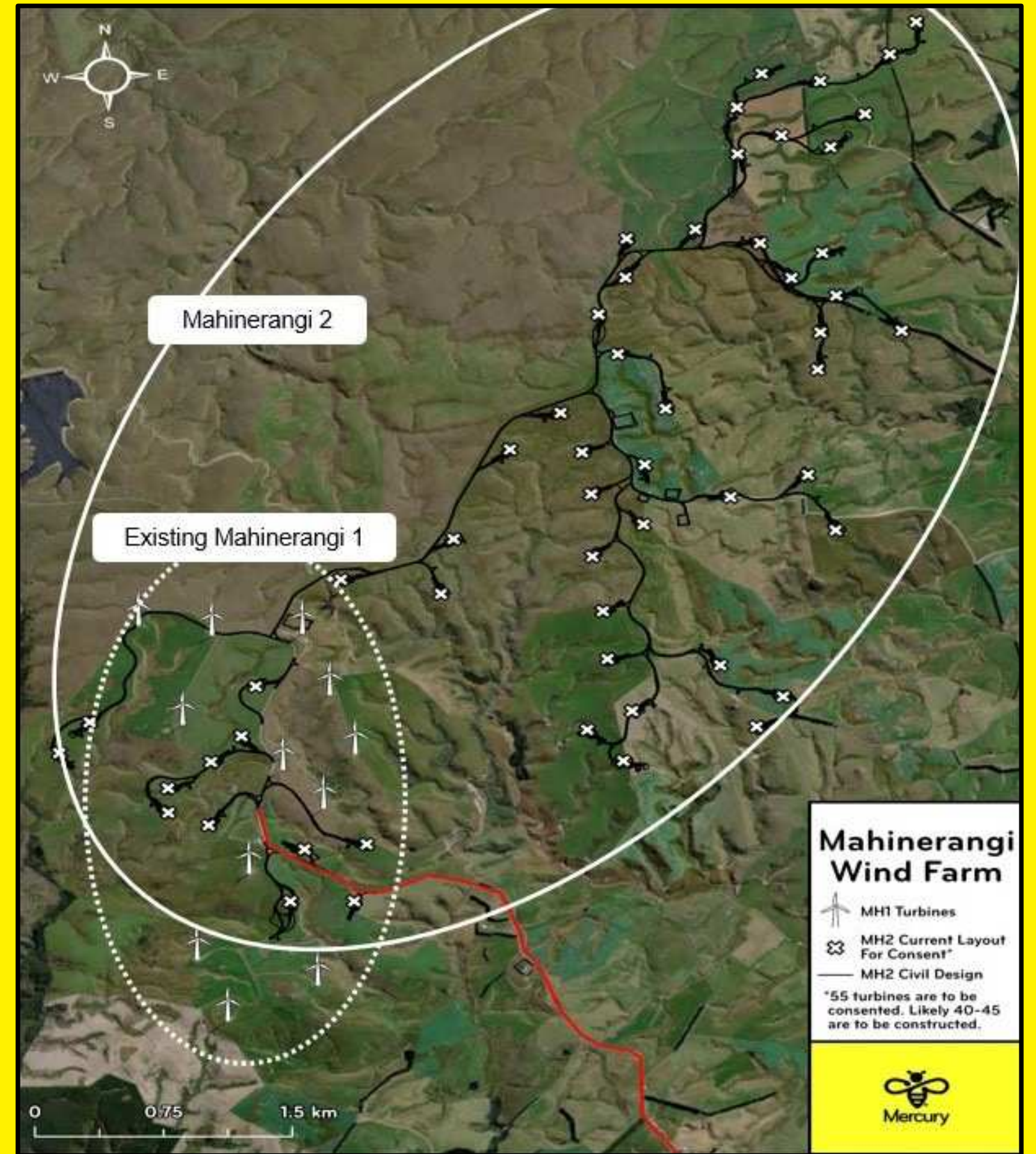
# MAHINERANGI STAGE 2 IS ADVANCING TO CONSENT, PROCUREMENT & FID

## MAHINERANGI STAGE 2 WF

- Good wind & efficient capex, leverages Mahinerangi 1 investment
- Hi-grading by increasing the MWs – from 138MW to 170-190MW
- MCY has limited Portfolio exposure in the South Island



PROJECT ELEMENT	CRITERIA RATING	COMMENTS
WIND & TURBINE	●	~8 m/s & 34% capacity factor 170-190 MWs and up to 550 GWh
GRID & TRANSMISSION	●	6km transmission to 110kV. Potential for minor wider area protection grid works.
CONSENT & ENVIRO	●	No significant environmental considerations. Fast Track Legislation listed project
STAKEHOLDERS	●	Consultation underway with iwi, community, and regulatory entities
TERRAIN & CONSTRUCTION	●	Flat terrain and favourable geotech
LOCATION & TRANSPORT	●	50kms west of Dunedin. Transport from Bluff.



# WE'VE SECURED RIGHTS FOR A 300MW BESS TO CONTRIBUTE TO FIRING OUR RENEWABLE GROWTH AMBITIONS

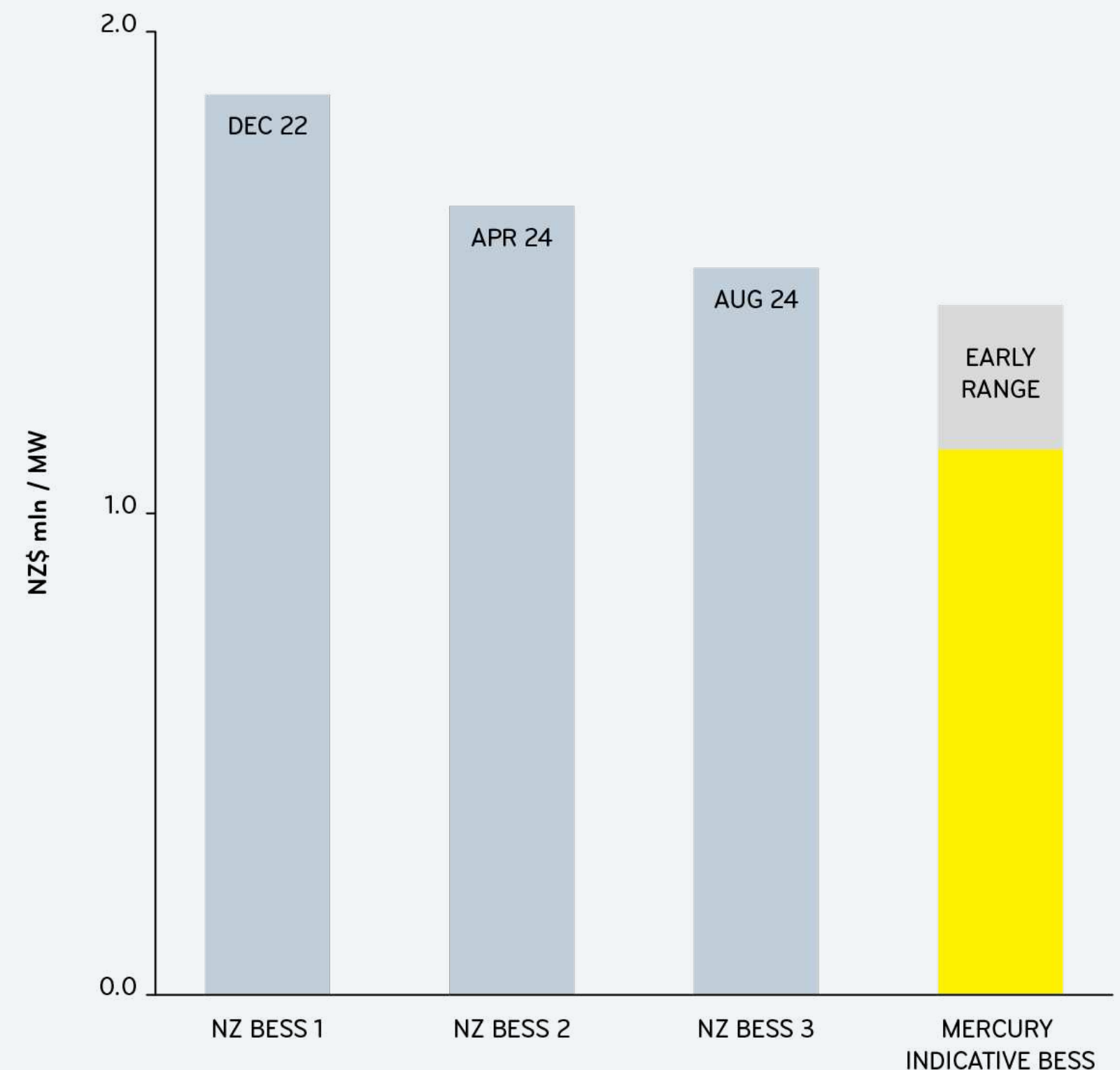
## WHAKAMARU BESS

- All rights secured – Land, Consent, Grid
- Large BESS in a beneficial location – can be delivered in phases
- Trading synergy via bulk dispatch with Hydro



PROJECT ELEMENT	CRITERIA RATING	COMMENTS
GRID & TRANSMISSION	●	Connection onsite via the Whakamaru Generator 1 transmission line
CONSENT & ENVIRO	●	Consent granted in May 25
STAKEHOLDERS	●	Successful engagement through consenting
SUPPLY CHAIN	●	Leveraging Aus expertise for BESS design and procurement. Multiple BESS Suppliers and BOP Contractors engaged
ECONOMICS	⚙️	Assessment underway. Battery CAPEX continuing to decline – currently assessing economic contribution to Portfolio

BESS CAPEX REDUCTIONS LIKELY TO BENEFIT WHAKAMARU



# WE'RE ACTIVELY OPTIMISING & DE-RISKING OPTIONALITY FOR 2030 DELIVERY

**Waikokowai:** We're focused on securing remaining land rights, progressing consenting studies, and optimising project layout for 2030 development. Site is well suited to scale with potential for future growth.

## Highlights

- Additional land rights to increase project size by 50 to 100MW are due to be signed, increasing the project to ~300 to 350 MW.
- Optimisation and consenting underway across turbine layouts, environmental mapping, and civil and transmission design.

**Puketoi 2.0:** We're focused on scheme and consent optimisation, and de-risking geo-tech to realise the full potential of this world class wind resource - 12m/s average wind speed.

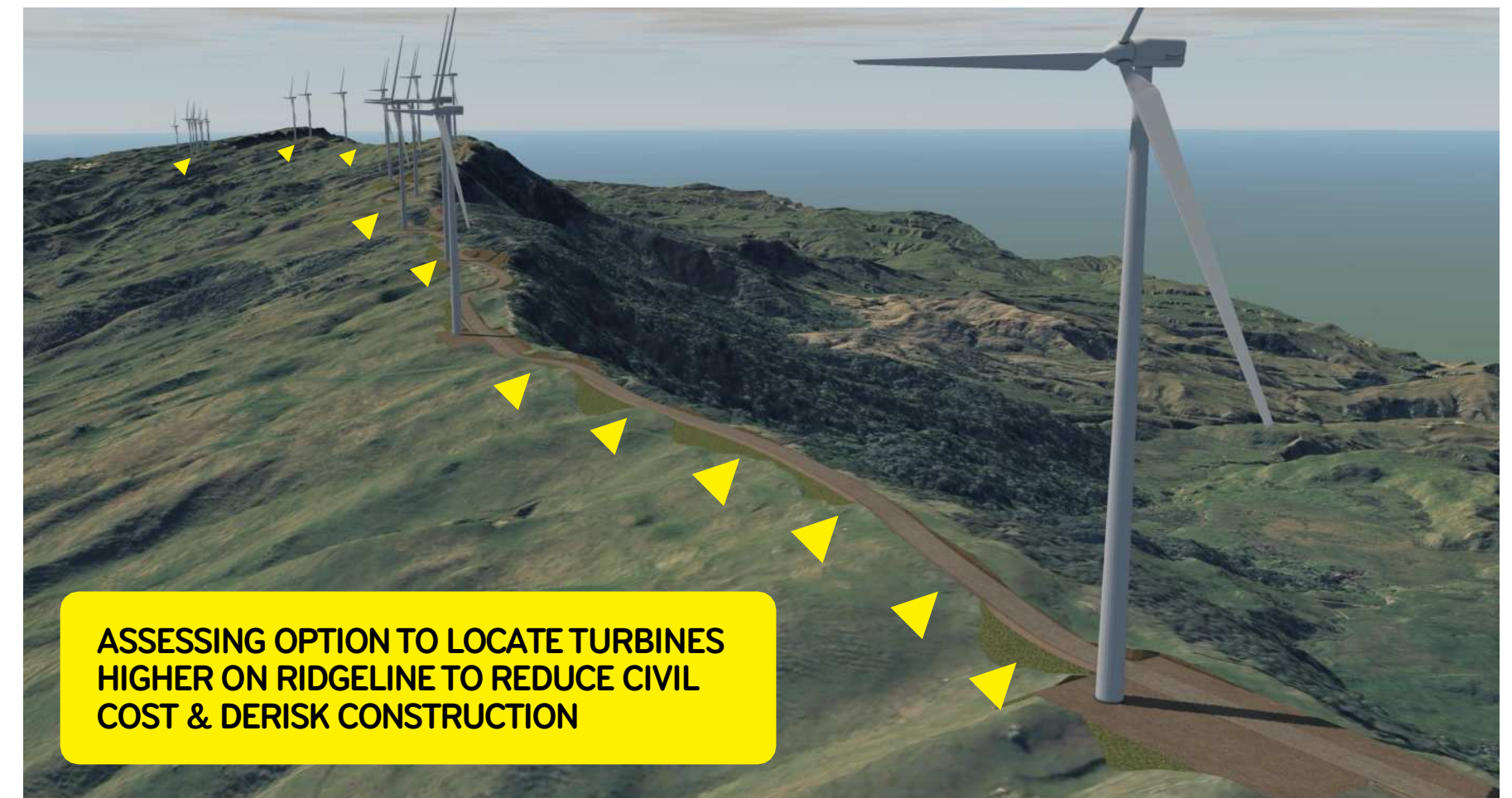
## Highlights

- Investigating opportunities to increase project size by approx 30 to 40 MW.
- Optimisation work underway across development constraints, access roading, and civil and transmission design.

