QUARTERLY OPERATIONAL UPDATE

Three months ended 31 December 2025

>> QUARTERLY HIGHLIGHTS

HIGH NATIONAL HYDRO INFLOWS	TAUPO STORAGE REMAINS ELEVATED	NEW OEC5 GEOTHERMAL GENERATION
RESULTED IN LOW WHOLESALE ELECTRICITY SPOT PRICES	PROVIDING A STRONG Q3 PORTFOLIO POSITION	COMMISSIONING STARTED AS PLANNED WITH POTENTIAL GENERATION UPSIDE RELATIVE TO GUIDANCE

>> COMMENTARY

Market summary

High national hydrological inflows of 98th percentile was reflected in lower wholesale spot electricity prices averaging $40/MWh in Auckland for the quarter. Forward prices in Auckland for FY26 have eased considerably to $135/MWh due to high inflows and above average hydro storage levels.

National demand was up 3.1% for the quarter relative to PCP, primarily due to New Zealand Aluminium Smelter resuming normal operations after a period of demand response curtailments.

Portfolio management has provided a strong Q3 stored hydro starting position

Waikato catchment hydrological inflows were 88th percentile for the quarter, and this resulted in higher hydro generation of 1,072 GWh, up 200 GWh (23%) relative to PCP. Hydro spill was significant at ~345 GWh for the quarter, to maintain lakes within high operating levels. Taupō hydro storage ended the quarter with an above average lake level.

Wind generation was 32 GWh (6%) higher for the quarter relative to PCP. Geothermal generation was 50 GWh (9%) lower than PCP (539 GWh compared to 589 GWh) primarily driven by planned maintenance outage at Ngā Awa Pūrua which coincided with low spot prices and was delivered on budget and on time. Commercial & Industrial yield (physical & end-user CfDs) was lower by $3.2/MWh for the quarter relative to PCP. Physical C&I yields were lower as some contracts repriced to a lower 2026 electricity forward curve, while End-User CfDs were lower due to new long-term agreements.

Our differentiated bundling and value-creation strategy lifted the share of customers with two or more products by 10% to 223k connections with telco and mobile connections increasing by 30k relative to PCP.

We will deliver more reliable and renewable energy with Ngā Tamariki OEC5 close to completion

Ngā Tamariki OEC5 geothermal expansion is close to completion. Commissioning of the new OEC5 unit started in January and once completed, it will increase site generation by 390 GWh per annum and net output by 46 MW. Full commissioning is expected by the end of Q3.

