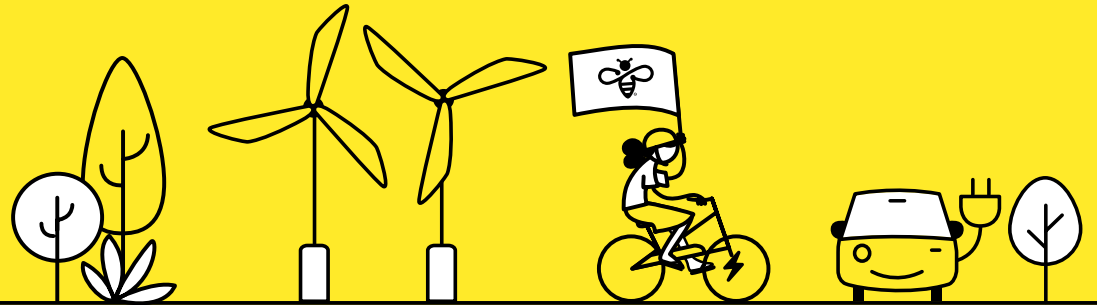


MERCURY NZ LIMITED



# 2021 INTERIM REPORT.

Mercury 

# JOIN THE ELECTRIC REVOLUTION.

Here at Mercury, we continue to champion e.transport for New Zealand. This is just one of the things we do to help Kiwis reduce greenhouse gas emissions and our country's reliance on fossil fuels.

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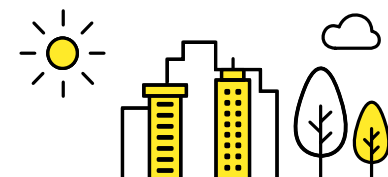
Terms apply.



To learn more, visit: **[mercury.co.nz/e-transport](https://mercury.co.nz/e-transport)**

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“

MERCURY'S OPERATIONAL  
EARNINGS WERE UP \$36 MILLION  
TO \$294 MILLION.



# CHAIR & CHIEF EXECUTIVE UPDATE.

PRUE FLACKS // CHAIR

VINCE HAWKSWORTH // CHIEF EXECUTIVE

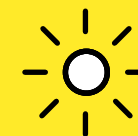
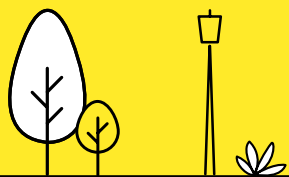
Mercury's results for the six months ended 31 December 2020 demonstrate the resilience of our earnings in a volatile market. Increases across all key financial measures are due to careful management of generation and retail portfolios, astute contract trading and ongoing cost control. This was achieved despite lower hydro generation as a consequence of a continuation of low hydro inflows.

## FINANCIAL RESULTS

Mercury's operational earnings (EBITDAF<sup>1</sup>) were up \$36 million to \$294 million.

Contributing to this result was a higher energy margin associated with additional trading profits and higher mass market yields as we adjusted the balance of our portfolio, offset by 108 GWh lower overall

1. EBITDAF: Earnings before net interest expense, tax expense, depreciation and amortisation, change in the fair value of financial instruments, gain on sale and impairments.



generation. Net other income of \$20 million was favourable by \$10 million when compared to HY20, relating primarily to increased earnings from Tilt Renewables and distributions in relation to the sale of our interest in Hudson Ranch 1 and its geothermal power station (HRT1), located in California.

Operational expenditure was down \$7 million on the prior comparable period.

Total capital expenditure for the period was \$148 million (up \$54 million), comprising \$27 million stay-in-business expenditure and \$121 million relating to growth (\$115 million Turitea wind farm, \$5 million Rotokawa output improvement and \$1 million for Mercury EV subscription service).

Net profit after tax (NPAT) was up \$47 million to \$130 million.

### INTERIM DIVIDEND

Your Board has declared a fully imputed interim dividend of 6.8 cents per share payable to our over 75,000 owners including the Crown. This represents an increase of 6% on the HY20 dividend, and equates to 40% of the forecast full year normal dividend of 17.0 cents per share, in-line with ordinary dividend guidance given at our annual shareholders meeting on 24 September 2020.

The dividend will be paid on 1 April 2021.

### CREDIT RATING

In November, ratings agency S&P Global confirmed Mercury's corporate credit rating as BBB+/Stable. This rating includes a one-notch uplift from the company's stand-alone rating of 'BBB', reflecting the legislated majority ownership by the New Zealand government.

### SUSTAINABLE FUNDING

Mercury went to the capital markets with a retail green bond offer that closed with \$200 million of seven-year green bonds allocated. This included oversubscriptions of \$50 million. We also issued a further green \$100 million private placement for 10 years.

### WHOLESALE MARKET

Upstream gas supply constraints are having a pronounced effect on the wholesale electricity market.

Speculation of an agreement to continue operations at the Tiwai Point aluminium smelter was largely priced in by the market towards the end of the period in review. However, confirmation of electricity supply arrangements, and the release of the Climate Change Commission's draft report, has seen futures prices lift across the next four years. This signals considerable pressure on electricity retail businesses with likely upward price pressures for end users.

However, these same dynamics create confidence for new investment in low cost renewable generation.

### HYDRO INFLOWS

We have carefully managed our way through a difficult period of low inflows into the Waikato hydro system, following sustained record low inflows beginning September 2019. Hydro generation was 168 GWh down on the prior comparable period.

Lake management will continue to be key as we head into winter.

### ASSET MANAGEMENT

Preliminary work continues for our refurbishment at our Karāpiro hydro station. Major works at Karāpiro have been pushed out a year to accommodate disruptions including those caused by the COVID-19 pandemic.

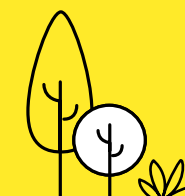
Work at our Rotokawa geothermal station to boost output by optimising its geothermal fuel mix has progressed well. This project remains on track to deliver an expected 4-5MW uplift in generation capacity.

We are underway with a review of our major works programme, taking on lessons from other refurbishments, as we continue to focus on effective and efficient asset management.

**\$294M↑**  
EBITDAF

**\$87M↓**  
OPERATING  
EXPENDITURE

**\$130M↑**  
NET PROFIT  
AFTER TAX



**“ EMBEDDING AND DELIVERING ON A CULTURE OF IMPROVEMENT IS SEEKING TO DELIVER A \$30M EBITDAF BENEFIT IN FY22.**

#### **CUSTOMER**

Retail mass market competition is intense with customers having choice in service and price. Retail margins remain under considerable pressure with high wholesale prices and this strong retail competition.

