



STOCK EXCHANGE LISTINGS: NEW ZEALAND (MCY) / AUSTRALIA (MCY)

NEWS RELEASE

Quarterly Operational Update

20 July 2022 – Attached is Mercury's Quarterly Operational Update for the 3 months ended 30 June 2022.

ENDS

Howard Thomas
General Counsel and Company Secretary
Mercury NZ Limited

For investor relations queries, please contact:

William Meek
Chief Financial Officer
0275 173 470

For media queries, please contact:

Shannon Goldstone
Head of Communications
Media phone: 027 210 5337

ABOUT MERCURY NZ LIMITED

Mercury's mission is energy freedom. Our purpose is to inspire New Zealanders to enjoy energy in more wonderful ways and our goal is to be New Zealand's leading energy brand. We focus on our customers, our people, our partners and our country; maintain a long-term view of sustainability; and promote wonderful choices. Mercury is energy made wonderful. Visit us at:

www.mercury.co.nz



>> QUARTERLY HIGHLIGHTS

WIND DRIVES GENERATION UPLIFT

WIND PRODUCTION HITS
1,269GWH LIFTING ANNUAL
GENERATION TO 7,499GWH

LAKE TAUPO STORAGE HIGH

LAKE TAUPO 80% FULL
FOLLOWING WET START
TO WINTER

ENERGY YIELDS LIFTING

YIELDS LIFT ACROSS
ALL SEGMENTS

>> COMMENTARY

A wet June across NZ saw Lake Taupo inflows reach the 95th percentile and 71% full at the end of the financial year. Wetter conditions in July lifted Lake Taupo storage further to 80% full, positioning Mercury hydro generation for FY2023 well. While inflows for the quarter were close to median, the financial year was drier than normal with inflows slightly above the lower quartile. Accordingly, Mercury's hydro generation for the year was below normal at 3,662GWh but broadly similar to FY2021.

National electricity demand was relatively weak for the quarter down 1.7% versus Q4 2021 mostly due to lower industrial demand (key contributors being Norske Skog, Panpac, NZ Steel and the Marsden Refinery). On an annual basis, demand trends were also lower with demand falling 1.2% on the FY2021 average.

Persistently high thermal fuel costs saw Auckland futures prices hold up in FY2023 and FY2024 at \$193/MWh and \$183/MWh respectively as at 30 June 2022. Short-term futures prices have eased slightly since financial year end due to strong national inflows and rising storage.

Operating statistics now include separate disclosures relating to the newly acquired Trustpower retail business from 1 May. These are reported separately to provide consistency in reporting for FY2022 (except for the Manawa contract for differences which is included in Mercury's buy CFD volumes). Trustpower retail statistics will be aggregated with Mercury's existing disclosures in subsequent quarterly operating reports.

Physical sales across all segments lifted in the quarter and for the year with annual mass market volumes dropping 117GWh (Mercury only), offset by higher sales to commercial/industrial customers lifting 367GWh. Average annual yield growth was strong, up \$6/MWh in mass markets and \$12/MWh in the commercial/industrial segment. Annual sold contract for differences yields also rose by \$6/MWh for the year. Trustpower retail electricity volumes for May and June were 333GWh.

On the generation front, Mercury generated almost 7,500GWh in FY2022 bolstered by wind generation of 1,269GWh from Turitea North and the ex-Tilt windfarms acquired in August 2021.