### EXISTING PUKETOI CONSENT

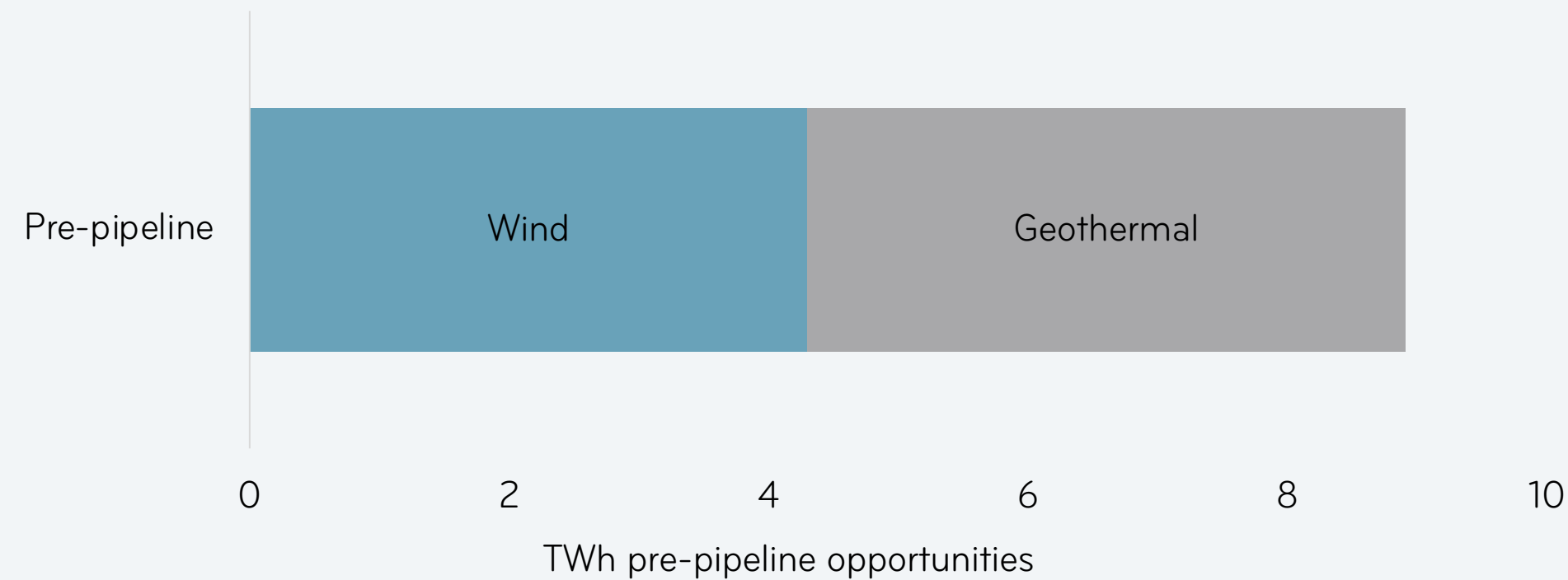


### ALTERNATE PUKETOI CONSENT



# WE'RE DEVELOPING A PIPELINE OF HIGH-QUALITY OPTIONS THAT POSITION US TO LEAD THE ENERGY TRANSITION POST-2030

- Our post-2030 opportunity set continues to be guided by technology fundamentals and leveraging Mercury's core capability.
- In addition to onshore wind, we're focusing on converting early stage Geothermal opportunities into post-2030 development options.



MERCURY'S PIPELINE FOCUSES ON HIGH VALUE FUELS AND LEVERAGES OUR COMPETITIVE ADVANTAGE IN WIND AND GEOTHERMAL

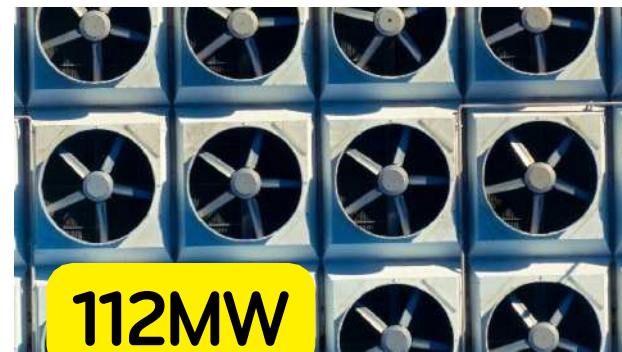


# OUR STRONG GEOTHERMAL FOUNDATION



# UNLOCKS THE NEXT ROUND OF GEO GROWTH

## LARGE, HIGH VALUE AND DIVERSE EXISTING GEOTHERMAL PORTFOLIO



**112MW**

**MŌKAI**  
Joint venture with  
Tūaropaki Trust



**107MW**

**KAWERAU**  
Mercury owned



**34MW**

**ROKAWA**  
Joint venture with Tauhara  
North No.2 Trust



**139MW**

**NGĀ AWA PŪRUA**  
Joint venture with Tauhara  
North No.2 Trust



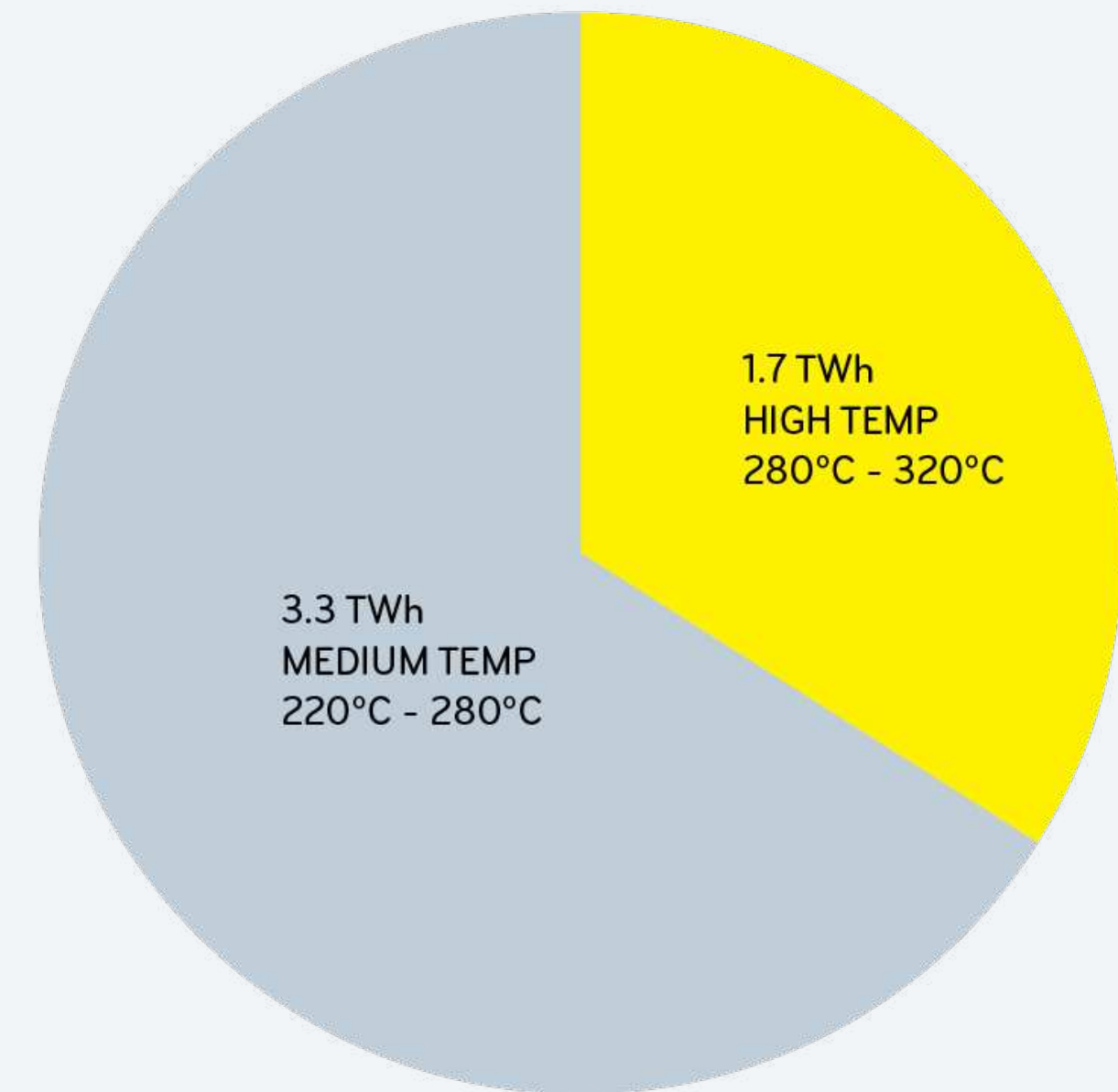
**86MW & 48MW OEC5**

**NGĀ TAMARIKI**  
Mercury owned

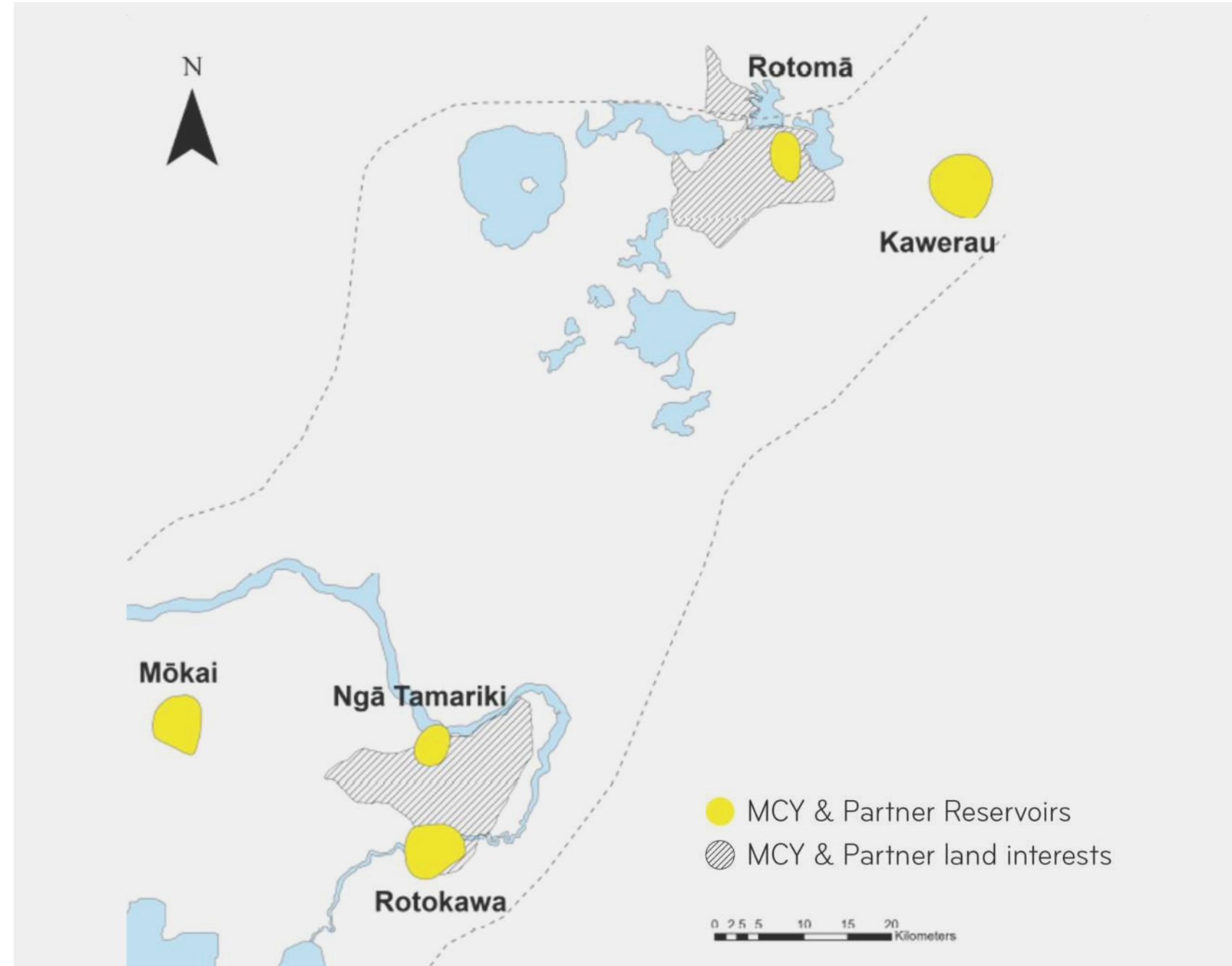
- 480MW+ / 3.6 TWh under operation
- High capacity, baseload generation
- Founded with strong iwi partnerships
- Core technical and delivery capability

## GEOTHERMAL OPPORTUNITY AT SCALE

Up to 5 TWh of potential geothermal opportunities (unfiltered)



