



STOCK EXCHANGE LISTINGS: NZX (MCY) / ASX (MCY)

NEWS RELEASE

Governance Roadshow Presentation – August 2023

8 AUGUST 2023 – Mercury will present a series of investor meetings during August 2023.

The presentation materials are attached.

ENDS

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ABOUT MERCURY NZ LIMITED

Mercury generates electricity from 100% renewable sources: hydro, geothermal and wind.

We are also a retailer of electricity, gas, broadband and mobile services.

We're listed on the New Zealand Stock Exchange and the Australian Stock Exchange with the ticker symbol 'MCY', with foreign exempt listed status. The New Zealand Government holds a legislated minimum 51% shareholding in the Company.

Visit us at: www.mercury.co.nz



MERCURY.

GOVERNANCE ROADSHOW

PRUE FLACKS
Chair

8 August 2023

JAMES MILLER
Chair, Risk Assurance
and Audit Committee



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A number of non-GAAP financial measures are used in this presentation, which are outlined in the appendix of the presentation. You should not consider any of these in isolation from, or as a substitute for, the information provided in the consolidated interim financial statements for the 6 months ended 31 December 2022, which are available at www.mercury.co.nz.

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. The presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any security and may not be relied upon in connection with the purchase or sale of any security. Nothing in this presentation constitutes legal, financial, tax or other advice.



MERCURY AT A GLANCE

Our business

- Retail bundles across electricity, gas, broadband and mobile
- ~22% Generation market share¹
- ~26% Retail electricity market share²
- ~164k Telco and mobile connections²