>> MERCURY OPERATING STATISTICS

OPERATING INFORMATION	Three months ended 30 June 2022		Three months ended 30 June 2021		Twelve months ended 30 June 2022		Twelve months ended 30 June 2021	
CUSTOMER NUMBERS (’000s ICPs)								
Electricity connections	321		328					
Gas connections	47		45					
Customers with 2 or more products	47		45					
	VWAP ¹ (\$/MWh)	Volume (GWh)	VWAP ¹ (\$/MWh)	Volume (GWh)	VWAP ¹ (\$/MWh)	Volume (GWh)	VWAP ¹ (\$/MWh)	Volume (GWh)
ELECTRICITY SALES								
Physical	138.08	1,230	129.27	1,205	129.83	4,772	123.77	4,522
Mass Market ²	150.25	636	142.10	672	144.20	2,537	139.70	2,654
Commercial & Industrial ³	125.04	594	113.09	533	113.52	2,235	101.15	1,868
Network Losses		58		56		223		213
Physical Purchases ⁴	201.26	1,288	287.92	1,262	152.30	4,995	193.56	4,735
Financial	105.76	685	98.15	846	98.14	2,940	91.75	3,432
End User CfDs	106.88	290	87.10	425	96.42	1,106	86.96	1,559
Other Sell CfDs ⁵	104.95	395	109.30	421	99.18	1,834	95.74	1,873
Spot Settlement of CfDs	192.00		269.63		141.49		175.21	
Spot Customer Purchases	201.79	27	277.51	31	146.98	119	176.38	166
Gas Sales Volume (TJ)		273		286		1,029		1,034
ELECTRICITY GENERATION								
Physical	175.63	1,927	282.02	1,317	138.61	7,499	180.04	6,205
Hydro	199.82	925	295.88	727	161.45	3,662	186.94	3,611
Geothermal (consolidated) ⁶	182.46	647	264.93	590	135.86	2,568	170.44	2,594
Wind Spot	169.07	103			123.21	308		
Wind PPA	72.14	252			63.78	961		
Financial	105.04	676	210.08	779	109.66	1718	139.05	1,968
Buy CfDs ⁵	105.04	676	210.08	779	109.66	1,718	139.05	1,968
Spot Settlement of CfDs	191.53		266.79		153.03		193.13	
Net Position ⁷		378	-	12		321		6

¹ VWAP is volume weighted average energy-only price sold to customers after lines, metering and fees

² Mass market includes residential segments and non time-of-use commercial customers

³ Fixed-price, variable-volume (FPVV) sales to time-of-use commercial customers

⁴ Excludes spot customer purchases

⁵ Includes Virtual Asset Swap volumes of 149 GWh for the 3 months ended 30 June 2022 and 149 GWh for the 3 months ended 30 June 2021 and 599 GWh for the 12 months ended 30 June 2022 and 599 GWh for the 12 months ended 30 June 2021. Also includes the Manawa CFD volumes relating to the Trustpower retail transaction since May 2022.

⁶ Includes Mercury's 65% share of Nga Awa Purua generation

⁷ Includes all physical and financial buys and sells except spot customer purchases

>> TRUSTPOWER RETAIL OPERATING STATISTICS

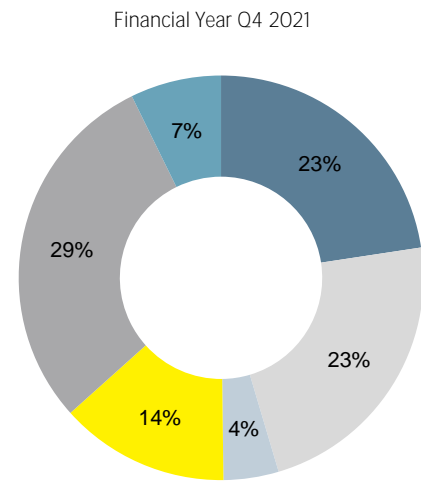
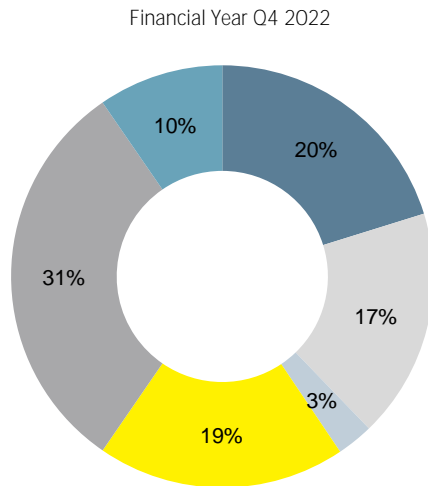
OPERATING INFORMATION	Three months ended 30 June
CUSTOMER NUMBERS (‘000s ICPs)	
Electricity connections	253
Gas connections	48
Telecommunication customers	117
Mobile connections	13
Customers with two or more products	129
	Volume (GWh)
ELECTRICITY SALES	
Physical	333
Mass Market ¹	333
Network Losses	21
Physical Purchases	354
Gas Sales Volume (TJ)	236
Net Position	354

¹ Mass market includes residential segments and non time-of-use commercial customers