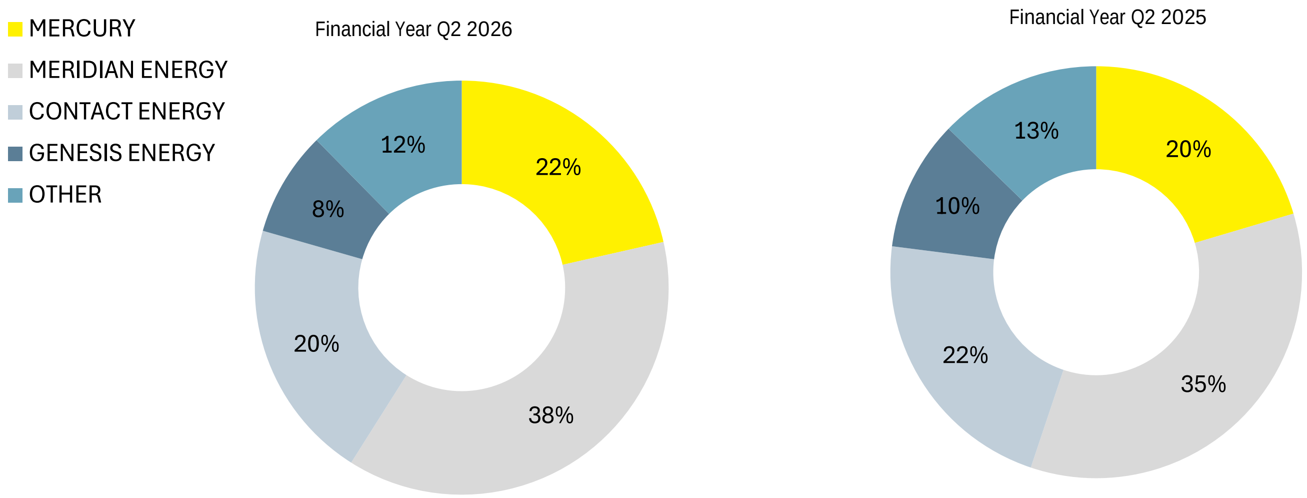
>> OPERATING STATISTICS

OPERATING INFORMATION	Three months ended 31 December 2025		Three months ended 31 December 2024		Six months ended 31 December 2025		Six months ended 31 December 2024	
CONNECTION NUMBERS ('000s)								
Electricity connections (ICPs)		584		582				
Gas connections [1]		109		107				
Telecommunication connections		186		169				
Mobile connections		43		30				
Customers with 2 or more products		223		203				
	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)	VWAP [3] ($/MWh)	Volume (GWh)
ELECTRICITY SALES								
Physical	166.05	1,463	155.53	1,473	170.32	3,361	161.05	3,324
Mass Market [4]	195.55	916	174.30	970	179.08	2,265	168.16	2,294
Commercial & Industrial [5]	116.70	547	119.38	503	152.22	1,096	145.19	1,030
Network Losses		81		84		192		193
Physical Purchases [6]	39.71	1,544	45.00	1,557	96.71	3,553	201.35	3,517
Financial	122.47	750	136.65	750	135.98	1,569	151.72	1,621
End User CfDs	125.10	292	130.06	244	130.43	690	134.94	601
Other Sell CfDs [7]	120.79	458	139.83	506	140.34	880	161.60	1,020
Spot Settlement of CfDs	37.62		42.33		86.85		179.33	
Spot Customer Purchases	41.12	54	39.89	50	92.60	115	147.02	81
Gas Sales ($/GJ, TJ) [1]	42.36	444	31.61	475	38.16	1,238	27.41	1,339
Gas Purchases ($/GJ,TJ) [1]	11.70	444	12.92	480	17.36	1,238	23.06	1,355
Telco Sales ($/month/connection) [2]	76.36		81.65		76.54		82.26	
Telco Costs ($/month/connection) [2]	55.40		56.56		55.64		56.77	
ELECTRICITY GENERATION								
Physical	50.11	2,178	50.89	1,996	90.46	4,729	165.46	4,194
Hydro	54.31	1,072	57.73	872	99.75	2,461	204.93	1,836
Geothermal (consolidated) [8]	30.63	539	39.32	589	81.74	1,230	167.24	1,272
Wind Spot	31.34	152	26.87	196	70.96	296	133.12	398
Wind PPA	72.59	415	66.60	339	81.92	742	75.11	685
Financial	110.91	532	106.88	593	119.93	1,200	122.02	1,458
Buy CfDs [7]	110.91	532	106.88	593	119.93	1,200	122.02	1,458
Spot Settlement of CfDs	37.23		39.96		90.40		203.14	
Net Position [9]		2		-57		65		-172

[1] Includes LPG bottle connections
[2] Includes mobile
[3] VWAP is volume weighted average energy-only price sold to customers after lines, metering and fees
[4] Mass market includes residential segments and non time-of-use commercial customers
[5] Fixed-price, variable-volume (FPVV) sales to time-of-use commercial customers
[6] Excludes spot customer purchases
[7] Includes Virtual Asset Swap volumes of 76 GWh for the 3 months ended 30 June 2025 and 113 GWh for the 3 months ended 30 June 2024 and of 151 GWh for the 12 months ended 30 June 2025 and 226 GWh for the 12 months ended 30 June 2024. Also includes the Manawa CFD volumes relating to the Trustpower retail transaction since May 2022
[8] Includes Mercury's 65% share of Nga Awa Purua generation
[9] Includes all physical and financial buys and sells except spot customer purchases and wind ppa

