

Mercury 2025 Annual Shareholders' Meeting Chair, Chief Executive and Executive Addresses

Where: HYBRID MEETING (ONLINE AND IN PERSON AT EDEN PARK, WORLD CUP LOUNGE, AUCKLAND)
When: 1pm (NZST), 19 September 2025

[ADDRESS BY THE CHAIR: SCOTT ST JOHN]

SLIDE 4: CHAIR'S ADDRESS

Tēnā koutou katoa.

Good afternoon and thank you for joining us at Mercury's 2025 Annual Shareholders' Meeting. My name is Scott St John, and I am Chair of Mercury NZ Limited.

On behalf of your directors, our Chief Executive, Stew Hamilton, our leadership team and all of Mercury, I extend a warm welcome to you all.

I am pleased to confirm we have a quorum represented here today and therefore declare Mercury's 2025 Annual Shareholders' Meeting open. Voting is open on all items of business.

SLIDE 5: AGENDA

Outlining our agenda for today. First, I will introduce you to your board.

I will then comment briefly on our financials and the broader environment in which we are operating. Stew will then talk to Mercury's forward focus.

Following Stew's address, we will hear from our Executive GM Wholesale Tim Thompson and Chief Financial Officer, Richard Hopkins, about key activity in their areas.

We will then move to resolutions. After the resolutions are presented and voting is closed, you will have the opportunity to ask general questions relating to the company.

Now for the introductions:

SLIDE 6: YOUR BOARD

We have, starting on my right, from the far-end:

James Miller, who chairs our Audit and Financial Risk Committee, and also retires after today's meeting. I want to thank James for his outstanding service over the past 13 years. His extensive knowledge of utility economics, capital markets, and mergers and acquisitions has been hugely valuable during a period of significant change and growth for the company

Rachel Taulelei

Rob Hamilton, who after James' departure will chair our Audit and Financial Risk Committee

Susan Peterson, who chairs our People and Performance Committee

and on my left, from the far-end:



Mike Taitoko, who retires after today's meeting, following ten years' service on the Board. I want to thank Mike for his enormous contribution to Mercury, including his invaluable support in guiding and strengthening our connections into Māoridom over the past decade.

Adrian Littlewood

and Hannah Hamling, who chairs our Safety and Enterprise Risk Committee

Finally, Mark Binns, who was unable to attend today

We are also joined by our:

Chief Executive, Stew Hamilton

Chief Financial Officer, Richard Hopkins, and

Company Secretary, Howard Thomas

Also present are representatives from EY, who undertake the audit of Mercury on behalf of the Auditor-General, Chapman Tripp, solicitors, and members of Mercury's Executive Leadership Team.

SLIDE 7: FINANCIAL OVERVIEW

The year ending 30 June was a challenging year, marked by tough generating conditions, but the team remained focused on its commitment to delivering for New Zealanders.

Net profit after tax was \$1 million, down \$289 million from the prior year, primarily due to lower earnings and changes in unrealised gains or losses on unhedged electricity derivatives.

Earnings before interest, tax, depreciation, amortisation, and fair value adjustments were \$786 million, down \$91 million on the prior year. This was mostly driven by below average renewable generation as a result of dry conditions.

Operating costs increased by \$11 million on the prior year, primarily due to increases in generation maintenance and organisation change costs to enable future cost savings.

Stay-in-business capital expenditure was broadly consistent with the prior year, down \$4 million at \$138 million, with good progress made on our geothermal drilling campaign.

Growth capital expenditure was up \$193 million on the prior year to \$347 million with the second stage of Kaiwera Downs and Kaiwaikawe Wind Farms beginning construction.

Your Board was pleased to declare a fully imputed final dividend of 14.4 cents per share. This brings the full-year ordinary dividend to 24 cents per share, up 3 percent on last year and our 17th consecutive year of dividend growth.

Our FY26 EBITDAF guidance has been set at \$1 billion. This ambition reflects significant reinvestment of capital, with about \$600 million of growth capital expenditure expected to be deployed on major infrastructure works.

Ordinary dividend guidance for FY26 is 25 cents per share which represents a 4 percent increase on FY26, and would be the 18th consecutive year of ordinary dividend growth.

SLIDE 8: SECURING OUR ENERGY FUTURE

I spoke to you last year closely following the winter energy supply challenges, which had brought the electricity sector into the headlines.

We acknowledge this, and ongoing challenges, have negatively impacted confidence in the sector. We are working hard to rebuild that confidence through consistent and meaningful action.