With churn rates (customers moving between retailers) high, our customer numbers were down 3% over the period in review to 336,000. This reflects our focus on margin and value, and our choice not to price at unsustainable levels.

Customer debt levels, which spiked during the first COVID-19 lockdown in March 2020, returned to near normal levels during the period in review. That is encouraging. However, we are conscious of COVID-19 impacts being experienced unevenly across communities. Difficulties faced by vulnerable customers remain an area of focus and concern.

We have continued our work with community groups and have supported the Electricity Retailers' Association of New Zealand (ERANZ) in initiatives to better understand and help those families and individuals facing financial stress.

#### **TURITEA WIND FARM**

Construction of the Turitea wind farm continues. The transmission infrastructure to serve the wind farm (and scaled for future development at Puketoi when the time is

**6.8CPS↑**  
**INTERIM DIVIDEND DECLARED**

right) is now largely complete. Wind turbines and the substation are being constructed in the northern section, and environmental controls are being put in place for earthworks and construction in the south.

Continued contractor delivery delays across design and construction have led to completion of the northern turbines now being further delayed until October this year (subject to the timing of successful delivery of blades to site). Construction of the southern turbines portion of the wind farm is also significantly delayed due in part to knock-on impacts of the northern build programme. According to Vestas' most recent schedule, completion of the southern turbines' is now forecast to be in July 2023. Concerted effort is being applied to bring that date forward.

#### **OUR PEOPLE**

We launched a new platform to enable individuals with relevant skills and interests to connect with projects around the business.

We offer our congratulations to those whose contribution was recognised through external awards, including

Romina Khambatta who was named Top Outbound Representative at the annual CRM Awards, and Mercury's Risk Assurance Officer Lucie Drummond who was named Young Executive of the Year in the 2020 Deloitte Top 200 Awards.

#### **CONSOLIDATION AND RATIONALISATION**

##### **Hudson Ranch 1**

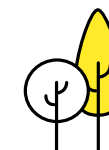
Mercury sold its interest in HR1, receiving net proceeds of approximately NZ\$40 million. Mercury retained its minority stake in EnergySource LLC, the developer and operator of HR1, and EnergySource Minerals LLC, a related company currently trialling lithium and other mineral extraction from the geothermal brine at HR1.

##### **Solar**

Following a review, we decided to exit our retail solar business in favour of focussing on core activities and other areas identified as providing growth opportunities.

##### **Bosco**

We also made the decision to move the approximately 5,000 customers served under our Bosco brand to Mercury. The consolidation supports operational efficiencies, as well as enhancing our ability to offer benefits of the Mercury brand to Bosco customers.



## LOOKING FORWARD

Being quick to adapt to a very dynamic environment will be crucial to Mercury's ongoing success. Recognising this, we have strengthened our focus on continuous improvement with an in-house review of opportunities to work smarter, faster and better. Embedding and delivering on a culture of improvement is seeking to deliver a \$30 million EBITDAF benefit in FY22.

### People

Associated with the need to set ourselves up for success, a new executive structure was put in place at the start of February. The structure is designed to support our contribution to balancing the internationally recognised *energy trilemma* of ensuring that we achieve our environmental goals, keep the lights on for New Zealanders and do this all efficiently for consumers.

### Climate Change

Mercury welcomed the Climate Change Commission's draft report on New Zealand's carbon budgets, released in January. It has a clear message that decisiveness and action is needed if New Zealand is to meet the emission reduction targets needed to secure a sustainable future.

Mercury is looking forward to supporting swift action from the Government to respond to the findings. We will continue to advocate for careful policy settings that are

supportive of an electricity sector that can continue to balance the energy trilemma for New Zealanders.

### COVID-19 response

We have continued to apply ourselves to facing challenges posed by the evolving COVID-19 pandemic.

We acknowledge and thank the resilience and determination of our people, the partners we work with and our customers in response to the disruption and high degree of uncertainty that exists.

Our own systems have been tested and have stood up well to the different levels of lockdown. This enables us to support those who rely on us, in particular our more vulnerable customers. We will continue to advocate for simple but safe processes that allow for the movement of people essential to keeping activity going in the economy.

### GUIDANCE

Mercury's FY21 EBITDAF guidance has been revised from \$535 million to \$520 million. This reflects a 100 GWh decrease in expected full year hydro generation to 3,800 GWh due to dry weather in the Taupō catchment since mid-January and ASX electricity futures indicating wholesale prices will remain elevated for the remainder of the financial year.

FY21 stay-in-business capital expenditure guidance has also been revised from

\$80 million to \$70 million with the deferral of non-urgent investment.

Guidance may change and remains subject to any material events, significant one-off expenses or other unforeseen circumstances including changes to hydrological conditions.

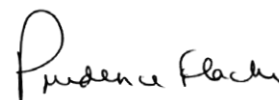
FY21 ordinary dividend guidance remains at 17.0 cents per share, fully imputed, representing a 7.6% increase on FY20 and the 13th consecutive year of ordinary dividend increases.

On behalf of your Board and Executive Management Team we are pleased to present this update and look forward to continuing to deliver on our business strategy through the second half of the year.

Ngā mihi nui ki a koutou katoa



VINCE HAWKS WORTH // CHIEF EXECUTIVE



PRUE FLACKS // CHAIR

**ZERO**

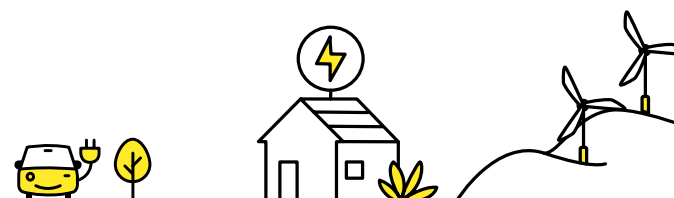
HIGH SEVERITY  
HEALTH AND  
SAFETY INCIDENTS

**19.0↑**

NET PROMOTER  
SCORE<sup>2</sup>

**\$27M↓**

OF STAY-IN-  
BUSINESS CAPEX



OUR FINANCIALS.

