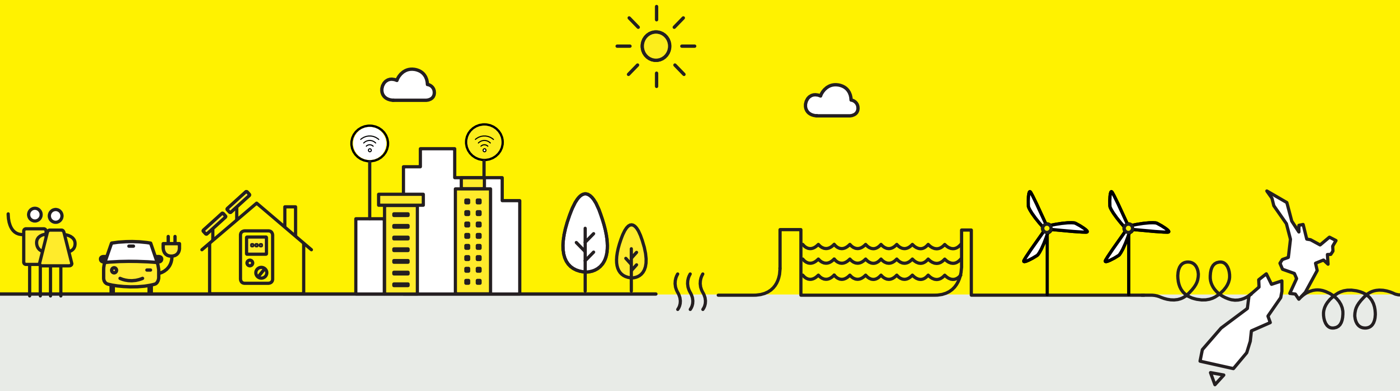
Mercury

INDICATIVE TERMS SHEET

GREEN BOND OFFER 2026



Arranger and Joint Lead Manager

Joint Lead Managers

bnz

CRAIGS INVESTMENT PARTNERS

FORSYTH BARR

INDICATIVE TERMS SHEET

Dated 23 March 2026

This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer by Mercury NZ Limited (**Mercury**) of up to $200,000,000 (with the ability to accept oversubscriptions of up to an additional $50,000,000 at Mercury's discretion) of 7 year unsecured, unsubordinated, fixed rate green bonds maturing on 1 April 2033 (**Green Bonds**) under its master trust deed dated 4 April 2003 (as amended from time to time) (**Master Trust Deed**) as modified and supplemented by the supplemental trust deed dated 23 March 2026 (together, the **Trust Deed**) entered into between Mercury and The New Zealand Guardian Trust Company Limited as supervisor (**Bond Supervisor**). Unless the context otherwise requires, capitalised terms used in this Terms Sheet have the same meaning as given to them in the Trust Deed.

IMPORTANT NOTICE

The offer of Green Bonds by Mercury is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The offer contained in this Terms Sheet is an offer of debt securities that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as:

- Mercury's $200,000,000 unsecured, unsubordinated, fixed rate green bonds with an interest rate of 1.56% per annum and a maturity date of 14 September 2027, which are currently quoted on the NZX Debt Market under the ticker code MCY030 (**MCY030 Bonds**);
- Mercury's $200,000,000 unsecured, unsubordinated, fixed rate green bonds with an interest rate of 2.16% per annum and a maturity date of 29 September 2026, which are currently quoted on the NZX Debt Market under the ticker code MCY040 (**MCY040 Bonds**); and
- Mercury's $150,000,000 unsecured, unsubordinated, fixed rate green bonds with an interest rate of 5.64% per annum and a maturity date of 19 June 2028, which are currently quoted on the NZX Debt Market under the ticker code MCY060 (**MCY060 Bonds**).

Accordingly, the Green Bonds are the same class as the MCY030 Bonds, MCY040 Bonds and MCY060 Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Mercury is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/MCY.

The MCY030 Bonds, MCY040 Bonds and MCY060 Bonds are the only debt securities of Mercury that are in the same class as the Green Bonds and are currently quoted on the NZX Debt Market.

Investors should look to the market price of the MCY030 Bonds, MCY040 Bonds and MCY060 Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of different debt securities, it is important to consider all relevant factors (including credit rating (if any), maturity and other terms of the relevant debt securities).

IMPORTANT INFORMATION

You should read the 'Important Information' in Schedule 3 of this Terms Sheet.

<table>
<tr><td>Issuer</td><td>Mercury NZ Limited (Mercury).</td></tr>
<tr><td>Description</td><td>Unsecured, unsubordinated, fixed rate green bonds.</td></tr>
<tr><td>Term</td><td>7 years, maturing 1 April 2033 (Maturity Date).</td></tr>
<tr><td>Offer Amount</td><td>Up to $200,000,000 (with the ability to accept oversubscriptions of up to an additional $50,000,000 at Mercury's discretion).</td></tr>
<tr><td>Credit Ratings</td><td>
<table>
<tr><th></th><th>Issuer Credit Rating</th><th>Expected Issue Credit Rating for Green Bonds</th></tr>
<tr><td>S&P Global Ratings</td><td>BBB+ (stable)</td><td>BBB+</td></tr>
</table>
Mercury's current Issuer Credit Rating includes a one-notch uplift from the company's stand-alone credit profile of 'bbb', reflecting the legislated majority ownership by the Crown. The Crown does not guarantee the Green Bonds and is under no obligation to provide financial support to Mercury.
A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.
A credit rating is not a recommendation by any rating organisation to buy, sell or hold Green Bonds. The above credit ratings are current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by S&P Global Ratings.
</td></tr>
<tr><td>Purpose</td><td>
The proceeds of this offer are intended to be notionally allocated to finance or refinance new or existing projects and expenditures relating to renewable energy and other eligible projects (Eligible Projects) that fall under relevant CBS Sector Criteria (as defined below), in accordance with Mercury's Green Financing Framework dated February 2026 (as amended from time to time) (the Green Financing Framework). In particular, as at the date of this Terms Sheet Mercury expects to apply the net proceeds of the offer to refinance existing debt, and to track an amount equal to the net proceeds within its systems, notionally allocated to Eligible Projects that fall under such CBS Sector Criteria. The Green Financing Framework provides for net proceeds of green financing (including the Green Bonds) to be no greater than Mercury's debt obligation to the pool of Eligible Projects, and the total value of Eligible Projects to be at least equal to the original principal amount of total green financing (subject to temporary investment of unallocated proceeds).
A copy of the Green Financing Framework is available on Mercury's website at www.mercury.co.nz/investors/bonds/green-bonds.
The Bond Supervisor has no obligations in relation to the application of the proceeds of the Green Bonds.
</td></tr>
<tr><td>The Green Bond Principles and Climate Bonds Standard</td><td>
Mercury has developed and adopted the Green Financing Framework to ensure that, as at the date of this Terms Sheet, its processes for identifying Eligible Projects and managing the use of the proceeds of the Green Bonds are consistent with the Green Bond Principles (as amended from time to time, the Green Bond Principles) as published by the International Capital Market Association.
Mercury has obtained programmatic certification of green bonds whose proceeds are notionally allocated to Eligible Projects that meet certain technical sector criteria (as amended from time to time, the CBS Sector Criteria) under the Climate Bonds Standard (as amended from time to time, the Climate Bonds Standard), implemented by the Climate Bonds Initiative (CBI).
At the date of this Terms Sheet, the relevant CBS Sector Criteria relate to wind energy and geothermal energy.
Programmatic certification requires Mercury to obtain independent verification of all Climate Bonds Standard-certified issuances under Mercury's green bond programme, and to provide annual update reports until bond maturity. Mercury has also obtained specific CBI pre-issuance certification of the Green Bonds to be issued.
Copies of the CBI certifications and limited assurance conclusions from an independent verifier, DNV Business Assurance Australia Pty Ltd are available on Mercury's website via www.mercury.co.nz/investors/bonds/green-bonds.
</td></tr>
</table>

No Event of Default in relation to Green Financing Framework, Green Bond Principles or Climate Bonds Standard

If:

- Mercury fails to notionally allocate the proceeds of the Green Bonds as described in this Terms Sheet or the Green Financing Framework;
- Mercury fails to comply with the Green Financing Framework;
- Mercury undertakes non-Eligible Projects outside of the Green Financing Framework;
- Mercury fails to comply with any environmental laws and standards in respect of the Eligible Projects or otherwise;
- the Green Bonds cease to satisfy the Green Bond Principles or the Climate Bonds Standard;
- Mercury fails to maintain Climate Bonds Standard certification of the Green Bonds; or
- Mercury fails to notify holders of Green Bonds (**Bondholders**) that the Green Bonds cease to comply with the Green Financing Framework, the Green Bond Principles or the Climate Bonds Standard,

then:

- no Event of Default will occur in relation to the Green Bonds; and
- neither you nor Mercury have any right for the Green Bonds to be repaid early.

Mercury's obligations under the Trust Deed are not affected by the labelling of the bonds as Green Bonds, and any breach of the Trust Deed (including in relation to non-compliance with any laws, directives and consents, whether environmental or otherwise) is to be determined without regard to any such Green Bond label, the Green Financing Framework, the Green Bond Principles or the Climate Bonds Standard. Should any of the above scenarios occur (or market practices, standards, principles or regulations further develop in a way that the Green Bonds are not consistent with):

- the bonds may cease to be labelled as Green Bonds but will remain unsecured, unsubordinated, fixed rate bonds. If the bonds cease to be labelled as Green Bonds, then Mercury will make a public statement as such, and from that point in time, the Green Financing Framework will no longer govern the management of the bonds. This means there is no legal obligation on Mercury to comply with the Green Financing Framework, the Green Bond Principles or the Climate Bonds Standard on an ongoing basis; and
- Bondholders that invested in Green Bonds on the basis of the green label or compliance with green principles or standards may consider that the bonds no longer align with their intentions or requirements. Bondholders looking to sell their bonds at that time may have increased difficulty finding interested buyers or obtaining an acceptable price.

Issue Price

$1.00 per Green Bond, being the Principal Amount of each Green Bond.