Alongside challenges, there is also significant opportunity which Mercury is well placed to pursue, with a clear focus on long-term sustainable value for our owners, customers, people, communities and New Zealand.



This includes a focus on delivering reliable electricity at least cost.

The shift to using more renewable electricity is key for economic growth and resilience, and will play a major role in achieving the country's climate change goals.

New Zealand ranks in the top ten of the World Energy Council's Trilemma Index, which measures how countries balance energy security, affordability, and sustainability.

The sector is self-funding a major, multi-billion-dollar capital investment drive, to help ensure the country retains its status as a global energy leader.

In the past five years, the sector has invested \$2.9 billion in generation and between now and 2030 a further \$5.5 billion is expected to be invested.

Between now and 2027 alone, over 4TWh of new renewables are expected to come online – that is enough to power the equivalent of around 500,000 homes.

We are proud to be contributing a significant proportion of this, with \$1 billion invested in three major builds simultaneously under construction.

Building more renewables helps with keeping the lights on, but it is not enough alone. We need more generation that runs when weather-dependent renewables like wind and solar fall short, to meet the country's energy needs.

The market is working to address this, such as through an agreement to establish a strategic energy reserve at Huntly Power Station. It sounds odd, but having this coal at Huntly is key for ensuring the sector can keep building renewables, which will help lower New Zealand's emissions overall.

We believe more transparency of gas market information to support decision making, and clear investment signals for new solutions, like batteries, would also help fill the gap.

The data tells us our electricity prices compare favourably with other countries including Australia and the UK: New Zealand's electricity is sixth best for commercial and industry; and 10th best for household prices in the OECD.

But we recognise any price rise for households and businesses in the current environment has an impact.

This year, the main driver of household electricity price increases was regulated lines and transmission increases.

We have engaged with the Commerce Commission on the need to balance investment and minimise price shocks, as well as promote investment in the smart system. Ultimately, the development of a smarter electricity system, with greater use of things like batteries, could mean less network investment is needed.

SLIDE 9: A FAST-CHANGING GAS PICTURE

Gas is a key energy system challenge. Natural gas reserves this year were down 27 percent on the year before.

As a purchaser and retailer of gas, we share the concerns of government, industry and consumers and are pleased to see a greater focus on the long-term gas outlook.

We have begun providing information to our gas customers to make well-considered decisions about their energy future.

SLIDE 10: MARKET AND POLICY EVOLUTION

Gas supply challenges have highlighted the importance of taking a whole-of-energy system view to market and policy evolution.



We are hoping to see this focus in the Government's Ministerial Review of electricity markets, which is expected imminently. The Energy Competition Task Force, set up after last winter, is also focused on solutions that could help further strengthen performance of the electricity market.

We continue to engage constructively on both fronts. Meanwhile, we are encouraged by the Government's focus on making it easier for the private sector to keep delivering more renewables, through Resource Management Reform. This is critical to ensuring we can deliver generation at the scale and pace needed.

Before handing to Stew to talk to more to how we are delivering value for New Zealand, we will watch a short video about our FY25.

Ngā mihi nui.

SLIDE 11: VIDEO TRANSITION

[2-3 MIN VIDEO OF FY25 HIGHLIGHTS PLAYS]

[ADDRESS BY THE CHIEF EXECUTIVE: STEW HAMILTON]

SLIDE 12: CHIEF EXECUTIVE'S ADDRESS

Thank you, Chair.

Kia ora tātou katoa. Welcome everyone.

Ko Stew Hamilton toku ingoa. Ko au te tumuaki o te roopu whakahaere o Mercury.

A year ago, I presented at my first Annual Shareholders' Meeting as Mercury's Chief Executive, after I stepped into the role.

The past year has been a year of challenges and opportunities. It has highlighted the great foundations we have - with the team continuing to advance a major generation development programme and deliver value and care for customers while delivering dividends for you, our owners.

SLIDE 13: OUR NEW STRATEGIC FRAMEWORK

We refreshed our strategy during the year to ensure we are focusing on the areas that matter most to Mercury's long-term value.

Our strategy starts with 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.

And flows to our focus to be Better Today, Build for value Tomorrow and be Brighter Together by partnering for long-term success.

Our immediate priorities are to deliver more generation; transform our earnings; capture energy transition demand growth; rebuild confidence in the sector, and build a connected and inclusive culture.

SLIDE 14: A CAPABLE AND MULTI-DISCIPLINED EXECUTIVE TEAM

The new strategy was a natural opportunity to refresh our executive team structure, to ensure clear accountability and strong alignment to priorities.