>> MARKET DATA

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

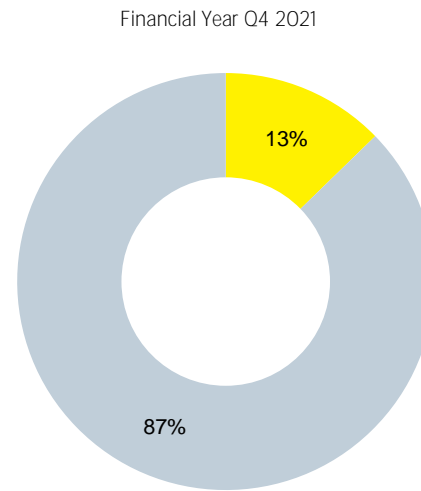
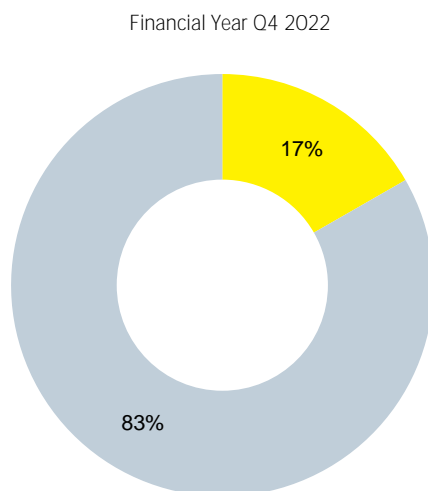
■ CONTACT ENERGY
 ■ GENESIS ENERGY
 ■ MANAWA ENERGY
 ■ MERCURY
 ■ MERIDIAN ENERGY
 ■ OTHER



Source: Electricity Authority

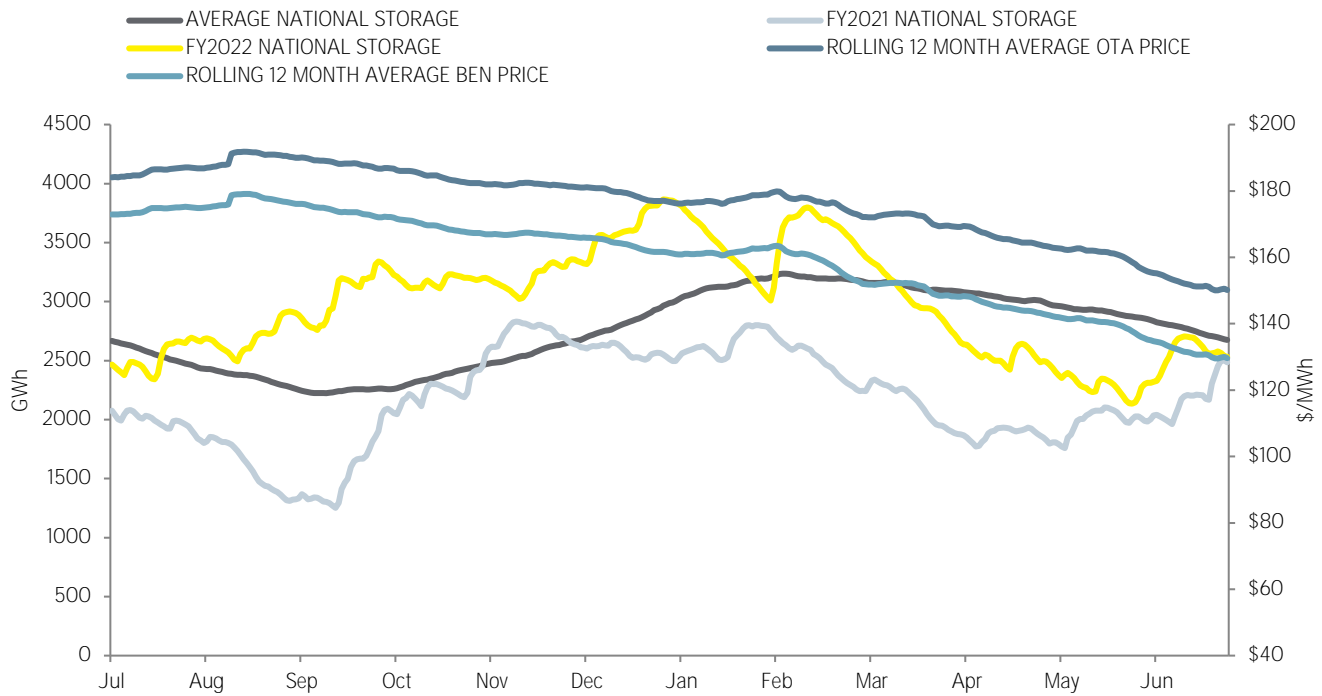
> SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 30 JUNE (EXCLUDING CFDs)