Interest Rate

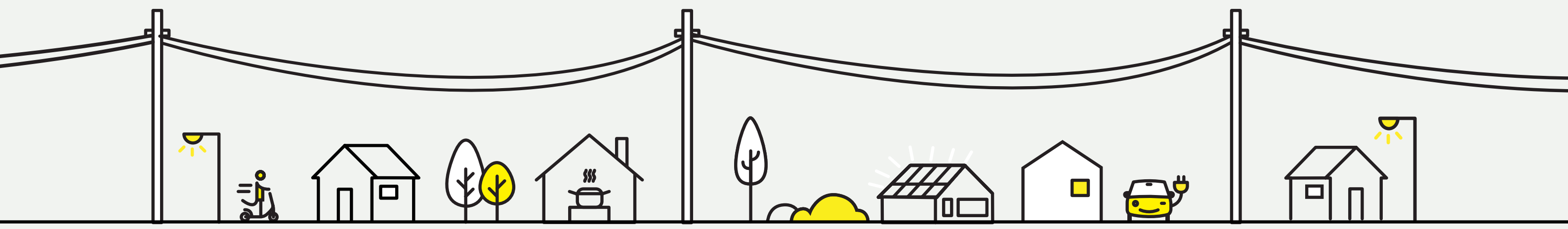
The Green Bonds will pay a fixed rate of interest from the Issue Date until the Maturity Date.

The Interest Rate will be determined by Mercury in conjunction with the Joint Lead Managers on the Rate Set Date (25 March 2026) and will be the sum of the Swap Rate on the Rate Set Date and the Issue Margin.

The Interest Rate will be announced via NZX on the Rate Set Date.

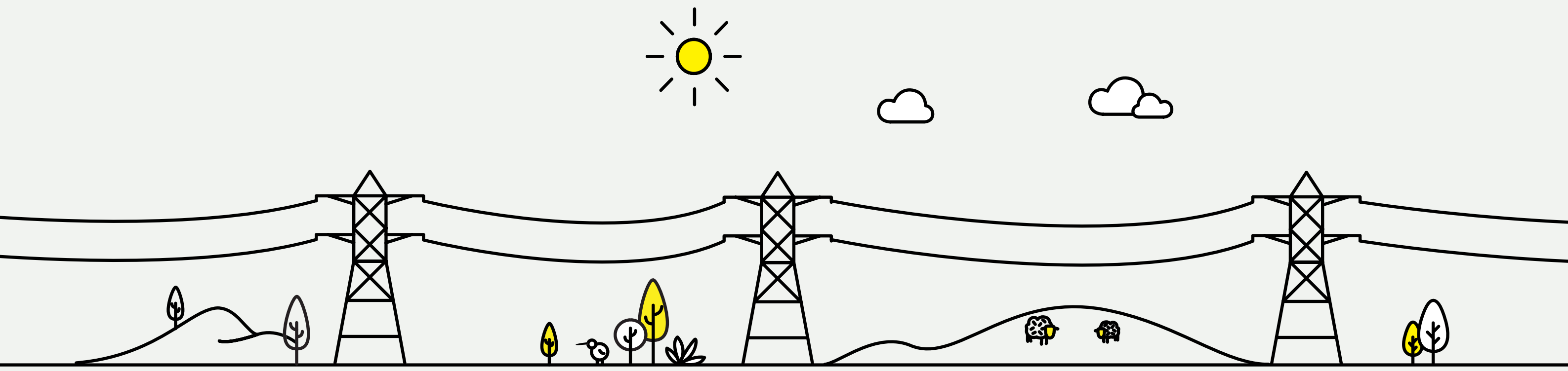
Issue Margin

The Issue Margin (which may be within, above or below the indicative Issue Margin range) will be determined by Mercury in conjunction with the Joint Lead Managers following a bookbuild on the Rate Set Date.



Indicative Issue Margin Range	0.95% to 1.05% per annum.
Swap Rate	The mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in conjunction with Mercury, according to market convention, with reference to Bloomberg page ICNZ2 (or any successor page) on the Rate Set Date (rounded to 2 decimal places, if necessary, with 0.005 rounded up).
Interest Payments	Semi-annual in arrear in equal amounts on 1 April and 1 October in each year (or if that day is not a Business Day, the next Business Day and no adjustment will be made to the amount payable as a result in the delay of payment) until and including the Maturity Date, with the First Interest Payment Date being 1 October 2026.
Record Date	5.00pm on the date that is 10 calendar days before the relevant scheduled Interest Payment Date (prior to any adjustment to the Interest Payment Date to fall on a Business Day). If the record date falls on a day which is not a Business Day, the record date will be the immediately preceding Business Day.
Financial Covenant	Mercury agrees to ensure that Net Worth (being total assets less total liabilities of Mercury and its subsidiaries, on a consolidated basis, calculated in accordance with the Master Trust Deed) at any time will not be less than $500 million.
No Guarantee	Mercury is the issuer and the sole obligor in respect of the Green Bonds. None of the Crown, any subsidiary of Mercury or any other person guarantees the Green Bonds. Mercury has some guaranteed liabilities to banks (**Guaranteed Liabilities**). The Guaranteed Liabilities are unsecured but (unlike Bondholders) those creditors have the benefit of guarantees from certain subsidiaries of Mercury so may also claim directly against those subsidiaries.
Ranking	On a liquidation of Mercury, the Green Bonds will rank as unsecured and unsubordinated obligations of Mercury and will rank: • below any secured liabilities and liabilities which are preferred by law; • equally with Guaranteed Liabilities, however (unlike Bondholders, as described above) the creditors of Guaranteed Liabilities have the benefit of guarantees from certain subsidiaries of Mercury so may also claim directly against those subsidiaries; • equally with (and will be repaid at the same time and pro rata with) all other unsecured and unsubordinated liabilities of Mercury, such as those owing to other Bondholders; and • ahead of Mercury's subordinated liabilities (including capital bonds) and shareholders.
Security	The Green Bonds are not secured.
How to Apply	There is no public pool for the Green Bonds. All Green Bonds (including any oversubscriptions) will be reserved for subscription by clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the bookbuild. Accordingly, retail investors should contact a Joint Lead Manager, financial advice provider or any primary market participant for details on how to acquire Green Bonds. You can find a primary market participant by visiting www.nzx.com/investing/find-a-participant. Each investor's financial advice provider will be able to advise the requirements for investors to trade the Green Bonds including obtaining a common shareholder number (**CSN**), an authorisation code (**FIN**) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place.

ISIN	NZMCYDG008C7
Quotation	Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on or before the date of distribution of the Terms Sheet have been duly complied with. However, the Green Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in the Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA. NZX ticker code MCY080 has been reserved for the Green Bonds.
Minimum Application Amount	$5,000 and multiples of $1,000 thereafter.
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch) (**Westpac**).
Green Bond Co-ordinator for this offer	Westpac New Zealand Limited.
Joint Lead Managers	Bank of New Zealand, Craigs Investment Partners Limited, Forsyth Barr Limited and Westpac.
Bond Supervisor	The New Zealand Guardian Trust Company Limited.
Securities Registrar	Computershare Investor Services Limited.
Governing Law	New Zealand.
Further Payments, Fees or Charges	Taxes may be deducted from interest payments on the Green Bonds. You are not required to pay brokerage or any other fees or charges to Mercury to purchase the Green Bonds. However, you may have to pay brokerage to the firm from whom you receive an allocation of Green Bonds. Please contact your financial advice provider for further information on any brokerage fees.
Selling Restrictions	The Green Bonds may only be offered or sold in conformity with all applicable laws and regulations in New Zealand, and in certain other jurisdictions in which the Green Bonds may be offered or sold in transactions exempt from local prospectus requirements. Offer restrictions are set out in Schedule 2 to this Terms Sheet for the United States, Australia, Hong Kong, Japan, Singapore, Switzerland and the United Kingdom. No action has been or will be taken by Mercury which would permit a public offer of Green Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). No person may purchase, offer, sell, distribute or deliver Green Bonds, or have in their possession, publish, deliver or distribute to any person, any offering material or any documents in connection with the Green Bonds, in any jurisdiction other than in compliance with all applicable laws and the selling restrictions set out in Schedule 2 to this Terms Sheet. By subscribing for Green Bonds, you indemnify Mercury, the Arranger, the Joint Lead Managers, the Green Bond Co-ordinator, the Securities Registrar and the Bond Supervisor in respect of any loss incurred as a result of any breach by you of these selling restrictions.



IMPORTANT DATES

Opening Date	23 March 2026
Closing Date	11:00am NZT, 25 March 2026
Rate Set Date	25 March 2026
Issue Date and Allotment Date	1 April 2026
Expected Date of Initial Quotation on NZX Debt Market	2 April 2026

The timetable is indicative only and subject to change. Mercury may, in its absolute discretion and without notice, vary the timetable (including by opening or closing the offer early, accepting late applications and extending the Closing Date).

If the Closing Date is extended, the Rate Set Date, the Issue Date, the expected date of initial quotation and trading of the Green Bonds on the NZX Debt Market, the Interest Payment Dates and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

Mercury reserves the right to cancel the offer and the issue of the Green Bonds, in which case any application monies received will be refunded (without interest) as soon as practicable and in any event within 5 Business Days of the cancellation.

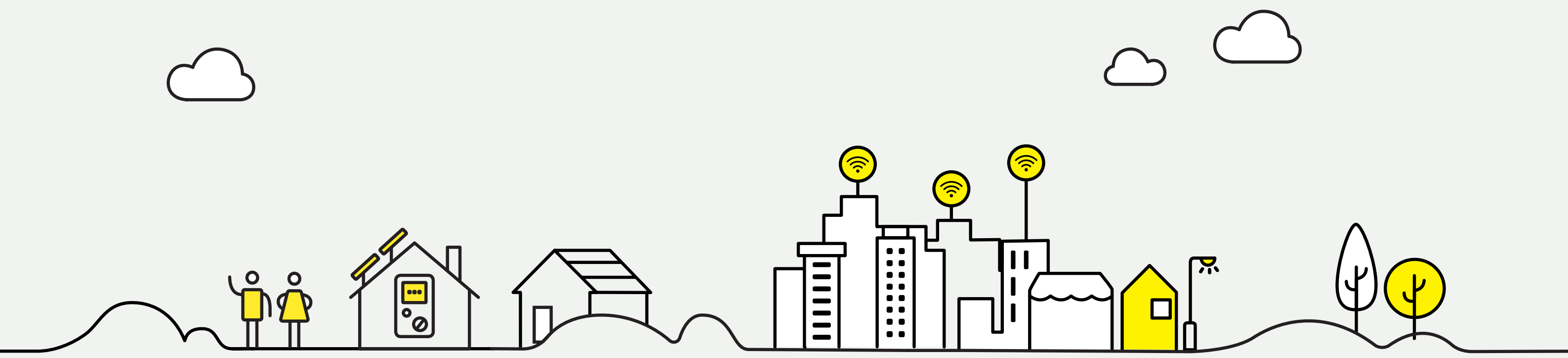
OTHER INFORMATION

A copy of the Trust Deed is available at Mercury's website at www.mercury.co.nz/investors/bonds/green-bonds/mcy080-bonds.