100%

Renewable Generation

~585 k Electricity
Connections

~8.8 TWh

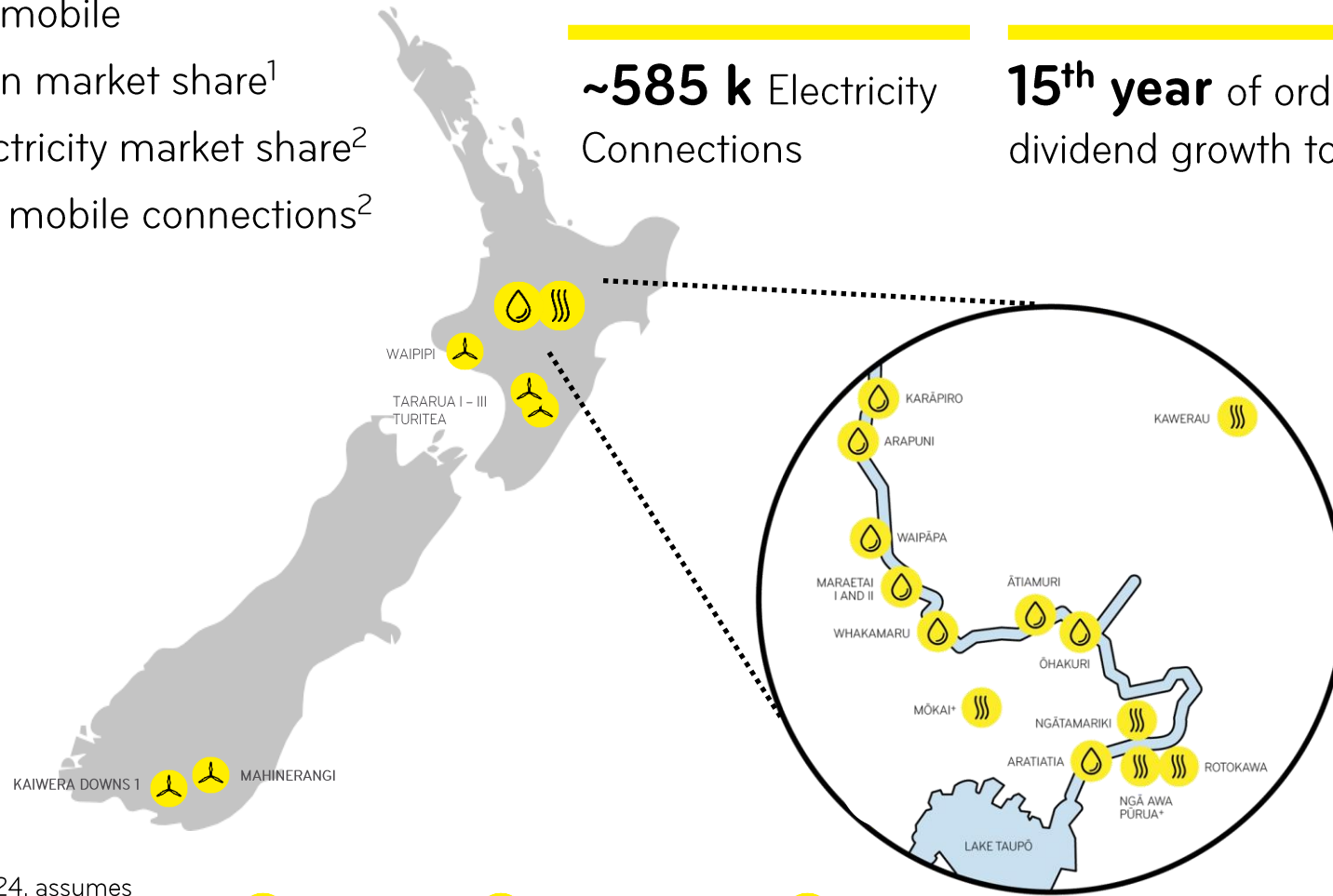
Renewable Generation³

15th year of ordinary
dividend growth to FY23

2,430 GWh

Wind Consented

\$795 m FY23
EBITDA⁴



¹ for 12 months to 31 March 2023

² as of March 31, 2023

³ average forecast generation in FY24, assumes 120GWh from Kaiwera Downs 1

⁴ as per guidance update March 15, 2023



HYDRO STATIONS



GEOTHERMAL STATIONS
+ Not all 100% owned by Mercury



WIND FARMS



MERCURY'S EVOLUTIONARY STEPS

Post IPO¹

Became a 100% renewable generation business