**LET'S GET  
INTO THE  
NUMBERS.**



# INDEPENDENT REVIEW REPORT.

## TO THE SHAREHOLDERS OF MERCURY NZ LIMITED

### REPORT ON THE REVIEW OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

#### CONCLUSION

We have reviewed the consolidated interim financial statements of Mercury NZ Limited ("the Company") and its subsidiaries and other controlled entities (collectively referred to as "the Group") which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six months ended on that date, and a summary of significant accounting policies and other explanatory information. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the six months ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*.

#### BASIS FOR CONCLUSION

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Consolidated Interim Financial Statements* section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Ernst & Young has provided remuneration market data and taxation related services, to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

#### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Directors of the Company are responsible, on behalf of Company, for the preparation and fair presentation of the consolidated interim financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34:

*Interim Financial Reporting* and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

#### AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted

in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on those consolidated interim financial statements.

The Auditor-General is the auditor of the Group. The Auditor-General has appointed Lloyd Bunyan, using the staff and resources of Ernst & Young, to carry out the audit of the Group on his behalf. As a result, Ernst & Young is required to comply with the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

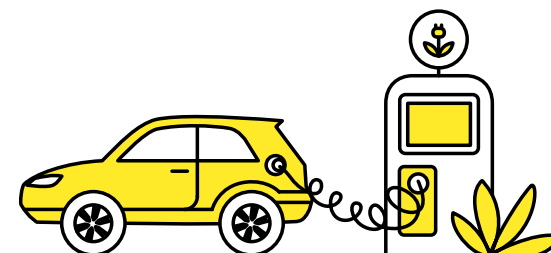
The engagement partner on the review resulting in this independent auditor's review report is Lloyd Bunyan.

*Ernst & Young*

ERNST & YOUNG

CHARTERED ACCOUNTANTS // AUCKLAND

23 February 2021



# FINANCIAL STATEMENTS.

## CONSOLIDATED INCOME STATEMENT.

For the six months ended 31 December 2020

		Unaudited 6 Months 31 Dec 2020	Unaudited 6 Months 31 Dec 2019	Audited 12 Months 30 Jun 2020
	Note	\$M	\$M	\$M
Total revenue	2	944	928	1,768
Total expenses	2	(650)	(670)	(1,274)
<b>EBITDAF<sup>1</sup></b>		<b>294</b>	<b>258</b>	<b>494</b>
Depreciation and amortisation		(110)	(105)	(214)
Change in the fair value of financial instruments		(36)	(22)	22
Gain on sale and impairments		41	–	–
Net interest expense	2	(23)	(30)	(54)
<b>Profit before tax</b>		<b>166</b>	<b>101</b>	<b>248</b>
Tax expense		(36)	(18)	(41)
<b>Profit for the period attributable to owners of the parent</b>		<b>130</b>	<b>83</b>	<b>207</b>
<b>Basic and diluted earnings per share (cents)</b>		<b>9.6</b>	<b>6.1</b>	<b>15.2</b>

1. EBITDAF: Earnings before net interest expense, tax expense, depreciation and amortisation, change in the fair value of financial instruments, gain on sale and impairments.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.

For the six months ended 31 December 2020

	Unaudited 6 Months 31 Dec 2020	Unaudited 6 Months 31 Dec 2019	Audited 12 Months 30 Jun 2020
	\$M	\$M	\$M
Profit for the period	130	83	207
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Movement in asset revaluation reserve	–	–	285
Movement in cash flow hedge reserve transferred to balance sheet	(15)	–	6
Share of movements in associates' and joint ventures' reserves	(4)	8	8
Tax effect	–	–	(91)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Movement in cash flow hedge reserve	(42)	1	1
Share of movements in associates' and joint ventures' reserves	(2)	(14)	–
Tax effect	12	–	–
<b>Other comprehensive (loss)/income for the period, net of taxation</b>	<b>(51)</b>	<b>(5)</b>	<b>209</b>
<b>Total comprehensive income for the period attributable to owners of the parent</b>	<b>79</b>	<b>78</b>	<b>416</b>

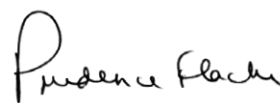
# CONSOLIDATED BALANCE SHEET.

As at 31 December 2020

	Note	Unaudited 31 Dec 2020 \$M	Unaudited 31 Dec 2019 \$M	Audited 30 Jun 2020 \$M
<b>SHAREHOLDERS' EQUITY</b>				
Issued capital		378	378	378
Treasury shares		(101)	(101)	(101)
Reserves		3,413	3,211	3,462
<b>Total shareholders' equity</b>		<b>3,690</b>	<b>3,488</b>	<b>3,739</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		91	85	79
Receivables		229	183	244
Contract assets		1	2	2
Inventories		23	25	22
Derivative financial instruments	5	86	67	126
<b>Total current assets</b>		<b>430</b>	<b>362</b>	<b>473</b>
<b>Non-current assets</b>				
Property, plant and equipment	6	5,934	5,517	5,898
Intangible assets		77	83	78
Investment and advances to associates	7	276	302	328
Advances to joint operations		6	6	6
Receivables		3	6	6
Derivative financial instruments	5	61	109	96
<b>Total non-current assets</b>		<b>6,357</b>	<b>6,023</b>	<b>6,412</b>
<b>Total assets</b>		<b>6,787</b>	<b>6,385</b>	<b>6,885</b>

	Note	Unaudited 31 Dec 2020 \$M	Unaudited 31 Dec 2019 \$M	Audited 30 Jun 2020 \$M
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables and accruals		163	153	280
Provisions		2	1	-
Borrowings	8	554	401	446
Derivative financial instruments	5	166	56	116
Taxation payable		29	22	33
<b>Total current liabilities</b>		<b>914</b>	<b>633</b>	<b>875</b>
<b>Non-current liabilities</b>				
Payables and accruals		7	10	12
Provisions		72	59	74
Derivative financial instruments	5	150	219	138
Borrowings	8	794	851	845
Deferred tax		1,160	1,125	1,202
<b>Total non-current liabilities</b>		<b>2,183</b>	<b>2,264</b>	<b>2,271</b>
<b>Total liabilities</b>		<b>3,097</b>	<b>2,897</b>	<b>3,146</b>
<b>Net assets</b>		<b>3,690</b>	<b>3,488</b>	<b>3,739</b>

For and on behalf of the Board of Directors, who authorised the issue of the Financial Statements on 23 February 2021.