I have been pleased to welcome several new executive leaders, bringing a balance of fresh perspectives and deep industry and technical expertise.

Most of the team are here today in the front row. They look forward to connecting with you afterwards, alongside Mercury directors and other Mercury leaders.

SLIDE 15: DELIVERING RENEWABLES AND RELIABILITY



I believe we have the most capable generation development team in New Zealand, spanning wind, hydro and geothermal.

We are in a strong position to deliver on our ambition to deliver 3.5TWh of generation by 2030 – enough to power Auckland homes for about half a year depending on demand. At the same time, we are advancing early-stage geothermal opportunities into post-2030 opportunities.

You have heard about the \$1billion investment we have in three major renewable builds underway.

The Ngā Tamariki Geothermal Station expansion near Taupō and the Kaiwera Downs 2nd Kaiwaikawe Wind Farm builds, in Southland and Northland respectively, are all tracking to schedule and budget.

We continue our long-term programme to upgrade each of our nine hydro stations on the Waikato River to deliver increased output, efficiency, reliability and to increase the lifespan of these already long-serving generation assets.

The \$550 million upcoming upgrades at three of our hydro stations are believed to be the largest reinvestment in New Zealand's hydro history.

These hydro assets have been the backbone of our electricity system for generations. Being able to enhance their contribution to the country is a testament to their critical role and longevity.

We are also investing \$175 million into geothermal drilling to support geothermal generation, which is the unsung hero of New Zealand's energy story.

Unlike other forms of renewable energy like wind, solar and hydro, geothermal is not dependent on weather conditions. We can harness underground geothermal heat to generate energy 24/7, regardless of the weather.

Our investment in generation not only delivers more renewable energy for New Zealand, but also helps improve reliability - or put simply, helps keep lights on and heaters humming.

SLIDE 16: DELIVERING VALUE AND CARE FOR CUSTOMERS

Turning to our customers, we continue to focus on enhancing the value they receive with a range of smarter propositions, benefits and service features.

Our multi-product offerings across energy and telecommunications continue to be popular, with around 38 percent of customers now on two or more products.

A key focus is enabling customers to shift their electricity consumption and lower their costs.

As you saw in the video, we are rolling out 'time-of-use' solutions for customers. Our smart hot water programme is also being scaled, following multiple successful trials.

Beyond households, we are helping businesses to electrify where it makes sense and participate in demand management.

In the past year, we began a long-term contract with NZ Aluminium Smelters, making them our largest customer. We also signed long-term contracts with Fonterra, and Visy, a global leader in packaging, recycling and logistics.

We acknowledge it is challenging for those juggling multiple cost pressures in the current environment. Longer-term contracts are a key way we are supporting businesses.

Our support for households includes providing improved clarity on pricing and consumption, greater choice, and care for those who need it.

We are proud to have had zero post-pay disconnections for customers in hardship since June last year. This is a result of both changes to our internal processes and collaboration with community partners to deliver comprehensive, wraparound support.

Our work with community to deliver lasting customer care was a finalist for Community Initiative of the Year at the 2025 New Zealand Energy Excellence Awards.



We continue to provide care beyond our own customer base through supporting social retailers, Nau Mai Rā and Toast Electric, with wholesale contracting options, and supporting industry-wide consumer care action.

To conclude, yes, there are challenges. We are facing into these with confidence and clear actions. At the same time, we are pursuing opportunity that delivers value for our owners, customers, people, communities and New Zealand.

Better Today. Building Tomorrow. Brighter Together.

Ngā mihi nui.

I will now hand over to Tim, our Executive GM Wholesale, to speak further about our generation portfolio and prospects.

[ADDRESS BY EXECUTIVE: TIM THOMPSON]

SLIDE 17: EXECUTIVE PRESENTATION 1: TIM THOMPSON

Thank you, Stew. Kia ora tātou katoa.

As the Executive GM Wholesale, I am responsible for managing our overall electricity portfolio. This includes responsibility for all wholesale market activities and sales to large commercial and industrial customers.

SLIDE 18: OUR AVANTAGED PORTFOLIO

We have an advantaged, resilient generation portfolio today. It is diversified, complementary and low cost.

For the large part, our generation is based in the North Island, close to main population centres.

But we also have two wind farms in the South Island, and are expanding one of these, as you have heard.

This is beneficial, because there is often varying weather conditions between the North and South Islands.

That is illustrated by the graph on screen, which shows catchment inflows for the Waikato Hydro System, inverse to South Island inflows and importantly correlated to peak demand which occurs in winter.

