



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

NEWS RELEASE

Governance Roadshow Presentation – June 2024

18 June 2024 – Mercury will present a series of investor meetings during June 2024.

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

SCOTT ST JOHN

Chair

June 2024

JAMES MILLER

Chair, Risk Assurance and Audit Committee



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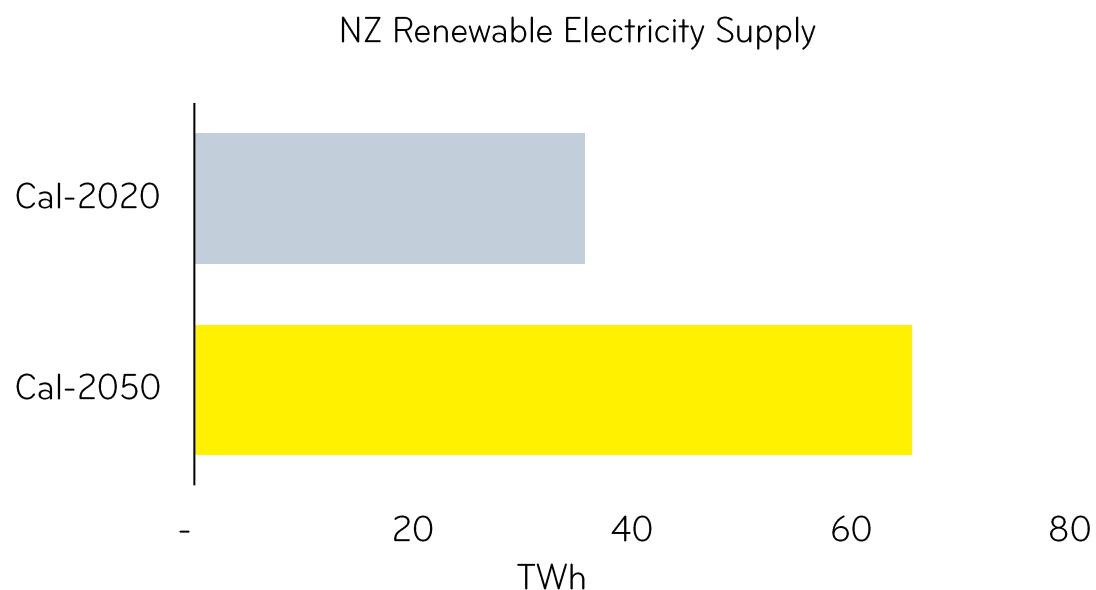
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THE ELECTRIFICATION OPPORTUNITY IS SIGNIFICANT.



Renewable electricity supply to increase 30TWh by 2050



Key messages

- The 2050 energy transition will require a further 30TWh of renewable electricity in New Zealand, a significant uplift from the current base of 36TWh¹
- Renewable electricity to account for 58% of New Zealand's total energy demand in 2050
- Global regulators are accelerating the energy transition, growing demand and boosting the need for investment
- Long term electricity prices in New Zealand are supportive of new generation development

¹Refer to the Boston Consulting Group Report 'Climate Change in New Zealand: The Future is Electric' published October 2022



MERCURY AT A GLANCE.

Our business

Electricity generator and multi-product retailer across electricity, gas and telco in NZ

- ⚡ ~21% Generation market share¹
- 📶 ~25% Retail electricity market share²
- 📶 ~174k Broadband and mobile connections²
- 👥 ~186k customers with 2 or more products