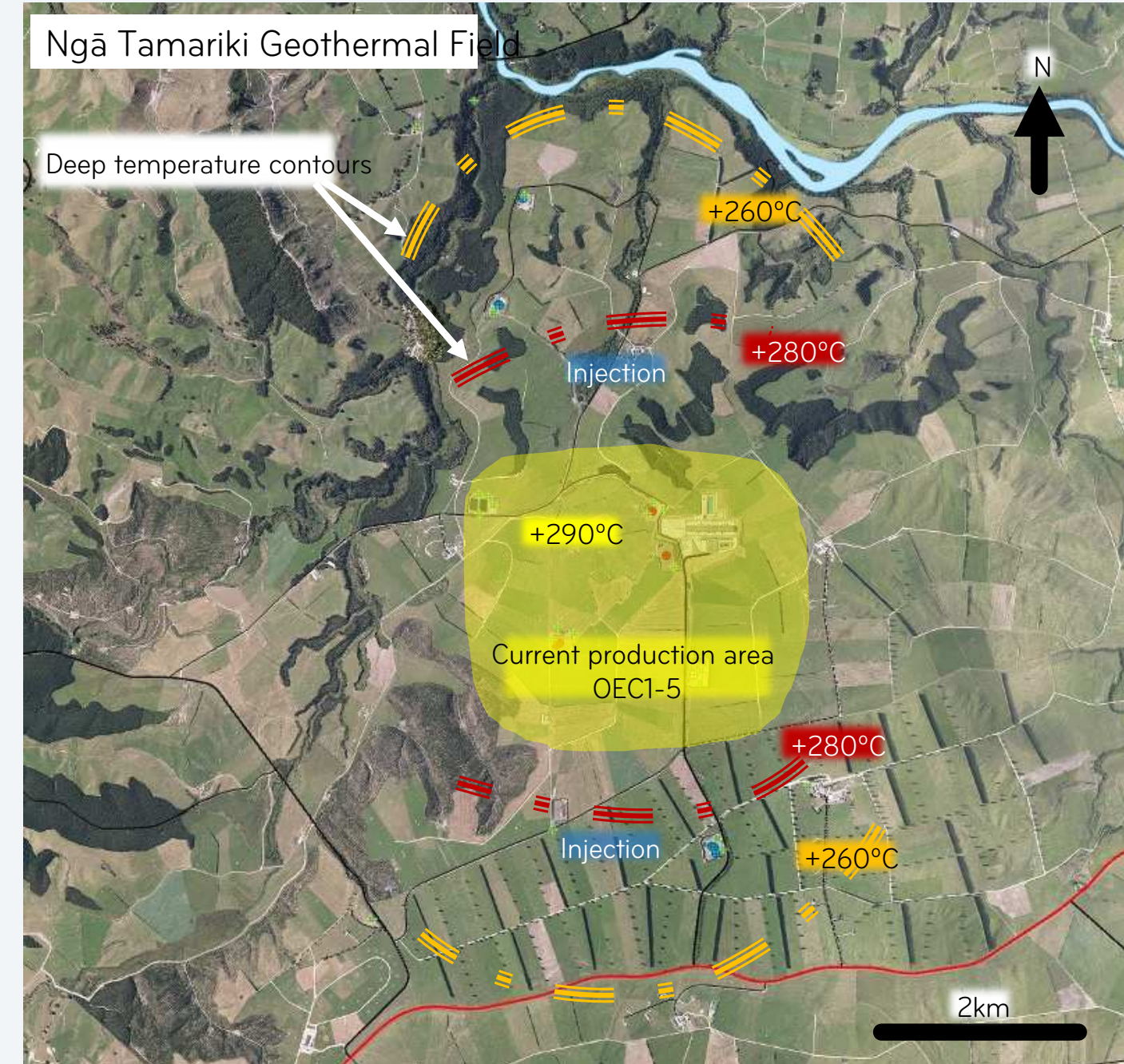
# WE'RE EVALUATING POST-2030 GEOHERMAL POTENTIAL



- Largest geographic geothermal footprint
- Currently generating from ~10% of total prospect acreage (33k Ha)
- Mix of brownfield and greenfield opportunities
- Early stage development programme underway

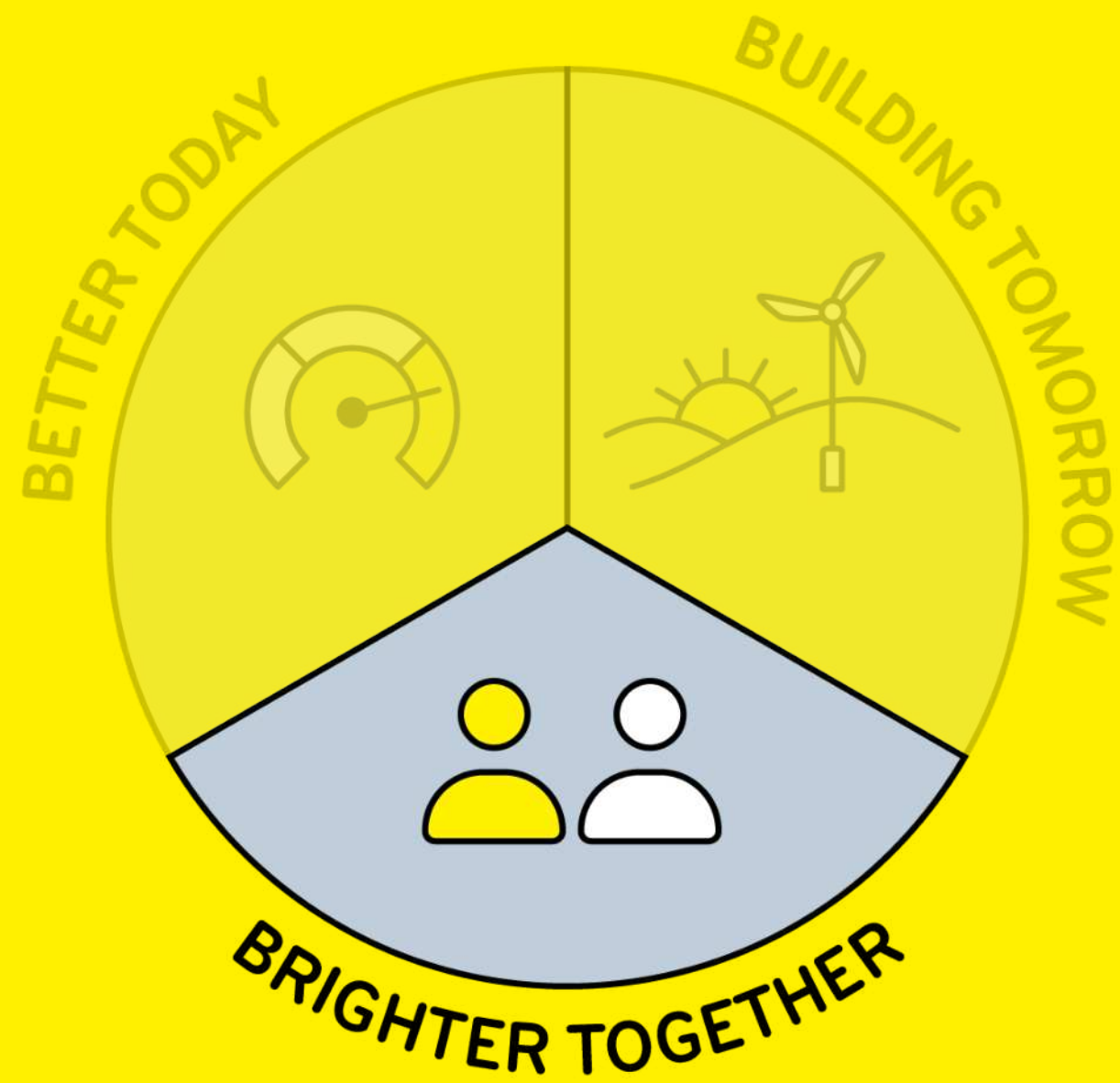
## NGĀ TAMARIKI EXAMPLE

High quality resource with proven phased development history and potential for expansion



### Early Stage Development Factors

- Leverage reservoir simulation capability
- Explore open boundaries – temperature and permeability across all horizons
- Map and integrate possible brownfield synergies
- Use risk-based development phasing
- Monitoring and understand best fit technology options



# SHAPING THE NZ DEVELOPMENT ECOSYSTEM

# WE'RE LEANING INTO DEVELOPMENT ENABLERS TO UNLOCK RENEWABLES GROWTH AND CREATE STRATEGIC ADVANTAGE

## Social License – to bring communities along

- We're proactive and transparent in our consultation with iwi, stakeholders, and communities where we're developing.

**Proof point:** We successfully consented (new or amendments) KD1, KD2, OEC5, KWK, and BESS

## Government & Regulatory – to enable efficient projects

- We're consulting with government on various changes to enabling legislation e.g. RMA reform, Fast-Track Approvals legislation, updates to the national direction package changes to EA code.

**Proof point:** We successfully listed 4 wind farm projects in the Fast Track Approvals Legislation

## Grid Connection & Transmission – to ensure the grid is ready

- We consult with Transpower on ways to unlock credible projects from the generation connection queue. In the meantime, we're getting on with projects through a Developer-Led model.

**Proof point:** We developed KD2 Grid Connection following a developer-led model, in consultation with Transpower

## NZ Development Capability – to further unlock Gen Dev in NZ

- We're testing and supporting new supply chain participants - including turbine suppliers and delivery contractors.

**Proof point:** We will tender Mahinerangi 2 and Whakamaru BESS to an experienced pool of OEMs and contractors

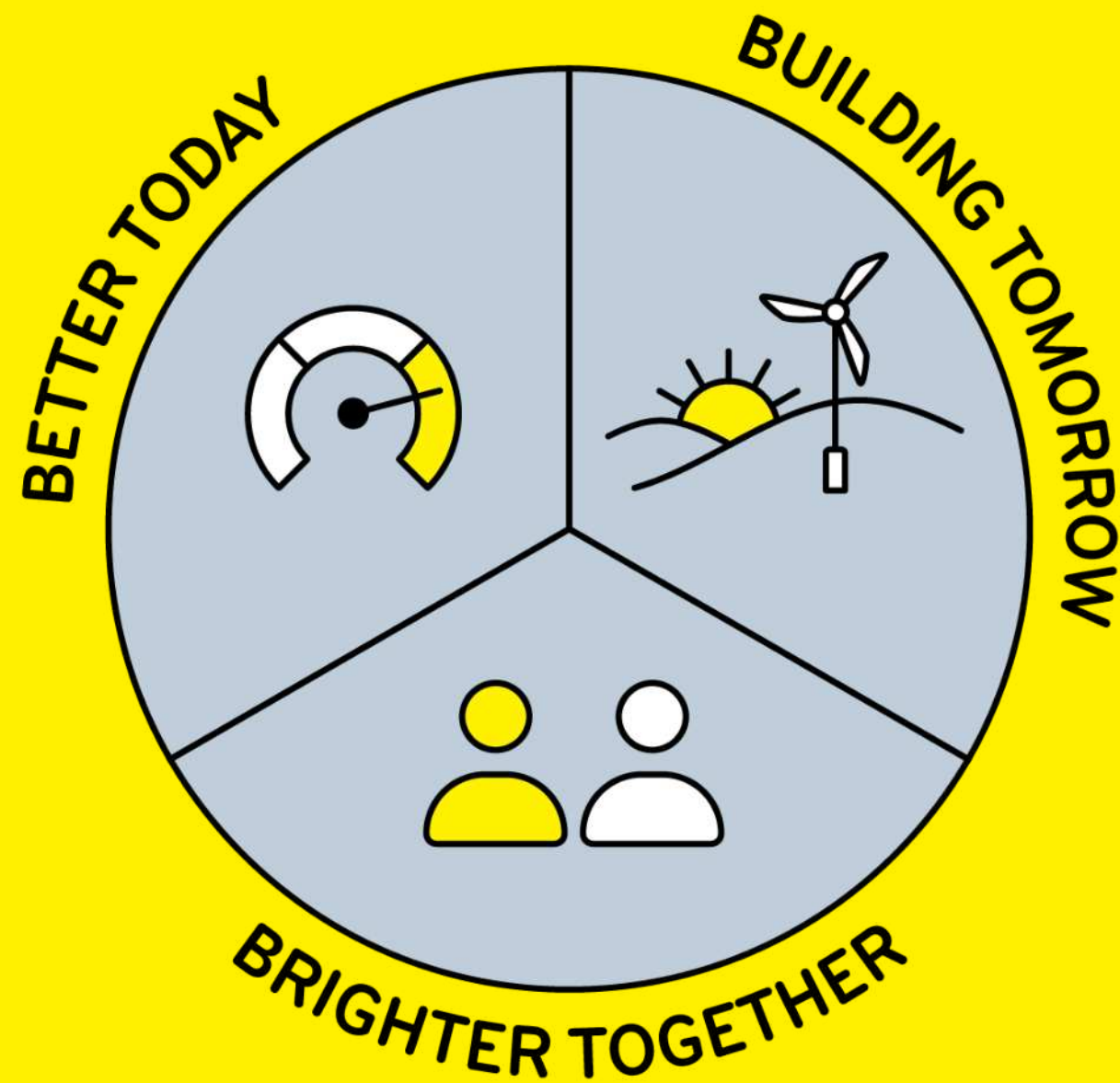


KAIWAIKAWE GROUNDBREAKING WITH IWI, LANDOWNERS, MP MCCALLUM AND MINISTER WATTS



KD2 SITE VISIT WITH HOKONUI RŪNUNGA

# BEST IN CLASS RENEWABLES DEVELOPMENT



## BETTER DELIVERY TODAY

- NZ's most consistent and successful renewables developer
- Seasoned, end-to-end inhouse capability with a supply chain poised to support

## POSITIONED TO BUILD FOR VALUE TOMORROW

- \$1B / 1.1 TWh construction projects are on track
- Developing high value executable options to position us to meet rising demand and lead the energy transition, to 2030 and beyond

## SHAPING THE NZ DEVELOPMENT ECOSYSTEM

- Creating a strategic advantage by shaping the NZ renewables development ecosystem - Social Licence, Regulation and Policy, Partnerships, Grid, and NZ Development Capability

**Plan to deliver 3.5 TWh of new generation by 2030**

**Grow pipeline to >8TWh by 2030**



# GENERATION DELIVERING VALUE

INVESTOR DAY  
10 JUNE 2025

KEVIN TAYLOR  
CHIEF OPERATING OFFICER

# DELIVERING SAFE AND RELIABLE GENERATION PERFORMANCE

## Generation has delivered strong performance for safety and production outcomes

Mercury has a defined programme to enhance our safety performance through a safety citizenship model.

- Leaders Routines - Toolbox Talks & Short-Interval Controls
- Coaching Bench
- Hazard Identification
- Process Safety Fundamentals

Mercury generation has continued to deliver an uplift YoY with respect to normalised Production & Availability.