■ MERCURY
 ■ OTHER



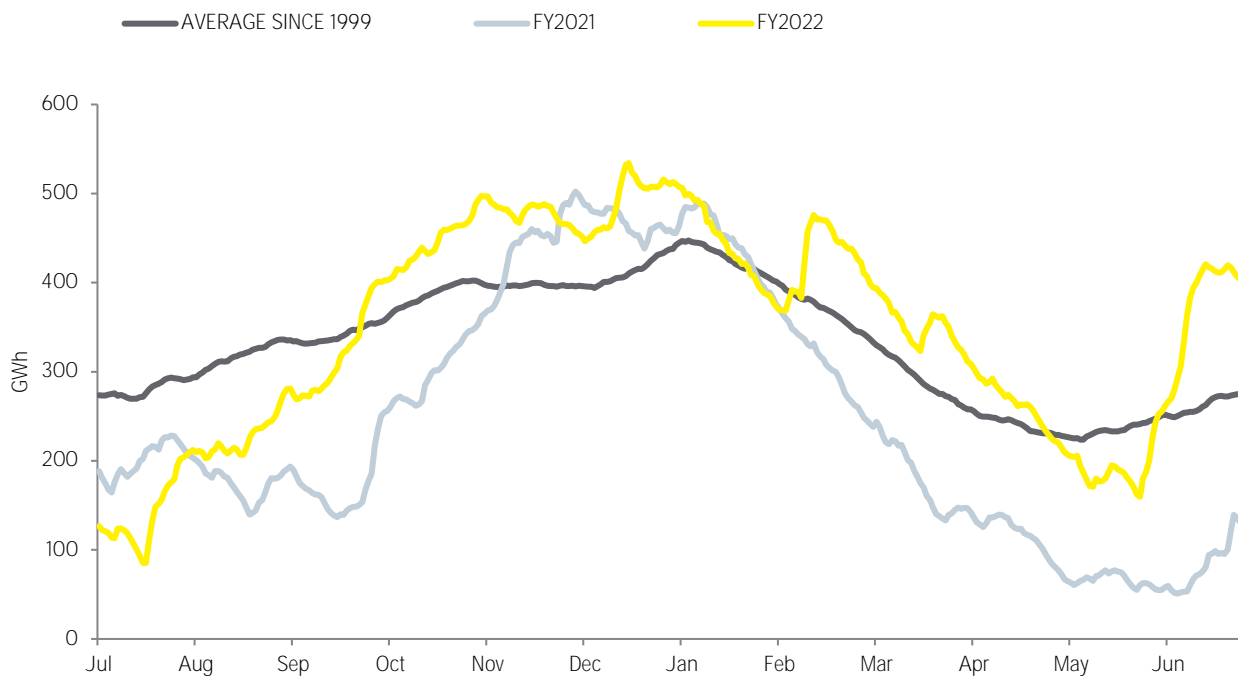
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