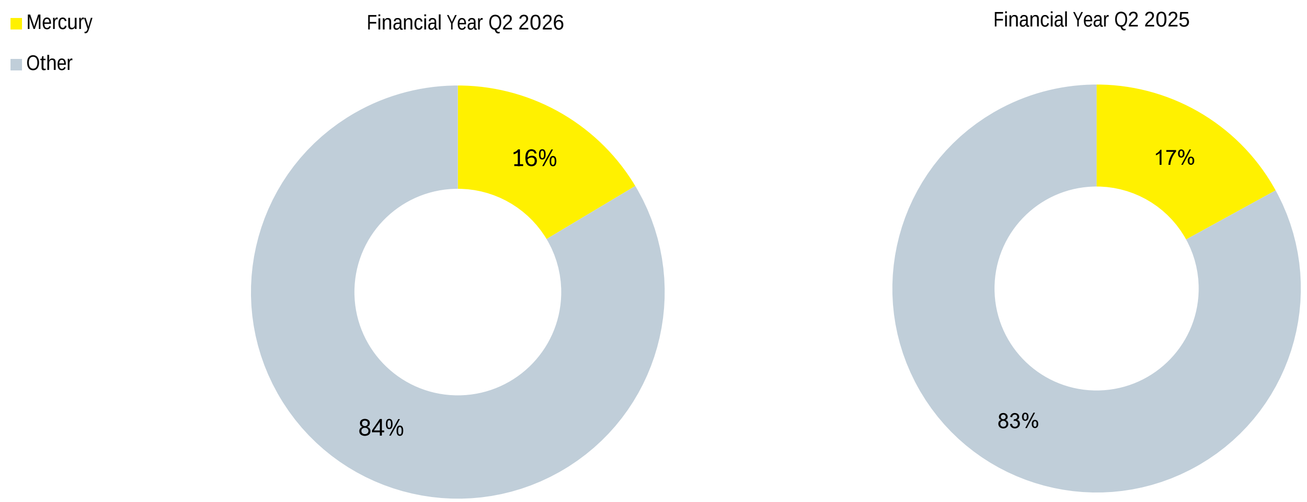
>> MARKET DATA

> ELECTRICITY GENERATION BY COMPANY FOR THE THREE MONTHS ENDED 31 DECEMBER



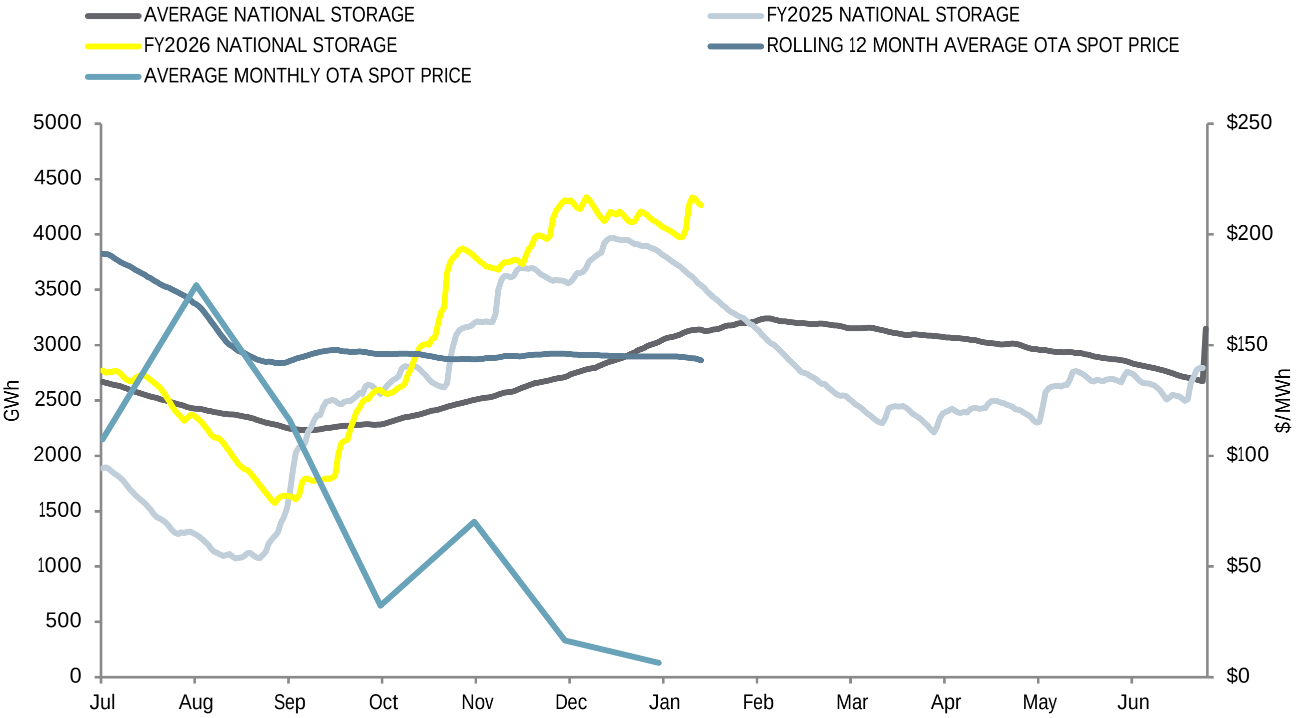
Source: Transpower SCADA