- Geothermal production volumes continue to be stable 2,650 GWh & FY25 YtD 93.5% Availability (on plan)
- Hydro Production Volumes have seen low inflows in Q3 FY25 forecasting 3,400 GWh; strong availability in FY25 at 86% (2% above plan)
- Wind FY25 YtD 1900 GWh; 96.5% Availability (0.5% above plan)

**8.8 TWH**

Mean Annual Generation

**<3 FOF GEO**

Lowering forced outage factor YoY since FY22

**93.5% GEO – 86% HYDRO – 96.5% WIND**

Value creation through optimised availability

**<8 AIFR**

All Incident Frequency Rate  
3 recordable injuries in the last 12 months

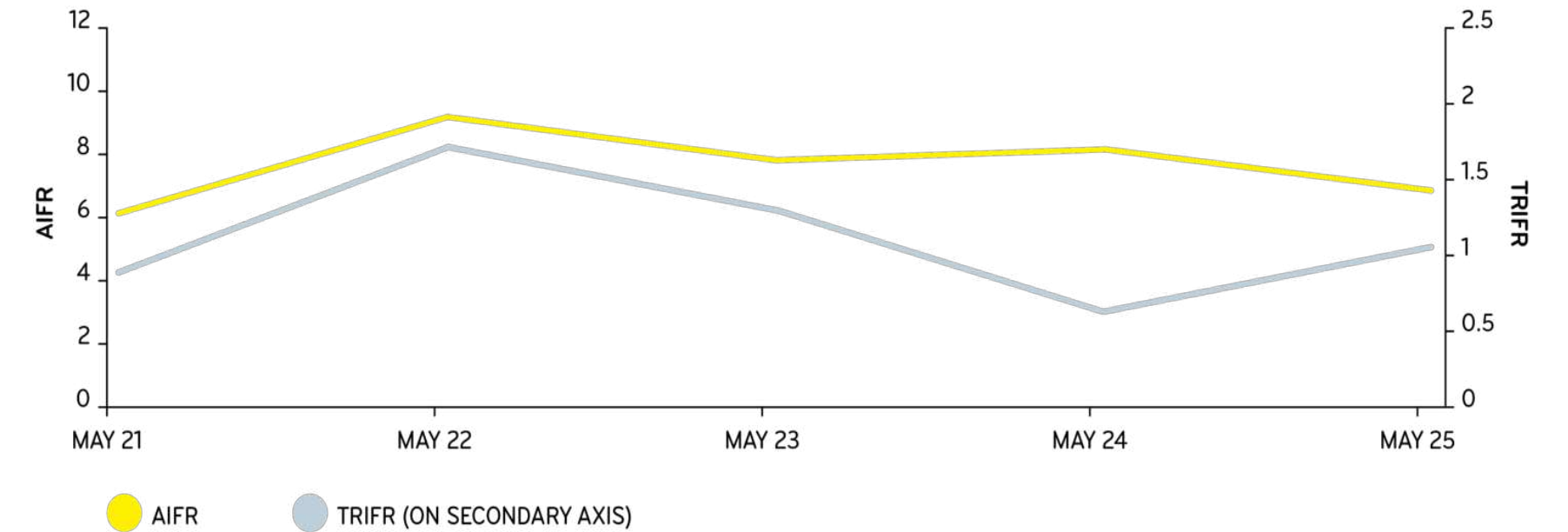
**TRIFR ~ 0.65**

Total recordable Incident Frequency Rate  
Trending down since FY22

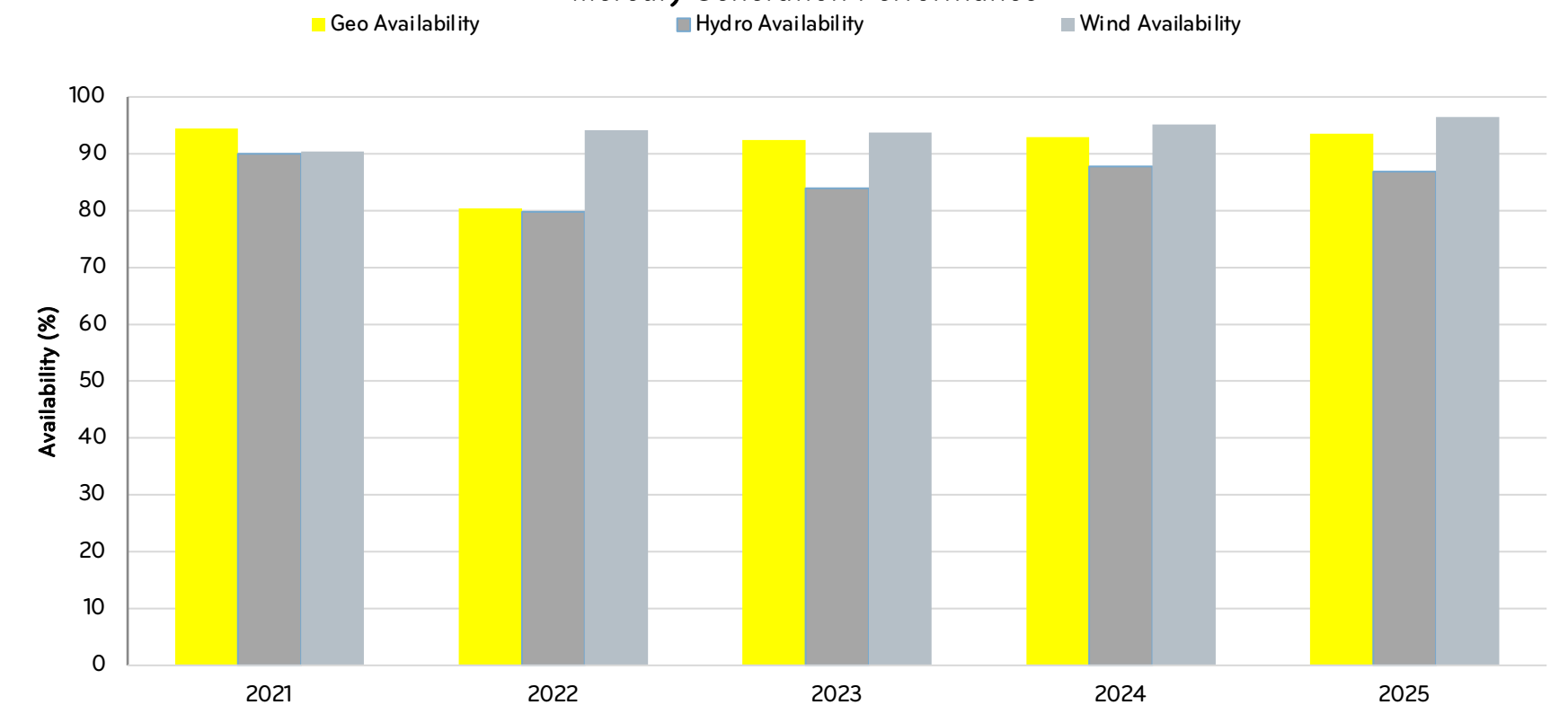
**+100% HSW REPORTING**

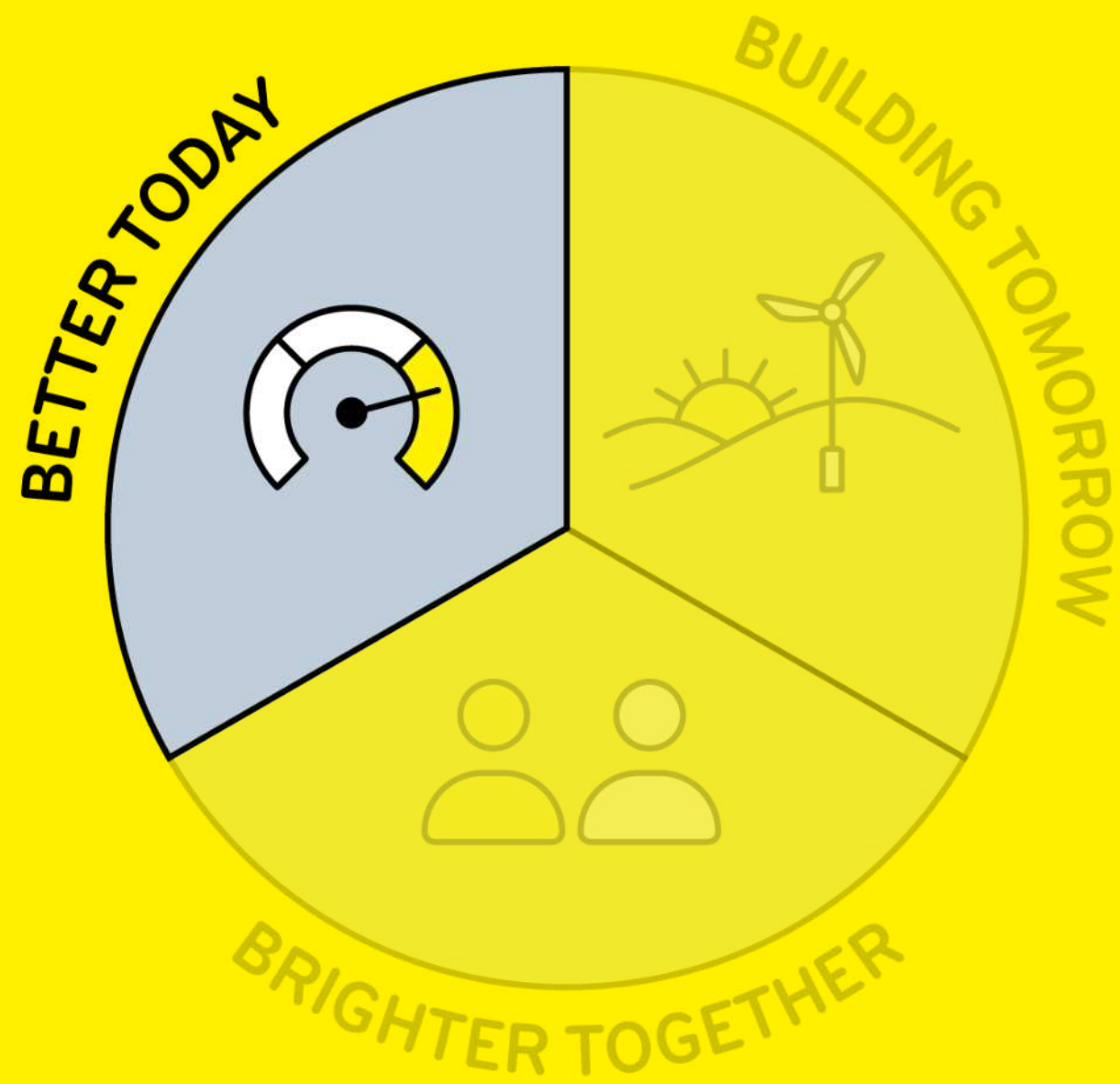
Reporting of events & observations increase since 2022

Mercury Generation HSW Performance



Mercury Generation Performance





# DELIVERING VALUE TODAY

# CARBON REDUCTION PROGRAMME UPDATE: EMISSIONS REDUCTION DELIVERY ACROSS GEOTHERMAL

## Supports Mercury's Climate Action Plan target: 70% reduction in Scope 1 emissions by 2030

(From FY22 emissions intensity baseline)

Our target is to deliver an industry first solution for Carbon Abatement which we are on track to deliver, with net positive from an environmental and financial view point.

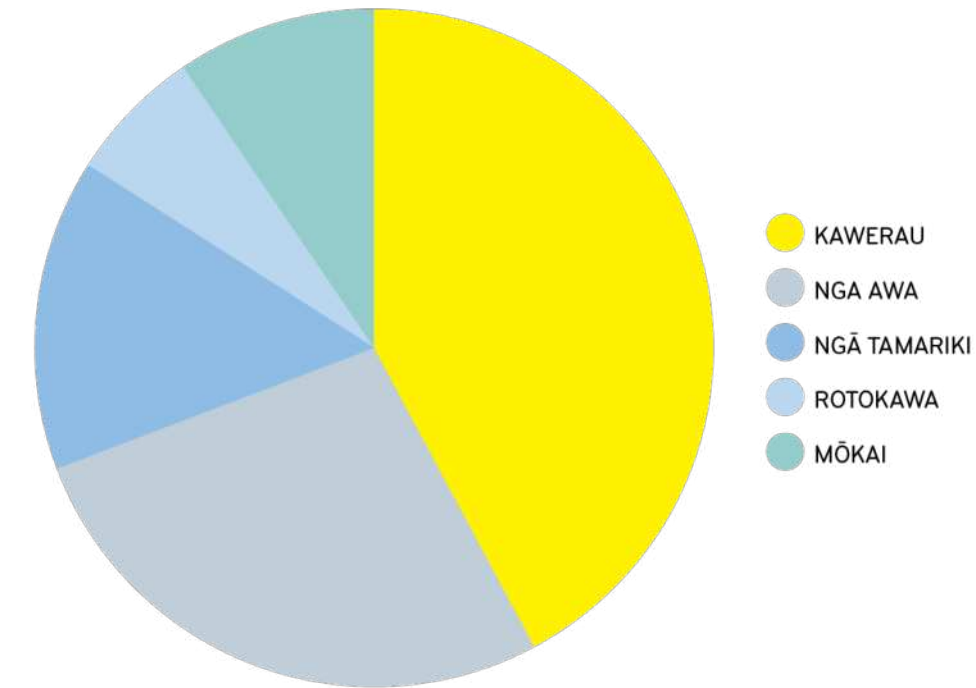
### We have delivered value at Ngā Tamariki:

- Industry first to undertake carbon reinjection
- Total CO<sub>2</sub> avoided from the atmosphere: 20,079 tonnes to date
- Offset ETS participation costs of over \$1M since 2022
- \$3.3M investment to complete NTM reinjection program

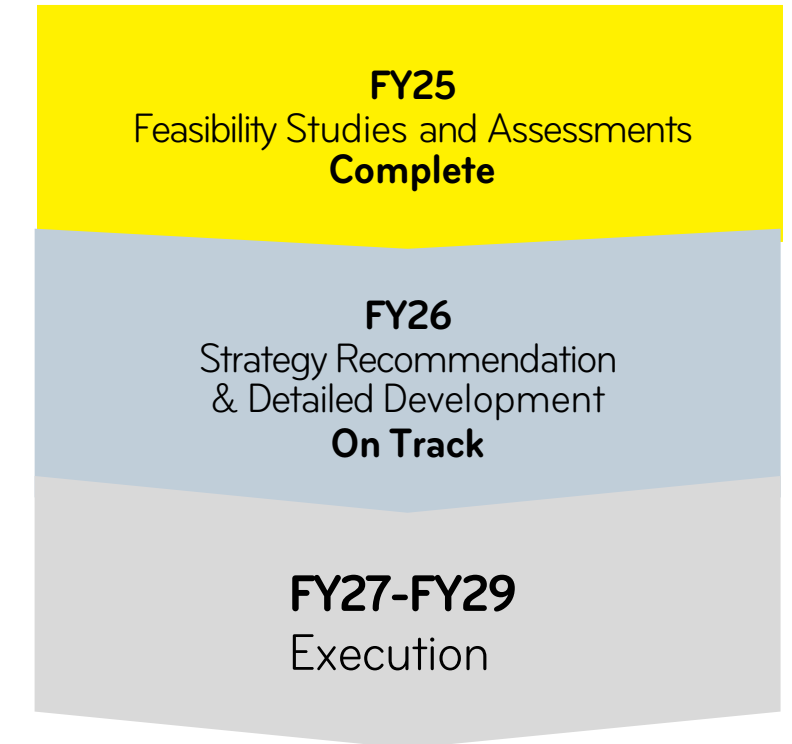
### Our team is focused on delivering effective emissions reduction solutions:

- Completed technical reviews off flash plant processes required to achieve targets
- Developed a comprehensive financial feasibility model
- Flash plant CO<sub>2</sub> direct use case feasibility
- Compare possible direct case options and opportunities

MERCURY EMISSION PROFILE  
(220,000 tCO<sub>2</sub>e/y)



KAWERAU (~94,000 tCO<sub>2</sub>e/y)  
REINJECTION +/- DIRECT USE



### NGĀ TAMARIKI (~33,000 tCO<sub>2</sub>e/y) – REINJECTION SUCCESSES

**20,079 tCO<sub>2</sub>-e  
REINJECTED**

Total Emissions reinjected since 2021

**41% CO<sub>2</sub>-e  
REINJECTED**

Exceeded our target of 40% in Aug 2024

**95% AVAILABILITY**

Equipment performance has achieved 95% availability vs target of 90%

**~ \$1M OFFSET ETS**

To date we have avoided over \$1M in ETS costs since 2021

# GEOHERMAL WELL DRILLING

The Geothermal drilling campaign has invested \$147M for delivery of 6 wells, with 2 additional wells to complete the campaign with a total investment of \$175M.