Enhanced business performance and transparency of operations

Period of transformation

Acquired Trustpower retail business

Acquired Tilt NZ assets

Delivered Turitea North wind farm

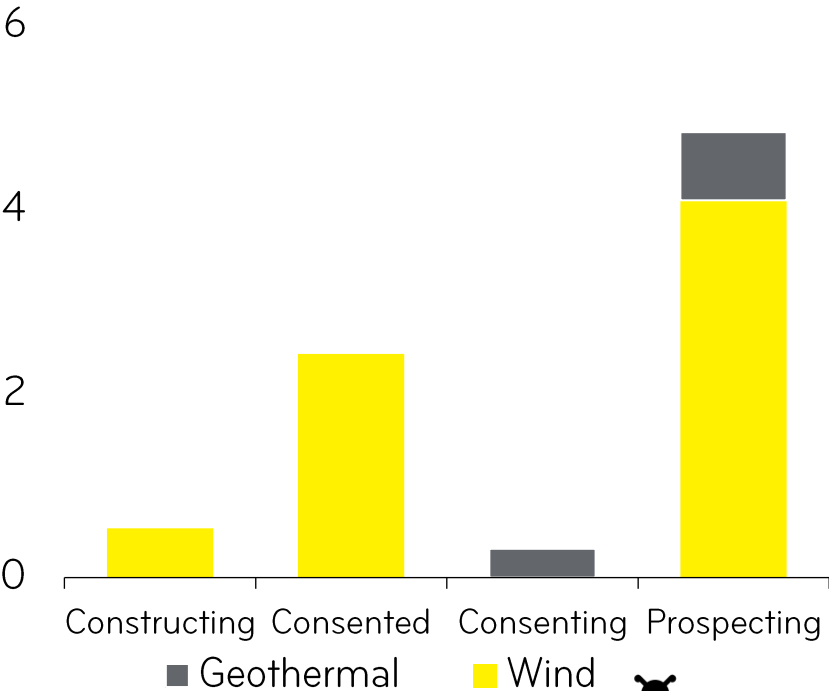
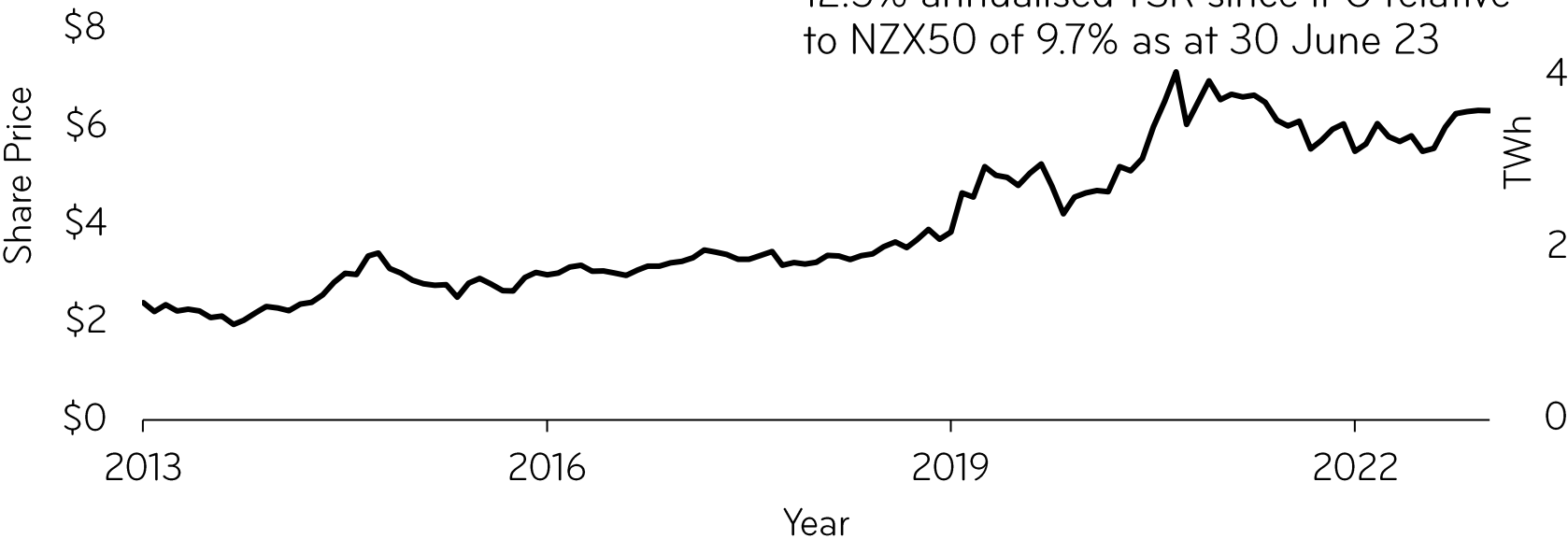
Turitea South and Kaiwera Downs 1 wind farms in construction

12.5% annualised TSR since IPO relative to NZX50 of 9.7% as at 30 June 23

Generation pipeline

2,430 GWh of wind consented

>1,200 MW of wind, geothermal, solar and battery energy storage systems under investigation/in feasibility



