Interim Results 2021

David Prentice – Chief Executive
Kevin Palmer – Chief Financial Officer

8 November 2021

Contents

Governance Update

Board and Leadership Team

Paul Bacon
General Manager Markets

Kevin Baker
Director

Sara Broadhurst
General Manager
People & Culture

Peter Calderwood
General Manager
Strategy & Growth

Peter Coman
Director

Stephen Fraser
General Manager Generation

David Gibson
Director

Kevin Palmer
Chief Financial Officer
and Company Secretary

Joanna Breare
Director

David Prentice
Chief Executive

Paul Ridley-Smith
Chair

Fiona Smith
General Manager
Customer Operations

Sheridan Broadbent
Director

Matt van Deventer
General Manager
Technology & Delivery

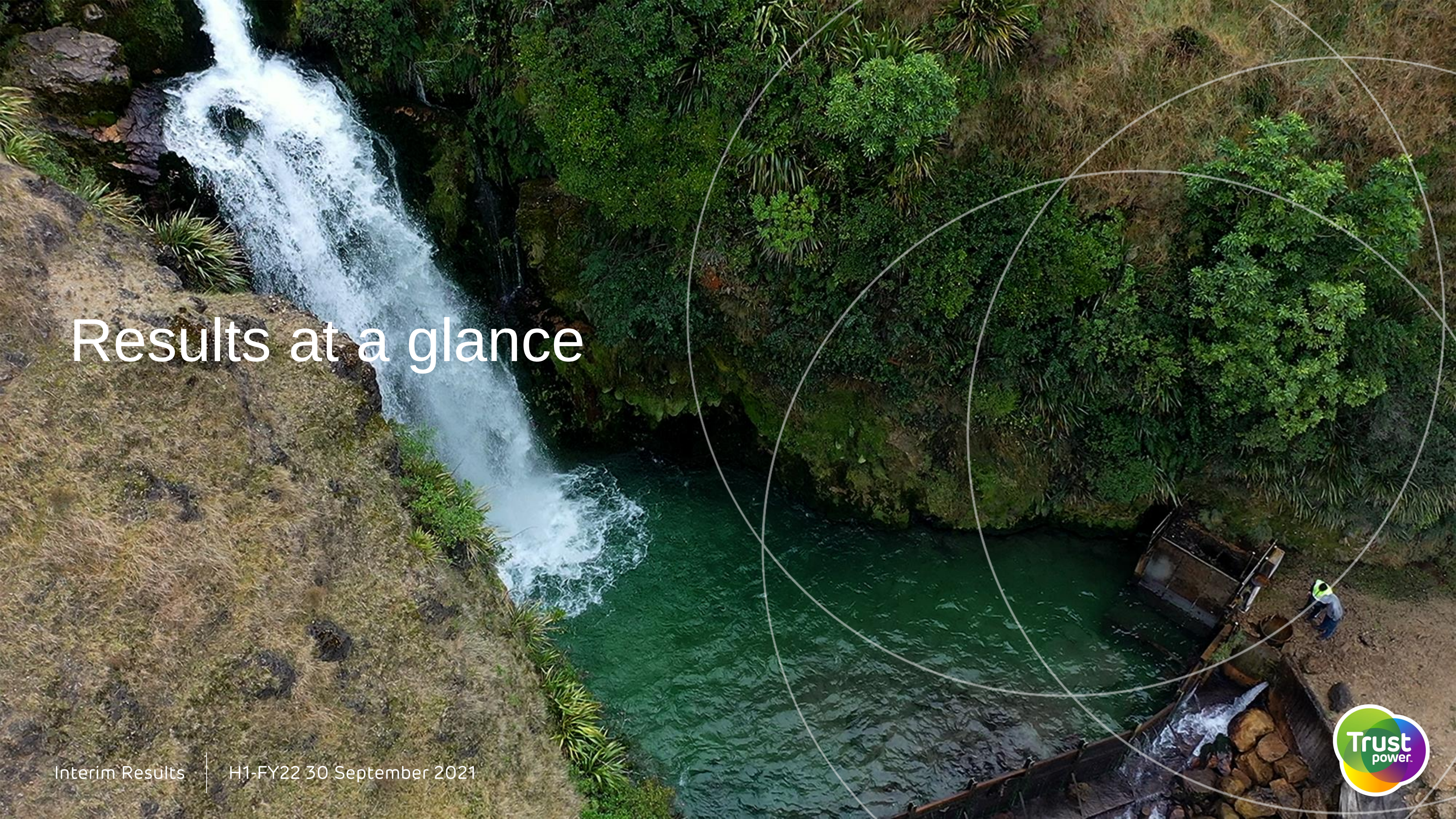
Changes to the Board

Effective 22 September:

- David Prentice retired as Director (remains Chief Executive)
- Susan Peterson retired as Director
- Joanna Breare joined as Director
- Sheridan Broadbent joined as Director

Keith Turner has resigned effective 31 October

Results at a glance



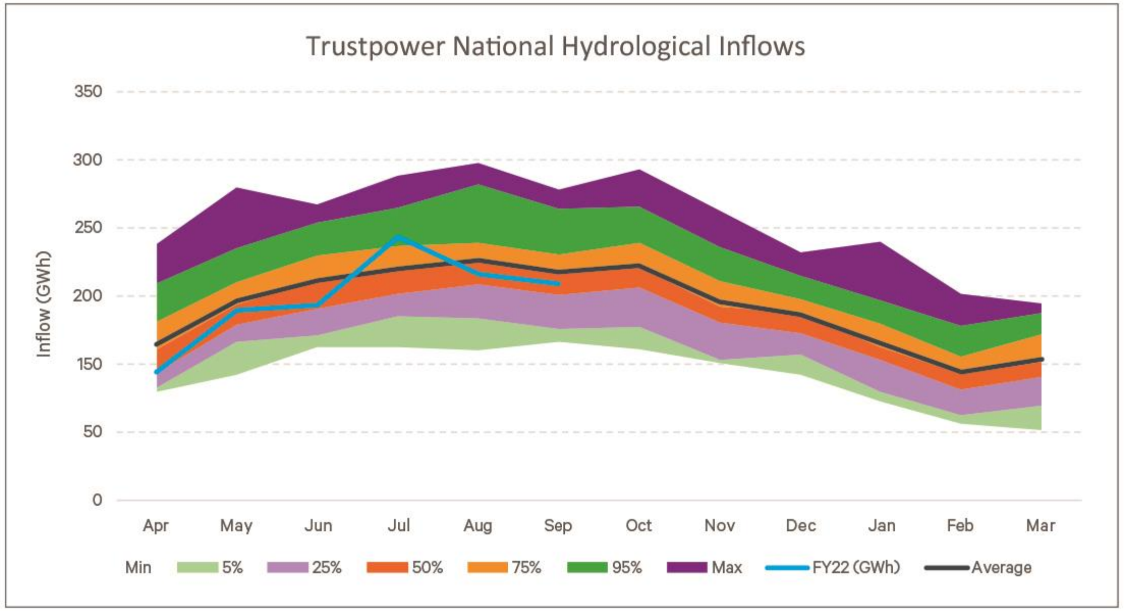
Macro environmental factors

- COVID-19 lockdowns have been addressed with minimal impact – generation operations have been relatively unaffected; on the retail side some consumers have been significantly impacted and Trustpower has worked hard to mitigate this

- Weather-wise, the first half of the year has been a game of two halves with drought conditions in the first quarter followed by a return to normal inflows in the second boosting hydro generation volumes