The campaigns purpose is to:

- Increase fuel supply for Ngā Tamariki (supporting OEC5 expansion) and;
- Maintain supply for Rotokawa and Kawerau stations

The current programme has successfully delivered:

- **3 new production wells** all achieving drilling objectives
- **3 new reinjection wells** all achieving drilling objectives
- **2 additional wells** to be drilled in early FY26
- Strong partnerships established with domestic drilling contractors:
  - **Marokopa Drilling**
  - **MB Century**
- Increased in-house technical capability
- Leveraging expertise from external consultants

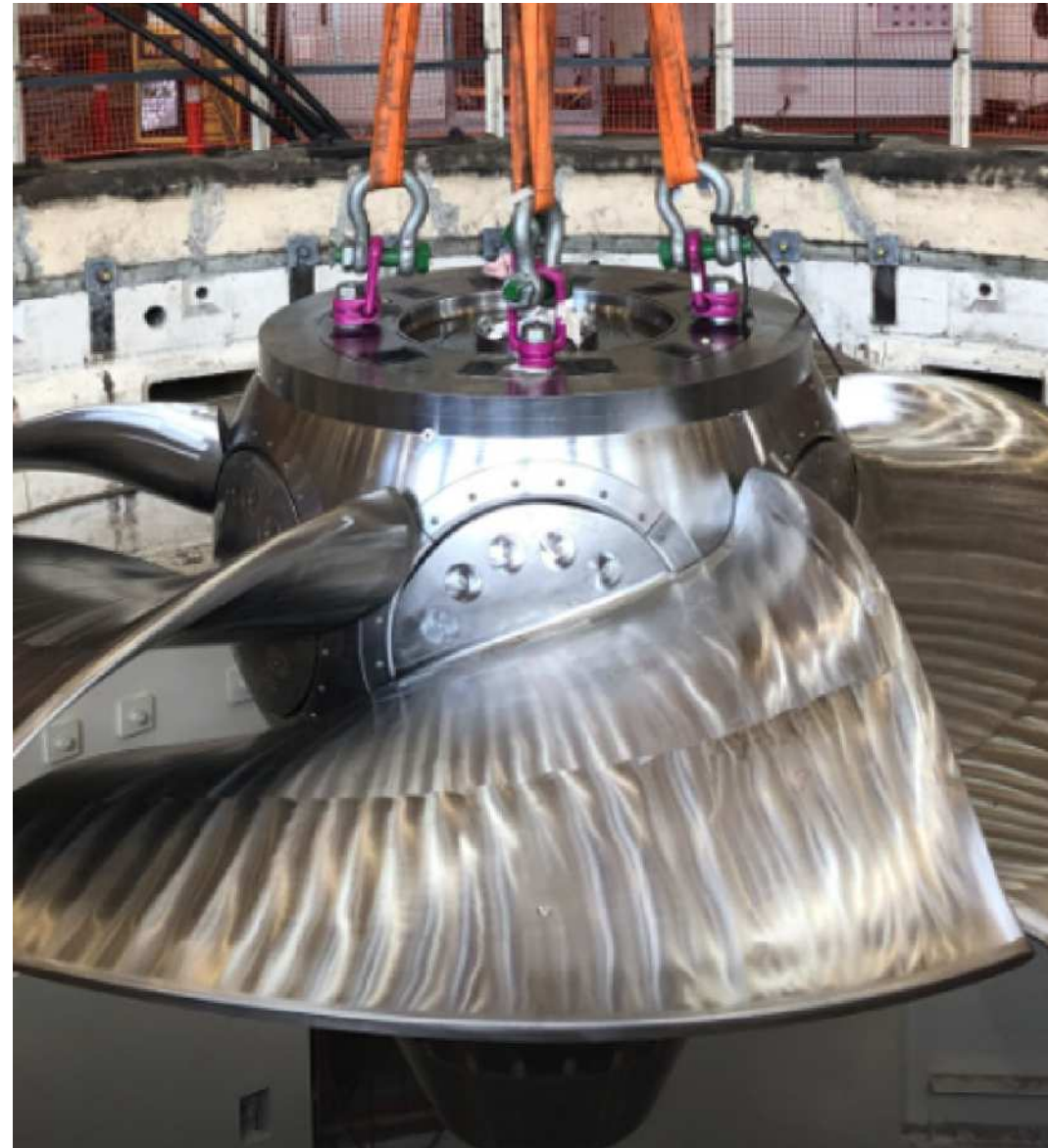
Field	Well	FY23-FY25 <sup>2</sup>	Drilling Outcomes % to Target
Kawerau	Production	1	140%
	Injection	1	125%
Ngā Tamariki <sup>1</sup>	Production	1	TBC
	Injection	1	250%
Rotokawa Joint Venture (Mercury / TN2T gross)	Production	1	100%
	Injection	1	100%

<sup>1</sup> supports OEC5 upgrade | <sup>2</sup> Historic average drilling rate 2014-2020 is 1.2 wells/year. Forward projection drilling rate circa 1.3 wells/year.



# KARĀPIRO REHABILITATION PROJECT UPDATE

- The Karāpiro rehabilitation project is a **\$90 million investment** in the station commissioned in 1946
- Scope includes full replacement of all **three generating units:** generators, turbines, and governors
- Intake gates are also being replaced
- Karāpiro will increase station capacity from 96MW to 112.5MW. Annual output increase: +32 GWh/year
- The last generator removed had been in service for **79 years**
- The project protects long-term value by extending asset life by **50 years**
- Main generating unit delivery is led by **Andritz Hydro**



**FIRST UNIT:**  
Completion Aug 23

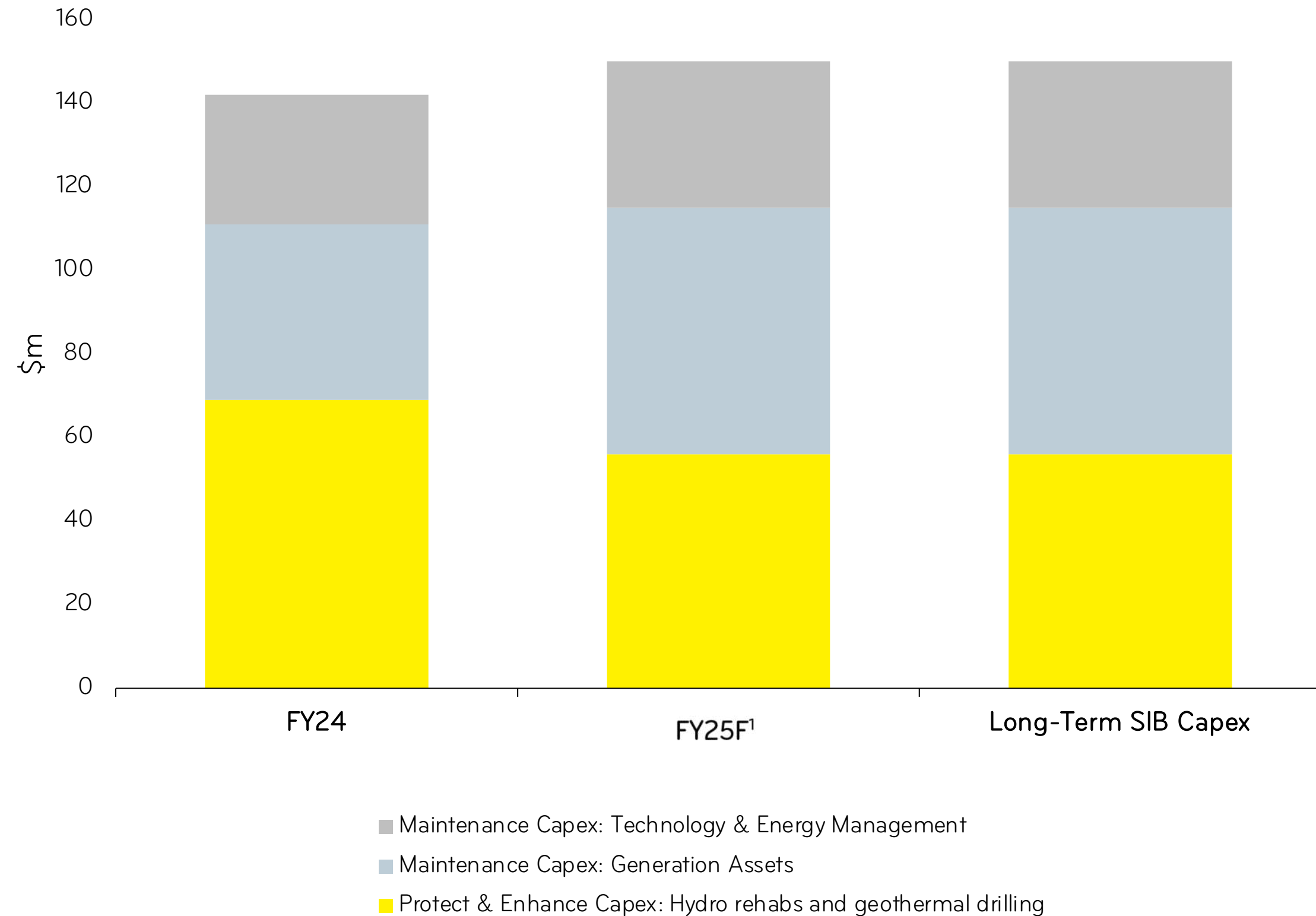
**SECOND UNIT:**  
Completion Sept 24

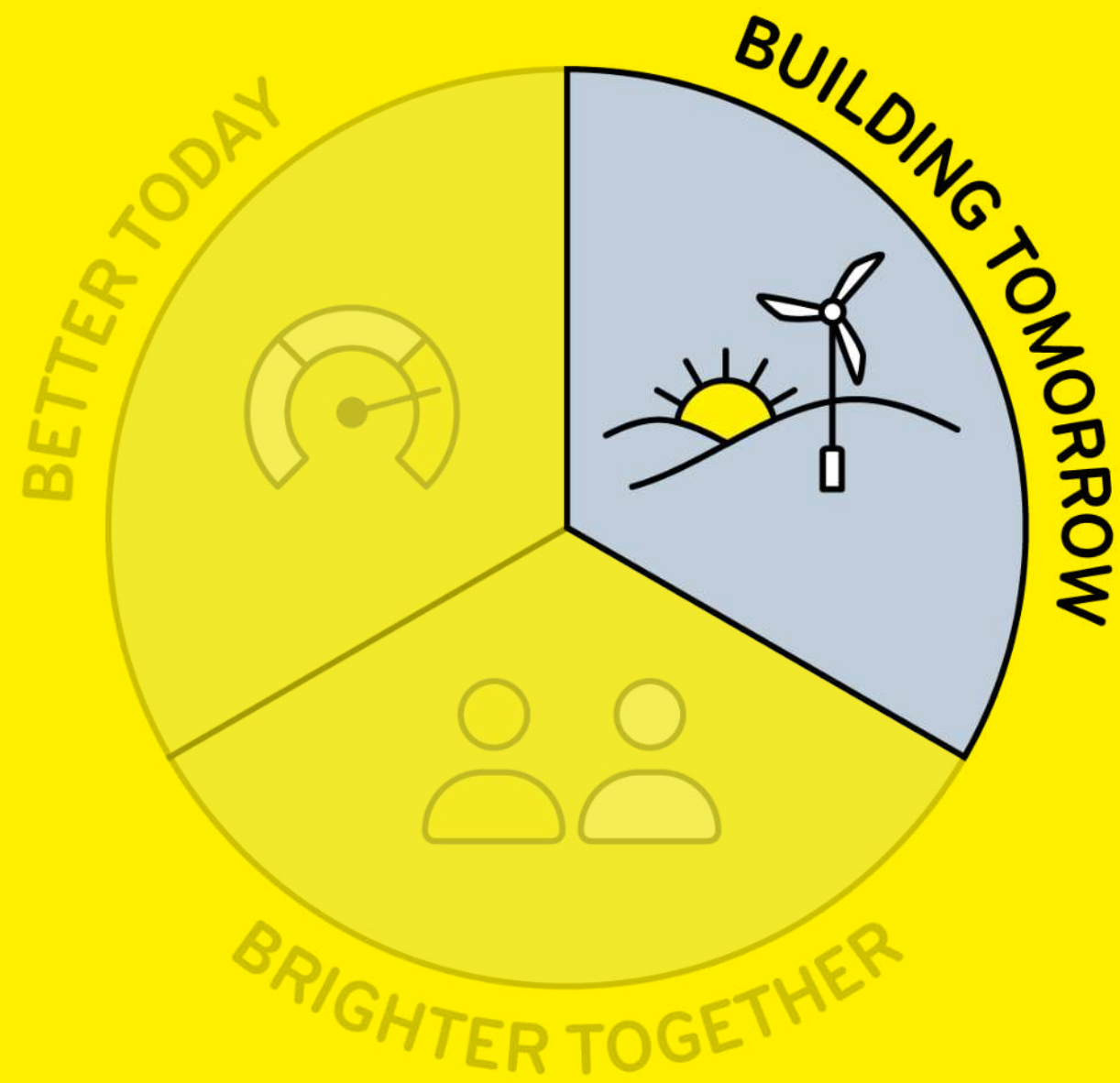
**THIRD UNIT:**  
Planned completion Sept 25