**PRUE FLACKS // CHAIR**  
23 February 2021



**KEITH SMITH // DIRECTOR**  
23 February 2021

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.

For the six months ended 31 December 2020

	Issued capital \$M	Retained earnings \$M	Asset revaluation reserve \$M	Cash flow hedge reserve \$M	Other reserves \$M	Total equity \$M
<b>Balance as at 1 July 2019</b>	378	300	3,077	(118)	(100)	3,537
Movement in cash flow hedge reserve, net of taxation	–	–	–	1	–	1
Share of movements in associates' and joint ventures' reserves	–	–	9	(13)	(2)	(6)
<b>Other comprehensive income/(loss)</b>	–	–	9	(12)	(2)	(5)
Net profit for the period	–	83	–	–	–	83
<b>Total comprehensive income/(loss) for the period</b>	–	83	9	(12)	(2)	78
Dividend	–	(127)	–	–	–	(127)
<b>Balance as at 31 December 2019</b>	378	256	3,086	(130)	(102)	3,488
<b>Balance as at 1 January 2020</b>	378	256	3,086	(130)	(102)	3,488
Movement in asset revaluation reserve, net of taxation	–	–	205	–	–	205
Movement in cash flow hedge reserve, net of taxation	–	–	–	(5)	–	(5)
Share of movements in associates' and joint ventures' reserves	–	(1)	(10)	13	12	14
<b>Other comprehensive income/(loss)</b>	–	(1)	195	8	12	214
Net profit for the period	–	124	–	–	–	124
<b>Total comprehensive income for the period</b>	–	123	195	8	12	338
Dividend	–	(87)	–	–	–	(87)
<b>Balance as at 30 June 2020</b>	378	292	3,281	(122)	(90)	3,739
<b>Balance as at 1 July 2020</b>	378	292	3,281	(122)	(90)	3,739
Fair value revaluation of generation assets, net of taxation	–	8	(8)	–	–	–
Movement in cash flow hedge reserve, net of taxation	–	–	–	(45)	–	(45)
Share of movements in associates' and joint ventures' reserves	–	–	–	2	(8)	(6)
<b>Other comprehensive income/(loss)</b>	–	8	(8)	(43)	(8)	(51)
Net profit for the period	–	130	–	–	–	130
<b>Total comprehensive income/(loss) for the period</b>	–	138	(8)	(43)	(8)	79
Dividend	–	(128)	–	–	–	(128)
<b>Balance as at 31 December 2020</b>	378	302	3,273	(165)	(98)	3,690

## CONSOLIDATED CASH FLOW STATEMENT.

For the six months ended 31 December 2020

	Unaudited 6 Months 31 Dec 2020 \$M	Restated Unaudited 6 Months 31 Dec 2019 \$M	Restated Audited 12 Months 30 Jun 2020 \$M
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	970	974	1,679
Payments to suppliers and employees	(716)	(721)	(1,205)
Interest received	–	–	1
Interest paid	(26)	(30)	(60)
Taxes paid	(65)	(50)	(77)
<b>Net cash provided by operating activities</b>	163	173	338
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(177)	(68)	(177)
Acquisition of intangibles	(17)	(19)	(28)
Distributions received and advances repaid from associates and joint ventures	56	2	4
(Lodgement)/return of prudential deposits	(34)	7	21
Proceeds from the sale of Hudson Ranch	44	–	–
<b>Net cash used in investing activities</b>	(128)	(78)	(180)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from loans	300	325	375
Repayment of loans	(193)	(300)	(330)
Payment of lease liabilities	(2)	(2)	(4)
Dividends paid	(128)	(127)	(214)
<b>Net cash used in financing activities</b>	(23)	(104)	(173)
Net increase/(decrease) in cash and cash equivalents held	12	(9)	(15)
Cash and cash equivalents at the beginning of the period	79	94	94
<b>Cash and cash equivalents at the end of the period</b>	91	85	79
<i>Cash balance comprises:</i>			
<b>Cash balance at the end of the period</b>	91	85	79

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

For the six months ended 31 December 2020

## NOTE 1. ACCOUNTING POLICIES

### (1) REPORTING ENTITY

Mercury NZ Limited ("the Company") is incorporated in New Zealand, registered under the Companies Act 1993, an FMC reporting entity under the Financial Markets Conduct Act 2013, and is listed on the NZX Main Board and with foreign exempt listed status on the ASX.

The consolidated interim financial statements ("Group financial statements") are for Mercury NZ Limited Group ("the Group"). The Group financial statements comprise the Company and its subsidiaries, including its investments in associates and interests in joint arrangements.

The majority shareholder of Mercury NZ Limited is Her Majesty the Queen in Right of New Zealand ("the Government"), providing it with significant potential influence over the Group. The liabilities of the Group are not guaranteed in any way by the Government or by any other shareholder.

### (2) BASIS OF PREPARATION

The Group financial statements have been prepared in accordance with the New Zealand equivalent to International Accounting Standard 34 - Interim Financial Reporting ("NZ IAS 34"). In complying with NZ IAS 34, these statements comply with International Accounting Standard 34 - Interim Financial Reporting.

These Group financial statements, including the accounting policies adopted, do not include all the information and disclosures required in the annual financial statements. The Group financial statements have been prepared using the same accounting policies as, and should be read in conjunction with, the Group's annual financial statements for the year ended 30 June 2020.

The energy business operates in an environment that is dependent on weather as one of the key drivers of supply and demand. Fluctuations in seasonal weather patterns, particularly over the short-term, can have a positive or negative effect on financial performance. It is not possible to consistently predict this seasonality and some variability is common.

The preparation of financial statements requires judgements and estimates that impact the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

COVID-19 has had no material impact on the operations or financial performance of the Group.

## NOTE 2. SEGMENT REPORTING

### IDENTIFICATION OF REPORTABLE SEGMENTS

The operating segments are identified by management based on the nature of the products and services provided. Discrete financial information about each of these operating segments is reported to the Chief Executive, being the chief operating decision-maker, on a monthly basis, who assesses the performance of the operating segments on a measure of EBITDAF. Segment EBITDAF represents earnings before net interest expense, tax expense, depreciation and amortisation, change in the fair value of financial instruments, gain on sale and impairments by each segment inclusive of an allocation of central operating revenue and costs. Operating segments are aggregated into reportable segments only if they share similar economic characteristics.

