



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

NEWS RELEASE

Mercury's acquisition of Trustpower's retail business now unconditional; completion expected today

2 May 2022 – Mercury NZ Limited's acquisition of Trustpower Limited's retail business for the final acquisition price of \$467 million is now unconditional, with completion expected later today. The acquisition will double Mercury's total customer connections and accelerate entry into the telecommunications market.

Trustpower's retail business sells electricity, gas, fixed and wireless broadband, and mobile phone services, totalling approximately 416,000 connections. The combined business will have approximately 787,000 connections creating New Zealand's leading multi-product utilities retail business.

The final acquisition price of \$467 million is made up of an underlying purchase price of \$426 million plus a working capital contribution of \$41 million. This is an increase in the price previously announced of \$441 million explained by a higher working capital contribution mostly due to Trustpower retaining its accounts payable obligations.

Mercury Chief Executive Vince Hawksworth says the acquisition of Trustpower's retail business will enable Mercury to accelerate its retail strategy, delivering the right product mix and enhanced value for customers on a faster trajectory.

"Going from a dual utility provider to a truly multi-product retailer adds material value for our customers in terms of convenience, cost efficiencies and the delivery of innovative and exciting products," he says.

"Multi-product bundling is a market where Trustpower has had great success and we know nearly half of Mercury customers like the idea of having a single utility provider¹."

Greater scale will also allow Mercury to invest in the underlying technology platform, enabling better services and improved customer experience, Mr Hawksworth says.

"We want to provide a best-in-class customer experience, including frictionless interactions across multiple touchpoints, as we deliver new products and experiences."

Mercury will also be able to take purposeful action more broadly for customers and New Zealand, Mr Hawksworth says.

"As New Zealand transitions to a low carbon economy, we want to ensure this shift is equitable for all consumers, including those experiencing hardship. We are acutely aware of the role we have to play as a large retailer and this only grows in importance."

He says that Mercury and Trustpower customers will continue to receive the same high standard of service they've known from both retail brands.

"Today is about welcoming around 570 new colleagues to Mercury, taking us to around 1400 employees nationwide. My executive team is growing too, with the addition of Fiona Smith, Trustpower's General Manager Customer Operations, and Paul Bacon, Trustpower's General Manager Markets.



“Our focus moves quickly to how we integrate the two retail businesses supported by our outstanding generation assets, and how we can be innovative, responsive and streamlined in the way we operate.”

Background

Mercury initially announced it had entered into binding agreements with Trustpower to acquire its retail business for NZ\$441 million, payable in cash in June 2021. The transaction was conditional on several matters, including Commerce Commission clearance, completion of the proposed restructure of Tauranga Energy Consumer Trust and Trustpower shareholder approval.

¹In an April survey of approximately 1500 Mercury customers, 45% said they'd find it somewhat or very appealing to have one company provide multiple utility services to their household.

ENDS

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ABOUT MERCURY NZ LIMITED

Mercury's mission is energy freedom. Our purpose is to inspire New Zealanders to enjoy energy in more wonderful ways and our goal is to be New Zealand's leading energy brand. We focus on our customers, our people, our partners and our country; maintain a long-term view of sustainability; and promote wonderful choices. Mercury is energy made wonderful.

