FY23 Investor Presentation

May 2023

David Prentice – Chief Executive
Phil Wiltshire – GM Corporate Services

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Year in review

- A solid foundation year for Manawa Energy as we fully embedded the new Generator/Developer/C&I business model
- Successfully accelerated new development pipeline after 2 years focussed on sale of mass market retail business
- Approved a record level of investment across our existing hydro fleet
- Navigated volatile hydrological and market conditions
- Managed significant weather events safely and with minimal impact
- Achieved with our people's safety at the heart of everything we do

FY23 Highlights

$444.4m
Profit after tax

1,917GWh
Electricity generated

+15GWh/yr
Enhancements completed

$140.2m
Total EBITDAF*

1,095GWh
C&I customer sales

>99%
Resource consent compliance

8.5 cents
Final dividend
Bringing total FY23 dividend to 16cps

~920MW
New development options secured

$150m
Senior bond raised

Comprises $136.7m from continuing operations, and $3.5m from discontinued operations.

Strategy Update

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Our strategic plan

We are uniquely positioned in the market to develop new renewable generation:

- Pioneer in wind development in NZ
- Supportive, experienced major shareholder
- Significant and flexible funding ability
- Strong existing community and industry relationships
- Diverse portfolio of geographically dispersed existing assets
- Focused team with clear strategy

Themes

Develop new generation
- Develop a large portfolio of potential options, focused on solar and wind
- Pursue partnerships and acquisitions

Enhance existing assets
- Protect and enhance the value of our assets

Sell electricity
- Develop long-term relationships with customers
- Optimise our portfolio of electricity customers
- Investigate 'grid edge' opportunities

Enablers

Technology and innovation
- Embrace technology and data
- Use our tech smarts to enhance decision-making
- Reduce complexity

Culture and capability
- Develop a culture to support our strategy
- Build capability to be high performing
- Prepare our workforce for the future

Baseline excellence
- Sustainability
- Health and Safety
- Reputation and brand
- Iwi relationships
- Business performance
- Financial management

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Progress against strategic plan

Theme	Progress in FY23
Develop new generation	• Secured ~920MW of solar and wind projects with either landholder or option agreements in place, with a further ~420MW in advanced stage of negotiations
Enhance existing assets	• Initiated a record level of investment in existing hydro generation assets • Enhancement projects at Branch and Cobb schemes successfully completed
Sell electricity	• Commenced selling future excess portfolio length and building strong partnerships with new and existing customers • Signed up to New Zealand Energy Certificate System to certify our renewable generation for customers
Enabler	**Progress in FY23**
Technology & innovation	• Seamless transition to new systems from day one, with optimisation underway • Enhanced connectivity at sites
Culture & capability	• Introduced new vision, mission, and values • Developed new performance and remuneration framework
Baseline excellence	• Sustainability strategy in development • Māori cultural capability assessment completed

Major asset investment

Enhance existing assets

- Record level of investment in high-value assets under way to secure future revenue and enhance generation volume
- Key assets nearing end of their economic life are being upgraded/enhanced alongside replacement works
- Stand-alone enhancements also being undertaken – most with returns in excess of 10%
- Dam safety programme entering execution phase, after identifying, analysing, and scoping works