At the end of the prior year, the company's operating segments were changed to better reflect how the business is managed and operating decisions are made. Accordingly, the reported segments are (i) Generation/Wholesale, (ii) Retail and (iii) Other segments. All comparative information has been restated accordingly.

## TYPES OF PRODUCTS AND SERVICES

### Generation/Wholesale

The generation/wholesale market segment encompasses activity associated with the electricity production, electricity trading, generation development activities and the Group's share of associates earnings. It also includes revenue from the sale of electricity to both commercial & industrial customers and the retail.

### Retail

The retail segment encompasses activity associated with sale of energy, related services and products, to mass market customers in New Zealand.

### Other Segments

Represents corporate support services which are not directly attributable to the generation/wholesale or retail segments.

### Inter-segment

Transactions between segments represent transfer charges by generation/wholesale to retail for the purchase of electricity.

## SEGMENT RESULTS

Six months ended 31 December 2019 (Unaudited)	Generation/ Wholesale \$M	Retail \$M	Other Segments \$M	Inter- segment \$M	Total \$M
Sales - Electricity generation	398	-	-	-	398
Sales to customers and derivatives	283	398	-	(162)	519
Earnings of associates	1	-	2	-	3
Other revenue	5	3	-	-	8
<b>Total revenue</b>	<b>687</b>	<b>401</b>	<b>2</b>	<b>(162)</b>	<b>928</b>
Energy costs	(325)	(166)	-	162	(329)
Line charges	(38)	(167)	-	-	(205)
Other direct cost of sales, excluding third party metering	(13)	(5)	-	-	(18)
Direct costs of other revenue	-	(1)	-	-	(1)
Third party metering	(1)	(22)	-	-	(23)
Employee compensation and benefits	(18)	(16)	(7)	-	(41)
Maintenance expenses	(19)	(3)	-	-	(22)
Other expenses	(16)	(12)	(3)	-	(31)
Allocation of corporate overheads	(5)	(5)	10	-	-
<b>Total expenses</b>	<b>(435)</b>	<b>(397)</b>	<b>-</b>	<b>162</b>	<b>(670)</b>
<b>Segment EBITDAF</b>	<b>252</b>	<b>4</b>	<b>2</b>	<b>-</b>	<b>258</b>
Interest expense	(2)	-	(27)	-	(29)
Lease interest expense	-	-	(2)	-	(2)
Interest income	-	-	-	-	-
Interest capitalised to capital work in progress	1	-	-	-	1
<b>Net interest expense</b>	<b>(1)</b>	<b>-</b>	<b>(29)</b>	<b>-</b>	<b>(30)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

For the six months ended 31 December 2020

Twelve months ended 30 June 2020 (Audited)	Generation/ Wholesale \$M	Retail \$M	Other Segments \$M	Inter- segment \$M	Total \$M
Sales - Electricity generation	706	-	-	-	706
Sales to customers and derivatives	584	746	-	(302)	1,028
Earnings of associates	18	-	-	-	18
Other revenue	10	6	-	-	16
<b>Total revenue</b>	<b>1,318</b>	<b>752</b>	<b>-</b>	<b>(302)</b>	<b>1,768</b>
Energy costs	(604)	(308)	-	302	(610)
Line charges	(77)	(308)	-	-	(385)
Other direct cost of sales, excluding third party metering	(32)	(9)	-	-	(41)
Direct costs of other revenue	-	(2)	-	-	(2)
Third party metering	(3)	(43)	-	-	(46)
Employee compensation and benefits	(35)	(32)	(15)	-	(82)
Maintenance expenses	(34)	(6)	-	-	(40)
Other expenses	(36)	(25)	(7)	-	(68)
Allocation of corporate overheads	(11)	(11)	22	-	-
<b>Total expenses</b>	<b>(832)</b>	<b>(744)</b>	<b>-</b>	<b>302</b>	<b>(1,274)</b>
<b>Segment EBITDAF</b>	<b>486</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>494</b>
Interest expense	(8)	-	(48)	-	(56)
Lease interest expense	-	-	(3)	-	(3)
Interest income	-	-	1	-	1
Interest capitalised to capital work in progress	4	-	-	-	4
<b>Net interest expense</b>	<b>(4)</b>	<b>-</b>	<b>(50)</b>	<b>-</b>	<b>(54)</b>

Six months ended 31 December 2020 (Unaudited)	Generation/ Wholesale \$M	Retail \$M	Other Segments \$M	Inter- segment \$M	Total \$M
Sales - Electricity generation	426	-	-	-	426
Sales to customers and derivatives	275	372	-	(151)	496
Earnings of associates	8	-	-	-	8
Other revenue	10	4	-	-	14
<b>Total revenue</b>	<b>719</b>	<b>376</b>	<b>-</b>	<b>(151)</b>	<b>944</b>
Energy costs	(332)	(154)	-	151	(335)
Line charges	(40)	(144)	-	-	(184)
Other direct cost of sales, excluding third party metering	(14)	(5)	-	-	(19)
Direct costs of other revenue	-	(2)	-	-	(2)
Third party metering	(2)	(21)	-	-	(23)
Employee compensation and benefits	(17)	(15)	(7)	-	(39)
Maintenance expenses	(13)	(3)	-	-	(16)
Other expenses	(18)	(11)	(3)	-	(32)
Allocation of corporate overheads	(5)	(5)	10	-	-
<b>Total expenses</b>	<b>(441)</b>	<b>(360)</b>	<b>-</b>	<b>151</b>	<b>(650)</b>
<b>Segment EBITDAF</b>	<b>278</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>294</b>
Interest expense	(7)	-	(19)	-	(26)
Lease interest expense	-	-	(2)	-	(2)
Interest income	-	-	-	-	-
Interest capitalised to capital work in progress	5	-	-	-	5
<b>Net interest expense</b>	<b>(2)</b>	<b>-</b>	<b>(21)</b>	<b>-</b>	<b>(23)</b>

## For the six months ended 31 December 2020

Underlying earnings after tax is presented to enable stakeholders to make an assessment and comparison of earnings after removing one-off and/or infrequently occurring events (exceeding \$10 million of profit before tax, which represents material items), impairments, any change in the fair value of derivative financial instruments and gain on sale, all net of tax expense. Changes in the fair value of financial instruments are excluded from underlying earnings in order to align their impact when they mature with the underlying hedged items.