- A decline in gas production at Pohokura, Taranaki continues to limit capacity

- Wholesale prices held in the second quarter contributing to solid generation performance



Half Year Snapshot

$115.1 million ↑243%
NPAT

$106.4 million ↑16%
Continuing Operations EBITDAF*

$15.8 million ↓14%
Discontinued Operations EBITDAF*

$122.2 million ↑11%
Total EBITDAF*

17 cents per share
Interim dividend

1,000 GWh ↑ 6%
Generation volumes

114 thousand ↑ 8%
Telco customers

>10 thousand ↑ 1,000%
Mobile connections

83 per cent
of broadband connections are fibre

* EBITDAF is a non-GAAP measure. Refer slide 38 for more information

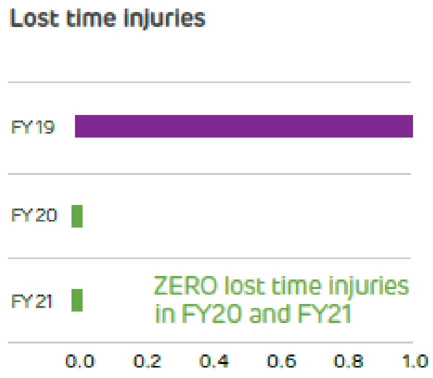
Generation Performance

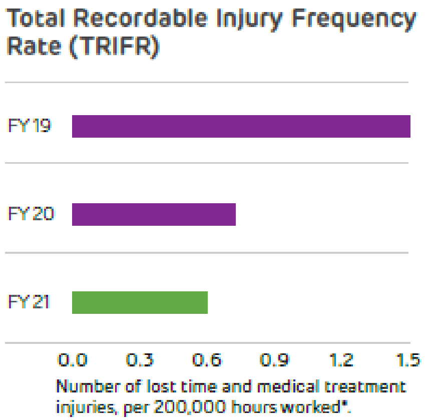
Health, safety, wellbeing and environment

National Finalist for the New Zealand Workplace Safety Awards

Jason Graham from our Waipori Generation team was a finalist in the New Zealand Workplace Safety Awards for his invention of the rescue mat – a mat used for confined space maintenance, enabling quicker and safer rescue of a worker, if required. This is a fantastic example of health and safety at the forefront of work.

Jason Graham's innovative Rescue Mat design.





10

Environmental non-compliant incidents across 3,500 resource consent conditions

Lake Sylvester Residual Flow at our Cobb Hydroelectric Power Scheme.

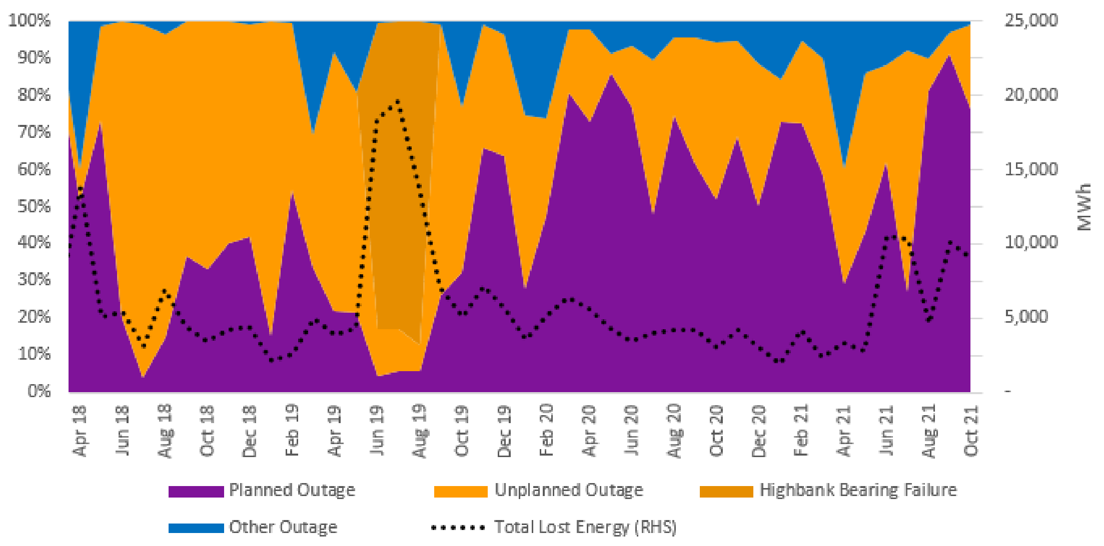
#: All Trustpower Health & Safety Metrics

Asset management & generation asset performance

Improved asset reliability delivered by targeted planned routine maintenance and longer-term asset investments

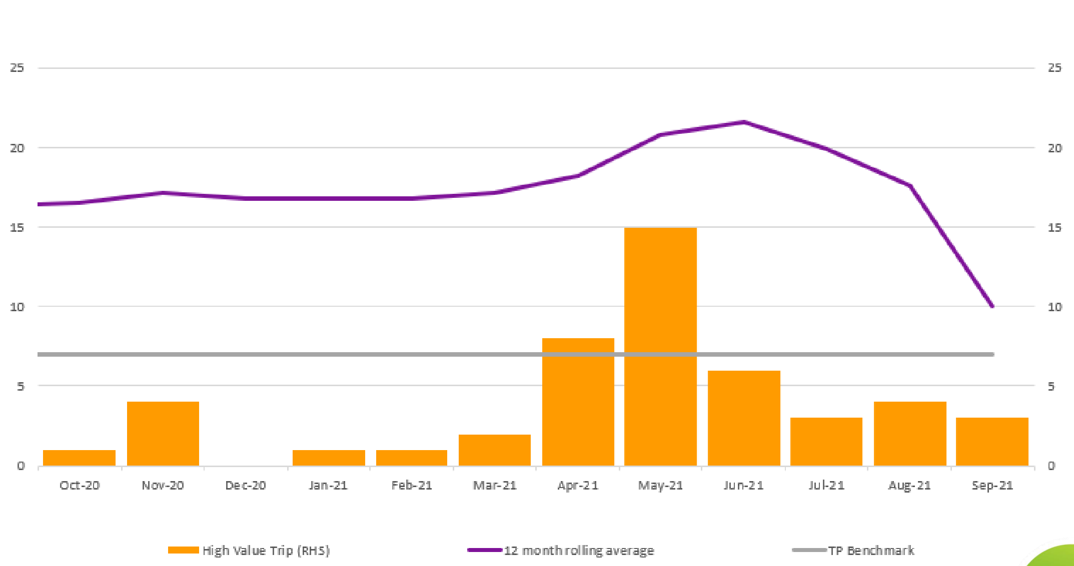
Portfolio availability Improvement

- Our focus is to execute planned maintenance in a timely manner and thereby minimise unplanned maintenance, resulting in less lost revenue due to unplanned outages



Portfolio reliability improvements

- With the exception of April and May 2021, our trip rate has been at or below our target benchmark of 7 trips per 10,000 run hours depicted by reduction in 12-month rolling average reduction (solid purple line)



Technology and innovation use to improve asset visualisation and decision making

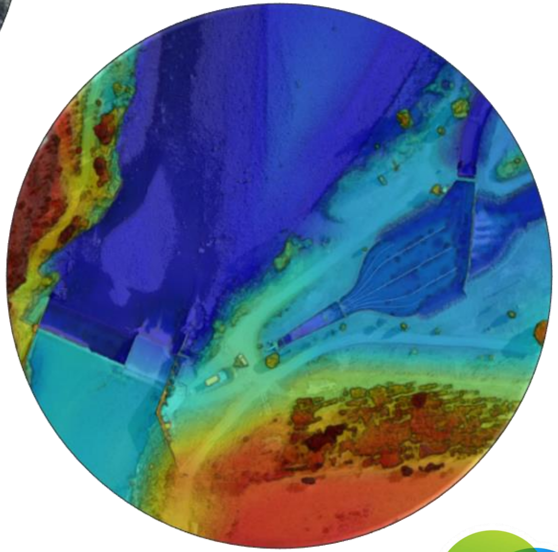
Drone technology surveying and mapping is reducing costs and risks

- 3D modelling used for inspections and analysis
- staff no longer need to access hard to reach locations
- improved design outcomes

3D model of the Waihopai Spillway with a small flow over it, showing damage from the recent flood event. This model will be used to design the repairs.