100%

Renewable Generation

~579 k Electricity
Connections²

~8.8 TWh

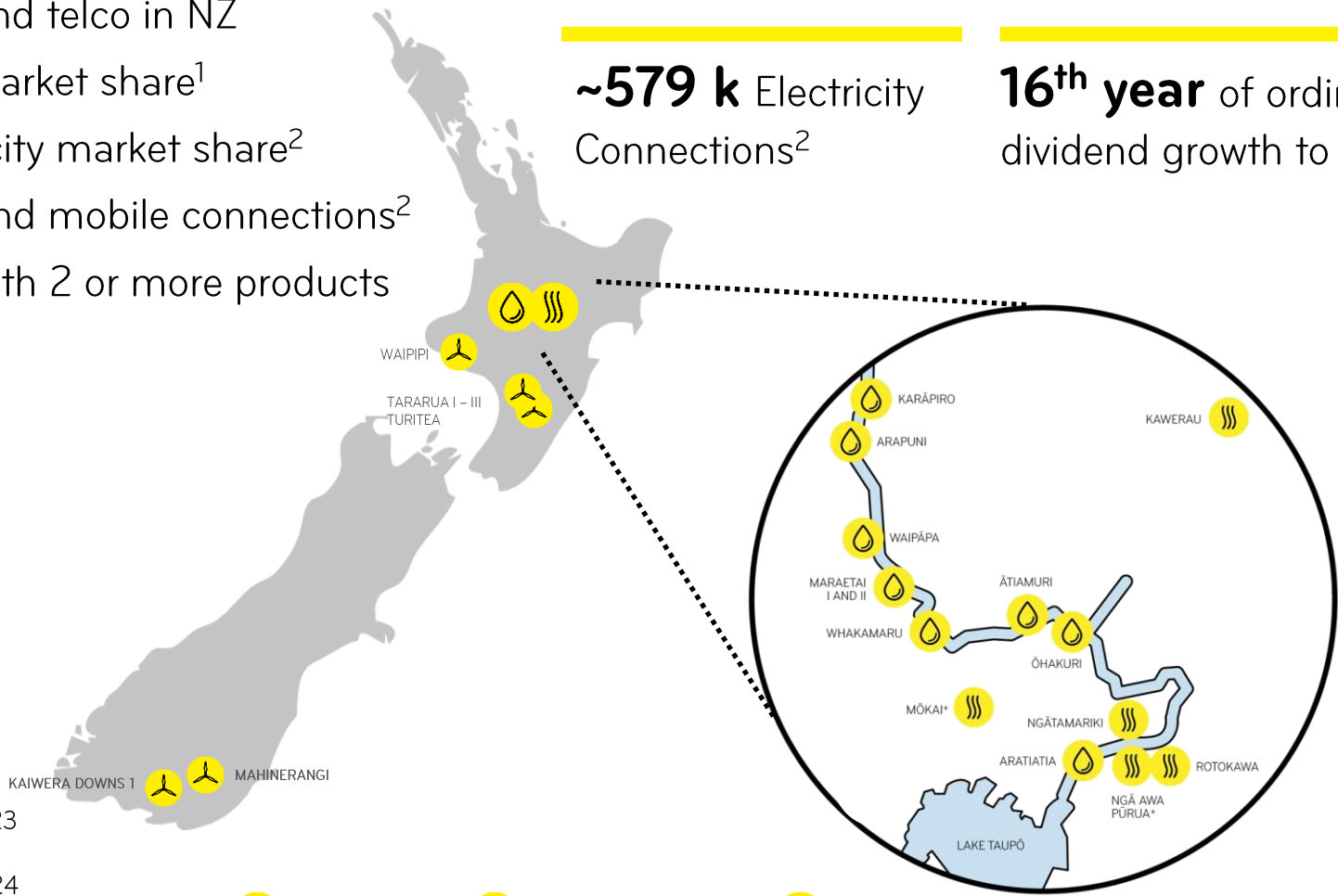
Renewable Generation³

16th year of ordinary
dividend growth to FY24

1.8 TWh

Wind Consented

\$880 m
FY24 EBITDAF⁴

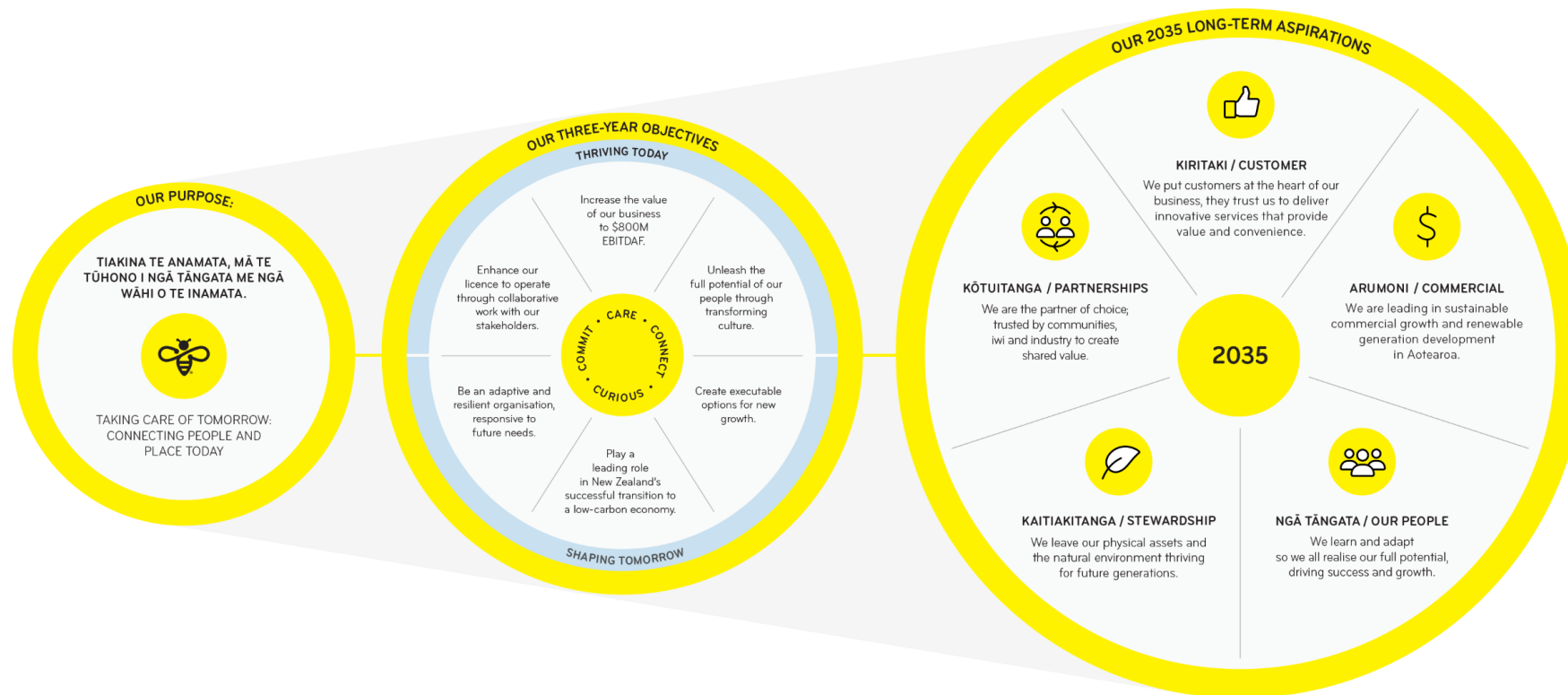


¹ for 12 months to 31 December 2023
² as at 31 December 2023
³ average forecast generation in FY24
⁴ as per guidance update February 20th, 2024

🚰 HYDRO STATIONS 🌋 GEOTHERMAL STATIONS 🌬️ WIND FARMS
+ Not all 100% owned by Mercury



OUR STRATEGIC FRAMEWORK.