Tax has been applied on all taxable adjustments at 28%.

In the prior year, the Group began accounting for its investment in Tilt Renewables Limited ("Tilt") as an investment in an associate. This required a comparison between the cost of the Group's investment and the fair value of its share of identifiable assets, with the difference of \$18 million being recognised as a bargain purchase gain on transition. Prior to moving to equity accounting, a \$10 million deferred tax expense was recognised in prior periods in relation to unrealised fair value movements of the Group's investment in Tilt. This tax expense was reversed during the prior year.

The share capital of the Company is represented by 1,400,012,517 ordinary shares (30 June 2020: 1,400,012,517) issued and fully paid. These shares do not have a par value, have equal voting rights and share equally in dividends and any surplus on winding up.

## NOTE 5. FINANCIAL INSTRUMENTS

The Group's overall risk management programme seeks to proactively hedge risks arising from the unpredictability of financial markets with the aim of protecting shareholder value. Exposure to price, credit, foreign exchange, liquidity and interest rate risks arise in the normal course of the Group's business. The Group's principal financial instruments comprise cash and cash equivalents, trade receivables and accruals (not prepayments), advances, payables and accruals, borrowings and derivative financial instruments. Further information on the identified risks can be found in Note 13 of the Group's annual financial statements for the year ended 30 June 2020.

## Fair Values

The carrying amount of financial assets and liabilities recorded in the financial statements approximates their fair values except for: (i) the Fixed Rate Bonds, the Floating Rate Bonds and the US Private Placement, the fair values for which have been calculated at \$325 million (30 June 2020: \$28 million), \$300 million (30 June 2020: \$298 million) and \$116 million (30 June 2020: \$326 million) respectively; and (ii) the Capital Bonds, the fair value for which has been calculated at

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

For the six months ended 31 December 2020

\$317 million (30 June 2020: \$314 million). Fair values are based on quoted market prices and inputs for each bond issue. Refer to Note 8 for carrying amounts of borrowings.

### Valuation techniques

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets;
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – the fair value is estimated using inputs that are not based on observable market data.

As at 31 December 2020 all of the Group's financial instruments carried at fair value were categorised as level 2, except for electricity price derivatives. Electricity price derivatives assets of \$43 million were categorised as level 1 (30 June 2020: \$54 million) and \$71 million were categorised as level 3 (30 June 2020: \$70 million). Further information on the identified risks can be found in Note 13 of the Group's annual financial statements for the year ended 30 June 2020. Electricity price derivative liabilities of \$30 million were categorised as level 1 (30 June 2020: \$12 million) and \$176 million were categorised as level 3 (30 June 2020: \$99 million).

Financial instruments that use a valuation technique with only observable market inputs, or unobservable inputs that are not significant to the overall valuation, include interest rate derivatives and foreign exchange rate derivatives not traded on a recognised exchange.

Financial instruments that use a valuation technique which includes non-market observable data include non-exchange traded electricity contracts which are valued using a discounted cash flow methodology using a combination of ASX market prices for the first three years, combined with management's internal view of forward prices for the remainder of the contract's term. Management's internal view of forward prices incorporates a minimum price of \$63/MWh and a maximum price of \$147/MWh (30 June 2020: a minimum price of \$70/MWh and a maximum price of \$115/MWh) over the period in question (in real terms) and is determined by a demand supply based fundamental model which takes account of current hydrological conditions, future inflows, an assessment of thermal fuel costs, anticipated demand and supply conditions and future committed generation capacity.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument there are two key inputs being used; the forward price curve and the discount rate. Where the derivative is an option, then the volatility of the forward price is another key variable. The selection of the inputs requires significant judgement, and therefore there is a range of reasonably possible assumptions in respect of these inputs that could be used in estimating the fair values of these derivatives. Maximum use is made of observable market data when selecting inputs and developing assumptions for the valuation technique.

### RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS

	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M
Opening balance	(29)	(59)	(59)
New contracts	(10)	(4)	(6)
Matured contracts	5	9	24
Gains and losses			
Through the income statement	(9)	(13)	–
Through other comprehensive income	(61)	10	12
<b>Closing balance</b>	<b>(104)</b>	<b>(57)</b>	<b>(29)</b>

### Deferred 'inception' gains/(losses)

There is an assumption that when derivative contracts are entered into on an arm's length basis, fair value at inception would be zero. The contract price of non exchange traded electricity derivative contracts are agreed on a bilateral basis, the pricing for which may differ from the prevailing derived market price curve for a variety of reasons. In these circumstances an inception adjustment is made to bring the initial fair value of the contract to zero at inception. This inception adjustment is amortised over the life of the contract by adjusting the future price path used to determine the fair value of the derivatives by a constant amount to return the initial fair value to zero.

The table below details the movements in inception value gains/(losses) included in the fair value of derivative financial assets and liabilities:

	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M
Opening deferred inception (losses)	(7)	(12)	(12)
Deferred inception gains on new hedges	8	7	10
Deferred inception (losses) realised during the period	–	(1)	(5)
<b>Closing inception gains/(losses)</b>	<b>1</b>	<b>(6)</b>	<b>(7)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

For the six months ended 31 December 2020

### NOTE 6. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M
Opening net book value	5,898	5,528	5,528
Additions, including transfers from capital work in progress	131	81	260
Net revaluation movement	–	–	296
Depreciation charge for the period	(95)	(92)	(186)
Closing net book value	5,934	5,517	5,898

### NOTE 7. INVESTMENT AND ADVANCES TO ASSOCIATES AND JOINT ARRANGEMENTS (JOINT VENTURES AND JOINT OPERATIONS)

Investments include:

Name of entity	Principal activity	Type	Interest held			Country
			Unaudited 31 Dec 2020	Unaudited 31 Dec 2019	Audited 30 Jun 2020	
TPC Holdings Limited	Investment holding	Associate	25.00%	25.00%	25.00%	New Zealand
Tilt Renewables Limited	Electricity generation and development	Associate	19.92%	19.97%	19.96%	New Zealand
Rotokawa	Steamfield operation	Joint Operation	64.80%	64.80%	64.80%	New Zealand
Ngā Awa Purūa	Electricity generation	Joint Operation	65.00%	65.00%	65.00%	New Zealand
EnergySource LLC	Investment holding	Joint Venture	20.86%	20.86%	20.86%	United States
EnergySource Minerals LLC	Mineral extraction	Joint Venture	20.84%	20.84%	20.84%	United States
Hudson Ranch I Holdings LLC	Electricity generation	Joint Venture	0.00%	75.00%	75.00%	United States