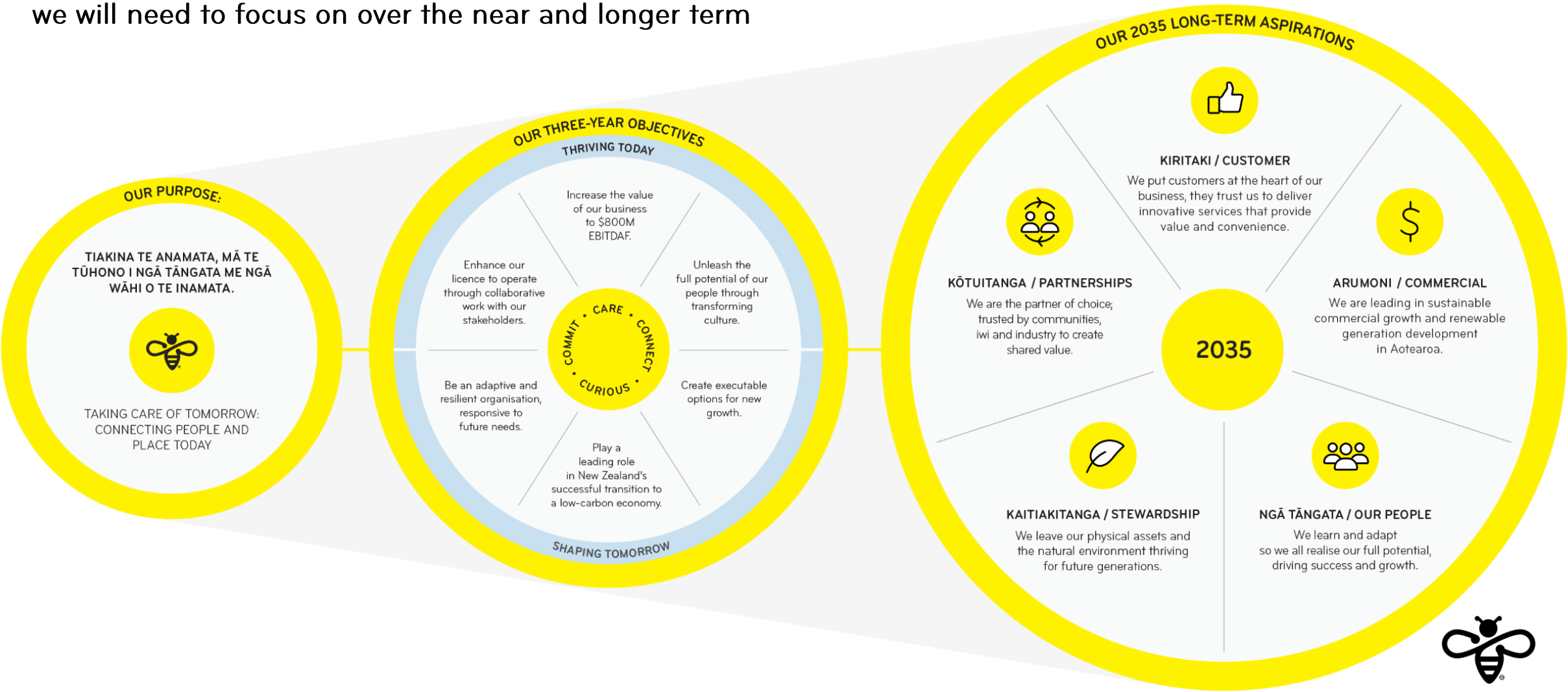
¹Mercury listed on the NZX/ASX on 10th May 2013



OUR STRATEGIC FRAMEWORK



Our strategic framework maps why we exist, and what we will need to focus on over the near and longer term