Any internet site addresses provided in the Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations).

For further information regarding Mercury, visit www.nzx.com/companies/MCY.



CONTACT DETAILS

ISSUER

Mercury NZ Limited
33 Broadway
Newmarket
Auckland 1023

ARRANGER AND JOINT LEAD MANAGER

Westpac Banking Corporation (ABN 33 007 457 141)
(acting through its New Zealand Branch)
Level 8, 16 Takutai Square
Auckland 1010

GREEN BOND CO-ORDINATOR

Westpac New Zealand Limited
Westpac on Takutai Square, 16 Takutai Square
Auckland 1010

JOINT LEAD MANAGERS

Bank of New Zealand
Level 6, 80 Queen Street
Auckland 1010

Craigs Investment Partners Limited
Level 36, Vero Centre
48 Shortland Street
Auckland 1010

Forsyth Barr Limited
Level 22, NTT Tower
157 Lambton Quay
Wellington 6011

BOND SUPERVISOR

The New Zealand Guardian Trust Company Limited
Level 14, 191 Queen Street
Auckland 1010

SECURITIES REGISTRAR

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
Private Bag 92119
Auckland 1142

LEGAL ADVISERS TO MERCURY

Chapman Tripp
Level 34, PwC Tower
15 Customs Street West
PO Box 2206
Auckland 1140

SCHEDULE 1 — CBI DISCLAIMER

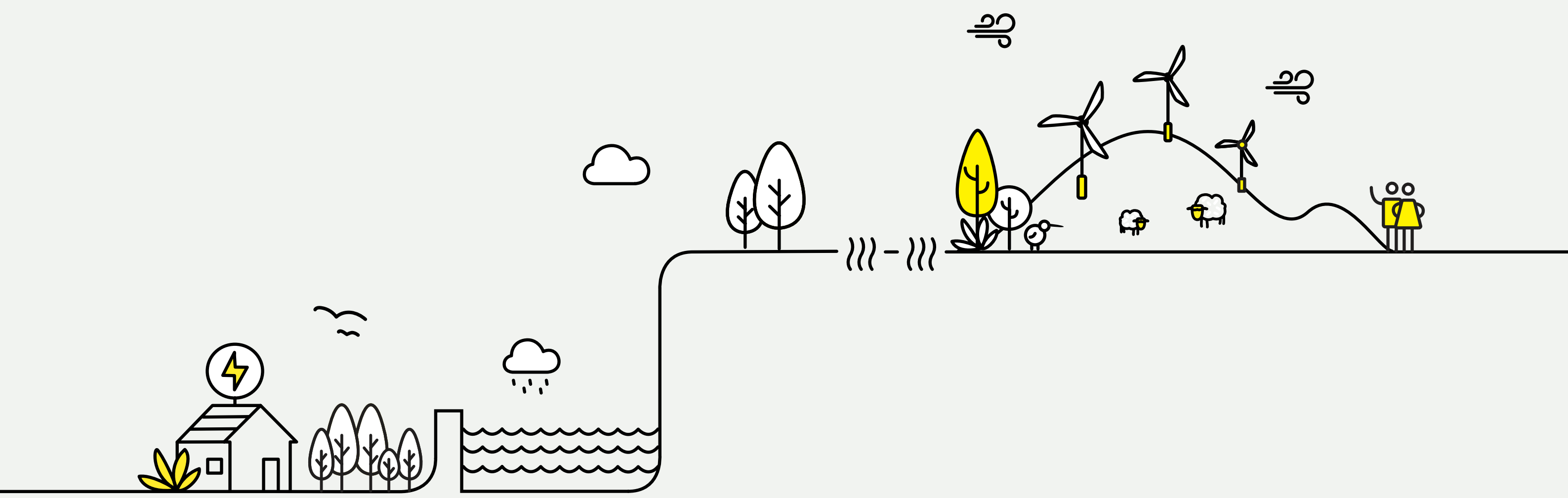
The certification of the Green Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Green Bonds or any Eligible Project, including but not limited to the Terms Sheet, the transaction documents, Mercury or the management of Mercury.

The certification of the Green Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the board of directors of Mercury and is not a recommendation to any person to purchase, hold or sell the Green Bonds and such certification does not address the market price or suitability of the Green Bonds for a particular investor. The certification also does not address the merits of the decision by Mercury or any third party to participate in any Eligible Project and does not express and should not be deemed to be an expression of an opinion as to Mercury or any aspect of any Eligible Project (including but not limited to the financial viability of any Eligible Project) other than with respect to conformance with the Climate Bonds Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Eligible Project or Mercury. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Eligible Project. The certification may only be used with the Green Bonds and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Green Bonds and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.



SCHEDULE 2 — SELLING RESTRICTIONS

GENERAL

The Green Bonds may only be offered or sold in conformity with all applicable laws and regulations in New Zealand and in certain other jurisdictions in which the Green Bonds may be offered or sold in transactions exempt from local prospectus requirements. Offer restrictions are set out below for the United States, Australia, Hong Kong, Japan, Singapore, Switzerland and the United Kingdom.

No action has been or will be taken by Mercury which would permit an offer of Green Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

No person may purchase, offer, sell, distribute or deliver Green Bonds, or have in their possession, publish, deliver or distribute to any person, any offering material or any documents in connection with the Green Bonds, in any jurisdiction other than in compliance with all applicable laws and the selling restrictions set out below. Only the Joint Lead Managers may distribute this Terms Sheet outside New Zealand and only in compliance with the specific selling restrictions set out below. In particular, this Terms Sheet may not be distributed to any person in the United States and the Green Bonds may not be offered or sold, directly or indirectly, to any person in the United States.

By subscribing for Green Bonds, you indemnify Mercury, the Arranger, the Joint Lead Managers, the Green Bond Co-ordinator, the Securities Registrar and the Bond Supervisor in respect of any loss incurred as a result of any breach by you of these selling restrictions.

UNITED STATES

The Green Bonds have not been, and will not be, registered under the Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Green Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Green Bonds, as determined and certified by the Joint Lead Managers except in accordance with Rule 903 of Regulation S. Any Green Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

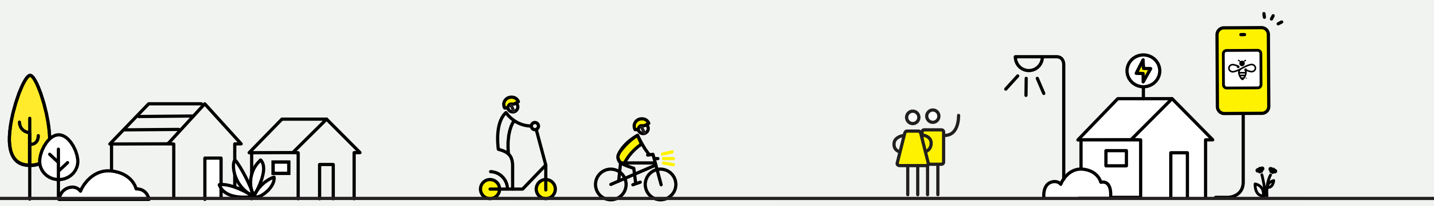
> "The Green Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Green Bonds may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Green Bonds and the closing date except in either case pursuant to a valid exemption from registration or in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

Until 40 days after the completion of the distribution of all Green Bonds, an offer or sale of the Green Bonds within the United States by any Joint Lead Manager or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

AUSTRALIA

This Terms Sheet and the offer of Green Bonds are only made available in Australia to persons to whom an offer of securities can be made without disclosure in accordance with applicable exemptions in sections 708(8) (sophisticated investors) or 708(11) (professional investors) of the Australian Corporations Act 2001 (the **Corporations Act**). This Terms Sheet is not a prospectus, product disclosure statement or any other formal "disclosure document" for the purposes of Australian law and is not required to, and does not, contain all the information which would be required in a "disclosure document" under Australian law. This Terms Sheet has not been and will not be lodged or registered with the Australian Securities & Investments Commission or the Australian Securities Exchange and Mercury is not subject to the continuous disclosure requirements that apply in Australia.

Prospective investors should not construe anything in this Terms Sheet as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Corporations Act. Investors in Australia should be aware that the offer of Green Bonds for resale in Australia within 12 months of their issue may, under section 707(3) of the Corporations Act, require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 of the Corporations Act apply to the re-sale.



HONG KONG

WARNING: This Terms Sheet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Terms Sheet or to permit the distribution of this Terms Sheet or any documents issued in connection with it. Accordingly, the Green Bonds have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Green Bonds has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Green Bonds that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Green Bonds may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Terms Sheet has not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Terms Sheet, you should obtain independent professional advice.

JAPAN

The Green Bonds have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the **FIEL**) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the Green Bonds may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires Green Bonds may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of Green Bonds is conditional upon the execution of an agreement to that effect.

