



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

NEWS RELEASE

MERCURY CONSIDERS CAPITAL BOND OFFER

17 June 2024

Mercury NZ Limited (**Mercury**) is considering making an offer (**Offer**) of up to \$300 million (with the ability to accept up to an additional \$50 million in oversubscriptions at Mercury's discretion) of unsecured subordinated capital bonds (**Capital Bonds**) to institutional investors and New Zealand retail investors.

It is expected that full details of the Offer will be released in the week commencing 24 June 2024, when the Offer is expected to open.

Mercury has a corporate credit rating from S&P Global Ratings of BBB+ (stable outlook). The Capital Bonds are expected to be assigned an issue credit rating of BB+.

If the Offer is made and the bookbuild is successful, Mercury intends to redeem its capital bonds which are quoted on the NZX Debt Market under the ticker code MCY020 (**MCY020 Bonds**) on 11 July 2024 (being the first scheduled reset date).

It is expected that trading in all MCY020 Bonds will be suspended from market close on 26 June 2024. Mercury will communicate with all MCY020 bondholders directly to notify them of the potential redemption and the trading suspension (a template letter is attached to this announcement).

Mercury has appointed Forsyth Barr Limited as Arranger and Joint Lead Manager, and Bank of New Zealand and Craigs Investment Partners Limited as Joint Lead Managers in relation to the Offer.

If the Offer is made, all of the Capital Bonds will be reserved for clients of the Joint Lead Managers, NZX participants and other approved financial intermediaries. There will be no public pool.

Investors (including MCY020 bondholders) can register their interest by contacting a Joint Lead Manager or their usual financial adviser. Indications of interest will not constitute an obligation or commitment of any kind.

No money is currently being sought and no Capital Bonds can be applied for or acquired until the Offer opens. If the proposed Offer is made, it will be in accordance with the Financial Markets Conduct Act 2013 as an Offer of debt securities of the same class as existing quoted debt securities. The Capital Bonds are expected to be quoted on the NZX Debt Market.

Joint Lead Managers



0800 284 017



0800 226 263



0800 367 227



ENDS

Howard Thomas

General Counsel and Company Secretary
Mercury NZ Limited

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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





17 June 2024

Mercury NZ Limited Considers Capital Bond Offer.

Introduction.

We are writing to you as a holder of existing Mercury NZ Limited (**Mercury**) capital bonds which are quoted on the NZX Debt Market under the ticker MCY020 (**MCY020 Bonds**). The terms and conditions applicable to your MCY020 Bonds are set out in the Supplemental Trust Deed dated 12 June 2019 (**Supplemental Trust Deed**) and Master Trust Deed originally dated 4 April 2003 (as amended from time to time). The Supplemental Trust Deed and Master Trust Deed are available at mercury.co.nz/investors/bonds/capital-bonds-mcy020.

Mercury announced on 17 June 2024 that it is considering making an offer (**Offer**) of 30-year unsecured, subordinated capital bonds (**New Capital Bonds**) to institutional investors and New Zealand retail investors.

It is expected that full details of the Offer will be released on 24 June 2024, when the Offer is expected to open.

Redemption of MCY020 Bonds.

If the Offer is made and the bookbuild is successful, Mercury intends to exercise its option to redeem the MCY020 Bonds on the "First Reset Date", being 11 July 2024. The Supplemental Trust Deed will be amended to allow the notice of redemption to be made via NZX on or about 27 June 2024.

Mercury would also email or, as applicable, courier post you a copy of the notice of redemption on the date of NZX publication.

If the Offer is not made or the bookbuild is otherwise unsuccessful, Mercury will not exercise its option to redeem the MCY020 Bonds on 11 July 2024.

Suspension of trading of MCY020 Bonds.

It is expected that trading in all MCY020 Bonds will be suspended from market close on 26 June 2024.

This suspension would cease if the bookbuild for the Offer was unsuccessful (and accordingly Mercury does not elect to redeem the MCY020 Bonds).

Other information.

If the Offer is made, all of the New Capital Bonds will be reserved for clients of the Joint Lead Managers, NZX participants and other financial intermediaries. There will be no public pool.

If you are interested in investing in the New Capital Bonds, you can register your interest in the Offer and receive further information by contacting one of the Joint Lead Managers (Bank of New Zealand, Craigs Investment Partners Limited and Forsyth Barr Limited) or your usual financial adviser. Indications of interest will not constitute an obligation or commitment of any kind. No money is currently being sought and applications for the New Capital Bonds cannot currently be made.

If the Offer is made, it will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The New Capital Bonds are expected to be quoted on the NZX Debt Market.

Yours sincerely,



William Meek | Chief Financial Officer.

Joint Lead Managers.



0800 284 017



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