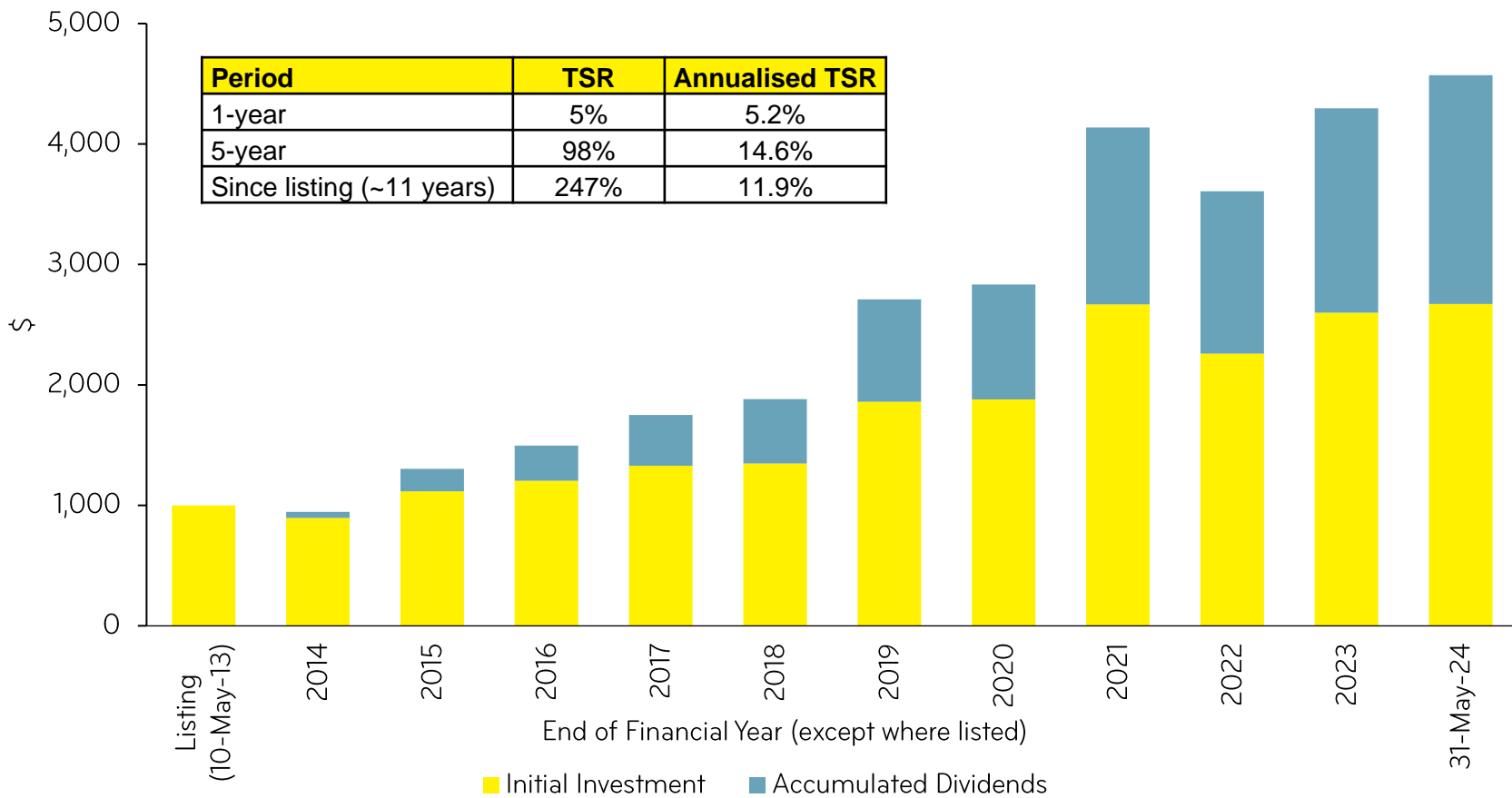
Key messages

- Our strategic framework maps why we exist, and what we will need to focus on over the near and longer term.
- We are currently reviewing our three-year objectives for FY25 to FY27



STRONG TRACK RECORD OF SHAREHOLDER RETURNS¹.

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Key messages

- Mercury has delivered a total shareholder return (TSR) of 11.9% since listing in 2013. FY24 will be Mercury's 16th year of ordinary dividend growth
- Over the past five years Mercury has delivered a TSR of 14.6%. This was a period of transformation as we became the largest electricity retailer by customer market share and New Zealand's leading multi-product utility. During this period we also acquired Tilt NZ assets and made a step change in wind generation and diversification

¹Assumes \$1000 were invested in Mercury's IPO and gross dividends received on the payment date and reinvested in Mercury shares at the closing price on that date

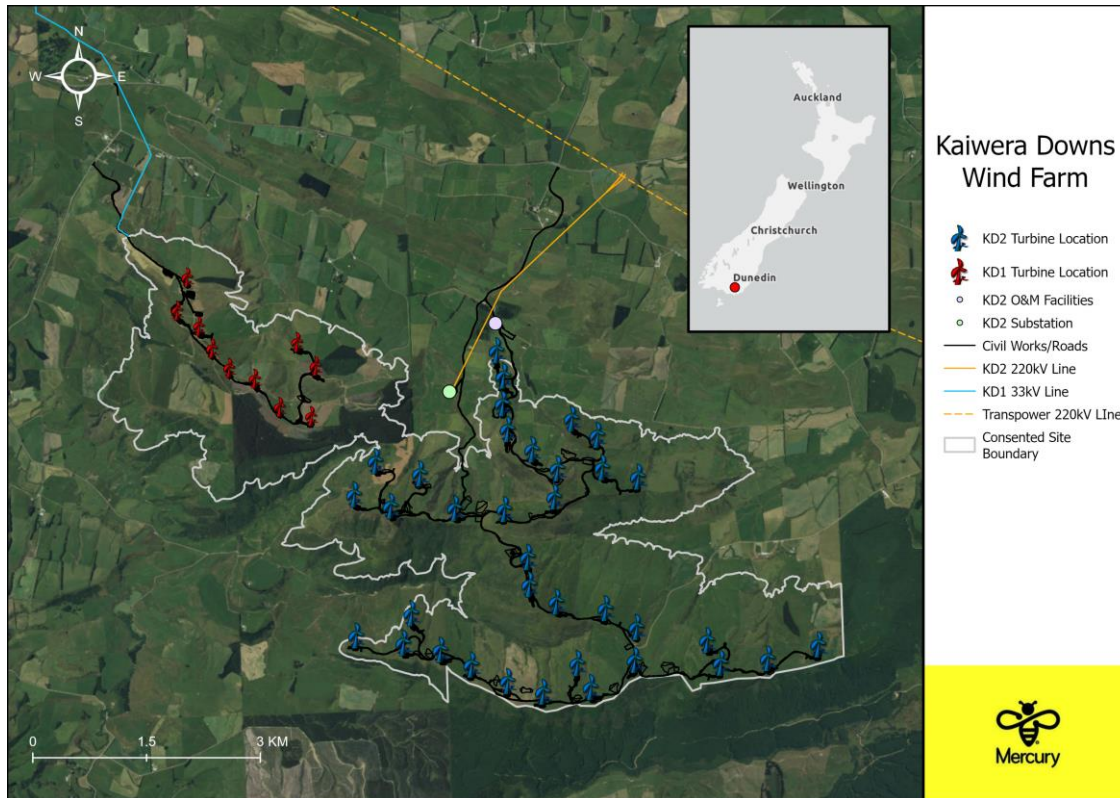
- This ignores the effect of tax, noting that investors would have received the full value of the dividend through imputation credits
- This also ignores that Mercury has occasionally paid unimputed special dividends
- Ignores dividends not adding up to whole share values (i.e. assumes fractional shares purchased with reinvested dividends)