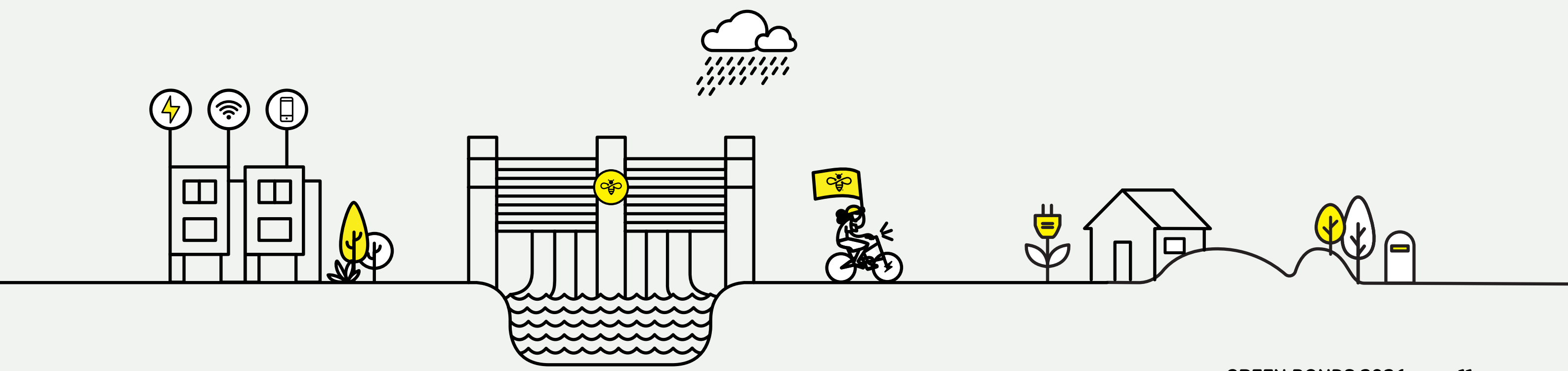
SINGAPORE

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION: Solely for the purposes of sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the **SFA**), Mercury has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Green Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

This Terms Sheet and any other materials relating to the Green Bonds have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Green Bonds, may not be issued, circulated or distributed, nor may the Green Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Terms Sheet has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Terms Sheet immediately. You may not forward or circulate this Terms Sheet to any other person in Singapore.

Any offer is not made to you with a view to the Green Bonds being subsequently offered for sale to any other party in Singapore. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Green Bonds. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



SWITZERLAND

The Green Bonds may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Terms Sheet nor any other offering or marketing material relating to the Green Bonds constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act (**FinSA**) or the listing rules of any stock exchange or regulated trading facility in Switzerland.

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In the United Kingdom, this Terms Sheet is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, **relevant persons**). The investment to which this Terms Sheet relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Terms Sheet.

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The Arranger, the Green Bond Co-ordinator, the Joint Lead Managers, the Securities Registrar and the Bond Supervisor and their respective directors, officers, employees and agents:

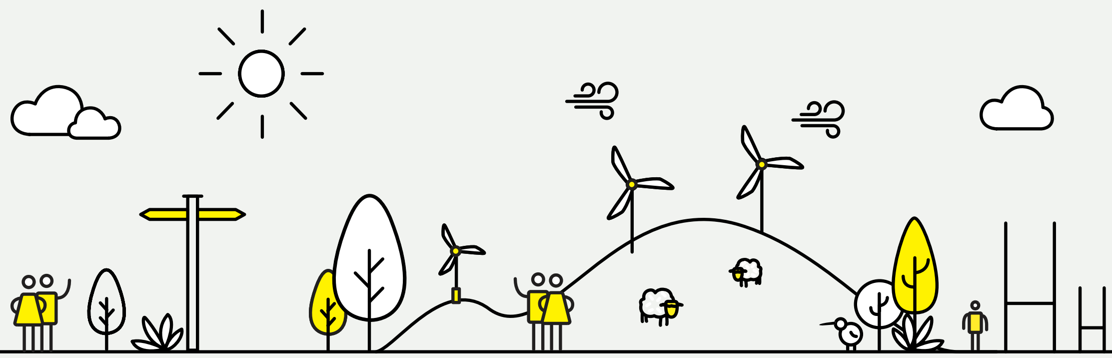
(a) have not authorised or caused the issue of, or made any statement in, any part of this Terms Sheet;

(b) do not make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Terms Sheet; and

(c) to the extent permitted by law, do not accept any responsibility or liability for this Terms Sheet or for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the offer of Green Bonds.

This Terms Sheet does not constitute financial advice or a recommendation from the Arranger, the Green Bond Co-ordinator, the Joint Lead Managers, the Securities Registrar and the Bond Supervisor or any of their respective directors, officers, employees, agents or advisers to purchase, any Green Bonds.

You must make your own independent investigation and assessment of the financial condition and affairs of Mercury before deciding whether or not to invest in the Green Bonds.



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BETTER
BUILDING
BRIGHTER

Green Bond Offer

RICHARD HOPKINS
Chief Financial Officer

GEOFF SMITS
Head of Corporate Finance & Treasury

23 March 2026

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

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IMPORTANT INFORMATION

The offer ("Offer") of Green Bonds by Mercury described in this presentation is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 ("FMCA").

The Offer is an offer of debt securities that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as:

- Mercury's $200,000,000 unsecured, unsubordinated, fixed rate green bonds with an interest rate of 1.56% per annum and a maturity date of 14 September 2027, which are currently quoted on the NZX Debt Market under the ticker code MCY030 ("MCY030 Bonds"); and
- Mercury's $200,000,000 unsecured, unsubordinated, fixed rate green bonds with an interest rate of 2.16% per annum and a maturity date of 29 September 2026, which are currently quoted on the NZX Debt Market under the ticker code MCY040 ("MCY040 Bonds"); and
- Mercury's $150,000,000 unsecured, unsubordinated, fixed rate green bonds with an interest rate of 5.64% per annum and a maturity date of 19 June 2028, which are currently quoted on the NZX Debt Market under the ticker code MCY060 ("MCY060 Bonds").

Accordingly, the Green Bonds are the same class as the MCY030 Bonds, MCY040 Bonds and MCY060 Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Mercury is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited ("NZX") for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/MCY.

The MCY030 Bonds, MCY040 Bonds and MCY060 Bonds are the only debt securities of Mercury that are in the same class as the Green Bonds and are currently quoted on the NZX Debt Market.

Investors should look to the market price of the MCY030 Bonds, MCY040 Bonds and MCY060 Bonds referred to above to find out how the market assesses the returns and risk premium for those bonds. When comparing the yield of different debt securities, it is important to consider all relevant factors (including credit rating (if any), maturity and other terms of the relevant debt securities).

An indicative terms sheet dated 23 March 2026 ("Terms Sheet") has been prepared in respect of the Offer. Investors should not purchase the Green Bonds until they have read the Terms Sheet. Investors should consider the risks that are associated with an investment in the Green Bonds, particularly with regard to their personal circumstances (including financial and tax issues), and should seek financial advice before deciding to invest in the Green Bonds.

An application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of the Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in the Terms Sheet or this presentation. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.

TRANSACTION AT A GLANCE

7-year senior unsecured Green Bonds – refinancing eligible green assets / projects

Instrument

Issuer	Mercury NZ Limited
Expected Issue Rating	BBB+ by S&P Global Ratings
Description	Unsecured, unsubordinated (senior) green bonds
Term	7 years, maturing 1 April 2033
Ranking	Pari passu with all other unsecured, unsubordinated liabilities
Minimum Application Amount	$5,000 and multiples of $1,000 thereafter

Use of Proceeds

- Net proceeds to be applied to refinance existing corporate debt
- Proceeds to be notionally allocated to finance / refinance Eligible Projects (wind and geothermal assets) in accordance with Green Financing Framework
- Stay-In-Business CAPEX ("SIB CAPEX") funded as part of base operations, Growth CAPEX investment decisions through staged gates

Timing Window

Bookbuild	23 March – 11am 25 March 2026
Settlement / Issue	1 April 2026 (following rate set on 25 March)
Quotation	Expected 2 April 2026

Refer to Key Dates (slide 8) for timetable

Why Now?

- Proactively refinance and extend debt maturity profile
- Maintain liquidity headroom within through-cycle financial policy
- Fund disciplined, staged renewable investment pipeline

BBB+ Issuer maintaining balance sheet headroom while financing / refinancing eligible renewable investment

MERCURY – CREDIT SNAPSHOT (BBB+)

BBB+ credit, managed within through-cycle financial policy

Through-cycle financial policy

- Target leverage: Net Debt / EBITDA 2x – 3x (S&P adjusted) through the cycle
- Investment decisions staged to remain within policy

CAPEX funding discipline

- SIB CAPEX funded first – protects availability and compliance
- Growth CAPEX is discretionary and staged through gates

Protections & covenant headroom

- Ranks equally with all other unsecured, unsubordinated liabilities of Mercury
- Covenant package across Master Trust Deed and Negative Pledge Deed[1] – strong headroom against minimum Net Worth of $500m and minimum interest cover of 250%

Liquidity headroom

- >$350m cash and undrawn committed facilities (as at 28 February 2026)
- Minimum liquidity headroom targeted to manage potential volatility and CAPEX timing

Well-laddered maturities

- Next maturities and refinancing plan (2026 – 2028, refer to slide 9 for full maturity profile):
  - $200m green bonds (September 2026)
  - $200m green bonds (September 2027)
  - $150m green bonds (June 2028)
  - AUD 200m green bonds (November 2028)

Key risks & mitigants

- Hydrology / volatility – diversified portfolio + customer book + liquidity headroom
- Build / consent / execution – staged gates + proven delivery track record
- Market / regulatory settings – policy signals + disciplined capital allocation within financial policy
- For further detail on Mercury's key risks, refer to pages 105 – 106 of our FY25 Integrated Report

BBB+ credit – priorities are liquidity, controlled leverage and investment governance

[1] Bondholders **do not** have the benefit of the Negative Pledge Deed (including the minimum interest cover covenant), and its restrictions and other terms may be amended or waived without the consent of or notice to the Bondholders

MERCURY HIGHLIGHTS

Resilient cash generation, SIB-first discipline, and gated growth investment

Resilient earnings profile

- Diversified hydro / geothermal / wind portfolio plus customer platform supports stable cash generation through cycles
- C&I portfolio duration extended from 3 to 5 years in recent years as electricity prices have increased
- Signing longer-term Power Purchase Agreements ("PPA") with key industrial customers to underpin new builds – NZ Aluminium Smelter, Fonterra, Visy, Amazon