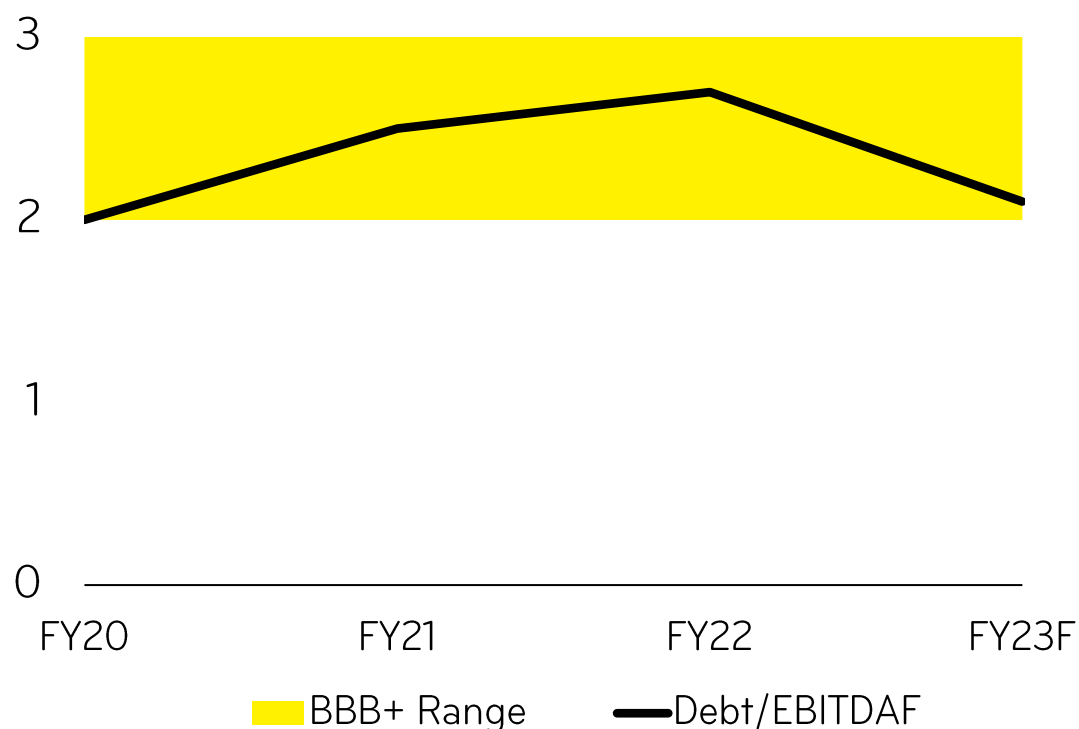


STRONG BALANCE SHEET SUPPORTS FURTHER INVESTMENT

\$

Forecast Debt/EBITDAF provides platform for growth

Key messages



- Debt / EBITDAF peaked in FY22 and is expected to reduce to a forecast of ~2.1x¹ by the end of FY23 due to an increase in EBITDA with full year contributions from Turitea North, ex-Tilt wind farms and Trustpower Retail
- S&P Global re-affirmed Mercury's credit rating of BBB+/stable in April 2023
- Mercury targets Debt/EBITDAF between 2x-3x after adjusting for S&P Global treatment, consistent with our BBB+ rating
- Mercury commenced a Dividend Reinvestment Plan (DRP) in FY22, which remains active

¹Based on FY23 guidance and adjusted for S&P Global treatment of Mercury Capital Bonds



LEADERSHIP TEAM



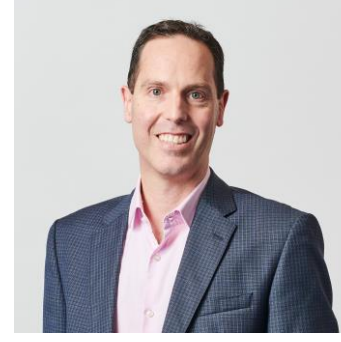
> VINCE HAWKSWORTH
CHIEF EXECUTIVE



> LUCIE DRUMMOND
GENERAL MANAGER SUSTAINABILITY



> PHIL GIBSON
GENERAL MANAGER PORTFOLIO



> STEW HAMILTON
GENERAL MANAGER GENERATION



> WILLIAM MEEK
CHIEF FINANCIAL OFFICER



> CRAIG NEUSTROSKI
GENERAL MANAGER COMMERCIAL
OPERATIONS



> FIONA SMITH
GENERAL MANAGER CUSTOMER
OPERATIONS



> MARLENE STRAWSON
GENERAL MANAGER PEOPLE &
PERFORMANCE

Key messages

- Very experienced leadership team is structured to position Mercury for future opportunities and challenges
- A range of tenure to provide balance and renewal
- Chief Marketing Officer left during the period to join a leading New Zealand bank



BOARD OF DIRECTORS



PRUE FLACKS
CHAIR
Tenure 6+ years



HANNAH HAMLING
DIRECTOR
Tenure 4-6 years



ADRIAN LITTLEWOOD
DIRECTOR
Effective 1 August 2023



JAMES MILLER
DIRECTOR
Tenure 6+ years



SUSAN PETERSON
DIRECTOR
Tenure 0-3 years



SCOTT ST JOHN
DIRECTOR
Tenure 4-6 years



PATRICK STRANGE
DIRECTOR
Tenure 6+ years



MIKE TAITOKO
DIRECTOR
Tenure 6+ years



LORRAINE WITTEN
DIRECTOR
Tenure 0-3 years



MARK BINNS
DIRECTOR
Effective 1 September 2023

- Patrick Strange has announced his retirement after the September 2023 Annual Shareholders' meeting
- Dennis Barnes departed the Board in May 2023
- Appointment of Adrian Littlewood and Mark Binns made to complement Board's collective capabilities and to add operational experience at the highest level in the New Zealand energy industry
- Intention to appoint our fifth Future Director under the Institute of Directors Future Directors Programme



ASM RESOLUTIONS



ASM resolutions to appoint four Directors

- Re-election of Hannah Hamling
- Re-election of Scott St John
- Election of Adrian Littlewood
- Election of Mark Binns