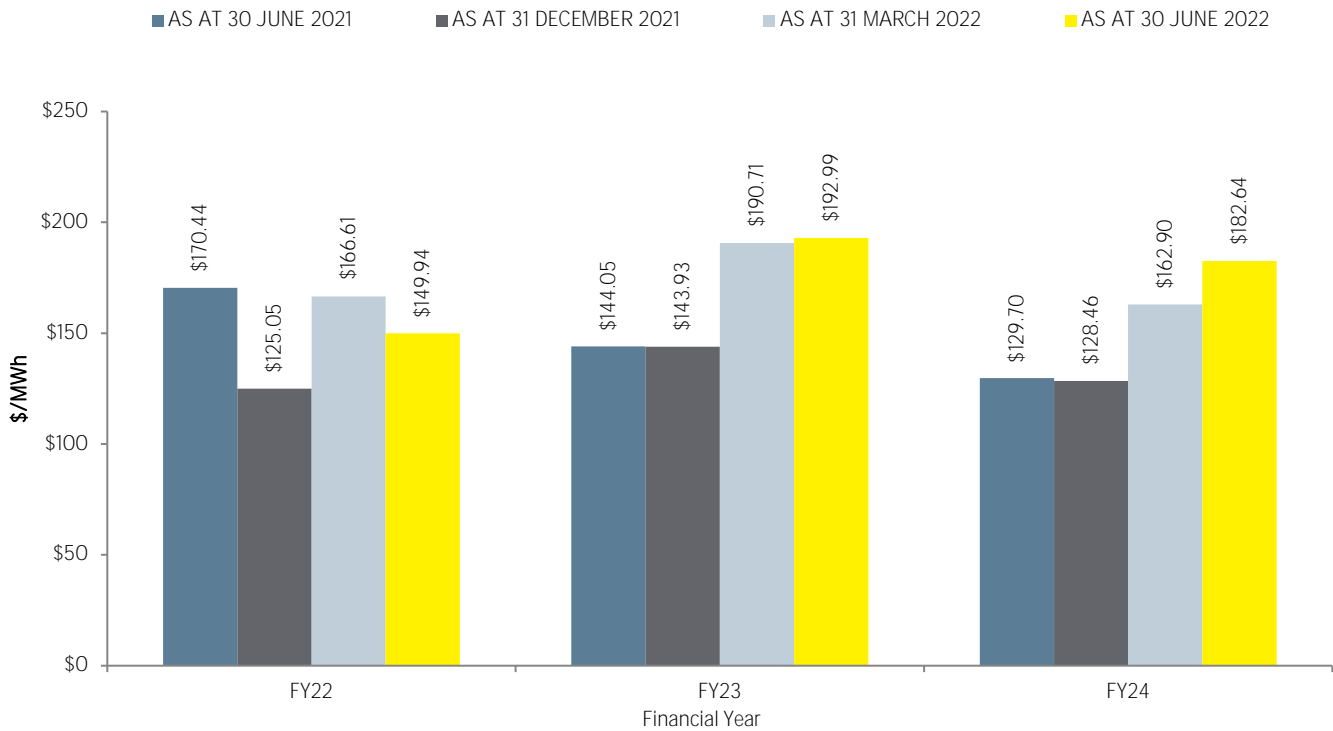
Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



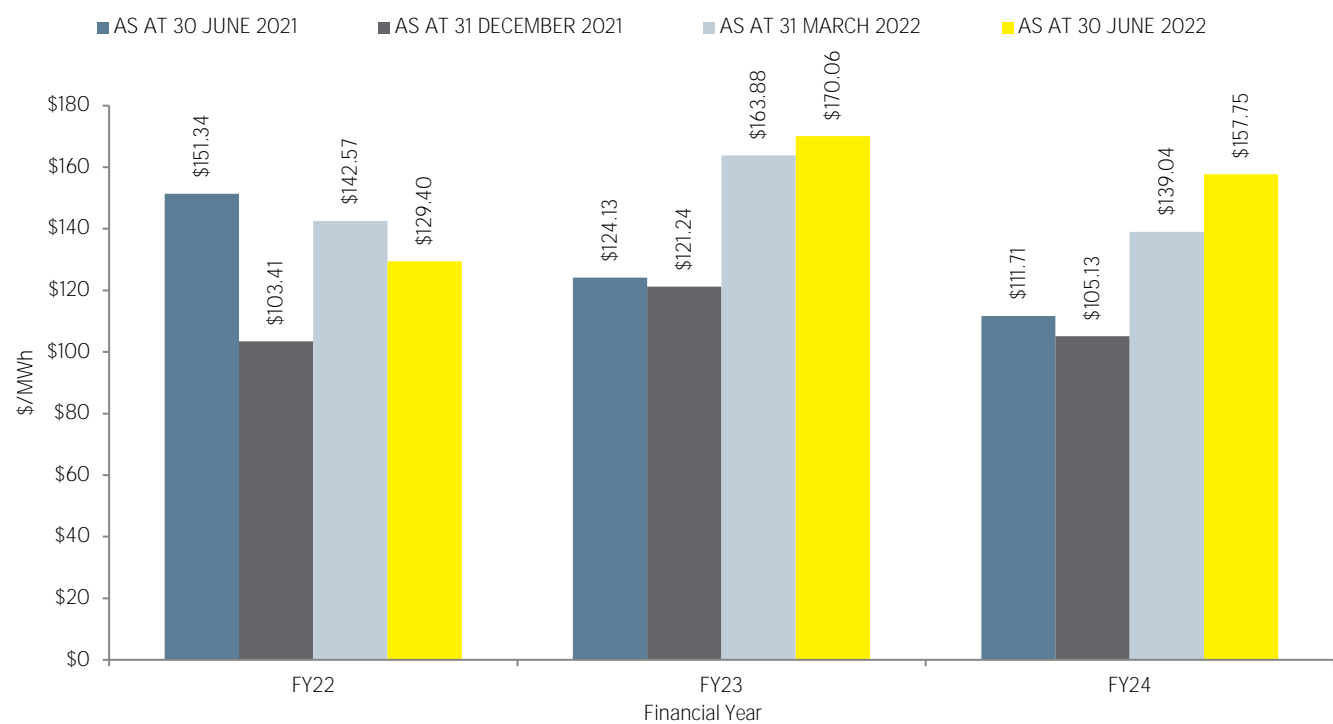
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