Dynamic Modelling to optimise scheme value

- Computer model of our hydro schemes inflows, intake structures, lakes, canals, pipes, turbines and generators – and even the electricity prices to model additional value from enhancements
- Used to quantify and justify the business case for the Branch enhancement which recently passed final investment decision



Elevation map of the Branch Intake structure to enable the enhancement and design optimisation through visualisation of the riverbed typography flow.

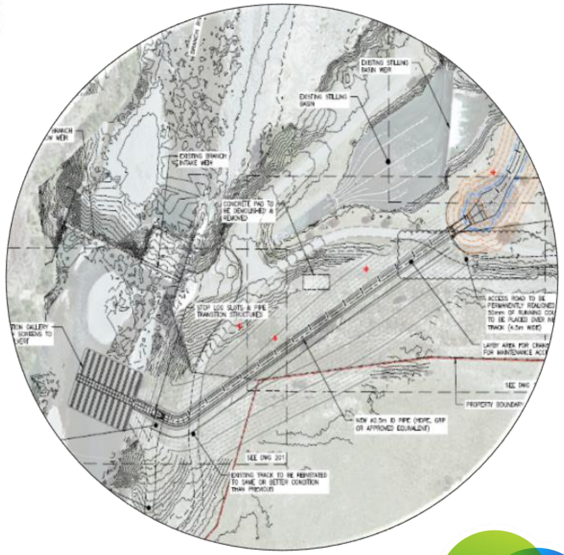
Branch intake enhancement

Unprecedented level of material enhancements (circa $83m over next 5 years) to existing assets to secure circa 67GWh/yr within 5 years

Recent investment approved – New infiltration Gallery Intake is to be constructed at the Branch Scheme

- The new intake will double the intakes capacity enabling the scheme to use its full consented take and is able to operate when the river is in flood, which the current intake can't operate in.
- The new intake is expected to bring in 10GWh/yr of additional generation and provide redundancy and flexibility to the intake system minimising outage times in the future.
- Construction is underway, expected to be completed in April 2022.

Aerial view of existing intake



Plan of new Intake design

New asset investments

- The new Cobb and Waipori equipment is designed to achieve a 40-year life, and will have greater efficiency, improved reliability and reduced maintenance over the existing units.
- The Cobb units will also secure an enhancement upside of 2.5GWh/yr and is due to be completed by Jun-22 ($9M Investment)
- The Coleridge units are essential to protect against loss of generation revenue and fulfil our irrigation obligations.
- The new Coleridge runner and electrical equipment were installed and commissioned ahead of schedule despite supply chain challenges due to COVID-19.