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Enhance existing assets

Major asset investment

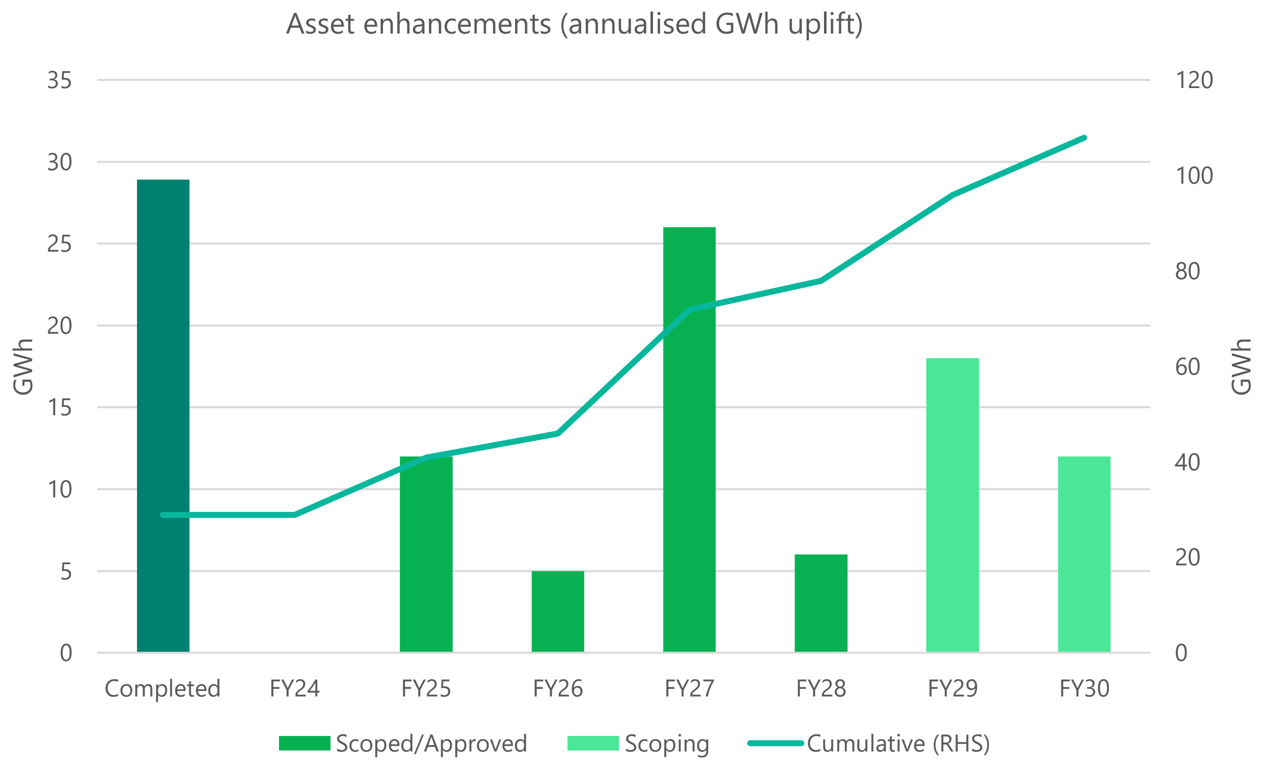
Significant investment in high-value assets to secure future revenue and enhance generation volume

Scheme	Investment overview	Actual & planned investment FY22 to FY28	Volume uplift (GWh/yr)	Status
Coleridge	3 new turbines and 1 new generator (each 12.5MW)	$26.8m	~24.0	FID reached in November 2022. Design under way and long lead items on order.
Matahina	2 new turbines (32.5MW and 40MW)	$13.7m	~17.0	Manufacturing complete on first unit – to be installed Q4 FY24. Second unit expected to be installed Q1 FY25.
Waipori	2 new generators (8MW and 9MW) at WPI 3 and 4 stations	$12.4m	-	Waipori 4 generator commissioned August 2022 Waipori 3 generator in storage ready for install from mid-FY24
Branch	Additional water infiltration gallery that has delivered up to 10GWh per annum of incremental generation	$7.4m	~10.0	Intake gallery commissioned FY23
Cobb	2 new 12MW generators	$8.9m	~2.0	Both units commissioned ahead of schedule in FY23. Performance exceeds guarantee/baseline performance requirements.
Highbank	1 new 29MW turbine and generator	$30.5m	~8.0	Detailed design near completion. Manufacturing of new turbine and generator under way. Unit commissioning planned for FY27.
Arnold	Significant dam-strengthening works	$15.6m	-	Improvements in the risk profile of the Arnold Dam. Construction contract awarded and work has commenced on site. Forecast completion is in FY25
TOTAL		**$115.3m**	**~61.0**	

Generation enhancements

Enhance existing assets

Planned FY23 enhancements completed and delivering additional ~15GWh per annum. Total annual volume uplift delivered is ~30GWh, with another ~80GWh planned or being scoped.