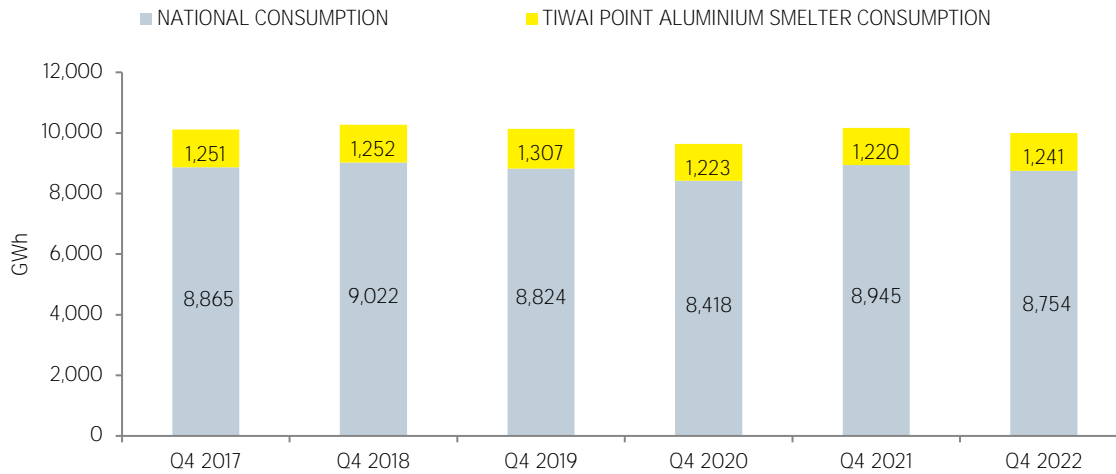
Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



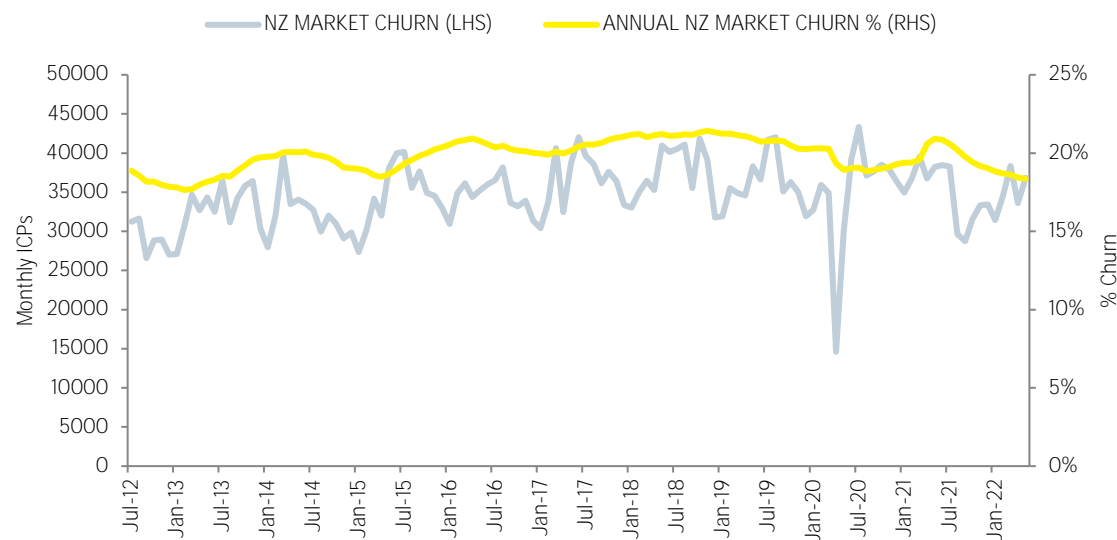
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY (°C)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2022	12.2	17.8	20.8	15.1
2021	12.3	16.9	19.5	14.8
2020	12.3	16.7	19.5	14.4
2019	12.1	16.3	20.2	14.1
2018	12.3	17.2	20.7	14.3
Historical Average (since 1999)	11.9	16.1	19.4	14.2

Source: Met Service

> MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)



Source: Electricity Authority