Proven delivery reduces execution risk

- Built 5 of the last 6 wind farms in New Zealand
- OEC5 delivered on time and on budget, Kaiwera Downs 2 ("KD2") and Kaiwaikawe wind projects tracking on time and on budget
- Karapiro rehabilitation completed in 2025, learnings set us up well for our next hydro rehabilitation programme

SIB CAPEX is planned and risk based

- $150m p.a. planned, recurring reliability / compliance investment that is funded first (protects availability and long-run performance)

Growth CAPEX is discretionary and well governed

- Investment staged through gates; projects can be re-phased to protect leverage and liquidity

Green integrity

- Green Financing Framework with external review / CBI programmatic certification (as applicable) and annual allocation and impact reporting

A BBB+ Issuer combining resilient renewable earnings with disciplined, gate-based investment and credible green governance

KEY TERMS OF THE GREEN BONDS

Issuer	Mercury NZ Limited
Offer Amount	Up to $200,000,000 (with the ability to accept oversubscriptions of up to an additional $50,000,000 at Mercury's discretion)
Issue Price	$1.00 per Green Bond, being the Principal Amount of each Green Bond
Interest Rate	The Green Bonds will pay a fixed rate of interest from the Issue Date until the Maturity Date, and will be the sum of the Swap Rate on the Rate Set Date and the Issue Margin. The Interest Rate will be announced via NZX on the Rate Set Date
Issue Margin	The Issue Margin (which may be within, above or below the indicative Issue Margin range) will be determined by Mercury in conjunction with the Joint Lead Managers following a bookbuild on the Rate Set Date
Indicative Issue Margin Range	0.95% to 1.05% per annum
Interest Payments	Semi-annual in arrear in equal amounts on 1 April and 1 October in each year (or if that day is not a Business Day, the next Business Day and no adjustment will be made to the amount payable as a result in the delay of payment) until and including the Maturity Date, with the First Interest Payment Date being 1 October 2026
Quotation	Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market. NZX ticker code MCY080 has been reserved for the Green Bonds
Financial Covenant	Mercury agrees to ensure that Net Worth (being total assets less total liabilities of Mercury and its subsidiaries, on a consolidated basis, calculated in accordance with the Master Trust Deed) at any time will not be less than $500 million
No guarantee	Mercury is the issuer and the sole obligor in respect of the Green Bonds. None of the Crown, any subsidiary of Mercury or any other person guarantees the Green Bonds Mercury has some guaranteed liabilities to banks ("Guaranteed Liabilities"). The Guaranteed Liabilities are unsecured but (unlike Bondholders) those creditors have the benefit of guarantees from certain subsidiaries of Mercury so may also claim directly against those subsidiaries
Ranking	On a liquidation of Mercury, the Green Bonds will rank equally with all other unsecured and unsubordinated liabilities of Mercury, such as those owing to other Bondholders
Purpose	Green Bonds proceeds to be notionally allocated to eligible wind and geothermal assets in accordance with Mercury's Green Financing Framework
How to Apply	There is no public pool for the Green Bonds. All Green Bonds (including any oversubscriptions) will be reserved for subscription by clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the bookbuild
Arranger	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)
Joint Lead Managers	Bank of New Zealand, Craigs Investment Partners Limited, Forsyth Barr Limited, Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)
Green Bond Co-ordinator for this Offer	Westpac New Zealand Limited

KEY DATES

Opening Date	Monday, 23 March 2026
Closing Date	11:00am NZT, Wednesday, 25 March 2026
Rate Set Date	Wednesday, 25 March 2026
Issue Date and Allotment Date	Wednesday, 1 April 2026
Expected Date of Initial Quotation on NZX Debt Market	Thursday, 2 April 2026
Maturity Date	Friday, 1 April 2033
Interest Payments	Semi-annual in arrear in equal amounts on 1 April and 1 October

DISCIPLINED BALANCE SHEET MANAGEMENT

Capital structure managed through-cycle within target range

- Mercury targets Net Debt / EBITDA between 2x – 3x after adjusting for S&P Global treatment, consistent with our BBB+ rating
- Net Debt / EBITDA[1] at 2.2x for HY26[2], driven mainly by higher EBITDAF. Net Debt slightly higher at $2.2b, reflecting continued investment into the Ngā Tamariki Geothermal Station expansion, Kaiwera Downs Wind Farm and Kaiwaikawe Wind Farm
- Net Debt / EBITDA, based on committed Growth CAPEX, is forecast to be within 2x – 3x band
- Growth CAPEX is discretionary and staged through gates

Liquidity headroom maintained to manage potential downside risks and working capital requirements

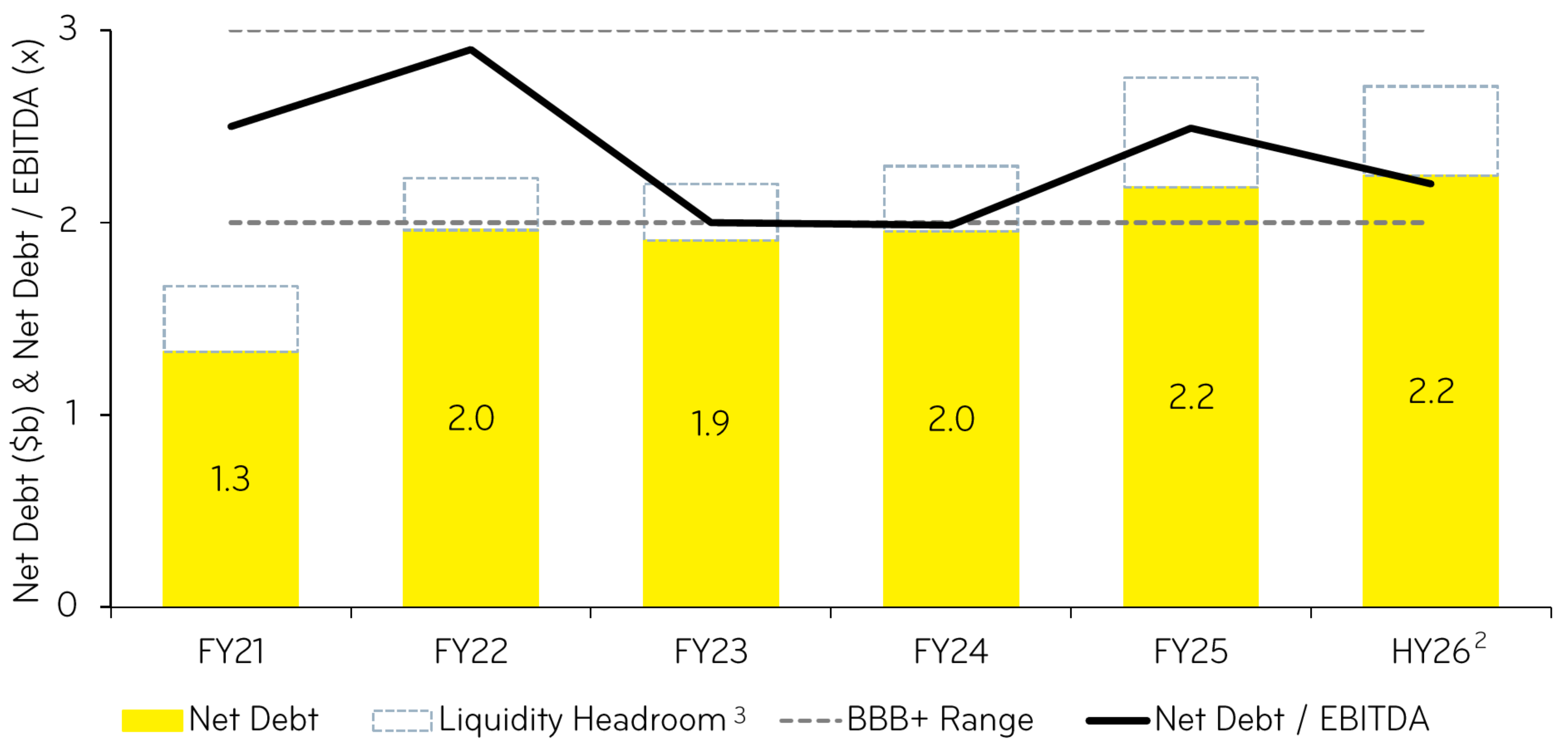
- Available cash and undrawn committed facilities of >$350m[3] (as at 28 February), sufficient to manage business risk and support growth