Existing Waipori 4 generator scheduled for replacement

New Waipori 4 rotor shaft being manufactured

Manufacture of the new Coleridge G2 runner

Coleridge G2 new runner and shaft install

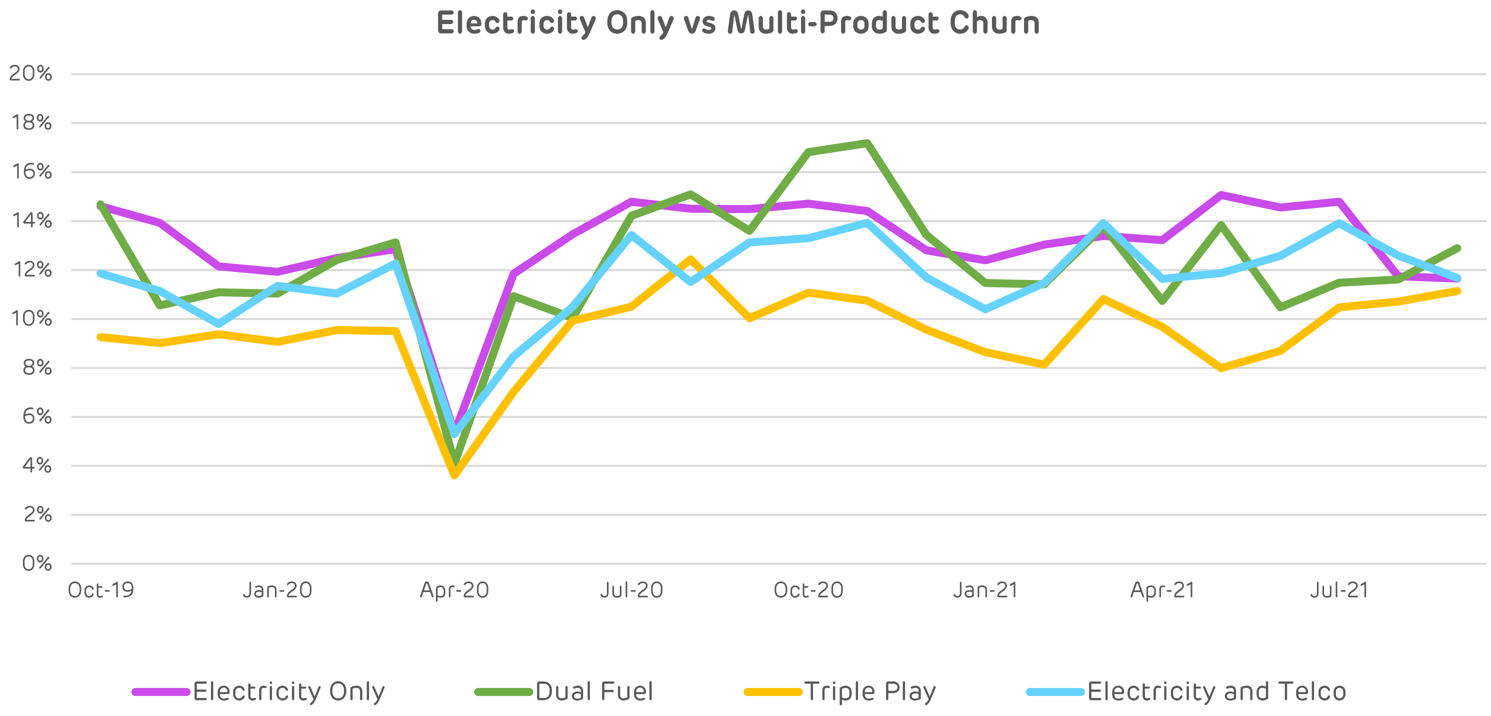
Retail Performance

Lower churn = higher value

Current connections

- 263,000 electricity
- 42,000 gas
- 106,000 telco

117,000 of our total customers of 234,000 now have more than one product

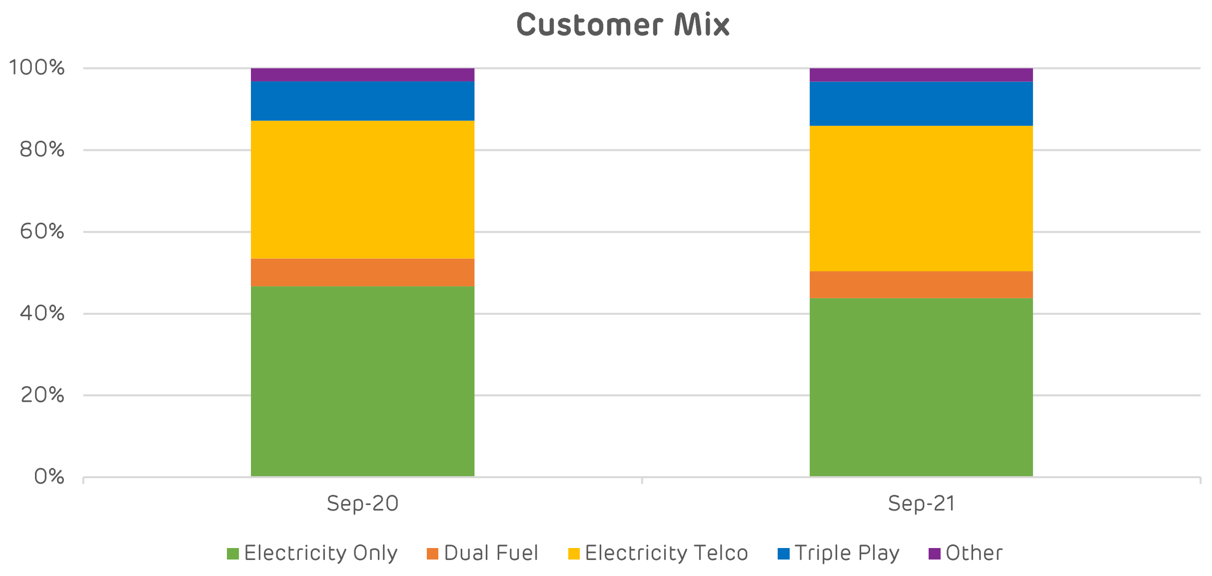


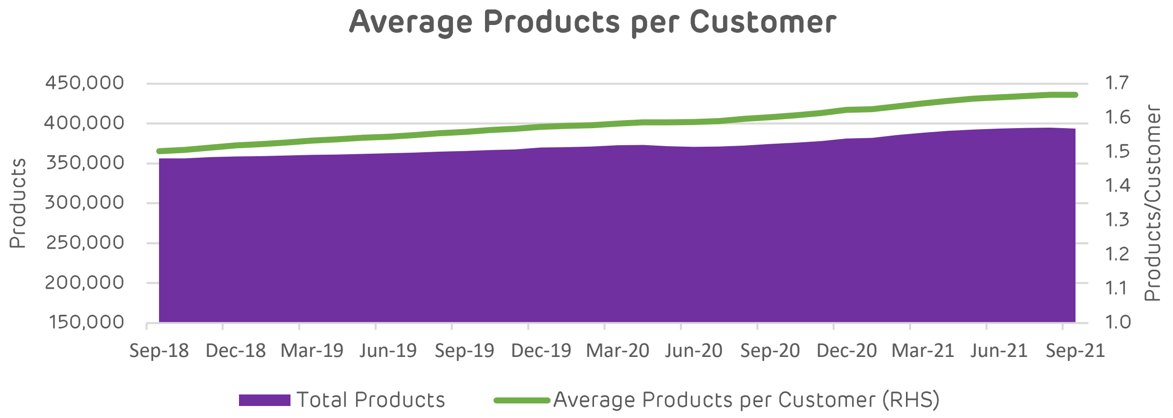
Bundling pays dividends

Trustpower retail well positioned due to early entry

- Energy only retailing is intensely competitive given current wholesale prices
- Bundling remains attractive due to greater share of wallet and longer tenure
- All key retail metrics including fibre and mobile connections, products per customer and digital uptake, continue to show positive momentum despite COVID-19 disruption

Mobile proving popular addition to the bundle, with over 10,000 connections





Great service despite COVID-19

- Seamless move to customer service agents working from home
- A focus on proactively engaging with customers has meant debt collection rates are in line with pre-covid levels
- Customer service staff made outbound calls to all vulnerable customers during lockdown

TOTAL CUSTOMER CONTACTS

1,178k

⬆ 9% pcp

FIRST CONTACT RESOLUTION

77.6%

⬆ 2% pcp

DIGITAL CONTACT

86%

⬆ 5% pcp

VIRTUAL CHANNEL CUSTOMER SATISFACTION

86%

Retail business sale progressing

Preparation required to separate the retail business is well advanced

- Key focus has been sale of the retail business which has resulted in a great outcome
- $441 million represents a fantastic outcome for shareholders
  - ~$1,900 per customer
  - Proforma standalone FY21 EBITDAF* multiple of 9 times
- The TECT restructure is the only outstanding condition of sale.

* EBITDAF is a non-GAAP measure. Refer slide 38 for more information

Strategic Update

Introducing Manawa Energy (MNW)

- Gifted to us by Ngāti Hangarau hapū, who hold mana whenua over the area where our Kaimai scheme is located.
- Directly acknowledges our shared whakapapa with Ngāti Hangarau and has special significance to them.
- It speaks to the heritage of the business from its beginnings in the establishment of electricity generation on the Omanawa River in the Kaimai area during the early 20th century.

Manawa Energy – core focus areas

Core focus areas:

- Operational excellence to maintain and operate the generation fleet efficiently, safely and within the broader licence to operate the existing generation fleet
- Energy trading, hedging and risk management
- Developing and building new renewable generation assets, leveraging on the relative strengths of Trustpower:
  - Excellence in operating small and diverse assets
  - Excellence in understanding transmission and distribution of energy
  - Excellence in risk management and energy trading

Renewable generation

We have further expanded our dedicated generation development team with a specific emphasis on investigating renewable generation options.

- Electricity demand is set to grow by 50 to 70% over the next 30 years from electrification of transport and industry.
- Targeting a diverse pipeline of value adding generation development options of circa 500MW/2,000GWh that have the potential to be executed by 2030.
- Not limited to green field development lifecycle as some technologies can be very long – looking at options that will shorten time to market, such as partnerships, mergers and acquisitions.

Four utility-scale generation options (two wind and two solar) have been secured across the North and South Islands –estimated capacity of the four projects is circa 215 MW, although these projects are in the early stages of project maturity.

Regulation

- A Judicial Review in the High Court regarding the Electricity Authority's process undertaken to develop the revised Transmission Pricing Methodology took place in the second half of October – the hearing lasted eight days. The decision has been reserved

- Electricity Authority has released its Wholesale Market Review Issues Paper. We will be actively involved in responding to this review.

- Resource Management Reform is progressing through Parliament. Any changes must be consistent with the need to decarbonise and the role that existing hydro generation in particular is essential to this.

In summary

Trustpower's portfolio of flexible generation schemes spread throughout the country were able to take advantage of climate conditions reflecting in an increased profit for the period.

- HY22 was again impacted by extreme weather cycles with a drought in the first quarter followed by above average rainfall in the second quarter.
- We announced the proposed sale of the mass market retail business to Mercury. Two of the three key conditions have now been met with the third condition expected later this year or early next year.
- There has been considerable effort within Trustpower preparing the business for sale.
- Despite this additional workload and the impact of Covid lockdowns Trustpower has kept its generation schemes operating and remained focused on its customers and delivered an increase in customer connections and high levels of customer service.
- The size of the development team has been increased and this is already bearing fruit with new development options secured in both islands.