> SHARE OF ELECTRICITY SALES (GWh) FOR THE THREE MONTHS ENDED 31 DECEMBER (EXCLUDING CFDs)



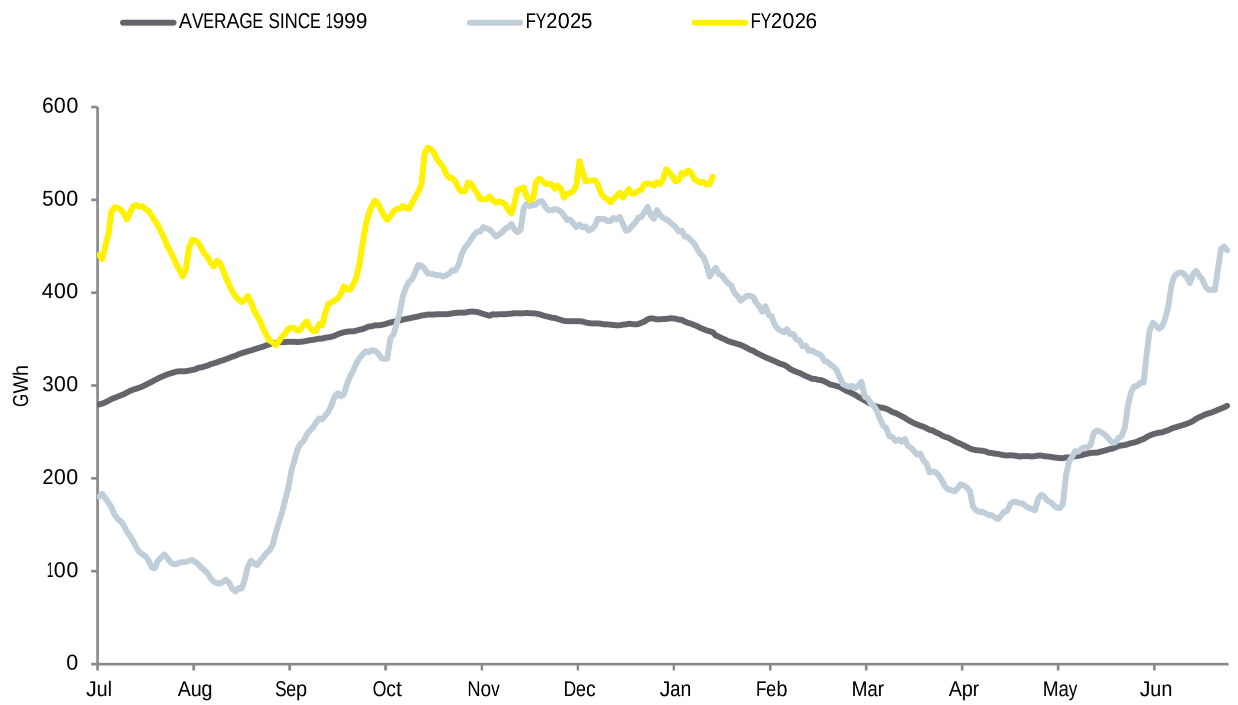
Source: Mercury Purchases and Transpower SCADA