We also balance our portfolio across generation types. For example, when it is windy, we might pull back on hydro generation and when it is still, we can ramp up our hydro generators.

Lake Taupō provides the primary storage for the Waikato Hydro System. We monitor and manage the lake level carefully, to ensure there is water available to support generation during dry periods and to look after the river environment.

We do this with the support of a decision management platform we have developed that leverages artificial intelligence to simulate, plan, and optimise critical decisions we make.

We call this platform Digital River. Today we use it for everything from unit rehabilitation planning to stakeholder engagement and generation reviews.

The Digital River was a finalist for the Innovation in Energy Award at the 2025 New Zealand Energy Excellence Awards

Geothermal is another valuable feature of our portfolio, and one that is expected to grow in importance in the coming years.

Learning from Digital River, we have been developing advanced tools and models, using live data and machine learning, to help us make decisions about how we operate our geothermal stations. The goal is to generate more electricity, more efficiently and reliably.



SLIDE 19: BUILDING FOR VALUE TOMORROW

We're also focused on maintaining and building on our advantage in the future.

About 35 percent of our ambition to deliver 3.5TWh of generation by 2030 will be realised through projects currently under construction and our hydro refurbishment programme.

Beyond these, we have several generation development prospects which could be delivered by 2030. These include a battery energy storage system near our Whakamaru hydro station targeted for completion by FY28 and the Mahinerangi 2, Waikokowai and Puketoi Wind Farms.

We may also pull forward potential geothermal development and other development prospects, currently targeted for after 2030. We continue to consider a potential role for solar as well.

Ngā mihi nui. Thank you.

I will now hand you to our Chief Financial Officer, Richard, to talk about how our capital structure enables our growth, and our focus on sharpening performance.

[ADDRESS BY EXECUTIVE: RICHARD HOPKINS]

SLIDE 20: EXECUTIVE PRESENTATION 2: RICHARD HOPKINS

Thank you, Tim. Kia ora tātou katoa.

As Chief Financial Officer, I am responsible for our financial performance and legal and risk functions.

It is a pleasure to attend my first Annual Shareholders' Meeting at Mercury, having joined the company six months ago.

It is great to be back in the world of energy, having specialised in power and utility sector transactions across the UK and Europe earlier in my career.

One thing that has stood out to me over my time at Mercury is the great team we have. This is a real asset when we think of how our energy system is transforming and the level of investment being made.

Another is the history of value creation Mercury has because of bold, strategic choices. That includes the decision to invest in geothermal in the 2000s and more recently the acquisitions of Tilt Renewables and the Trustpower retail business which have significantly increased the company's scale.

These choices have delivered real shareholder value and supported our progressive dividend policy.

Today, Mercury has established a leading position in wind development, and has exciting geothermal prospects.

We are investing in these technologies to capture future growth in electricity demand.

We are happy to stand out from the crowd in what we do, if that is where the value is. This includes the value we create with others, like tangata whenua.

SLIDE 21: INVESTING IN THE FUTURE

I thought it was important to highlight how we invest the money we make.

Throughout FY25, just over half of our earnings went straight back into building and maintaining the assets powering the country. This supported continued growth investment including in our three major renewable builds underway.

We paid out \$256 million in dividends to you, our shareholders, for investing your hard-earned money with us.



The remainder of the income we made went to paying our interest and tax bills, meaning overall our net debt increased by \$230 million from June 2024, to \$2.2 billion in June 2025.

We are here to deliver long-term value and maintain the strong total shareholder return performance that has been built over time.

SLIDE 22: SHARPENING OUR PERFORMANCE

Lowering our operating costs is a key priority. We know we must be efficient and effective in everything we do.

Our goal is to reduce opex to \$370 million and hold that level through FY28. This is a tough target, given inflationary pressures and the additional costs associated with bringing Kaiwera Downs Stage 2 and Kaiwaikawe Wind Farms online. But we are committed.

Since November, we have been running a structured, enterprise-wide cost reduction programme with strong executive backing. This is not about cutting costs for their own sake—it is about creating value and ensuring we compare well against our peers.

By FY28, we are targeting a 30 percent reduction in operating cost per customer connection, driven by greater use of technology.

We will continue to keep you updated on our progress as we deliver on this commitment.

To conclude, I am excited for the future and the credible pathway forward Mercury has.

Better Today. Building Tomorrow. Brighter Together.

Ngā mihi nui. Thank you.

I will now hand you back to Scott.