NOTE: No enhancement projects are due for completion in FY24

New Branch infiltration gallery with discharge into the Argyle Canal

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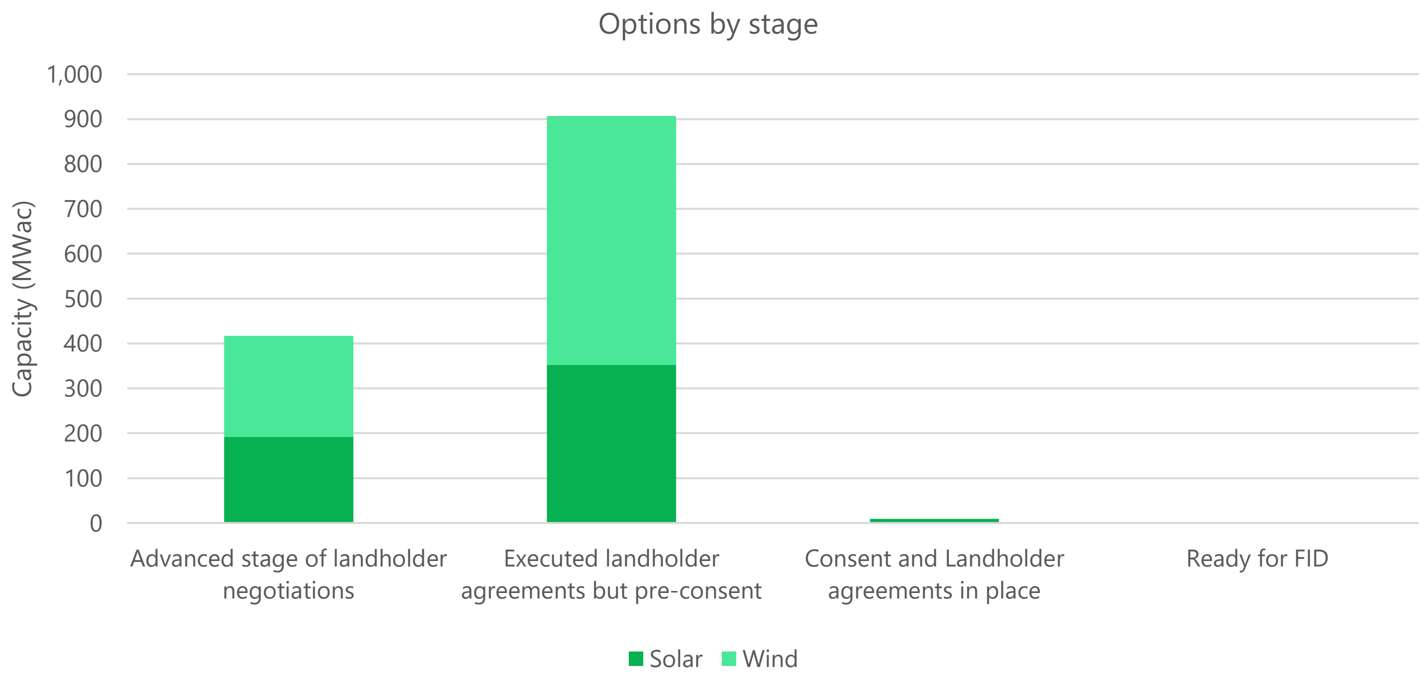
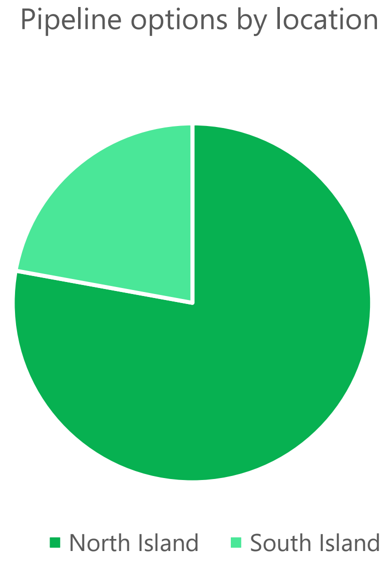
New development pipeline

Develop new generation

- Secured ~920MW of solar/ wind projects with landholder or option agreements in place (NB: additional~420MW under advanced negotiations)
- Not expecting all options to be viable developments, but aspiration remains to develop 500MW of new projects by 2030
- Moving to prioritisation/execution phase to progress projects to 'ready for FID'
- Expect solar opportunities to be more near-term than wind developments: expect 2 solar projects to be at FID within 12-24 months, and advanced wind projects within 24-36 months.





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New development opportunities

Develop new generation

Project Name	Region	Technology	Potential size (MWac)	Potential Output (GWh/yr)	Status
Huriwaka	Central North Island	Wind	230	800	Land secured, long-term wind monitoring data available, design and consenting in progress
TBC	Waikato	Wind	250	870	Land secured, wind monitoring under way
TBC	Otago	Wind	75	230	Land secured, wind monitoring under way
Maungatapere	Northland	Solar	9	16	Land secured, consented
TBC	Northland	Solar	100	150	Land secured, progressing design and consenting
TBC	Northland	Solar	100	150	Land secured, progressing design and consenting
TBC	Northland	Solar	100	150	Land secured, progressing design and consenting
Hawke's Bay Airport	Hawke's Bay	Solar	24	50	Land secured, progressing design and consenting
Argyle Solar Farm	Marlborough	Solar	28	60	Land secured, progressing design and consenting
	TOTAL		**~916**	**2,476**	

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Wind: Project Huriwaka

Develop new generation

- Announced May 2023
- ~230MW capacity proposed wind farm in central North Island with expected annual output of ~800GWh
- Highly regarded site with long-term wind monitoring data and convenient access to transmission; has been previously consented
- Rights to develop and construct obtained from landowners
- Consultation, consenting, and connection activity under way
- Connection application accepted by Transpower
- Expected to take 2-3 years to progress to FID, then a further 2-3 years to complete project (depending on project studies and assessments, feedback from consultation, consenting timelines and market dynamics)