Diversified debt maturity profile and funding sources to manage refinancing risk

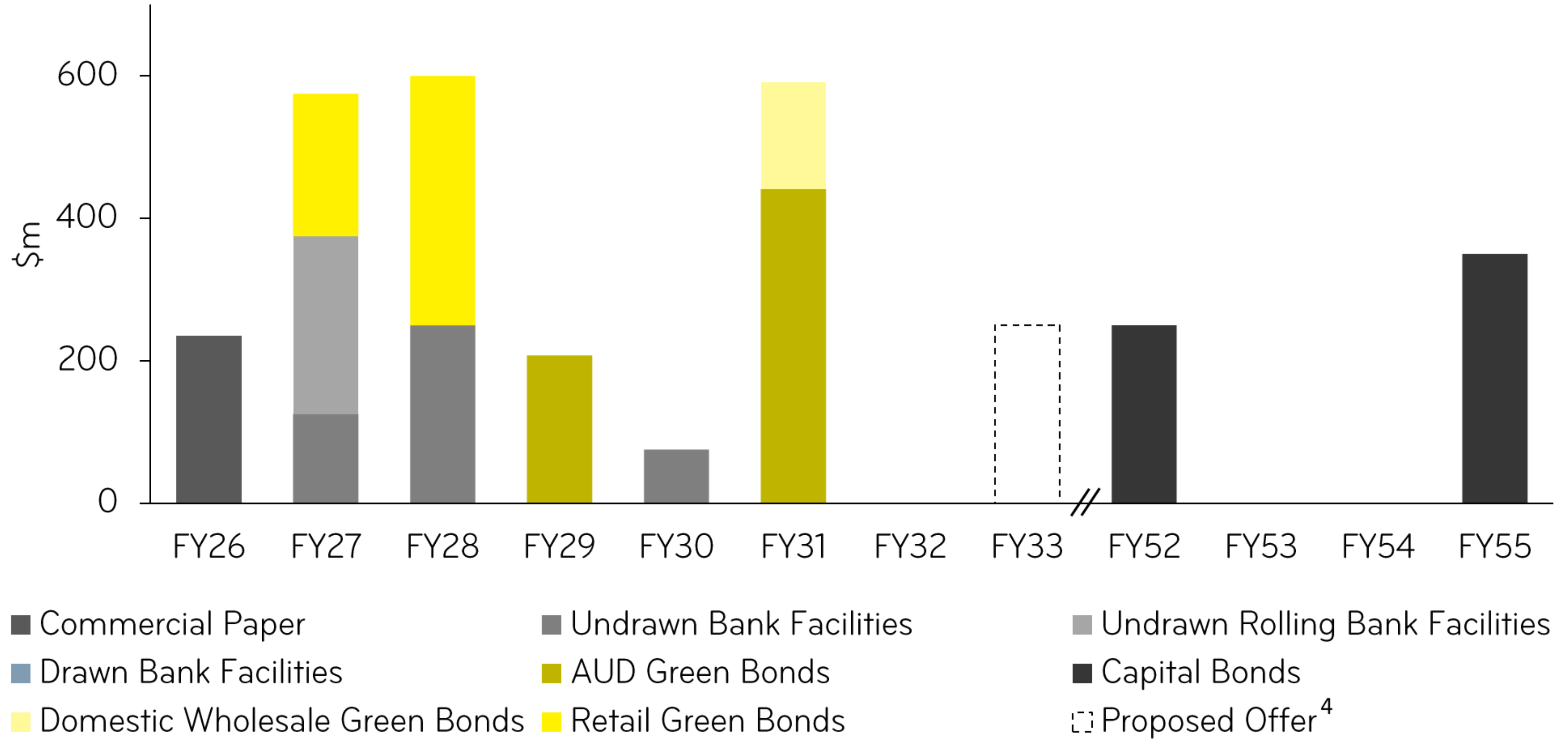
- Diversified funding sources: commercial paper, bank facilities, domestic wholesale bonds, retail bonds, AUD wholesale bonds and capital bonds
- Well-laddered debt maturity profile to phase refinancing requirements

Headroom maintained within policy while funding SIB and Growth CAPEX

NET DEBT[1] AND NET DEBT / EBITDA



DEBT MATURITY PROFILE



[1] Adjusted for expected S&P Global treatment
[2] Based on 12 month rolling EBITDA
[3] Undrawn bank facilities net of commercial paper on issue
[4] Assuming $250m total proceeds from the Offer

Operational and strategic delivery – HY26 scoreboard

Execution and guardrails: investing at scale within BBB+ metrics

Resilient Earnings

- HY26 EBITDAF $537m (+28%) driven by higher renewable generation and cost discipline
- Customer platform: 40% of customers now multi-product, improving value per customer
- Hydro rehabs: $590m Final Investment Decision ("FID"), protecting availability and adding 76MW / 87 GWh p.a.

Disciplined Growth

- Geothermal OEC5: commissioning commenced Jan 2026 – on time on budget
- Wind build: KD2 and Kaiwaikawe under construction; tracking to deliver ~0.7 TWh by H1 FY27
- Puke Kapo Hau (Mahinerangi Stage 2 Wind Farm) targeting FID Q1 FY27

Balance Sheet Strength

- Financial guardrails: Net Debt / EBITDA at 2.2x and managed through-cycle within 2x – 3x target range, BBB+, liquidity headroom to manage volatility and CAPEX timing
- HY26: SIB CAPEX funded first, protecting availability and compliance. $270m invested in new and existing assets
- FY26 guidance on track: EBITDAF $1.0b, Operating Expenses ("OPEX") $370m, SIB CAPEX $150m and dividend 25cps

Disciplined investment delivery staged through gates, with on-track execution building confidence in the pipeline

PROTECTING AVAILABILITY OF OUR GENERATION ASSETS

Lower drilling and hydro asset spend for HY26

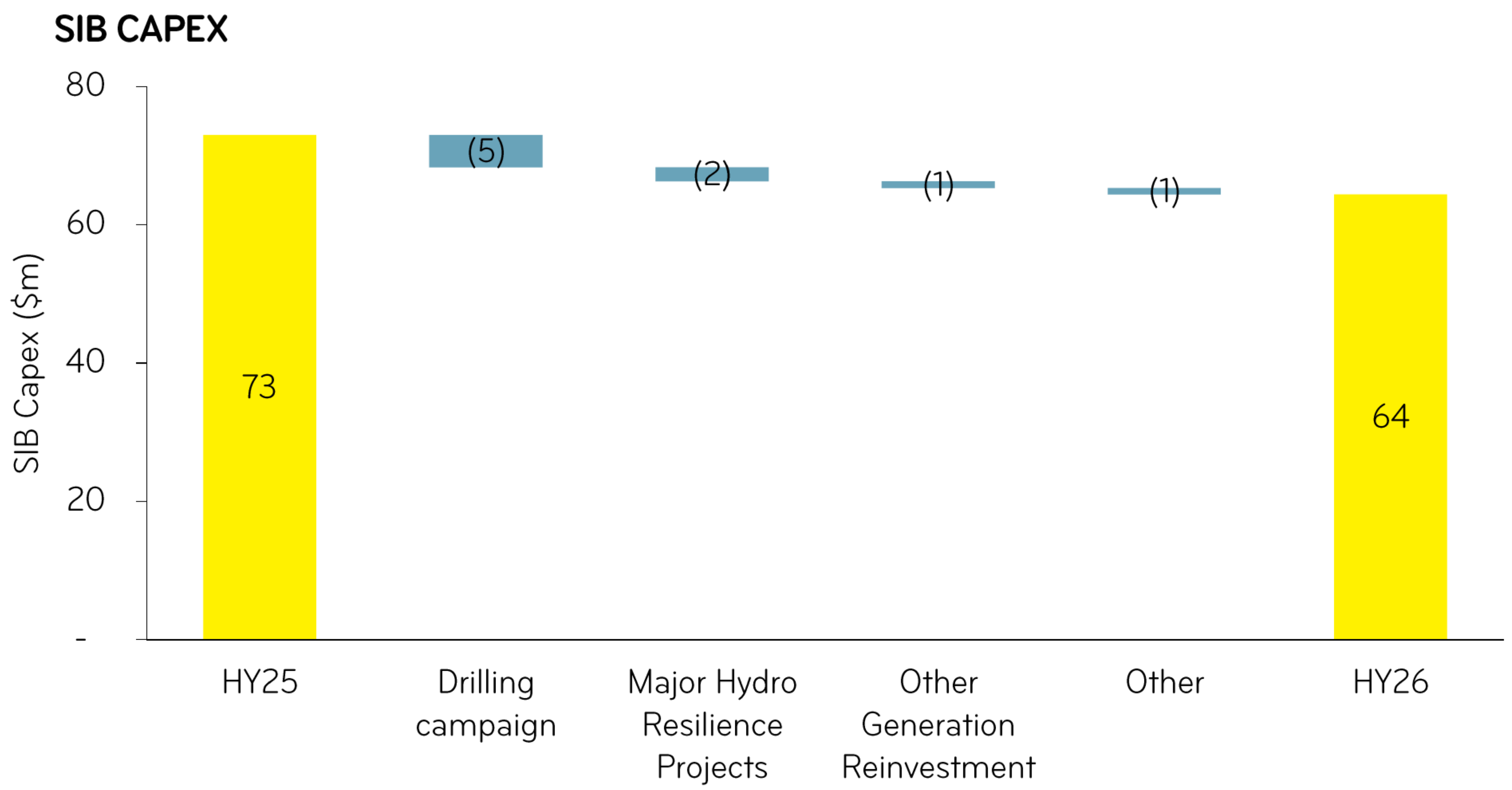
- Stay-In-Business drilling decreased as resources shifted to the Rotokawa drilling field to complete the drilling campaign
- Spend on major hydro resilience projects is lower due to completion of Karāpiro hydro rehabilitation. Current projects include strengthening Arapuni Left Abutment and Taupō Control Gates (TCG) and initial stages of the next phase of the hydro rehab programme
- Other enterprise-wide project spend was largely in line with prior year