Trustpower remains focused on its current business but is building the capability to prosper under Manawa Energy.

FY22 Half Year Financial Review

Group EBITDAF* Bridge HY2022

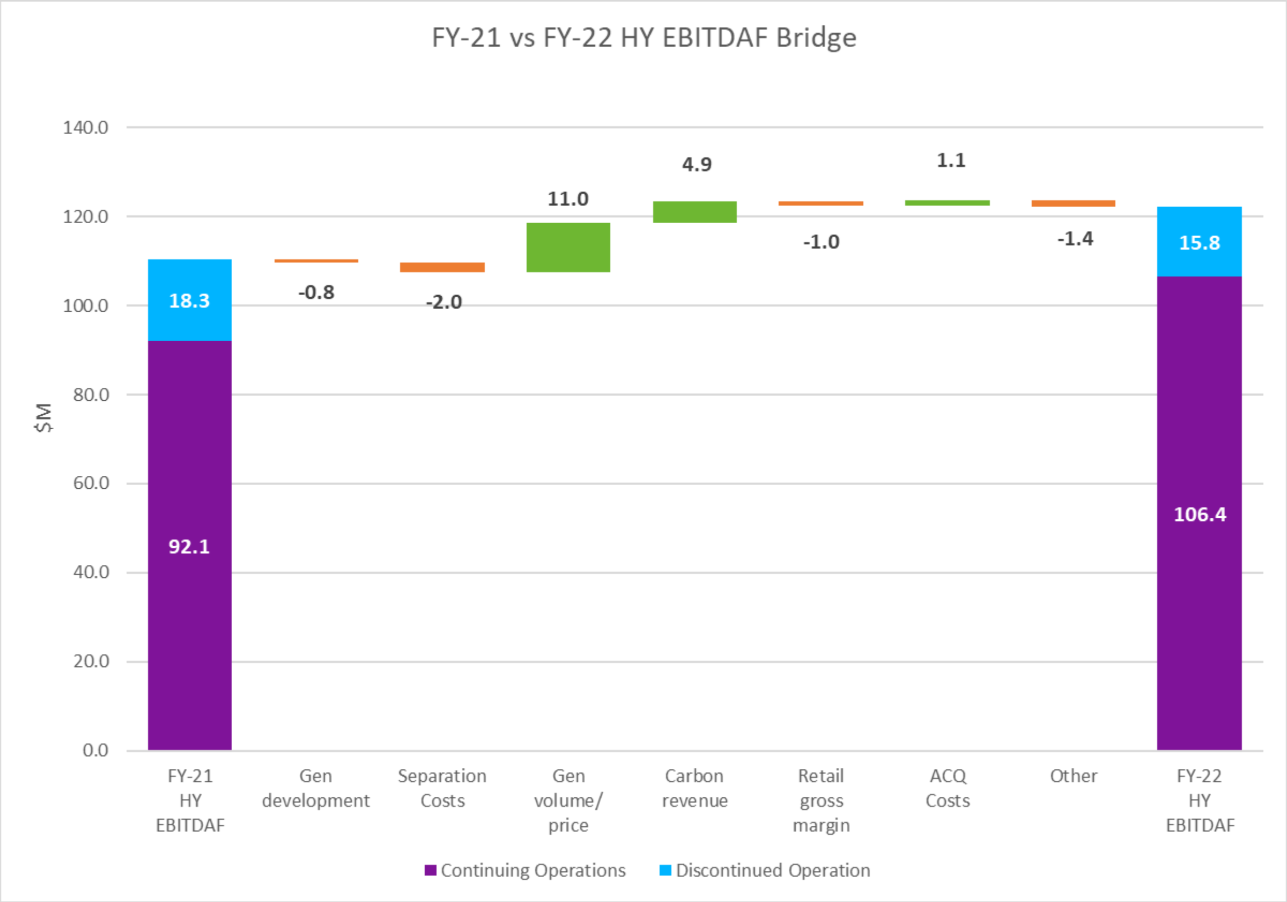
Increased investment in generation development opportunities and business separation/sale costs were more than offset by higher generation volumes and prices compared to the pcp.

A revaluation of our carbon credit inventory also drove better results than H1-FY21.

Retail gross margins were impacted favourably by telco, but offset by higher wholesale gas costs, and the removal of prompt payment discount (PPD).

Direct customer incentives were higher than the pcp due to lockdown impacts in H1-FY21, with a return to more normal levels in the period. This was offset by favourable variances in IFRS-15 adjustments, leaving acquisition costs in line with pcp.

Other is made up of general wage and cost inflation, as well as increased site work costs.



* EBITDAF is a non-GAAP measure. Refer slide 38 for more information

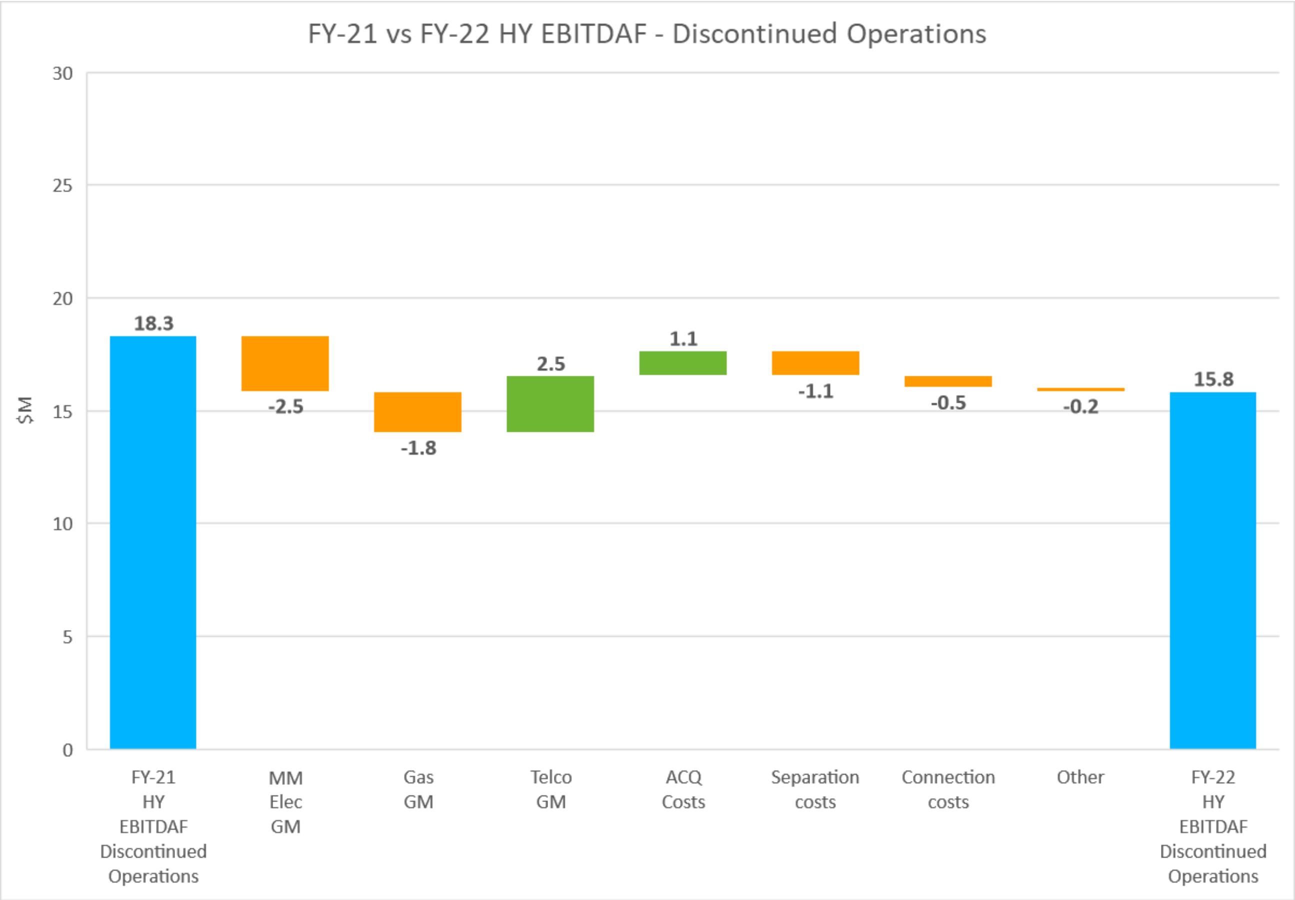
Discontinued Operations EBITDAF* Bridge HY2022