Proposed site for Project Huriwaka with wind monitoring in place

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Solar: Argyle Solar Farm

Develop new generation

- Proposed solar farm adjacent to Argyle Power Station (part of Branch River hydro scheme) with ~60,000 solar panels on ~54 hectares of land
- ~28MWac capacity: will generate enough electricity to power ~8,000 average NZ homes
- We own the land, and the project is in the design and consenting phase
- Will utilise existing grid connection at Argyle Grid Injection Point (GIP)
- The project will have a very low environmental and visual impact

C&I and wholesale electricity

Sell electricity

Clear opportunities and flexibility for paths to market

- Increasing portfolio length as Mercury hedge rolls off presents opportunity for new products in wholesale/C&I market
- C&I customer proposition –> We make renewable energy "doable"
- We have begun selling portions of the excess length with 5-10 year tenure
- We will be flexible regarding sales channel, capitalising on strong forward pricing and commercial opportunities
- We will also continue to seek partnership opportunities to supply customers via our existing generation and development pipeline
- Signed up to the New Zealand Energy Certificate System – satisfies the growing appetite for certified renewable electricity

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Reconsenting

Baseline excellence

- Reconsenting work has increased in FY23, with six schemes up for reconsent over the next 3 years
- Lodged reconsent applications for two Taranaki schemes: Mangorei (5.0MW) and Motukawa (4.7MW)
- Legislative environment has changed considerably since we last consented a scheme
- Increased our consenting/stakeholder engagement capability and well prepared to progress pipeline of reconsenting activities

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Priority Regulatory / Policy Issues

Baseline excellence

We will continue to advocate for policies that prioritise decarbonisation, support an orderly transition to renewables, preserve existing renewables, enable investment in new development, and seek to balance the three pillars of the energy trilemma

	Low carbon transition	Electricity sector changes	NZ Battery Project	RMA system reform	Freshwater reform
Status	Regulatory arrangements continue to evolve. For example: National Energy Strategy under development, Emission Trading Scheme review and second Emission Reduction Plan being considered.	Electricity Authority exploring the market/sector arrangements for more renewable future – including via Market Development Advisory Group work to understand how wholesale market may need to evolve and future security and resilience project.	Government recently announced it will be proceeding to Phase 2 and further investigating Lake Onslow, a portfolio option, and NI pumped hydro.	Bills for new resource management regime under active consideration. Consultation commenced on revised National Policy Statement for Renewable Electricity Generation.	Implementation of National Policy Statement; Freshwater Management into regional policy and plans scheduled for 2024
Our position	Opportunity via various consultations to advocate for clear direction for energy transition, including aspirational 100% renewable electricity target and role of emissions trading scheme.	Opportunity to increase certainty around potential evolution of market/system arrangements and enhance confidence that market is delivering for long term interests of consumers.	Lake Onslow is a poor option that no investor will spend ~$16B on. We support exploration of alternative options to manage dry year risks	Submitted to Select Committee to ensure framework supports decarbonisation investment pipeline and that distributed generation is treated on a level playing field for water related consents	Continue to seek explicit recognition of Manawa Energy hydro-electric power schemes

ESG

Baseline excellence

Continuing to deliver and establish a new framework

>99%

of FY23 generation from renewable sources

1,742

tonnes of CO2 equivalent emissions (FY23)

1.1

FY23 Total Recordable Injury Frequency Rate per 200,000 hours worked (TRIFR)

- First materiality assessment as Manawa Energy in progress. This will ensure our sustainability efforts are geared towards the most important environmental, social and governance (ESG) issues and aligned with our company strategy.
- Developing our inaugural sustainability strategy, including emissions reduction plan and targets.
- 25 environmental incidents or near misses investigated, 16 compliant, 9 non-compliant. We have over 99 percent compliance across ~3,500 consent conditions. No material harm or ongoing environmental remediation.
- Completed an independent assessment of our Māori cultural capability, as well as insights and practical recommendations to help us improve.
- Reset our approach to health and safety. Developing a new strategy that will increase the focus on the capacity of our systems and our people.