NZAS COMMITMENT TO NZ PAVES THE WAY FOR THE EXPANSION OF KAIWERA DOWNS.



Kaiwera Downs will be NZ's second largest wind farm



Key messages

- Mercury has signed a long-term agreement for up to 20 years with New Zealand Aluminium Smelters. We are pleased to have played a role in supporting NZAS' commitment to operating in New Zealand
- Mercury has committed to the construction of Kaiwera Downs wind farm expansion, a 155 MW and 525 GWh per annum generation development project near Gore¹
- This brings Mercury's total FY24 commitment to new renewables to over \$700 million with the geothermal expansion at Ngā Tamariki announced in Sep-2023
- The electricity sector is undergoing transformational growth, we're excited to be at the forefront of this with our strong generation development pipeline and track record of delivering projects
- We are currently progressing Kaiwaikawe, a 74MW and 220GWh wind farm through Pre-FID



¹Construction contracts are now executed but remain subject to the Electricity Authority approving the remaining NZAS supply contracts

BOARD OF DIRECTORS.



SCOTT ST JOHN
CHAIR
Tenure 6+ years



HANNAH HAMLING
DIRECTOR
Tenure 4-6 years



ADRIAN LITTLEWOOD
DIRECTOR
Tenure 0-3 years



JAMES MILLER
DIRECTOR
Tenure 6+ years



SUSAN PETERSON
DIRECTOR
Tenure 0-3 years



MARK BINNS
DIRECTOR
Tenure 0-3 years



MIKE TAITOKO
DIRECTOR
Tenure 6+ years



LORRAINE WITTEN
DIRECTOR
Tenure 0-3 years

Key messages

- Prue Flacks retired from the Mercury Board at the end of December 2023
- Mercury Board elected Scott St John as Chair effective January 2024
- Patrick Strange retired from the Mercury Board after the September 2023 Annual Shareholders' meeting
- Appointed Nicole Rosie the current CEO of NZTA as our fifth Future Director under the Institute of Directors Future Directors Programme



LEADERSHIP TEAM.



VINCE HAWKSWORTH
CHIEF EXECUTIVE



STEW HAMILTON
EXECUTIVE GM GENERATION



LUCIE DRUMMOND
EXECUTIVE GM SUSTAINABILITY



PHIL GIBSON
EXECUTIVE GM PORTFOLIO



WILLIAM MEEK
CHIEF FINANCIAL OFFICER



CRAIG NEUSTROSKI
EXECUTIVE GM CUSTOMER



FIONA SMITH
EXECUTIVE GM PEOPLE EXPERIENCE
AND TECHNOLOGY

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
- Vince Hawksworth will step down from the Chief Executive role with effect from 31 August
- Stew Hamilton has been appointed to the role of Chief Executive from 1 September



CHIEF EXECUTIVE APPOINTMENT.



Succession planning enables a seamless CE transition



Key messages

- Vince Hawksworth developed a strategic executive leadership team, providing a strong platform for a seamless Chief Executive transition to Stew Hamilton
- Stew has been responsible for the management, operation and maintenance of Mercury's hydro, geothermal and wind assets. He is also responsible for health, safety and wellbeing performance at an enterprise level. Before joining Mercury, Stew was the Chief Executive and General Manager at New Zealand Aluminium Smelters Ltd
- Stew brings a proven track record of success in leading large, complex businesses in New Zealand and internationally. He has delivered strong business value while building enduring partnerships and driving health and safety performance