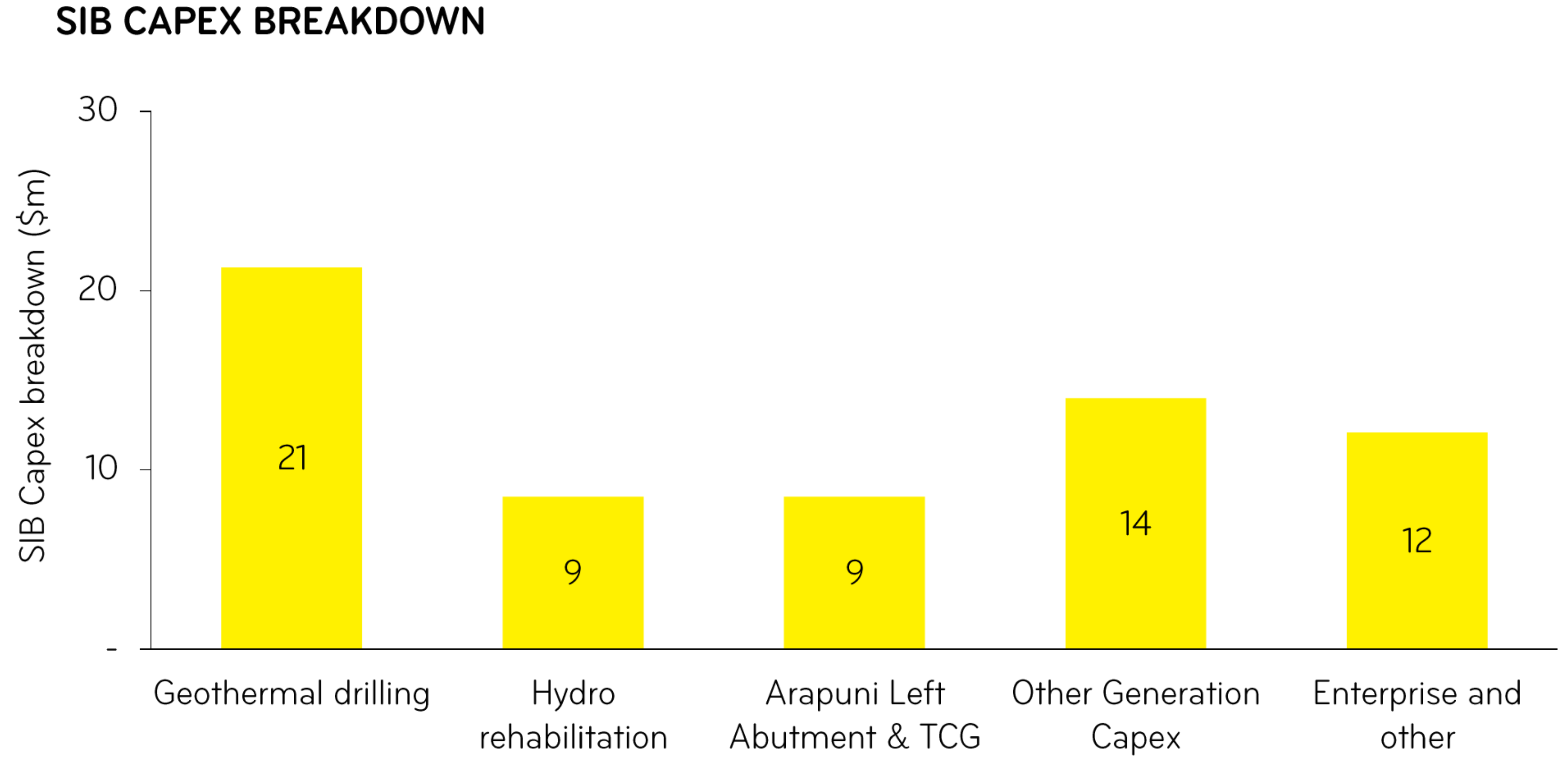
HY26 SIB CAPEX breakdown

- Geothermal drilling costs related to the completion of one production well and one injection well at Rotokawa
- Hydro rehabilitation costs are primarily driven by refurbishment of the third generating unit and the intake gate replacement at Karāpiro
- Arapuni Left Abutment and TCG relate to multi-year projects to strengthen asset resilience and reduce risk at our hydro sites
- Other generation mainly includes minor SIB CAPEX projects

FY26 SIB CAPEX guidance at $150m

SIB CAPEX funded first – protects availability and compliance





DISCIPLINED INVESTMENT DECISIONS AS WE TARGET 3.5 TWH BY 2030

Project	Capacity (MW)	Estimated output (GWh)	Project status				Next investment gate & timing targeted	Progress update
			Consent	Procure	Construct	Commission		
OEC5 Geothermal	46	390	Completed	Completed	Completed	In-progress	Fully online – Q3 FY26	Final commissioning at full generation is underway
Kaiwera Downs S2 Wind	155	525	Completed	Completed	In-progress		Commissioning – Q4 FY26	Civil construction is nearing completion. WTG deliveries underway. >10 WTGs erected
Kaiwaikawe Wind	77	221	Completed	Completed	In-progress		Commissioning – Q1 FY27	Civil construction is nearing completion. WTGs being delivered to Port
Puke Kapo Hau (Mahinerangi S2) Wind	190	550	In-progress	In-progress			IG4/FID – Q1 FY27	Awaiting consent decision. Procurement underway
Whakamaru BESS	100-150		Completed	In-progress			IG3 – Q3 FY26	Consented. Commencing procurement in Q3 FY26. Targeting FID by mid-FY27
Geo Project 1	30	270	In-progress				IG2 – H1 FY28	Reservoir assessment, options assessment and drilling planning underway
Waikokowai Wind	300-350	900-1,200	In-progress				IG3 – FY27	Consenting work in progress.
Puketoi Wind	228	1,080	In-progress				TBD	Detailed feasibility work in progress
Hydro rehabs at Maraetai, Ōhakuri and Ātiamuri	76	87	Completed	In-progress			IG4 – FID in Q2 FY26	Committed to $590m rehabs progressively commissioned from FY29 through to FY35

Completed
In-progress

Our project pipeline is discretionary, providing options to meet our FY30 EBITDAF aspiration of $1.15-1.25b

Focus on managing balance sheet within the target range for our BBB+ credit rating (e.g. Net Debt / EBITDA within 2x - 3x)

Investment is staged through investment gates

We only deploy capital when gate criteria are satisfied (e.g. project quality, portfolio fit, commercial pathway, risk, programme/budget, etc) which helps us protect earnings timing and avoid overruns

Investment is gated – scope, cost, schedule, risk and return evidence required before FID

Investment gate key:

- IG1 – Property Acquisition/Investigation
- IG2 – Consenting
- IG3 – Procurement
- IG4 – FID

Growth CAPEX is discretionary and staged through gates

PROVEN GEOTHERMAL CAPABILITY WITH SUCCESSFUL DELIVERY OF OEC5

OEC5 station including commissioning operators loading geothermal fluid for first time and a drilling rig

Successfully delivered Ngā Tamariki OEC5 on budget and time

- First generation on 19 January 2026 and reached 100% output a few days later on 23 January
- The unit has been continuing through commissioning since then with various testing and tuning activities. Reliability testing is now underway, and the next phase is the handover to Operations
- Value accretive with $82/MWh LRMC equivalent at Auckland
- The OEC5 Project continues its excellent safety record with no significant harm over the 650+ days and 280,000 hours worked

Drilling campaign

- Successfully completed the 8 well geothermal drilling campaign to sustain capacity of the Kawerau, Ngā Tamariki and Rotokawa fields
- The total cost was $161m over 4 years (includes $37m of Growth CAPEX for two OEC5 wells), $14m lower than the previous estimate

Next-gen geothermal

- The NZ Government has selected Rotokawa geothermal field as the preferred site for the New Zealand's first supercritical exploration well
- We are supporting this exciting scientific research programme, with our Rotokawa joint venture partner Tauhara North No.2 Trust, to help understand New Zealand's next-generation geothermal potential
- A Mercury employee has been appointed as the Project Director for this study

Delivery proof: on-time / on-budget reduces execution risk

LEADING WIND DELIVERY IN NEW ZEALAND – PROJECTS TRACKING ON TIME AND ON BUDGET

Kaiwera Downs Stage 2 under construction

KAIWERA DOWNS S2 WIND 155MW and 525GWh

- Southland location
- On time and on budget
- First generation expected by May 2026 with 11 turbines ready to generate when connected

FID	TURBINE DELIVERIES	STARTUP	COMMERCIAL OPERATION DATE
Q4 FY24	H1FY26	H2 FY26	H1 FY27

	STATUS	COMMENTS
TIME		On plan - 10 of 36 turbines erected; staged energisation/ commissioning underway
COST		Forecast on plan vs budget
QUALITY		On track with all foundation pours completed, substation equipment delivered with commissioning underway
HEALTH, SAFETY & ENVIRONMENT		Zero serious harm to date
RISK		Grid/commissioning interfaces and weather windows managed through staged commissioning plan and resourcing

KAIWAIKAWE WIND 77MW and 221GWh

- Northland location
- On time and on budget
- First generation expected by August 2026

FID	TURBINE DELIVERIES	STARTUP	COMMERCIAL OPERATION DATE
Q2 FY25	H2 FY26	H1 FY27	H1 FY27

	STATUS	COMMENTS
TIME		On plan - turbines delivered to Northport; site works progressing to plan
COST		Forecast on plan vs budget
QUALITY		On track - foundation pours complete; installation readiness checks underway
HEALTH, SAFETY & ENVIRONMENT		Zero serious harm to date
RISK		Majority of components delivered to NZ; transport trials completed - logistics risk reducing

Delivery proof: on-time / on-budget reduces execution risk

POLICY SOLUTIONS TO THE TRANSITION CHALLENGES

Recent independent advice for the Government confirms electricity sector performs well, but further evolution is required alongside action to address declining gas supply

Takeaways	**Demand growth as electrification intensifies**		**Security of supply**	**Affordability**
Policy response	**Resource management reform** Support for accelerated investment in new renewable generation and maintenance of existing assets	**Geothermal strategy** Government's Geothermal Strategy anticipated to confirm commitment to increasing geothermal generation (including drilling) and supercritical geothermal exploration	**Clear investment signals** Government work underway to improve security of the system via boosting existing markets, including exploring dry year mechanism and LNG importation	**Use market mechanisms to improve customer mobility** Reforms to enable customer mobility and implement consumer data right intended to ensure customers can benefit from current highly competitive retail market
Our choices	• Mercury positioned to deliver renewable generation growth due to its strong balance sheet and quality options across the entire development lifecycle • Committed to developing and delivering our projects in consultation with iwi, community and stakeholders, always considering their environmental impact • Help increase demand by supporting large industrials' transition to electrification		• Planned investment in geothermal and portfolio flexibility with hydro and geographically diverse wind • Supporting market mechanisms by entering into firming supply agreements like Genesis HFO	• Investing in lower cost renewable generation • Committed to a fair and equitable energy transition, delivering greater clarity, control and care for customers
We support	• **Stable, investable market settings that support timely renewables build** • **Efficient consenting and grid connection processes** • **Clear pathway to maintain security of supply as thermal exits**			

These settings align system outcomes (security, affordability, decarbonisation) with the predictability investors need to fund the transition

GREEN FINANCING FRAMEWORK

Mercury's Green Financing Framework was updated in February 2026 and is available at www.mercury.co.nz/investors/bonds/green-bonds. The Green Financing Framework outlines Mercury's process relating to use of proceeds, project evaluation and selection, management of proceeds, reporting and assurance.

External Review	• Mercury's Green Financing Framework has been independently reviewed by DNV Business Assurance Australia ("DNV") against the Climate Bonds Standard ("CBS") Version 4.3 and the Green Bond Principles (2025). • DNV's Second Party Opinion is available at www.mercury.co.nz/investors/bonds/green-bonds.
CBI Certification	• Mercury has obtained programmatic certification of green bonds whose proceeds are notionally allocated to Eligible Projects under CBS Sector Criteria (wind and geothermal assets as at the date of this presentation). • Programmatic certification requires Mercury to obtain independent verification of all CBS-certified issuances under Mercury's green bond programme, and to provide annual update reports until bond maturity. Mercury has also obtained specific Climate Bonds Initiative ("CBI") pre-issuance certification of the Green Bonds to be issued (see Appendix page 20).