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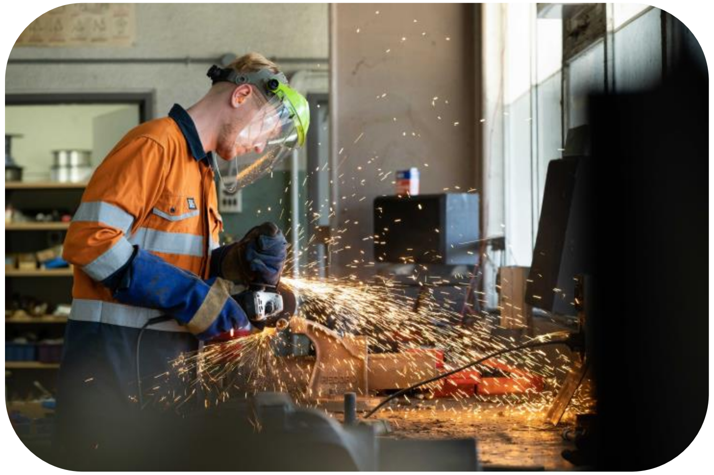
Culture & capability

Culture & capability

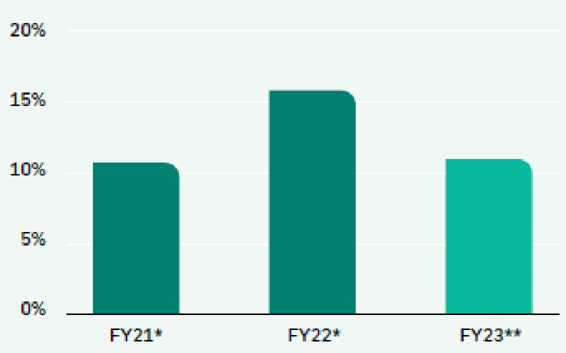
- Creating a work environment that brings out the best in our people and ensures alignment with our strategy and newly developed values, mission, and vision.
- We prioritise keeping our people safe.
- We need a diverse and inclusive workforce so we can attract and retain the best people
- Finalist in the wellbeing category of the New Zealand Energy Excellence Awards for supporting our people during the sale and separation of the mass market retail business

71%

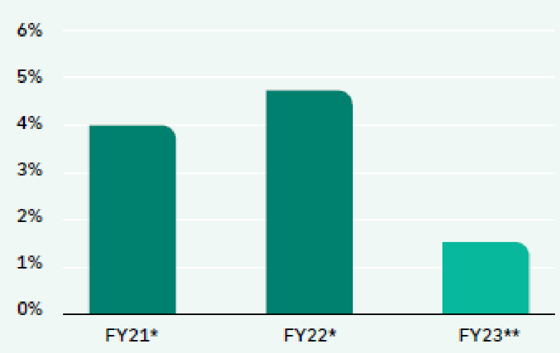
of our employees are proud to work for Manawa Energy



12 month voluntary full- and part-time turnover



Unscheduled absences



* FY21 and FY22 figures are from when the company was known as Trustpower.
** FY23 figures include one month of data from when the company was known as Trustpower.

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FY24 strategic priorities

Theme	FY24 focus
Develop new generation	• Continue to progress new development options – focus on moving these to FID
Enhance existing assets	• Deliver major asset projects - on time and budget • Minimise unplanned outages and drive efficiency of our operating fleet
Sell electricity	• Deliver on our strategy for placing our increasing portfolio length

Enabler	FY24 focus
Technology & innovation	• Leverage new data platforms for enhanced decision-making • Continue to enhance site connectivity through satellite radio and new/improved internet technologies
Culture & capability	• Deliver culture and diversity initiatives • Implement new health and safety framework
Baseline excellence	• Increased focus on reconsenting pipeline • Deliver further business optimisation initiatives • Complete sustainability strategy