Mass Market electricity gross margin was impacted by the removal of PPD, and higher wholesale prices.

Gas gross margin impacted by higher gas prices unable to be fully passed through to customers

Telco margins continued to grow on the back on favourable plan mix and connection numbers.

Direct customer incentives were higher than the pcp due to lockdown impacts in H1-FY21, with a return to more normal levels in the period. This was offset by favourable variances in IFRS-15 adjustments, leaving acquisition costs in line with pcp.



* EBITDAF is a non-GAAP measure. Refer slide 38 for more information

Continuing Operations EBITDAF* Bridge HY2022

Higher wholesale prices and increased generation volumes compared to the pcp were the key drivers of performance uplift for continuing operations.

A revaluation of our carbon credit inventory also drove better results than H1-FY21.

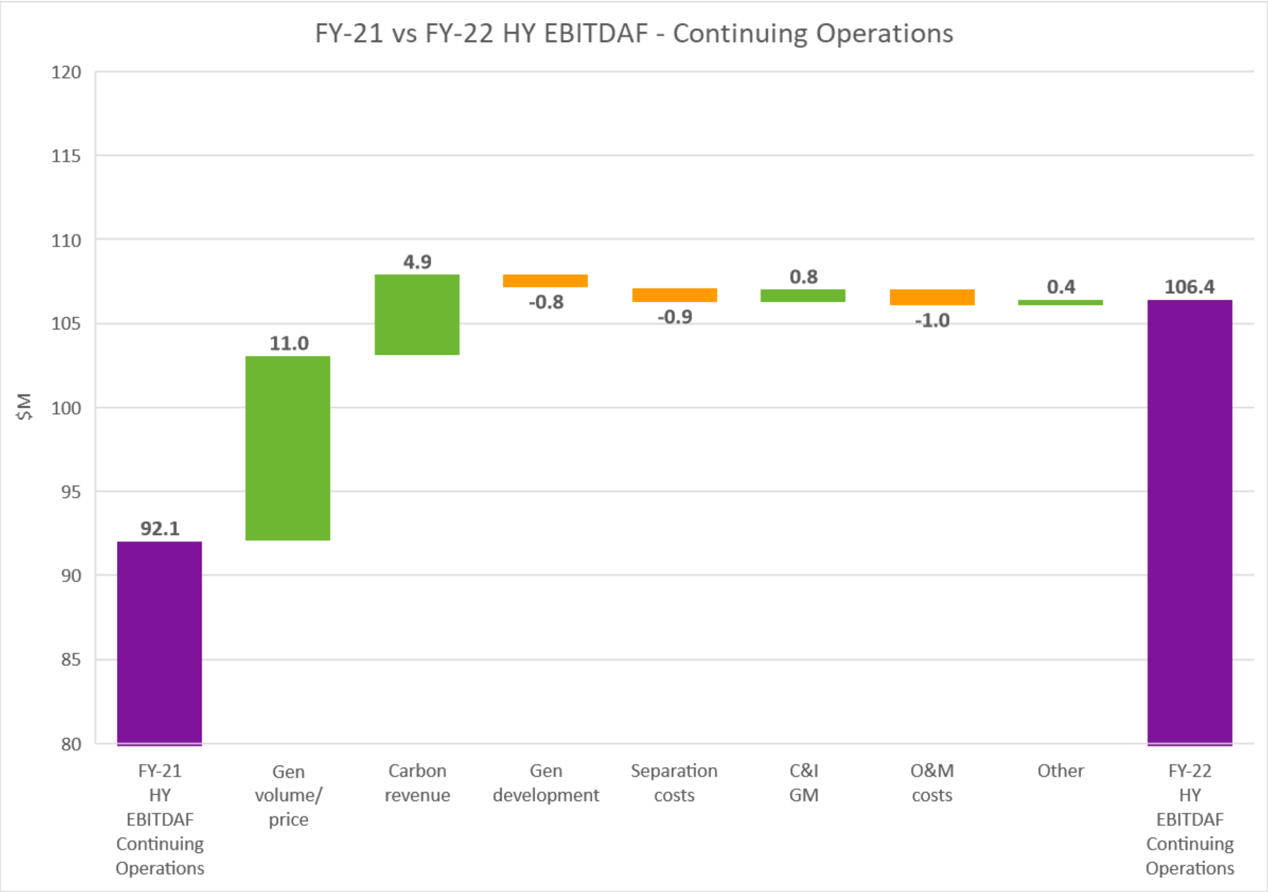
Increased investment in generation development opportunities relates to an uplift in capability and resourcing.

C&I gross margins were favourable compared to the pcp due to H1-FY21 being more severely impacted by lockdowns.

Operation and Maintenance (O&M) costs reflect both higher levels of work undertaken and general cost and wage inflation.

Other is primarily made up of lower connection costs and higher reserves income.

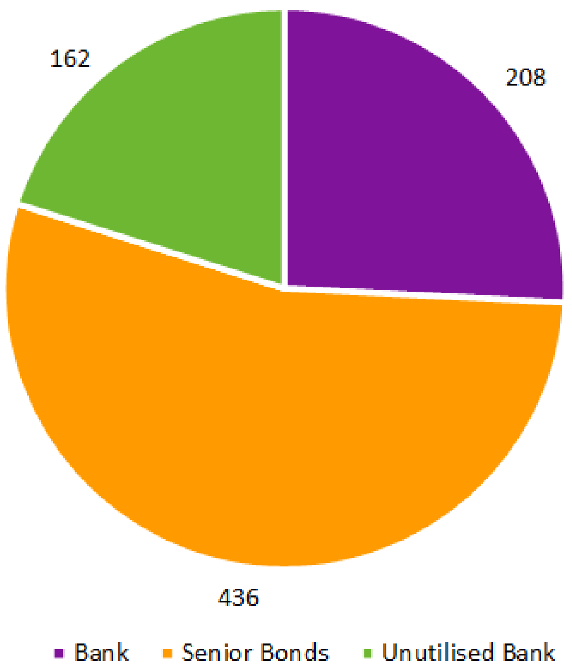
As previously advised Manawa Energy will enter a hedge with Mercury Energy should the sale of the retail business proceed. The hedge price is inline with the current internal transfer price methodology. As such it is below the current ASX forward prices and a negative mark to market valuation of $151-$185 million is would accrue based on current ASX prices. This is a non-cash adjustment which will reverse over time.