> OTAHUHU WHOLESALE PRICE AND NATIONAL HYDRO STORAGE LEVELS



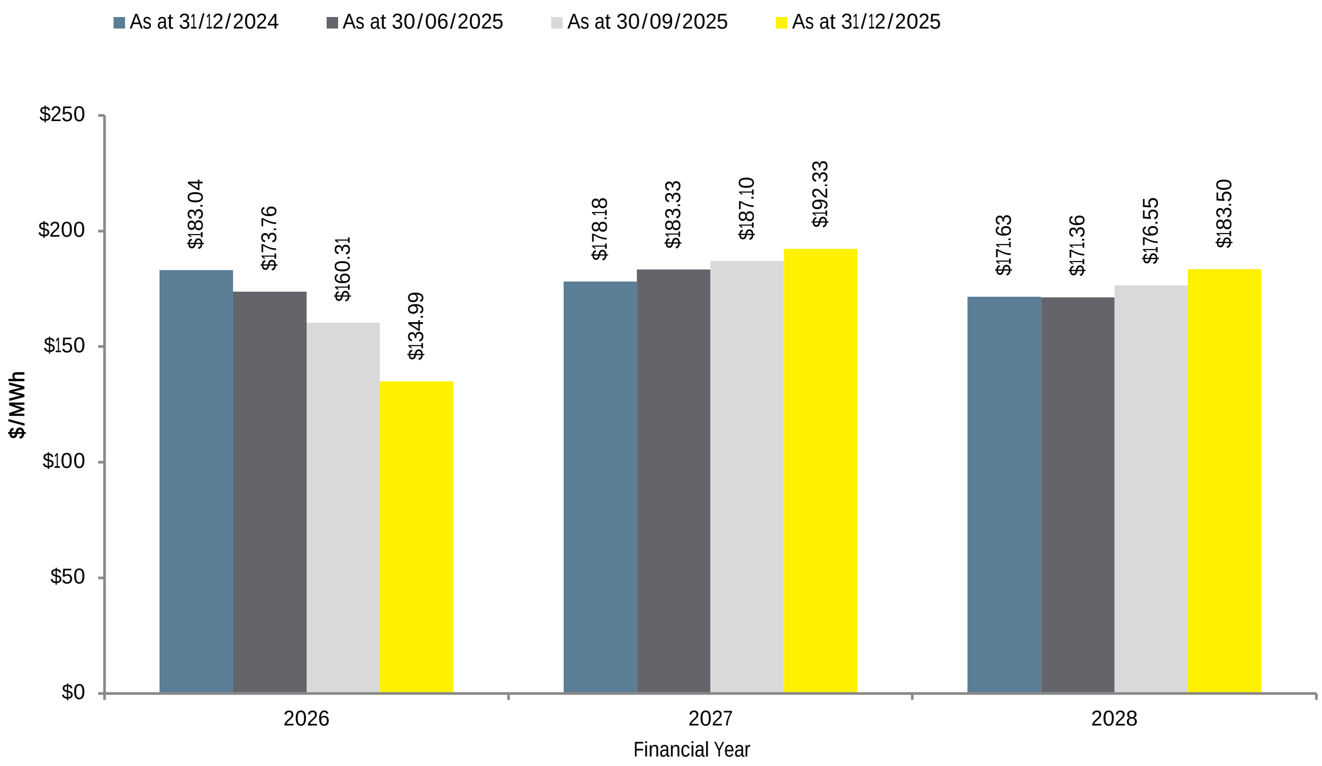
Source: NZX Hydro and NZEM Pricing Manager (NZX)