	Associates			Joint ventures		
	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M
Balance at the beginning of the period	328	76	76	–	–	–
Additions during the period	2	230	230	–	–	–
Share of earnings	8	3	18	–	–	–
Share of movement in other comprehensive income	(6)	(6)	8	–	–	–
Distributions received during the period	(56)	(1)	(4)	–	–	–
Balance at the end of the period	276	302	328	–	–	–

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

For the six months ended 31 December 2020

### NOTE 8. BORROWINGS

	Borrowing Currency Denomination	Maturity	Coupon	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M
Bank facilities	NZD	Various	Floating	45	25	75
Commercial paper programme	NZD	< 3 months	Floating	200	199	200
Wholesale bonds	NZD	Feb-2020	8.21%	–	31	–
USPP - US\$125m	USD	Dec-2020	4.25%	–	163	163
Wholesale / Credit wrapper	NZD	Sep-2021	Floating	300	300	300
USPP - US\$30m	USD	Dec-2022	4.35%	39	39	39
Wholesale bonds	NZD	Mar-2023	5.79%	26	26	26
USPP - US\$45m	USD	Dec-2025	4.60%	59	59	59
Green retail bonds	NZD	Sept-2027	1.56%	201	–	–
Green wholesale bonds	NZD	Oct-2030	1.92%	100	–	–
Capital Bonds	NZD	Jul-2049	3.60%	302	302	302
Lease liabilities	NZD			66	69	68
Deferred financing costs				(6)	(4)	(4)
Fair value adjustments				16	43	63
<b>Carrying value of loans</b>				<b>1,348</b>	<b>1,252</b>	<b>1,291</b>
Current				554	401	446
Non-current				794	851	845
				<b>1,348</b>	<b>1,252</b>	<b>1,291</b>

On 14 September 2020 Mercury issued \$200 million of new unsecured, unsubordinated fixed rate green bonds (MCY030). The MCY030 bonds are due to mature in September 2027 and have a fixed interest rate of 1.56%. On 9 October 2020 Mercury issued a further \$100 million of unsecured, unsubordinated fixed rate green bonds (green wholesale bonds). The green wholesale bonds are due to mature in October 2030 and have a fixed interest rate of 1.92%. Mercury's USD 125 million tranche of USPP Notes matured in December 2020, repaid from the proceeds of the new bond issues.

The Group has \$500 million of committed and unsecured bank loan facilities as at 31 December 2020 (30 June 2020: \$800 million). \$200 million of bridge facilities were terminated on issuance of the MCY030 bonds in September 2020. The company cancelled another \$100 million of facilities during the reporting period. Of the loan facilities of \$500 million, \$100 million matures in August 2022, \$100 million matures in December 2022 (extended during the period from an initial mature date of June 2021), \$50 million matures in March 2024 and rolling bank facilities of \$250 million currently matures in June 2022. The Group's \$300m wholesale/credit wrapped bond is due to mature in September 2021 and it is considering potential refinancing options.

The Company has a \$200 million Commercial Paper programme which is fully backed by committed and undrawn bank facilities. Notes issued under the programme are short-term money market instruments, unsecured and unsubordinated and targeted at professional investors. The programme is rated A2 by Standard & Poor's.

The Group has entered into a Master Trust Deed and Supplementary Trust Deeds for all its NZD denominated Senior Fixed and Floating Rate Bonds with the New Zealand Guardian Trust Group Limited, acting as trustee for the holders. The Group has agreed, subject to certain exceptions, not to create or permit to exist a security interest over or affecting its assets to secure indebtedness, and to maintain certain financial covenants. There has been no breach of the terms of these deeds.

The Group has entered into a negative pledge deed in favour of its bank financiers in which the Group has agreed, subject to certain exceptions, not to create or permit to exist a security interest over or affecting its assets to secure its indebtedness, and to maintain certain financial ratios in relation to the Group. These undertakings and covenants also apply to the US Private Placement terms and conditions. There has been no breach of the terms of this deed or the terms and conditions of the US Private Placement.

The Group has entered into various lease contracts for the right to use land & buildings, motor vehicles and office equipment and is also deemed to be a lessee of transmission equipment.

### NOTE 9. RELATED PARTY TRANSACTIONS

#### Majority shareholder

All transactions with the Crown and other entities wholly or partly owned by the Crown are on normal commercial terms. Transactions cover a variety of services including selling and trading energy, postal, travel and tax.

#### Transactions with related parties

Mercury NZ Limited has investments in subsidiaries, associates and joint arrangements, all of which are considered related parties.

As these are consolidated financial statements, transactions between related parties within the Group have been eliminated. Consequently, only those transactions between entities which have some owners external to the Group have been reported below:

	Transaction value		
	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M
<b>Associates</b>			
• Management fees and service agreements received	10	10	16
• Energy contract settlements received	7	8	12
<b>Joint operations</b>			
• Management fees and service agreements received	7	6	16
• Energy contract settlements received	10	4	6

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

For the six months ended 31 December 2020

Energy contracts, management and other services are made on normal commercial terms.

An advance to TPC Holdings Limited of \$4 million (2020: \$4 million) is interest free and repayable on demand subject to certain conditions being met.

The long-term advance to our Rotokawa Joint Venture partner of \$6 million (2020: \$6 million) carries a floating interest rate. Repayments under the advance are linked to the level of receipts under the geothermal energy supply agreement. There is no fixed repayment date, the agreement will terminate on receipt of any outstanding balances.

No related party debts have been written off, forgiven, or any impairment charge booked.

	Transaction value		
	Unaudited 6 Months 31 Dec 2020 \$000	Unaudited 6 Months 31 Dec 2019 \$000	Audited 12 Months 30 Jun 2020 \$000
<b>Key management personnel compensation (paid and payable) comprised:</b>			
• Directors' fees	493	466	948
• Benefits for the Chief Executive and Senior Management:			
Salary and other short-term benefits	3,241	3,683	7,086
Termination benefits	–	–	324
Share-based payments	266	228	377
	4,000	4,377	8,735

The increase in directors' fees between periods is a result of the Board having a full complement for the current period.