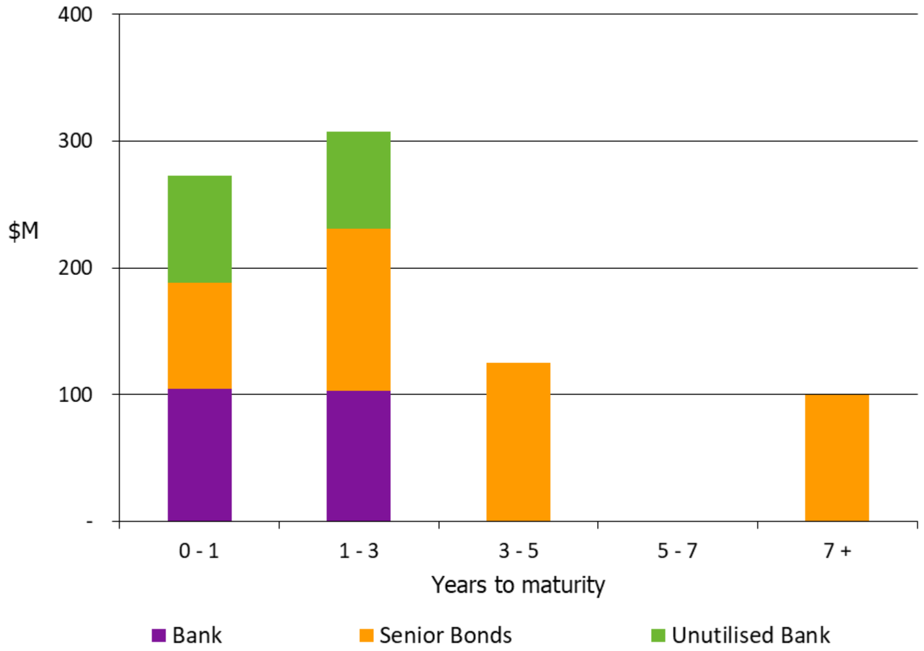


* EBITDAF is a non-GAAP measure. Refer slide 38 for more information

Debt Capital Management

We are well prepared to manage the future





- Trustpower will repay the bond maturing in December 2021 from bank debt
- A full refinancing of the bank debt will occur should the sale of the retail business occur as expected.

Interim Dividend

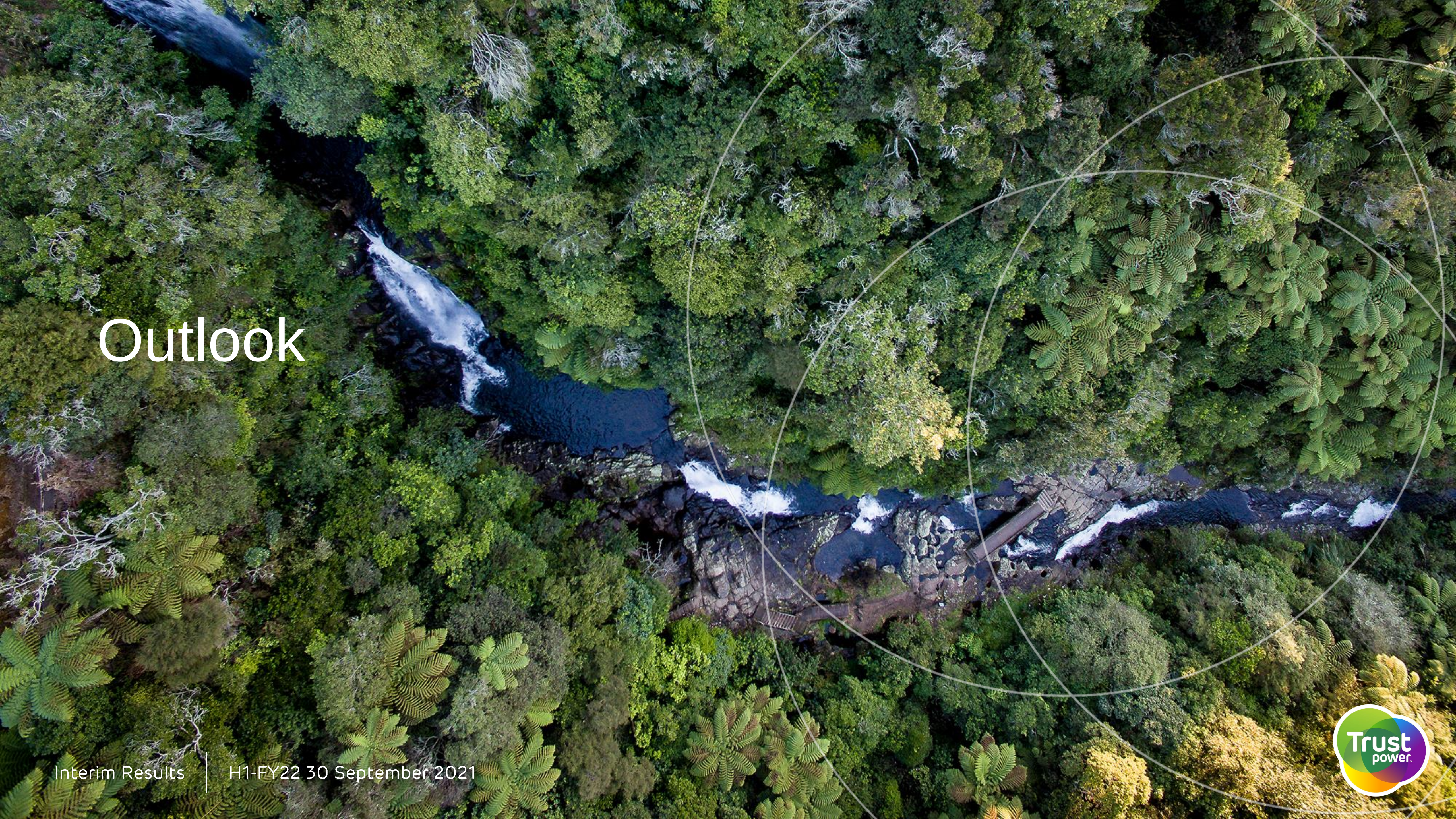
Interim Dividend declared of 17 cents per share fully imputed

To date the performance of the company has been inline with expectations and the inherent uncertainties of the weather.

The Board has resolved to declare an interim dividend in line with our previous levels.

The Board has signaled an intention retain its current dividend policy but to pay a special on-off unimputed dividend of up to 65 cents per share should the sale of the mass market retail business proceed as expected.

Further guidance on the ongoing ordinary dividend expectations will be provided as part of the full year results announcement.



Outlook

Market guidance update

FY22 EBITDAF*

Trustpower now expects its FY22 EBITDAF* to be in the range of $210-225 million (excluding the costs of selling the retail business of ~$9.0 million). This compares to the previous guidance of $200-225 million. This estimate is made up of ~$165 – 175 million from continuing operations, and ~$45 - 50 million from discontinued operations (the Mass Market Retail business).

The forecast is underpinned by the following assumptions:

- Generation volumes for FY22 now forecasted at ~1,794 GWh (incl KCE).
- NZ Wholesale prices are in line with current forward pricing for the remainder of the year.
- Average temperatures and average residential electricity consumption for the remainder of the year.
- Total average mass market customers of ~235,000, including ~116,000 telco customers.
- The retail business is retained for the full year. While we expect to sell the business before year-end, the exact date is currently unknown. The sale would reduce EBITDAF* by approximately $5 million per month.

CAPEX

Trustpower expects its FY-22 capex to remain in the range of $43 –$59 million.