> TAUPO STORAGE



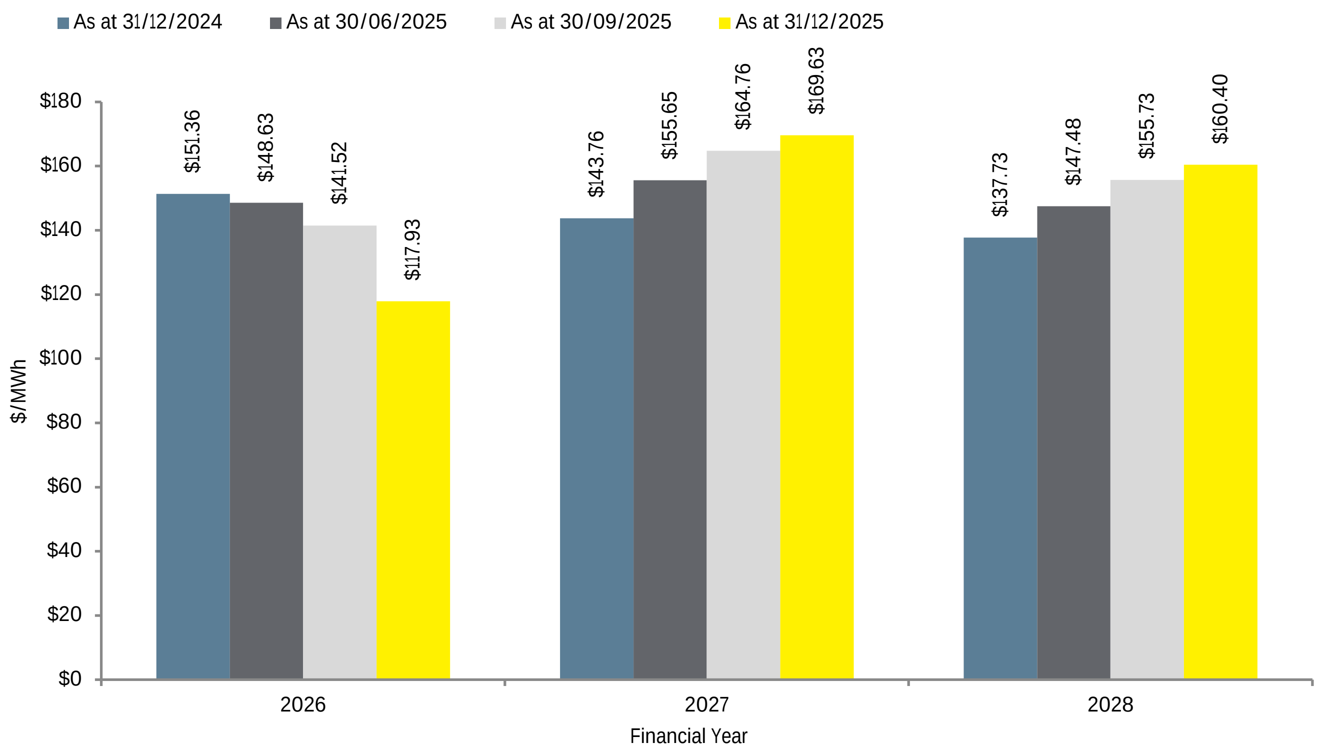
Source: NZX Hydro

> OTAHUHU ASX FUTURES SETTLEMENT PRICE



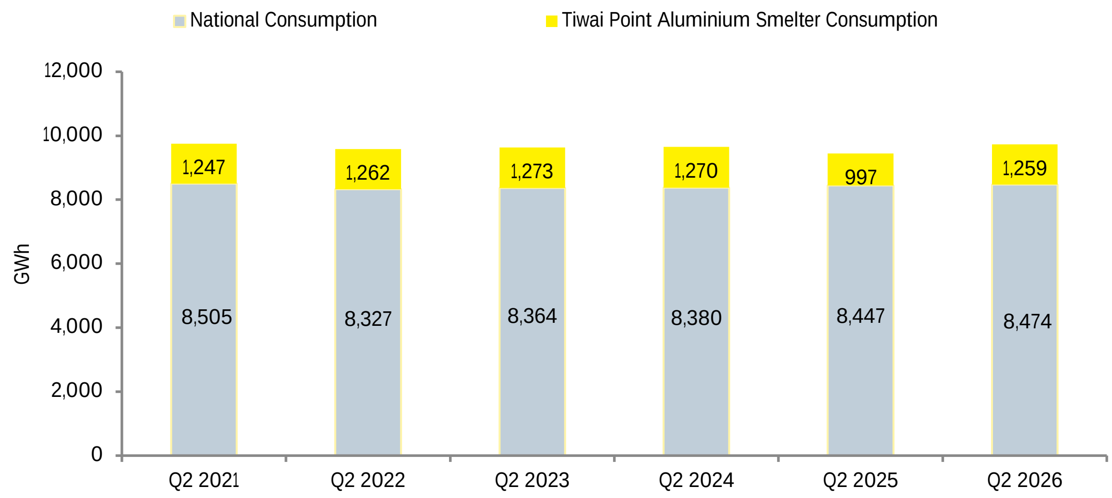
Source: ASX

> BENMORE ASX FUTURES SETTLEMENT PRICE



Source: ASX

> NATIONAL CONSUMPTION (NON-TEMPERATURE ADJUSTED)



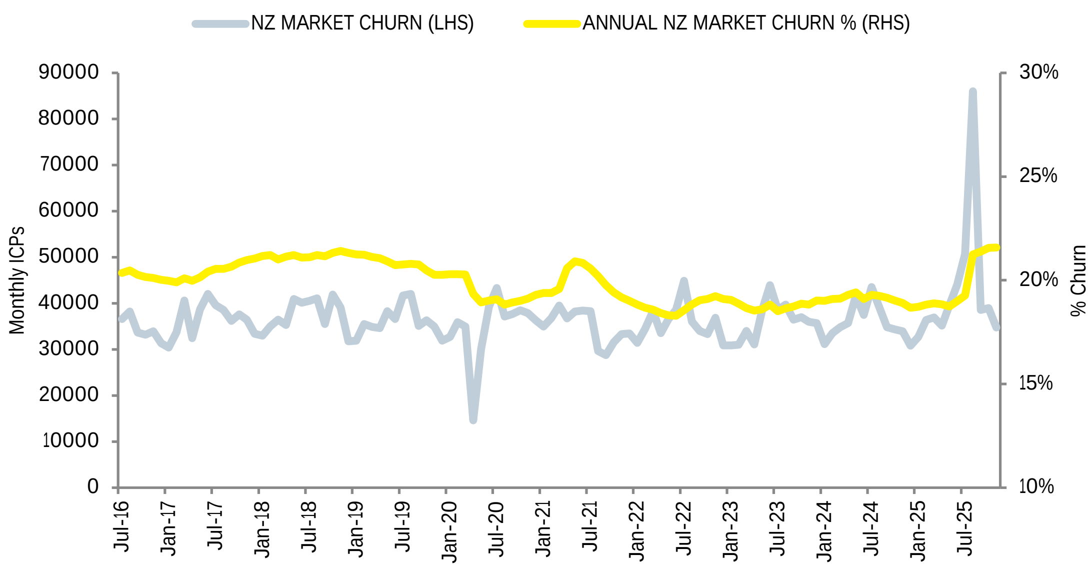
Source: Transpower Information Exchange

> AUCKLAND CLIMATE SUMMARY (^{0}C)

FINANCIAL YEAR	Q1	Q2	Q3	Q4
2026	12.4	17.9	-	-
2025	12.5	17.1	19.7	15.3
2024	12.2	16.8	19.6	14.3
2023	12.9	17.2	19.2	15.1
2022	12.2	17.8	20.8	15.1
2021	12.3	16.9	19.5	14.8
Historical Average (since 1999)	12	16.2	19.5	14.3

Source: Met Service

> MONTHLY TOTAL CONSUMER RETAIL SWITCHING (ICPs)



Source: Electricity Authority