# DISCIPLINED STAY-IN-BUSINESS CAPITAL ALLOCATION

- We prioritise capital efficiency, focusing investment on the highest-return opportunities
- Long term SIB capex remains at \$150m per year as previously stated. We phase spend to manage this reinvestment profile whilst balancing risk and value.
- **Protect & Enhance capex:**
  - The Hydro Rehab programme protects current generation from end of asset life failures and adds significant capacity and efficiency. KPO adds 16.5MW and 32 GWh per year. The next 3 rehabs will add another 58MW and average generation of 87 GWh per year.
  - The drilling programme ensures that our geothermal assets have the fuel and resilience to maintain optimum performance.
- **Maintenance capex:**
  - **Generation assets** includes both minor and major maintenance projects, such as Arapuni Left Abutment (dam leakage) and erosion works at the Taupō Control Gates
  - **Technology & energy management** capex is largely driven by technology, customer, and enterprise-wide initiatives

STAY-IN-BUSINESS CAPEX





# PROTECTING VALUE THROUGH ASSET RESILIENCE

# ASSET RESILIENCE AND STRENGTHENING OUR SOCIAL LICENSE TAUPŌ CONTROL GATES

- Constructed in the 1940s, the Taupō Control Gates involved diverting the original river channel
- Mercury monitors the gates as part of its ongoing assurance programme
- The structure is currently safe and fit for use
- Long-term seismic resilience standards may require full replacement of the structure
- **Ngāti Tūwharetoa** and the **hapū of Te Hikuwai** are mana whenua of the area and critical partners in the project
- Iwi and hapū will guide Mercury on matters relating to their **whenua tūpuna** (ancestral lands)



**PHASE 1:**  
Engineering investigation &  
Cultural impact assessment  
**COMPLETE**

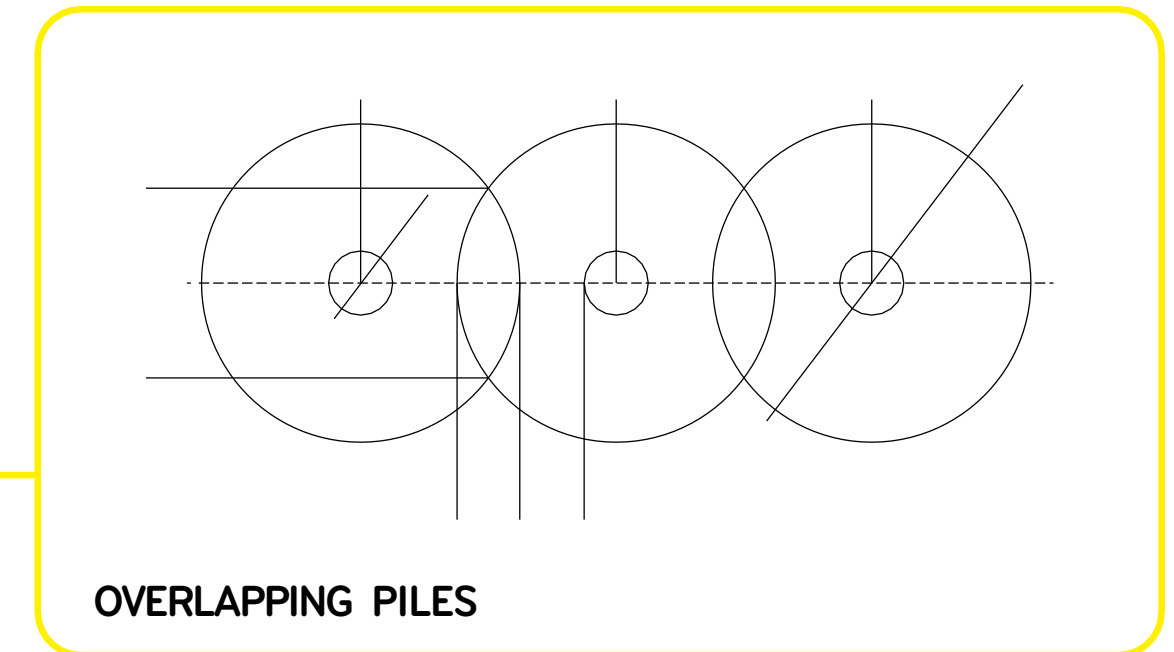
**PHASE 2:**  
Optioneering  
in partnership  
**FY25-FY26**

**PHASE 3:**  
Consenting  
& Design  
**FY27-FY29**

**PHASE 4:**  
Construction  
**FY30+**

# REDUCING RISK AND STRENGTHENING ASSET RESILIENCE ARAPUNI LEFT ABUTMENT

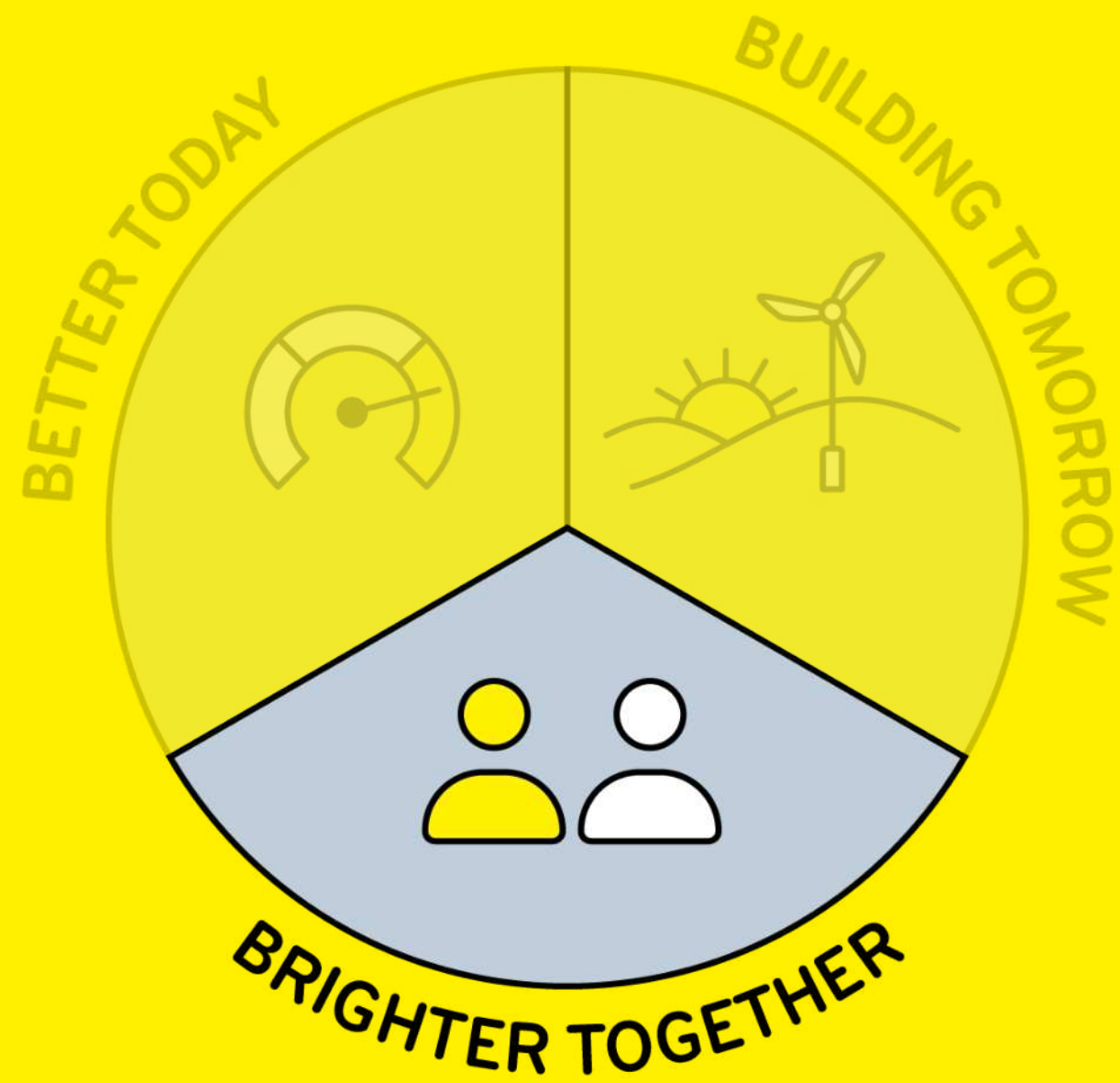
- The Arapuni Dam was constructed in 1927 and has experienced seepage issues since inception
- The original seepage controls, installed in the 1930s, are now ineffective due to age
- Seepage changes were observed in the left abutment after two distant earthquakes in 2016
- **Project objective:** to safely and economically establish long-term, stable seepage conditions
- The solution involves construction of an **overlapping pile cutoff wall** (shown in yellow)
- A team of internationally recognised experts has been assembled to lead the project
- The total project cost is currently estimated at approximately **\$120 million**



**Q1 FY26:**  
Drainage Construction and Jet Grouting Trials

**Q2 FY26:**  
Consents Granted, Alliance Agreement Established

**Q3 FY26 - 29:**  
Main Cutoff Wall Construction  
18 – 24 months



# ENHANCING FUTURE VALUE

# HYDRO REHABILITATION PROGRAMME: ENHANCING OUR PEAKING STATIONS

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
<b>Aratiatia</b> (3 units)							REHAB																	LEAD IN		TURBINES	
<b>Ohakuri</b> (4 units)	TURBINES																LEAD IN		GENERATORS								
<b>Atiamuri</b> (4 units)															LEAD IN			REHAB									
<b>Whakamaru</b> (4 units)						REHAB																					
<b>Maraetai 1</b> (5 units)											LEAD IN					REHAB						REHAB					
<b>Maraetai 2</b> (5 units)															CLASS 4												
<b>Waipapa</b> (3 units)																					LEAD IN		REHAB				
<b>Arapuni</b> (8 units)	GENERATORS 5-8																										
<b>Karāpiro</b> (3 units)				CLASS 4					LEAD IN			REHAB															

## Programme Designed to Deliver value:

- Rehabilitation timing driven by asset condition, value and capital profile.
- Timing continuously being optimised.
- **Next 3 stations in the program: Maraetai, Ohakuri, and Atiamuri**
- These assets are **64–75 years old**
- **Largest Hydro Reinvestment in NZ**
- **~\$550M reinvestment** – the largest in New Zealand’s hydro history

## Value driven Design:

- Programme driven by **Generator condition**.
- **Turbine replacement is NPV positive** due to increased efficiency and capacity.
- Digital River allows design to be optimised.
- Potential to **increase output by 58 MW (87 GWh)** across the three sites (Maraetai 1, Ohakuri, Atiamuri)

## Supplier Partnership Model Delivers:

- **Efficient delivery** through consistent technology use
- **Local skills retention** via long-term, staged investment
- **Optimised phasing** to balance asset risk and capital spend

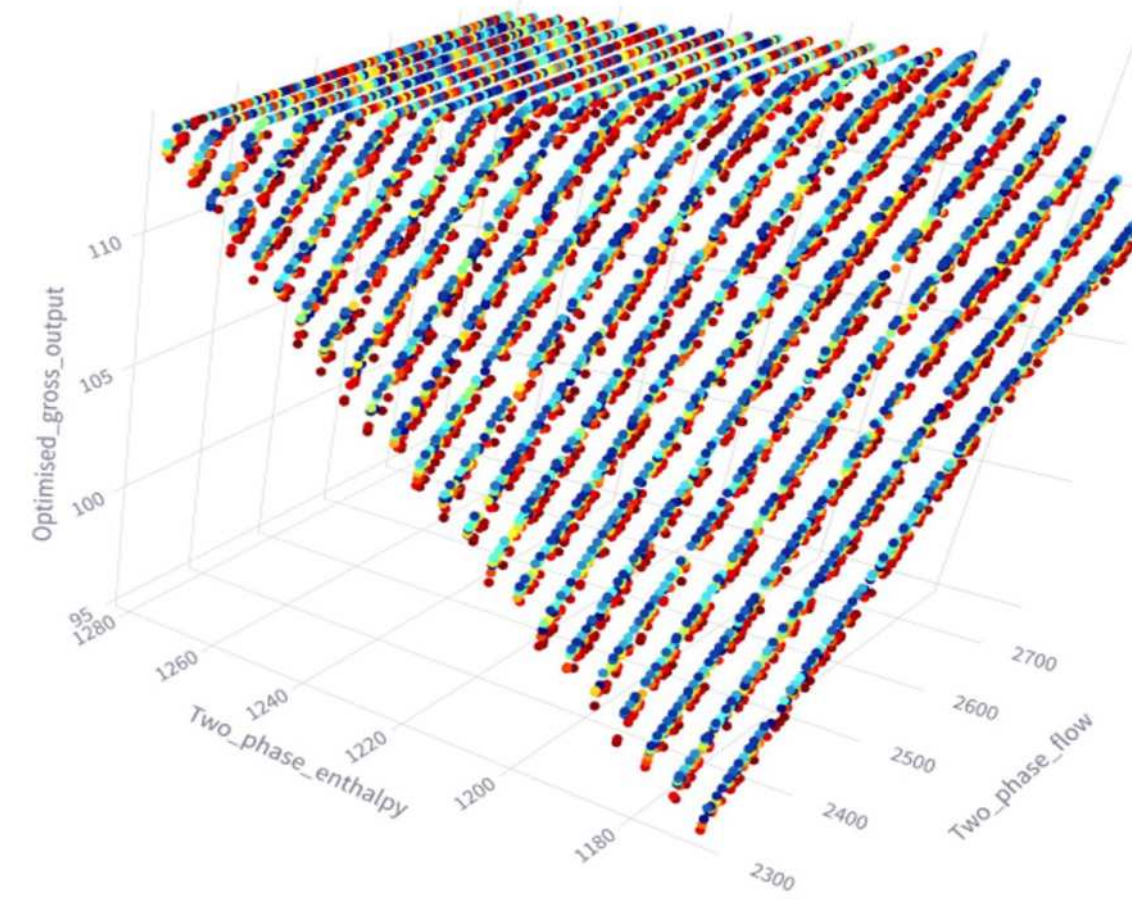
# OPTIMISING PERFORMANCE OF EXISTING ASSETS