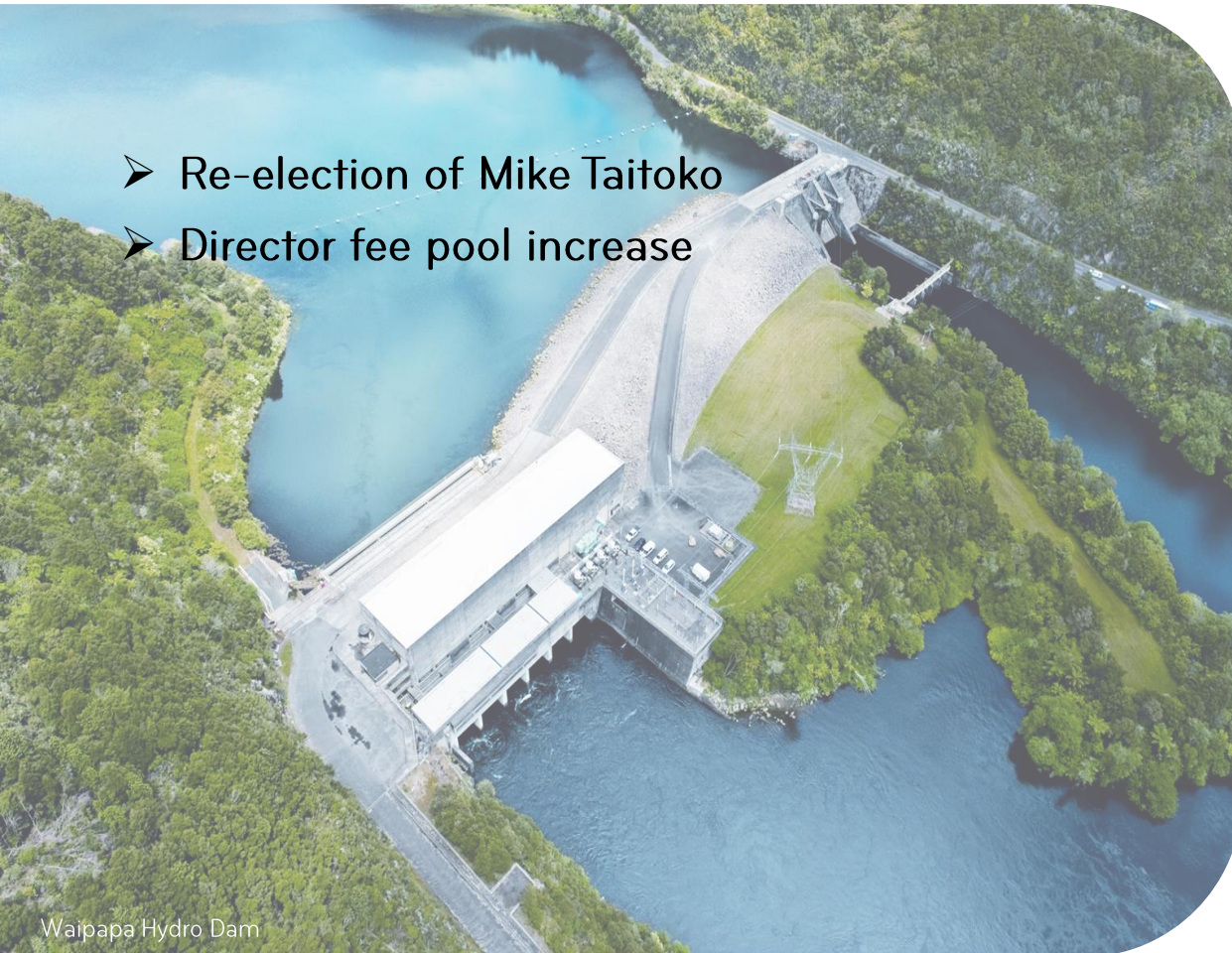


ASM RESOLUTIONS.



To appoint one Director and increase fee pool

- Re-election of Mike Taitoko
- Director fee pool increase



Waipapa Hydro Dam

Key messages

- Mike Taitoko completes his 9th year as a director. Re-election will provide stability and ensure sufficient overlap with newer directors to transfer knowledge and experience. Mike has the unanimous support of Mercury's Board
- A change to the fee pool was last approved by shareholders in 2021. An increase will help to attract and retain the necessary skills and experience to help NZ electrify, to support the business and our customers, and to support innovation and to grow value for shareholders



DIRECTOR FEES.



Mercury seeks increase to close gap to market medians

Director Fee Data¹

Position	Sample size	Market median	Mercury policy fee	Comparison to the median
Board Chair	16	264,000	205,000	78%
NED	16	133,000	103,000	77%
Chair of Risk Assurance & Audit committee	15	37,900	28,000	74%
Chair of Risk Assurance & Audit aggregated	15	181,900	131,000	72%
Chair of People & Performance committee	14	27,300	20,400	75%
Chair of People & Performance committee aggregated	14	160,300	123,400	77%
Member of Risk Assurance & Audit committee	14	17,700	13,000	73%
Member of Risk Assurance & Audit committee aggregated	14	156,000	116,000	74%
Member of People & Performance committee	13	13,500	10,000	74%
Member of People & Performance committee aggregated	13	137,100	113,000	82%
Total pool fee	15	1,500,000	1,085,400	72%
Actual fees paid	16	1,319,100	1,101,232	83%