### Other transactions with key management personnel

Key management personnel are those people with responsibility and authority for planning, directing and controlling the activities of the Group. Key management personnel for the Group are considered to be the Directors and Senior Management.

Directors and employees of the Group deal with Mercury NZ Limited as electricity consumers on normal terms and conditions, with staff discounts for employees, within the ordinary course of trading activities. A number of Directors also provide directorship services to other third party entities. A number of these entities transacted with the Group on normal commercial terms during the reporting period.

A number of key management personnel provide directorship services to subsidiaries and other third party entities as part of their employment without receiving any additional remuneration, with exception to the Group's Chief Executive who is a member of the Board of Directors of Tilt Renewables Limited and directly receives remuneration for his directorship services. Again, a number of these entities transacted with the Group, in all circumstances on normal commercial terms during the reporting period.

The Group purchases directors and officers insurance for the benefit of key management personnel in relation to the services they provide to the Group.

## NOTE 10. COMMITMENTS AND CONTINGENCIES

	Unaudited 6 Months 31 Dec 2020 \$M	Unaudited 6 Months 31 Dec 2019 \$M	Audited 12 Months 30 Jun 2020 \$M
<b>Commitments</b>			
Capital	299	489	391

Capital commitments include purchases of both property, plant and equipment (PP&E) and intangibles. PP&E commitments include contracts for construction of wind generation assets at Turitea and refurbishment of hydro generation assets at Karāpiro. Intangible commitments are contracts to purchase New Zealand emissions trading scheme (NZ ETS) units. In the event the NZ ETS is terminated the existing forward purchase agreements, which cover the eight year period from the end of the reporting period, will also terminate.

### Contingencies

The Group holds land and has interests in fresh water and geothermal resources that are subject to claims that have been brought against the Government.

The Pouākani Claims Trust No 2 and a group of kaumatua have recently filed a claim in the Māori Land Court seeking a declaration that certain parts of the Waikato riverbed are Māori customary land, including the riverbed beneath the Whakamaru, Maraetai I and II and Waipapa dams. Mercury holds the fee simple or beneficial title to that land and has received advice that the applicants are unlikely to succeed with a claim to customary title in those parts of the Waikato riverbed beneath the Whakamaru, Maraetai I and II and Waipapa dams.

The Group holds land at Maraetai, Waikato, that is subject to a remedies hearing brought against the Government in the Waitangi Tribunal pursuant to the Treaty of Waitangi Act 1975. The remedies hearing relates to an application seeking binding recommendations for the resumption of land at Pouākani, including the Group's land at Maraetai. The Group has received advice that the Tribunal's decision on the matter is unlikely to impair the Group's ability to operate its hydro assets.

A separate claim by the New Zealand Māori Council relating to fresh water and geothermal resources was lodged in 2012 with the Waitangi Tribunal. The Tribunal concluded that Māori have residual (but as yet undefined) proprietary rights in fresh water and geothermal resources and it will be for the Government to determine how any such rights and interests may best be addressed. The impact of this claim on the Group's operations is unknown at this time.

From time to time the Group will issue letters of credit and guarantees to various suppliers in the normal course of business. However, there is no expectation that any outflow of resource relating to these letters of credit or guarantees will be required as a consequence.

The Group has no other material contingent assets or liabilities.

## NOTE 11. SUBSEQUENT EVENTS

The Board of Directors has approved an interim dividend of 6.8 cents per share to be paid on 1 April 2021.

The Climate Change Commission released its 2021 draft advice for consultation on 31 January 2021. The report is likely to prove significant for the energy industry and is currently being reviewed by the Group.

There are no other material events subsequent to balance date that would affect the fair presentation of these financial statements.

# INFORMATION FOR SHAREHOLDERS.

## Shareholder enquiries

You can view your investment portfolio, change your address, supply your email, update your details or payment instructions online: [www.investorcentre.com/nz](http://www.investorcentre.com/nz). You will need your CSN and FIN numbers to access this service.

Enquiries may be addressed to the Share Registrar (see Directory for contact details).

## Investor information

Our website at [mercury.co.nz](http://mercury.co.nz) is an excellent source of information about what's happening within the company.

Our Investor Centre allows you to view all regular investor communications, information on our latest operating and financial results, dividend payments, news and share price history.

## Electronic shareholder communication

It is quick and easy to make the change to receiving your reports electronically. This can be done either:

Online at [www.investorcentre.com/nz](http://www.investorcentre.com/nz) by using your CSN and FIN numbers (when you log in for the first time). Select 'My Profile' and 'Communication Preferences' to update your details, or;

By contacting Computershare Investor Services Limited (see Directory for contact details).

# DIRECTORY.

## Board of Directors

Prue Flacks, Chair  
Hannah Hamling  
Andy Lark  
James Miller  
Keith Smith  
Scott St John  
Patrick Strange  
Mike Taitoko

## Executive Team

Vince Hawksworth,  
Chief Executive

Phil Gibson,  
General Manager Portfolio

Julia Jack,  
Chief Marketing Officer

William Meek,  
Chief Financial Officer

Marlene Strawson,  
General Manager People &  
Performance

General Manager Customer  
Vacant as at 23 February 2021

General Manager Generation  
Vacant as at 23 February 2021

General Manager Sustainability  
Vacant as at 23 February 2021

## Company Secretary

Howard Thomas,  
General Counsel and Company  
Secretary

## Investor Relations & Sustainability Enquiries

Tim Thompson,  
Head of Treasury & Investor Relations  
Phone: +64 27 517 3470  
Email: [investor@mercury.co.nz](mailto:investor@mercury.co.nz)

## Registered Office in New Zealand

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Auckland 1142  
New Zealand

## Registered Office in Australia

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(Australia) Pty Limited  
Level 16, 201 Elizabeth Street  
Sydney, NSW 2000  
Phone: +61 2 8988 5800

## Legal Advisors

Chapman Tripp  
Level 34  
PwC Tower at Commercial Bay  
15 Customs Street West  
Auckland 1010  
PO Box 2206, Auckland 1140  
Phone: +64 9 357 9000

## Bankers

ANZ Bank  
ASB Bank  
Bank of New Zealand  
China Construction Bank  
Mitsubishi UFJ Financial Group  
Mizuho Bank  
Westpac

## Credit Rating (re-affirmed November 2020)

Long term: BBB+  
Outlook: Stable

## Share Registrar – New Zealand

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