## Optimising existing plant:

Developing a funnel of innovative opportunities to deliver sustainable incremental value from existing assets. These activities are creating value year on year with a wide range of solutions. Some examples include:

- Leveraging AI and machine learning that provide tactics to geothermal operations on a daily basis
- Executing projects that optimise ways of working like centralised operations where teams focus on incremental MW gains

Using Machine learning and digital science to optimise geothermal stations

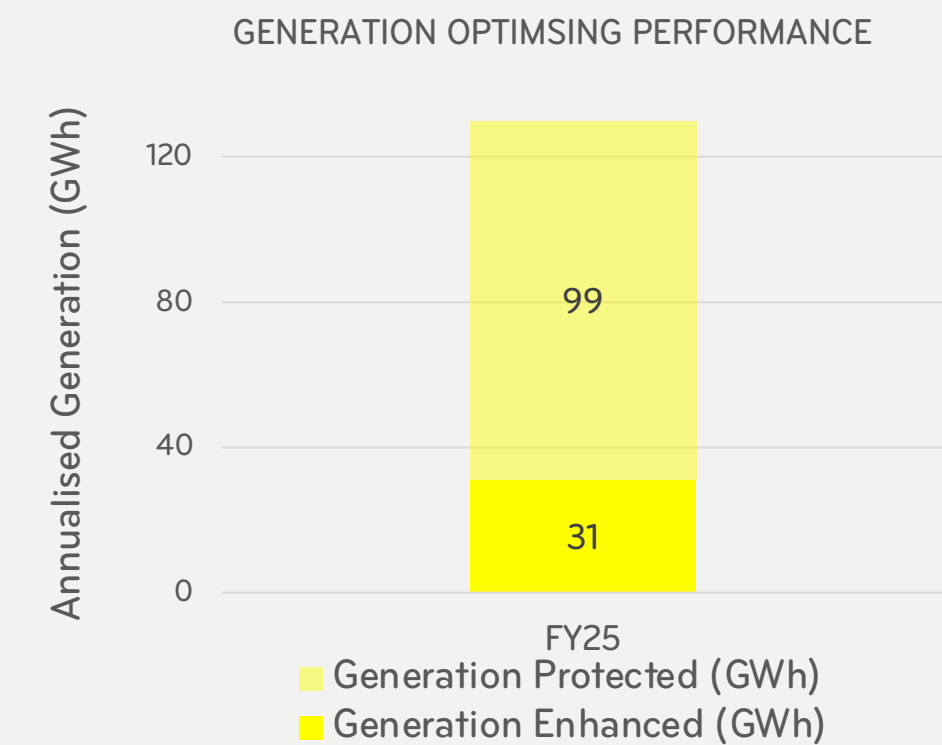


3-D view of plant performance from multiple parameters. This shows the complexity and interconnectivity of parameters needed to optimise MW generated. In FY26 we are on track to deliver an additional 1MW across our geothermal stations using this Machine Learning Model.

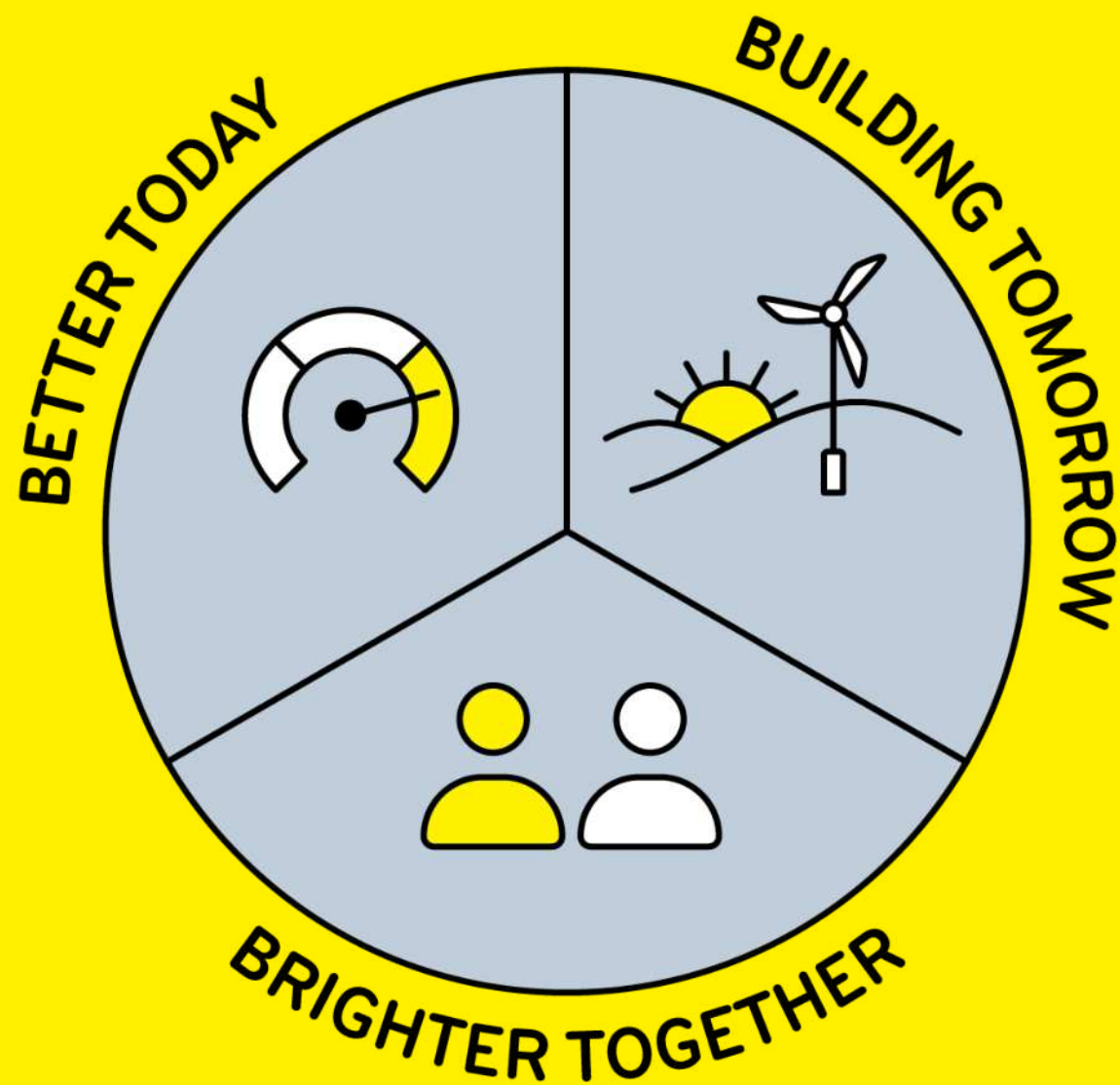
Centralising Geothermal control room operations - unattended stations with improved safety outcomes



On track to deliver 30 GWh of enhanced sustained value



# DELIVERING VALUE TODAY AND TOMORROW.



## DELIVERING VALUE TODAY

- Geothermal Well Delivery.
- First to delivery Carbon Capture.
- Successful delivery of Karāpiro Rehabilitation to plan.
- Stay in Business Capital profile.

## PROTECTING VALUE THROUGH ASSET RESILIENCE

- Projects to improve asset resilience are on track and are well understood by stakeholders.
- Key projects are Arapuni Left Abutment and Taupō Control Gates.
- Strengthening Social license

## ENHANCING FUTURE VALUE

- Rehab uplift 16.5MW from KPO and 58MW next 3 rehabs
- Maximising value of our assets through machine learning

**Protect  
& Enhance  
Annual  
Generation:  
8.8 TWh**

**Sustained  
Long term  
SIB capex  
at \$150m**

# CFO PRESENTATION & CE WRAP

The background of the slide is a photograph of three wind turbines on a rolling hillside. The scene is captured at sunset or sunrise, with a warm, golden light illuminating the turbines and the landscape. The sky is a clear, pale blue. The turbines are white with three blades each, and they are positioned at different heights and angles across the frame.

**INVESTOR DAY**  
10 JUNE 2025

**RICHARD HOPKINS**  
CHIEF FINANCIAL OFFICER

# WHAT I'VE SEEN AT MERCURY

## CFO Early Observations



### People

- Great people and depth of talent
- Experienced executive with industry and external perspectives
- Strong partnerships



### Value

- Bold choices have paid off
- Value accretive projects and technology choices
- Opportunity in the core



### Governance

- Leading Board
- Disciplined project governance
- Value and TSR focus with strong balance sheet