Financial Results

FY23 INVESTOR PRESENTATION

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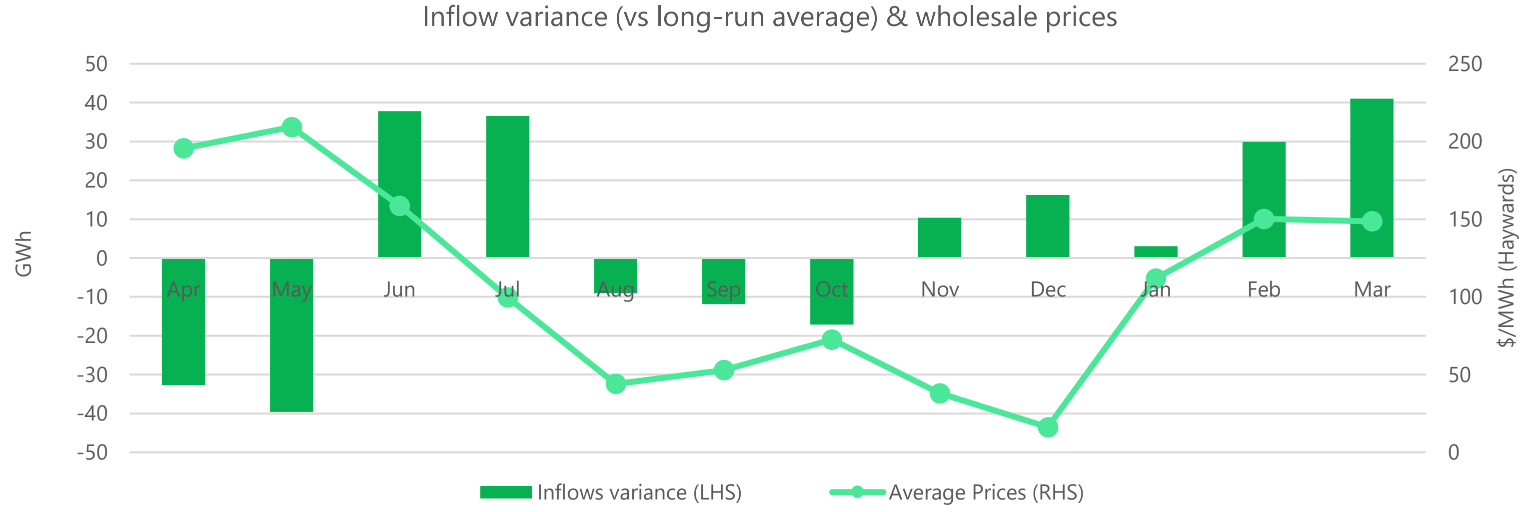
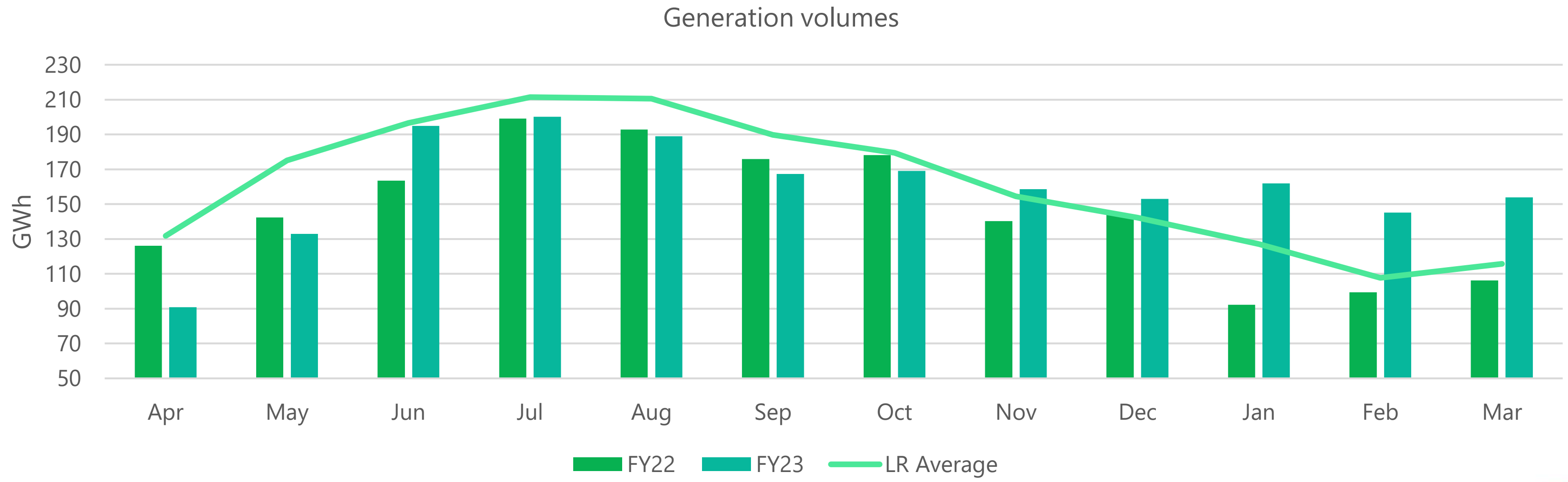
Overview





- Inflows were 65GWh (4%) higher than 20-year average:
  - North Island: 206GWh (28%) higher
  - South Island: 141GWh (15%) lower
- Significant volatility seen across the year, with prices largely inversely correlated to inflows, and generation volumes positively correlated to inflows
- FY23 generation volume of 1,917GWh (FY22: 1,760GWh) vs long-run average of 1,942GWh