Key messages

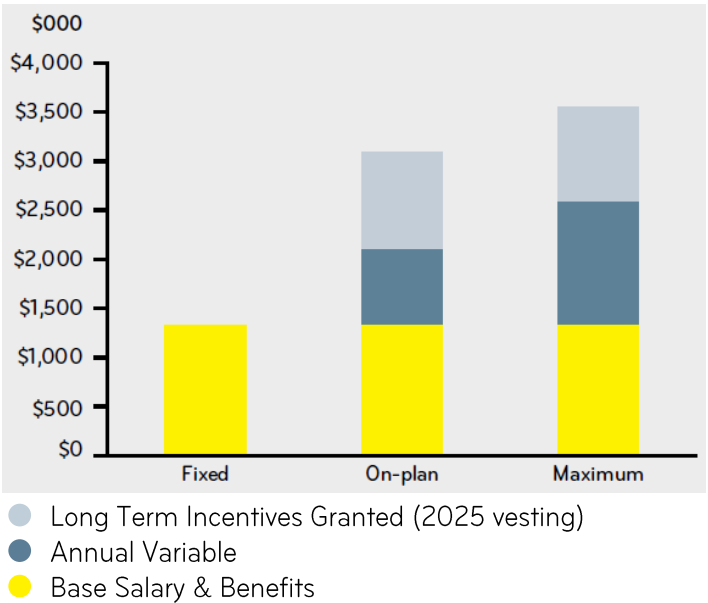
- These high calibre appointments will bring significant CEO and project experience to the Board
- Mr Binns was CEO of Meridian Energy from 2012 – 2017 and before that spent 22 years with Fletcher Building, including 15 years as CEO of the Construction and Infrastructure division. He currently chairs Crown Infrastructure Partners and Hynds Limited and is a director of Auckland International Airport Limited
- Mr Littlewood's executive career included 12 years at Auckland International Airport, nine of these as CEO. Prior to that he held senior roles across strategy, operations, product and marketing with Telecom New Zealand



REMUNERATION



Chief Executive's FY23 remuneration performance pay



Key messages

Mercury's executive remuneration policy is founded on three guiding principles:

- Remuneration is aligned to long-term sustainable shareholder value
- Remuneration for individuals reflects the level of performance and delivery of successful outcomes
- Simplicity over complexity is reflected in the design
- Aligning to our three year goals, 12 KPIs were selected for the FY23 Group Scorecard. Weightings for EBITDAF is 40% and non-financial goals are 10-15% each.

FY23 Key Performance Indicators (KPIs)

Commercial	1.EBITDAF target achieved 2.EBITDAF target exceeded
Retail	1.Lift in total connections 2.Retail consolidation of TPW and Mercury
Adaptive Organisation	1.Increased ethnicity in leadership roles 2.Lift in safety maturity and culture
Generation Growth	1.Lift in drilling capability 2.Successful execution of the Karapiro rehab project
Relationships	1.Growth in cultural knowledge and capability 2.Deepening of partner relationships
Climate	1.Generation growth of renewables 2.Clear path to carbon reduction



ESG MATTERS



Adopted Aotearoa New Zealand Climate Standard for Climate-Related Disclosures ahead of mandatory reporting period

- Climate change scenario analysis strengthened
- Assurance engagement has been performed over our Greenhouse Gas Emissions reporting
- Launching climate change based targets in FY24 developed using Science Based Targets initiative (SBTi) tools
- Mercury has committed to set emission reductions targets in line with science-based net-zero with the SBTi.

Successful Bond issuance under Mercury's green financing framework

- AUD200m Australian Medium Term Notes (AMTN)
- NZD200m MCY030 1.56% Green Retail Bond, maturing Sept. 2027
- NZD200m MCY040 2.16% Green Retail Bond, maturing Sept. 2026
- NZD150m Green Wholesale Bond, 1.92%, maturing Oct. 2030
- NZD150m MCY060 5.64% Green Retail Bond, maturing Jun. 2028

Inclusion and diversity

- Annual measurable objectives well-established, good progress with a lift in diverse representation across the board
- FY23 initiatives included: support for employee networks; growing Māori and Pasifika employee base; growing our diverse and emerging leaders; capability building and awareness including an online self-driven Te Ao Māori programme; policy frameworks supporting inclusive culture