¹ Source: PwC benchmarking report, April 2024

Key messages

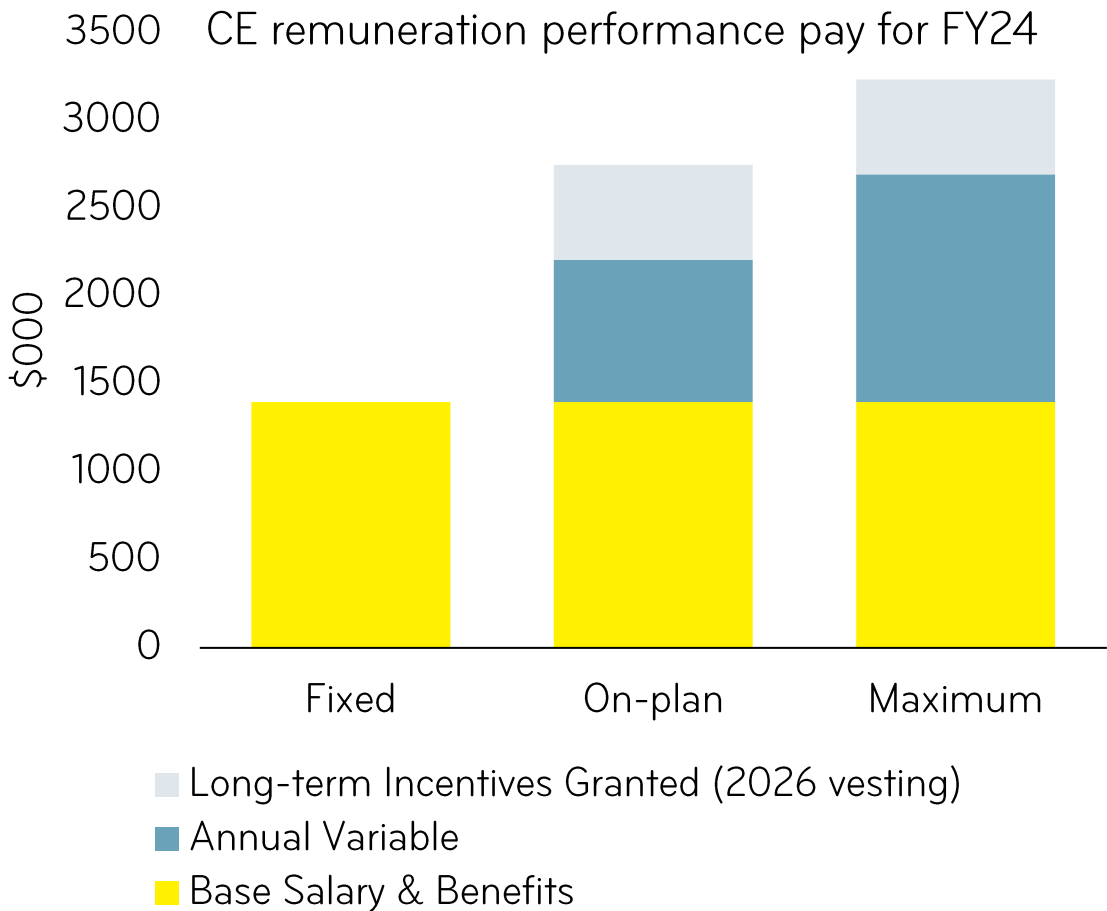
- Mercury has a strong track record of shareholder returns. Directors' fees were last approved by shareholders at the Company's 2021 Annual Shareholder Meeting
- Mercury has procured a director fee benchmarking report from PwC
- PwC reports Mercury's current director fees are between 17% and 28% below the median of the comparator peer group across all data points (16 NZX-50 companies)
- It is critical that Mercury can attract, and retain, the skills and experience around our Board table to help the business to continue to support our customers, support New Zealand to electrify, innovate and continue to grow value for shareholders
- Mercury will be seeking increase to director fee pool to close gap to market medians



FY24 REMUNERATION PERFORMANCE PACKAGE.



Remuneration linked to strategy, performance & TSR



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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE – KEY ACTIVITY.