Annual Reporting and Compliance	• Annual reporting for all outstanding Green Finance items, available at www.mercury.co.nz/investors/bonds/green-bonds, includes:
	    • Post-Issuance External Review
	    • Green Finance Programme Report
	    • Allocation of Proceeds Report annually for all outstanding Green Finance items
	• The Green Financing Framework also provides for Mercury to report on the environmental impacts (where possible and relevant) resulting from Eligible Projects as part of its annual reporting, and may already be disclosed in business-as-usual climate reporting.
	• Note that lack of compliance with the Green Financing Framework or failure to maintain CBS certification of the Green Bonds is not an event of default in relation to the Green Bonds.

Use of Proceeds	• The proceeds of the Offer are intended to be notionally allocated to Eligible Projects under CBS Sector Criteria (wind and geothermal assets as at the date of this presentation). • As at the date of this presentation, Mercury expects to notionally apply the net proceeds of the Offer to refinance existing debt. Mercury intends to track an amount equal to the net proceeds within its systems, notionally allocated to Eligible Projects under CBS Sector Criteria.

Eligibility Criteria	• Under the Green Financing Framework, eligibility criteria for wind and geothermal Eligible Projects (aligned to CBS Sector Criteria) include:
	    • Geothermal electricity generation facilities with direct emissions of less than 100gCO_2/kWh
	    • On-shore wind energy generation facilities
	• The Green Financing Framework also includes eligibility criteria for hydropower, solar, energy storage and clean transportation. With current headroom of Eligible Projects, and a strong development pipeline of wind and geothermal projects, Mercury does not currently intend to seek CBI certification for these additional asset types.

Green integrity: certified Green Financing Framework with annual reporting

INVESTMENT HIGHLIGHTS FOR BONDHOLDERS

Resilient cash generation, disciplined balance sheet, well governed investment

BBB+ credit – disciplined financial policy
Net Debt / EBITDA maintained within 2x – 3x (S&P adjusted) through the cycle

Liquidity + refinancing managed to protect bondholders
Strong committed headroom and well-laddered maturities (refer to maturity profile)

Resilient earnings increasingly contracted customer book
C&I duration extended 3 to 5 years; longer-term PPAs backing new builds (KD2, Tiwai)

CAPEX discipline – SIB funded first; Growth is discretionary and gated
SIB CAPEX planned/recurring and funded first; Growth staged through investment gates before FID

Proven delivery reduces execution risk
Built 5 of the last 6 New Zealand wind farms; OEC5 on time/on budget; Karapiro rehab de-risks next hydro rehabilitation programme

A BBB+ issuer combining resilient cash generation with disciplined, gated investment and strong delivery execution

Ngā Awa Pūrua cooling tower

APPENDIX

A DIVERSIFIED PORTFOLIO OF RENEWABLE ASSETS

Mercury

OUR PURPOSE

Tiakina te anamata, mā te tūhono i ngā tāngata me ngā wāhi o te inamata.

Taking care of tomorrow, connecting people and place today.

OUR BUSINESS

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

- 20% Generation market share[1]
- 25% Retail electricity market share[2]
- 229k Broadband and mobile connections[2]
- 223k customers with two or more products[2]

[1] For the 12 months to 31 December 2025
[2] As at 31 December 2025
[3] Annual mean renewable generation expected from existing operating assets
[4] Total Shareholder Return (TSR): Annualised TSR from 10 May 2013 to 31 December 2025, excluding Dividend Reinvestment Plan uptake

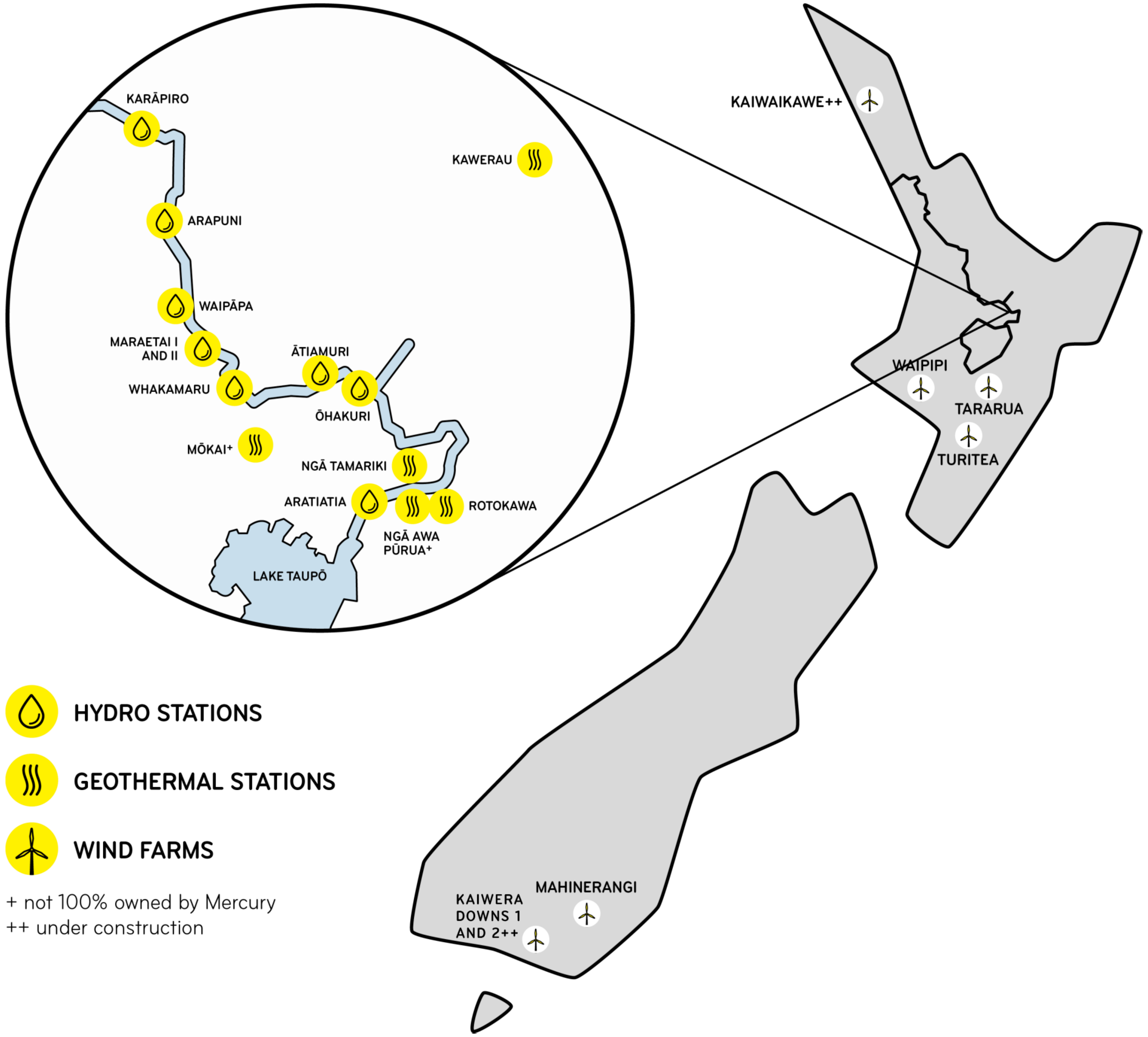
~9.5 TWh
RENEWABLE GENERATION[3]

~916k
CUSTOMER CONNECTIONS[2]

10.5% TSR
SINCE LISTING[4]

~0.7 TWh
WIND FARMS UNDER CONSTRUCTION

$1b EBITDAF
FY26 GUIDANCE



Certification

This is to certify that the

Mercury Green Bond 2026

Issued by

Mercury NZ Limited

Has met the criteria for certification by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative

6th March 2026

Sean Kidney
C.E.O., Climate Bonds Initiative

Mercury

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

ANNOUNCEMENT

Mercury launches retail Green Bond offer

23 March 2026 – Mercury NZ Limited (**Mercury**) confirmed today that it is offering up to $200 million (with the ability to accept up to an additional $50 million in oversubscriptions at Mercury's discretion) of 7 year unsecured, unsubordinated, fixed rate green bonds (**Green Bonds**) to institutional investors and New Zealand retail investors.

The offer opens today and 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 offer is expected to close on 25 March 2026, with the Green Bonds expected to be issued on 1 April 2026.

The interest rate for the Green Bonds will be set on the rate set date as being equal to the sum of the swap rate and the issue margin.

The indicative issue margin range for the Green Bonds is 0.95% to 1.05% per annum. An announcement of the actual issue margin (which may be within, above or below the indicative issue margin range) and interest rate will be made following a bookbuild process, which is expected to be completed on 25 March 2026 and announced via NZX shortly thereafter.

The Green Bonds are expected to be rated BBB+ by S&P Global Ratings.

The proceeds of the Green Bonds are intended to be notionally allocated to finance or refinance eligible projects in accordance with Mercury's Green Financing Framework dated February 2026. In particular, as at the date of this announcement, Mercury expects to apply the proceeds of the Green Bonds to refinance existing debt.

There is no public pool for the offer, with all of the Green Bonds being reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants.

Full details of the offer are contained in the indicative terms sheet. The indicative terms sheet is attached and available through www.mercury.co.nz/investors/bonds/green-bonds/mcy080-bonds or by contacting a Joint Lead Manager or your usual financial advice provider.

A copy of the investor presentation has also been provided to NZX with this announcement.

Arranger and Joint Lead Manager

0800 772 142

Joint Lead Managers

09 924 9602 | 0800 272 442 | 0800 367 227

ENDS

Howard Thomas
General Counsel and Company Secretary
Mercury NZ Limited

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ABOUT MERCURY NZ LIMITED

Mercury's generation assets produce electricity from 100% renewable sources: hydro, geothermal and wind. We're 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 of Mercury.

Visit us at: www.mercury.co.nz