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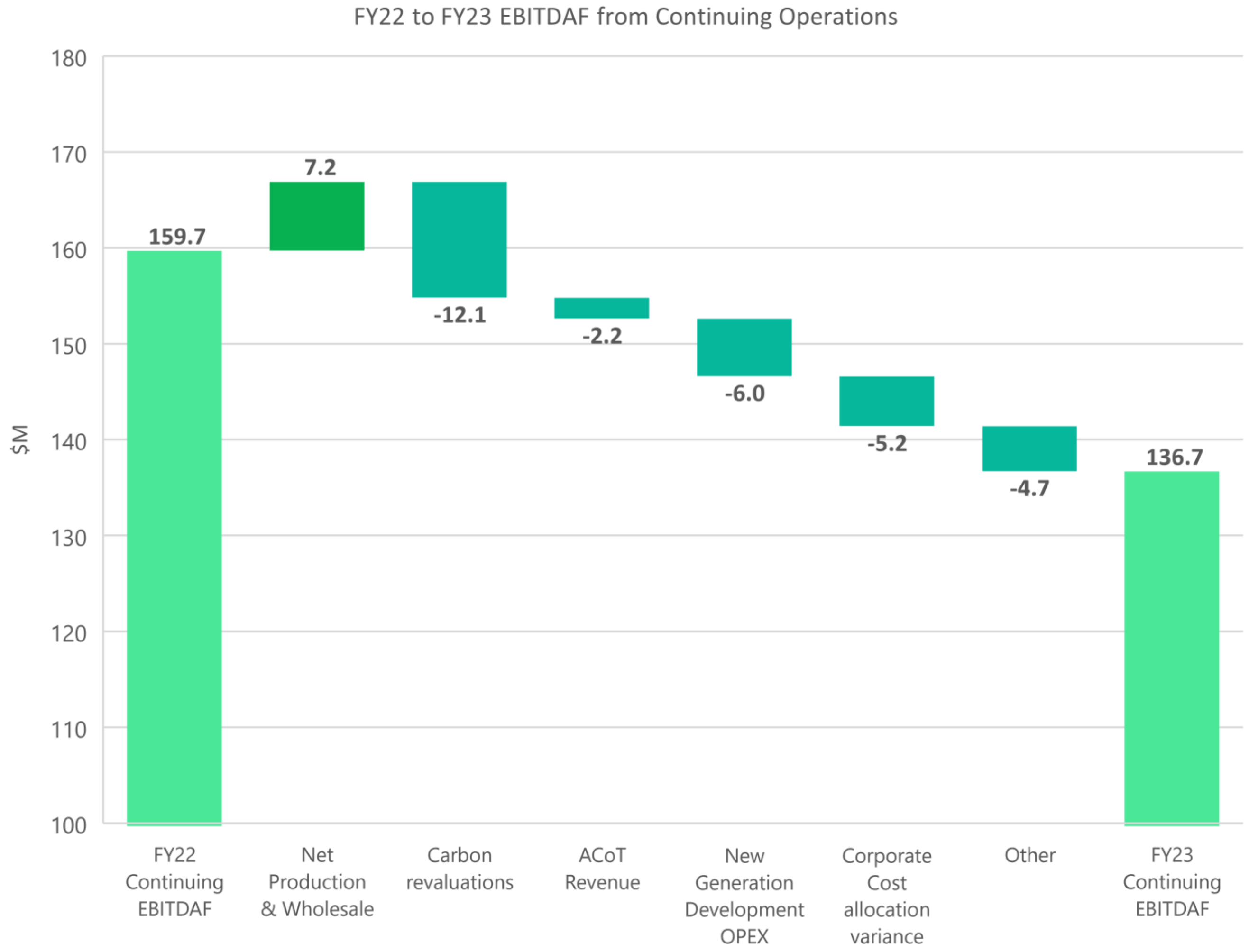
Financial results



- Hydrological conditions, wholesale pricing, and hedging contracts contributed to a stronger net energy margin than FY22.
- Carbon prices fell from $76/unit to $55/unit across the year (down $3.6m in FY23) after strong appreciation in FY22 (up $8.5m in FY22).
- 'Avoided Cost of Transmission' (ACoT) revenue lower in FY23.
- Higher investment in new development pipeline. Total new development OPEX of $6.7m.
- Corporate cost allocation variance is the difference between costs allocated to discontinued operations in FY22 ($27.4m) and the reduction in corporate costs in FY23 ($22.2m).
- Other includes additional minor variances as well as non-recurring material items, e.g. Transmission Pricing Methodology legal fees.