Taking a collaborative approach to improve resilience

Environmental	Social	Governance
Natural Environment Evolving our approach to how we restore nature	Customer Care Meaningful support for those experiencing hardship	Appointments Made to complement Board's collective capabilities
Key Suppliers Working in effective teams with our suppliers	Iwi Relationships Collaborative long term approach	Remuneration Principles are long term, performance based and simple
Climate Disclosures FY24 to be our second report against New Zealand Climate Standards	Community Engagement Crafting quality engagement to build our social licence to operate	Succession Plan Aligned with long term activities

Key messages

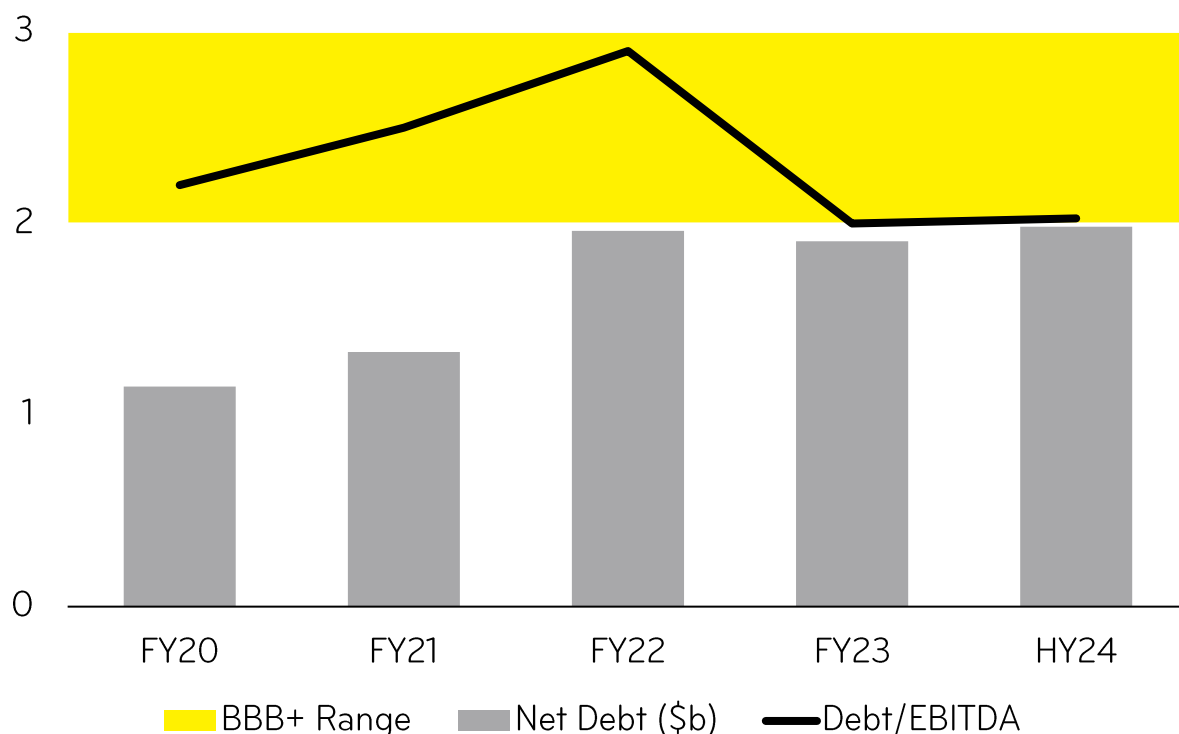
- Programme approach to customer care – our here to help team help customers with one to one plans, alongside contributing to sector initiatives and working with others to provide a suite of support for those in hardship
- Taking next steps to understand supply chain impacts – including through our [Modern Slavery statement](#) and scope 3 emissions
- Working with other New Zealand companies on how the Taskforce on Nature-Based Financial disclosures will assist companies to improve their impacts on and from nature
- Progressing the actions to reduce our emissions, to support our Science Based Targets Initiative (SBTi) targets – focusing on reinjection of our geothermal emissions, new renewable generation development and helping our customers to reduce their emissions from gas (captured in our [Climate Statement](#) and Climate Action Plan)



FINANCIAL – STRONG BALANCE SHEET SUPPORTS FURTHER INVESTMENT.

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Forecast Debt/EBITDA provides platform for growth



Key messages

- Debt/EBITDA¹ at 2.0x for FY24, consistent with FY23
- Capital structure flexibility enables growth
- S&P Global re-affirmed Mercury's credit rating of BBB+/stable in December 2023
- Mercury targets Debt/EBITDA between 2x-3x after adjusting for S&P Global treatment, consistent with our BBB+ rating
- Diversified funding sources: commercial paper, bank facilities, domestic wholesale bonds, retail bonds, AUD wholesale bonds, USPP and capital bonds
- Planning for \$300m Capital Bond (MCY020) refinancing in Jul-2024 via a new capital bond offer of up to \$350m

¹ Adjusted for actual / expected S&P Global treatment, based on FY24 EBITDA guidance