# WHAT I'VE HEARD FROM LISTENING TO INVESTORS

**Strong track-record and history of delivery**

**Recent executive team change**

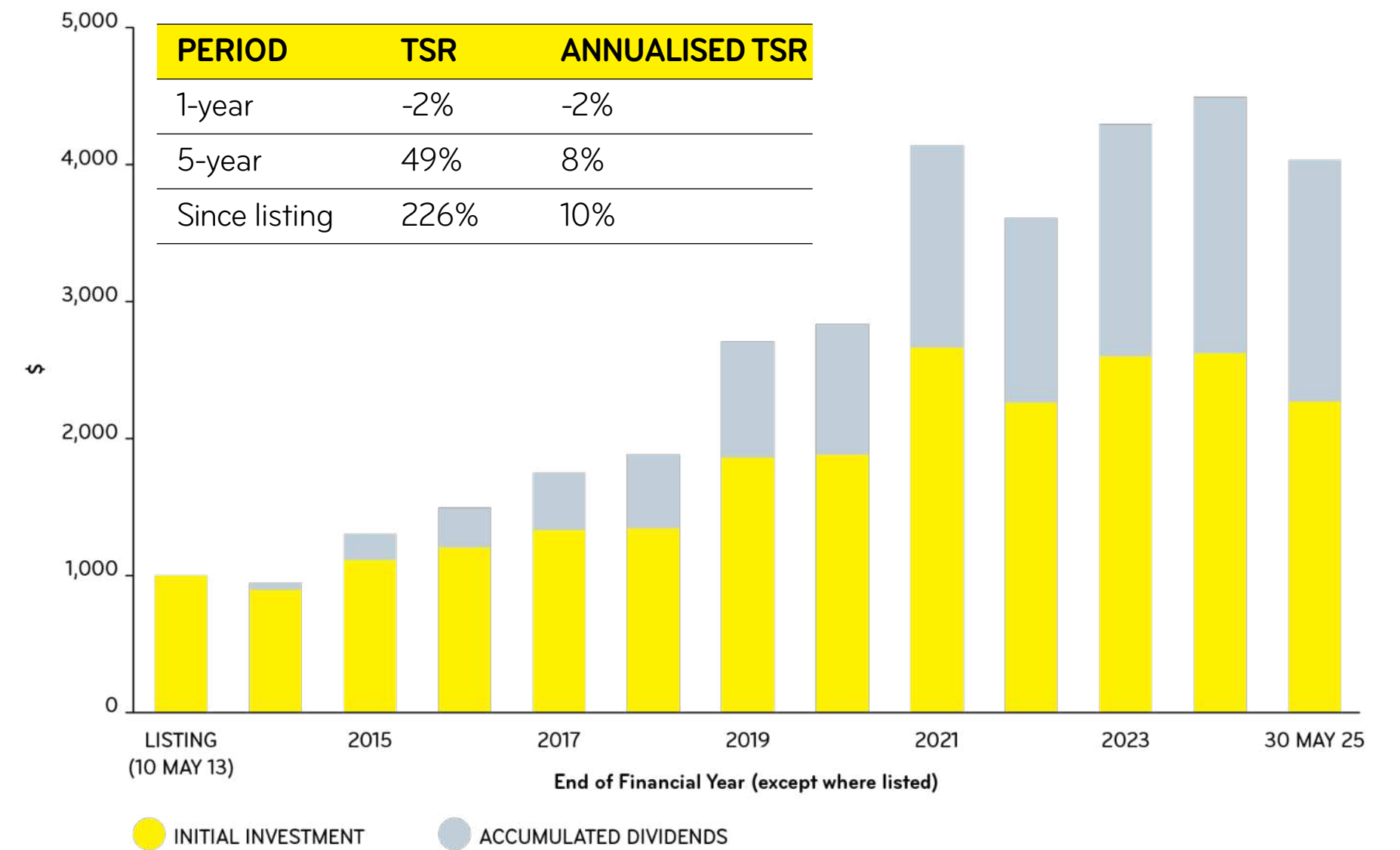
**Operating costs higher than peers**

**Value our capital**

**Continue the strong value creation for shareholders**

**Continue the progressive dividend policy**

**Don't over promise and under deliver**



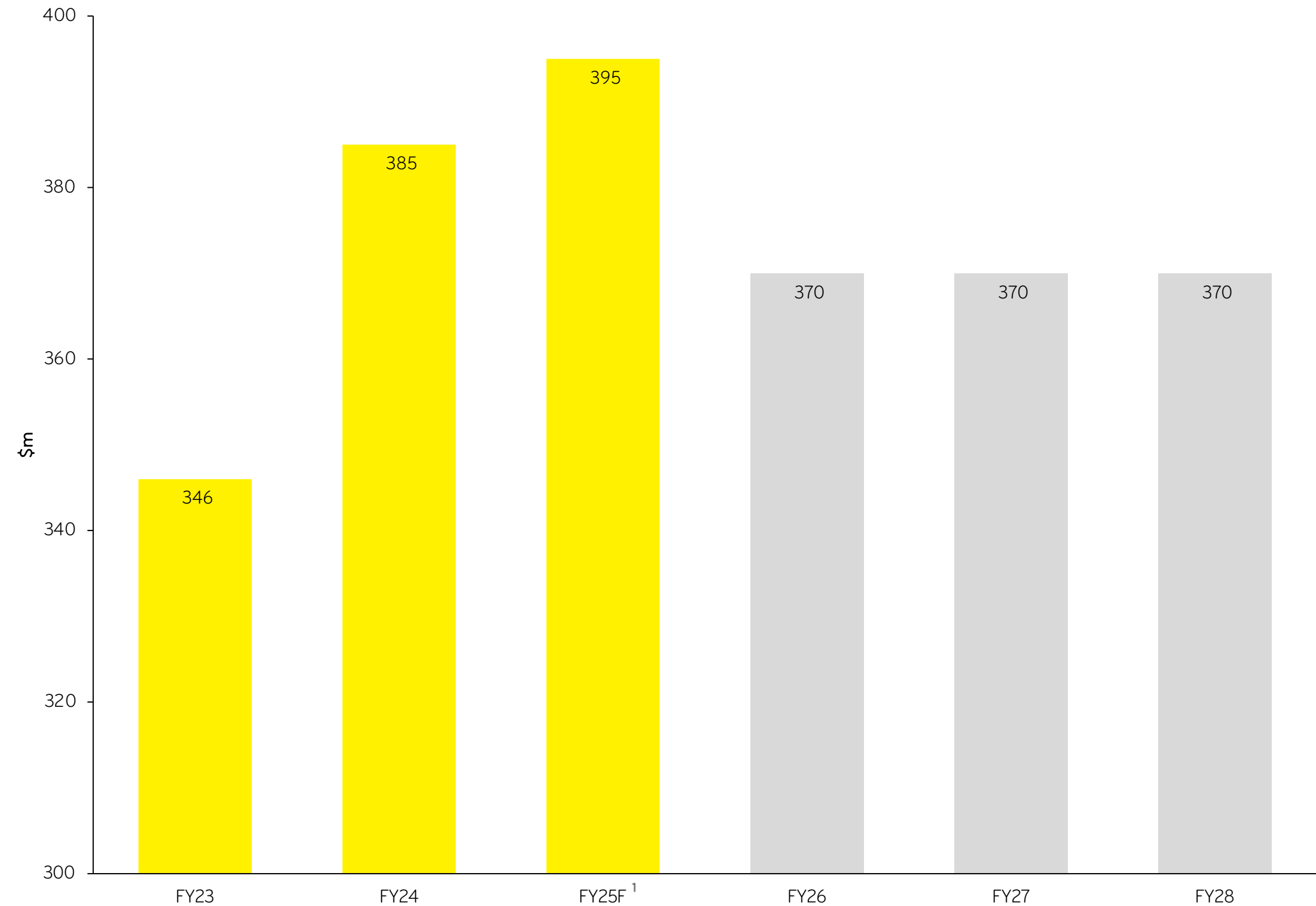
<sup>1</sup>Assumes \$1000 were invested in Mercury's IPO and gross dividends received on the payment date and reinvested in Mercury shares at the closing price on that date

- This ignores the effect of tax, noting that investors would have received the full value of the dividend through imputation credits
- This also ignores that Mercury has occasionally paid unimputed special dividends
- Ignores dividends not adding up to whole share values (i.e. assumes fractional shares purchased with reinvested dividends)

# OPERATING COST DISCIPLINE

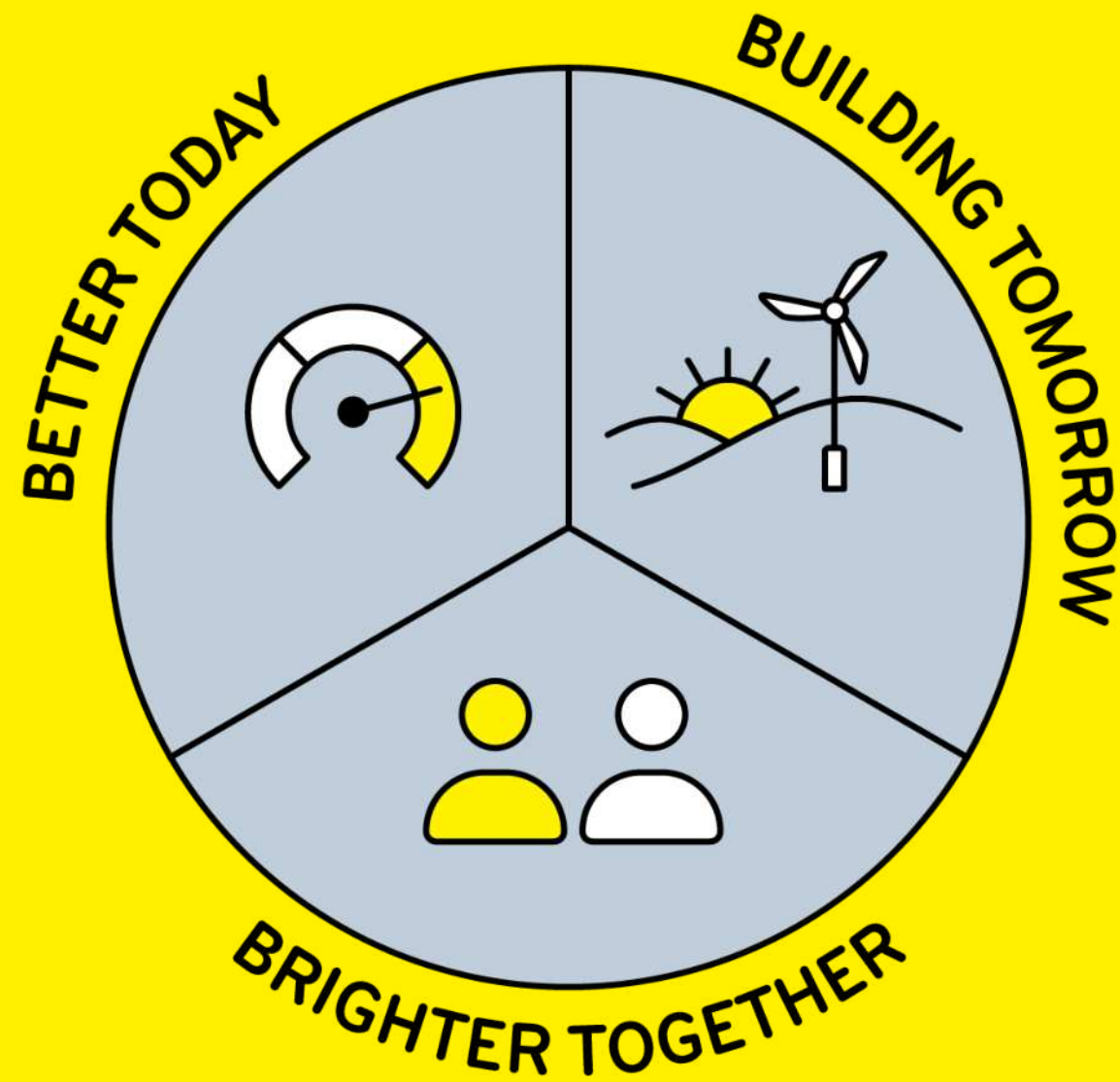
- Cost out programme to lower operating costs to maintain \$370m from FY26 to FY28
- Mercury-led, with support from an external provider
- Programme consists of three phases, diagnostic, design and implementation. We are now in the implementation phase.
- This first wave of cost out from the cost reduction pipeline targets key cost levers across the enterprise and drives a culture of strong cost wiring.

## OPERATING EXPENSES



<sup>1</sup> FY25F operating expenses guidance as at 25 February 2025 of \$395m. Normalised for the geothermal well repair is \$386m

# TODAY. TOMORROW. TOGETHER.



### Customer:

Retail integration synergies delivered, journey to 1m connections by FY28 underway, operating for value and driving efficiencies

### Generation:

8.8 TWh new baseline. SIB capex maintained at \$150m. Increasing output (32 GWh at Karāpiro and 87 GWh from future rehabs). Operational efficiencies being found across hydro and geothermal.

### Cost Discipline:

Lower operating costs to maintain \$370m from FY26 to FY28

**Future TSR  
underpinned  
by operational  
excellence**

### Building for value with the best renewable pipeline to grow energy and capacity:

Plan to deliver 3.5 TWh of new generation by 2030 and lift total generation by ~40% pa

### Best renewable development track-record to execute current projects:

Reached FID or delivered 5 of the 6 New Zealand wind projects in the last 5 years

### Generation development:

Happy to stand out from the crowd. Backing LRMC winners - Leading position in wind development will continue to monitor other technologies as economics evolves

**Value accretive  
pipeline.  
Disciplined  
decision making**

### Successful partnerships sets us apart

Differentiated approach to iwi, supplier and customer relationships

### Social Licence

On track for zero disconnections in FY25

### Geothermal opportunity is significant:

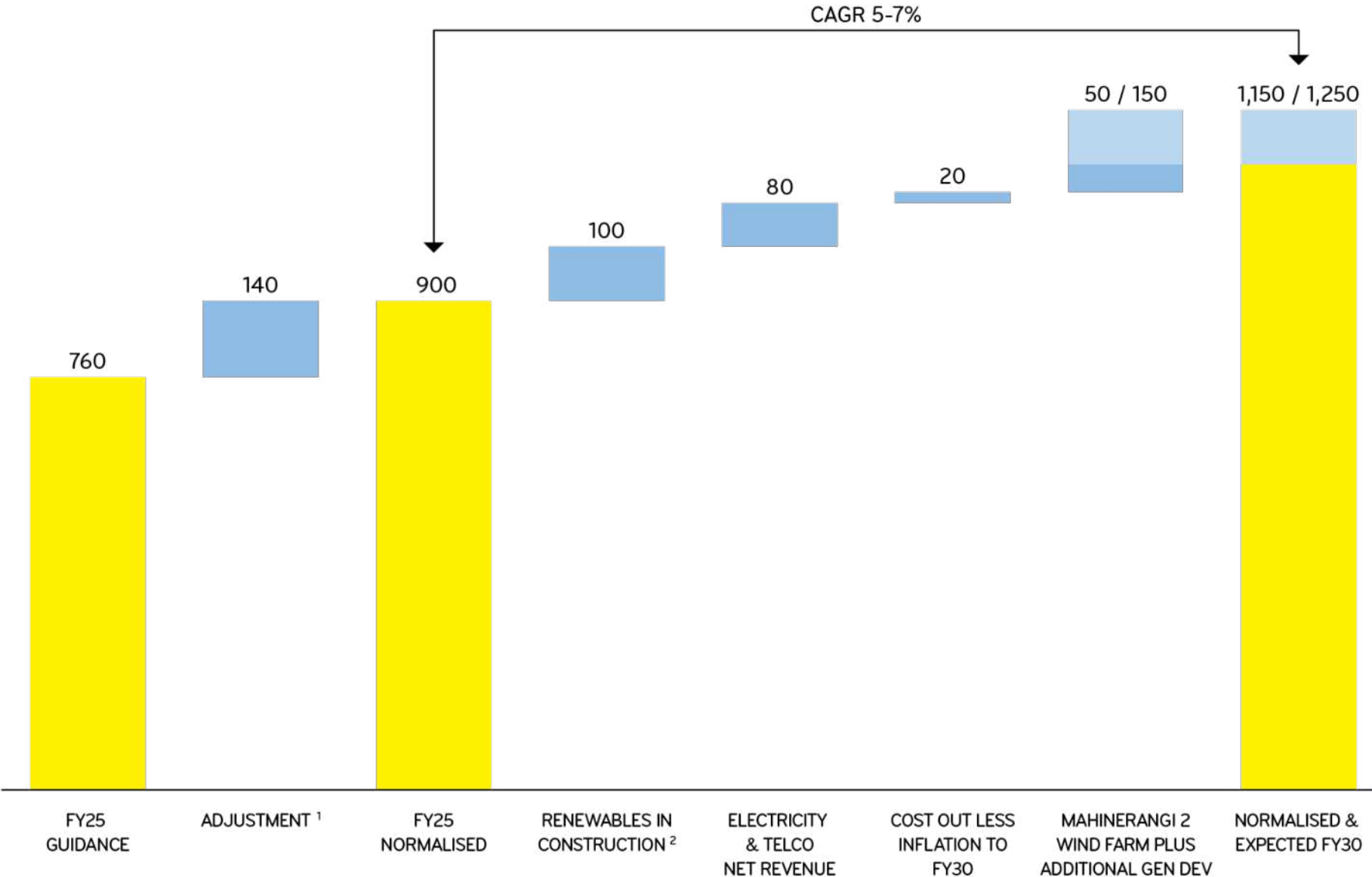
Currently generating from ~10% of total prospect acreage of 33k ha. Up to 5 TWh of potential geothermal opportunities beyond 2030.

**History of  
winning through  
partnerships.  
Well positioned  
for future**

# INDICATIVE FY30 EBITDAF ASPIRATION SUPPORTED BY VALUE ACCRETIVE RENEWABLE DEVELOPMENT

## Targeting FY30 EBITDAF \$1,150m to \$1,250m

- 1.1 TWh of generation in-construction across 3 projects, Ngā Tamariki OEC5 geothermal, Kaiwera Downs stage 2 wind farm and Kaiwaikawe wind farm
- Higher electricity and telco sales yields through long term channels and portfolio management
- Cost out programme to lower operating costs to maintain \$370m from FY26 to FY28
- \$50m: Mahinerangi 2 wind farm is Mercury's next highest confidence generation development option of scale up to 550 GWh and is subject to FID. Whakamaru BESS rights secured across land, consent and grid and is subject to FID
- +\$100m: Waikokowai and geothermal remain options for 2030. Optionality maintained as investments must be value accretive with planning to deliver on time and on budget



<sup>1</sup> Normalised primarily for mean generation volumes  
<sup>2</sup> Ngā Tamariki OEC5 geothermal, Kaiwera Downs Stage 2 and Kaiwaikawe wind farms

**Q&A**



**INVESTOR DAY**  
10 JUNE 2025

**STEW HAMILTON**  
CHIEF EXECUTIVE

**RICHARD HOPKINS**  
CHIEF FINANCIAL OFFICER

# NGĀ MIHI THANK YOU



**INVESTOR DAY**  
10 JUNE 2025

**STEW HAMILTON**  
CHIEF EXECUTIVE

Mercury 