Unchanged from earlier guidance.

* EBITDAF is a non-GAAP measure. Refer slide 38 for more information

Thanks!

Questions

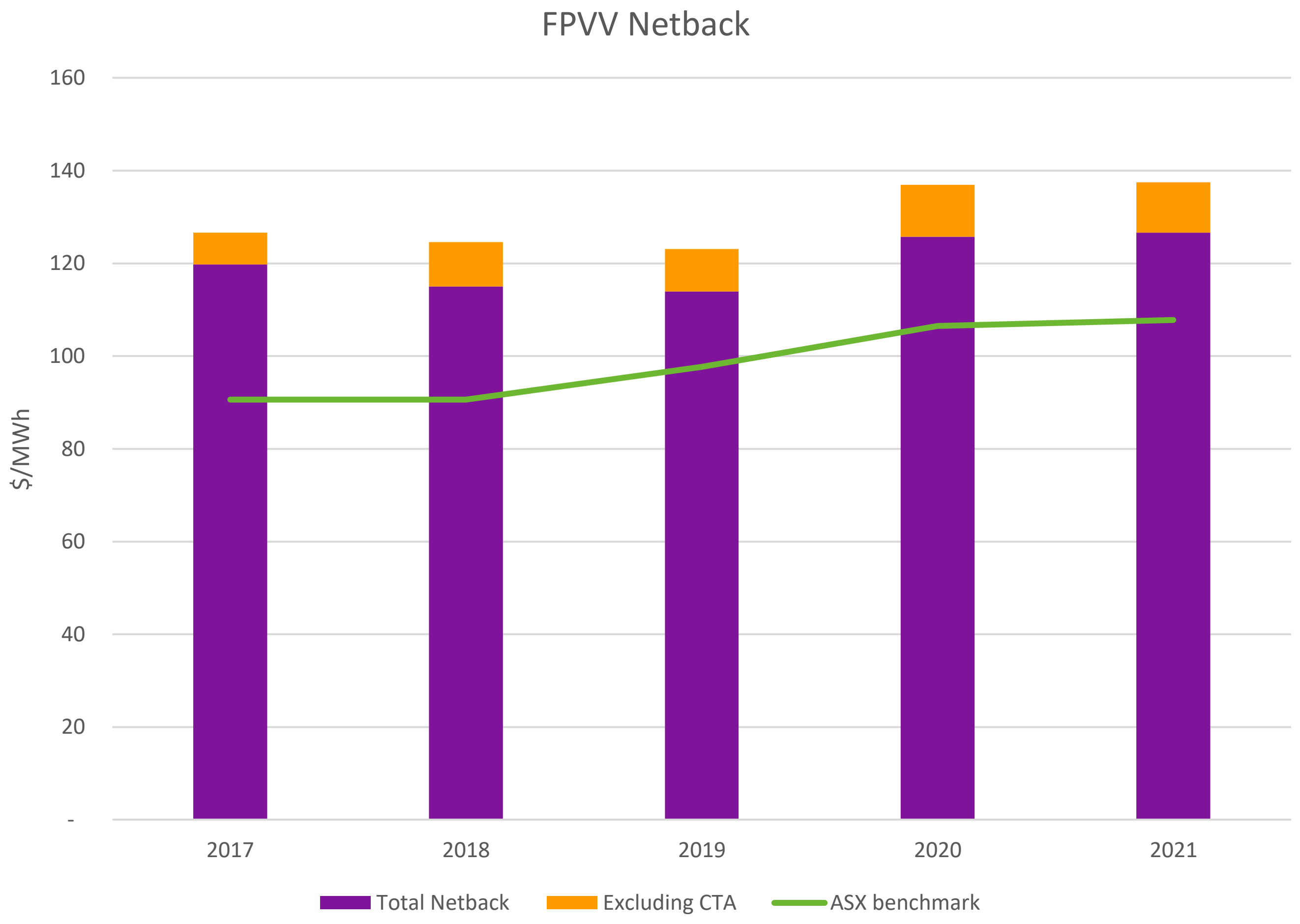
Additional Information

Key Facts

- Tauranga based national electricity generator and retailer of energy and telco
- History dates back to 1923 as the Tauranga Electric Power Board
- Market capitalisation circa $2.3 billon
- Key shareholders Infratil (51.0%) and TECT (26.8%)
- New Zealand generation capacity of 498MW
- Approximately 423,000 utility accounts
- 125,000 customers have more than one product
- Approximately 766 FTE employees

Netback

Margin is recovering following significant increase in wholesale costs



Non-GAAP measures

- Underlying Earnings is a non-GAAP (Generally Accepted Accounting Principles) financial measure. Trustpower believes that this measure is an important additional financial measure to disclose as it excludes movements in the fair value of financial instruments which can be volatile year to year depending on movement in long-term interest rate or electricity future prices. Also excluded in this measure are items considered to be one-off and not related to core business such as changes to the company tax rate or impairment of generation assets.
- EBITDAF is a non-GAAP financial measure but is commonly used within the electricity industry as a measure of performance as it shows the level of earnings before impact of gearing levels and non-cash charges such as depreciation and amortization. Market analysts use the measure as an input into company valuation and valuation metrics used to assess relative value and performance of companies across the sector. The EBITDAF shown in the financial statements excludes the Australian business which is a discontinued operation.
- Reconciliation between statutory measures of profit and the two measures above, as well as EBITDAF per the financial statements and total EBITDAF, are given here:

	September 2021	September 2020
Profit after tax	115,121	33,611
Fair value losses / (gains) on financial instruments	(78,467)	26,484
Asset impairments		-
Changes in income tax expense in relation to adjustments	21,971	(7,416)
Underlying Earnings After Tax	58,625	52,679
Operating Profit	173,053	54,888
Fair value losses / (gains) on financial instruments	(78,467)	26,484
Asset impairments		-
Depreciation and amortisation	11,859	10,691
EBITDAF	106,445	92,063

Disclaimers

While all reasonable care has been taken in the preparation of this presentation, Trustpower Limited and its related entities, directors, officers and employees (collectively "Trustpower") do not accept, and expressly disclaim, any liability whatsoever (including for negligence) for any loss howsoever arising from any use of this presentation or its contents. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. All information included in this presentation is provided as at the date of this presentation. Except as required by law or NZX listing rules, Trustpower is not obliged to update this presentation after its release, even if things change materially. The reader should consult with its own legal, tax, investment or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information. The information in this presentation has not been independently verified by Trustpower. Some of the information set out in the presentation relates to future matters, that are subject to a number of risks and uncertainties (many of which are beyond the control of Trustpower), which may cause the actual results, performance or achievements of Trustpower or the Trustpower Group to be materially different from the future results set out in the presentation. The inclusion of forward-looking information should not be regarded as a representation or warranty by Trustpower or any other person that those forward-looking statements will be achieved or that the assumptions underlying any forward-looking statements will in fact be correct. This presentation may contain a number of non-GAAP financial measures. Because they are not defined by GAAP or IFRS, they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although Trustpower believes they provide useful information in measuring the financial performance of the Trustpower Group, readers are cautioned not to place undue reliance on any non-GAAP financial measures. This presentation is for general information purposes only and does not constitute investment advice or an offer, inducement, invitation or recommendation in respect of Trustpower securities. The reader should note that, in providing this presentation, Trustpower has not considered the objectives, financial position or needs of the reader. The reader should obtain and rely on its own professional advice from its legal, tax, investment, accounting and other professional advisers in respect of the reader's objectives, financial position or needs.