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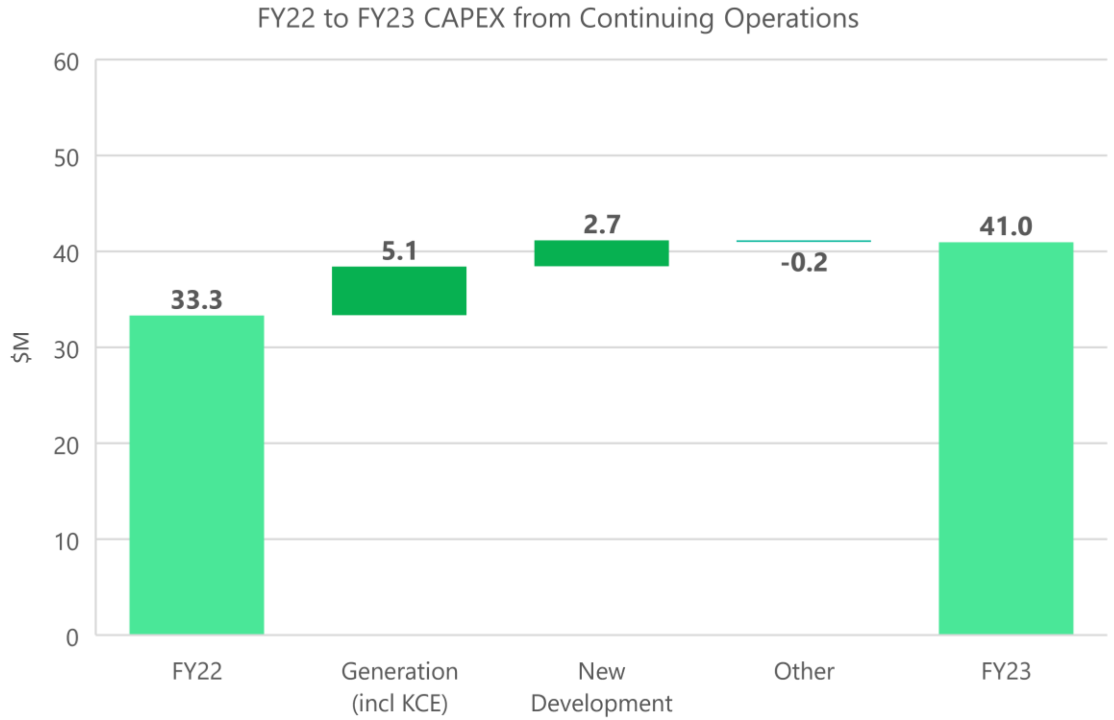
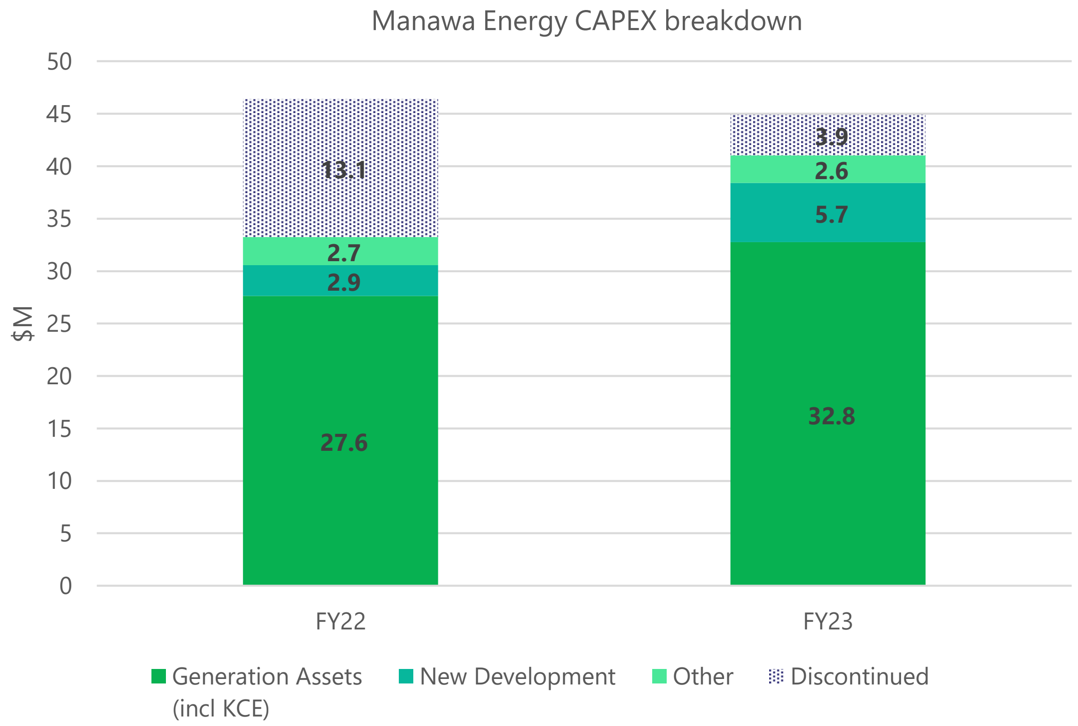
Capital expenditure

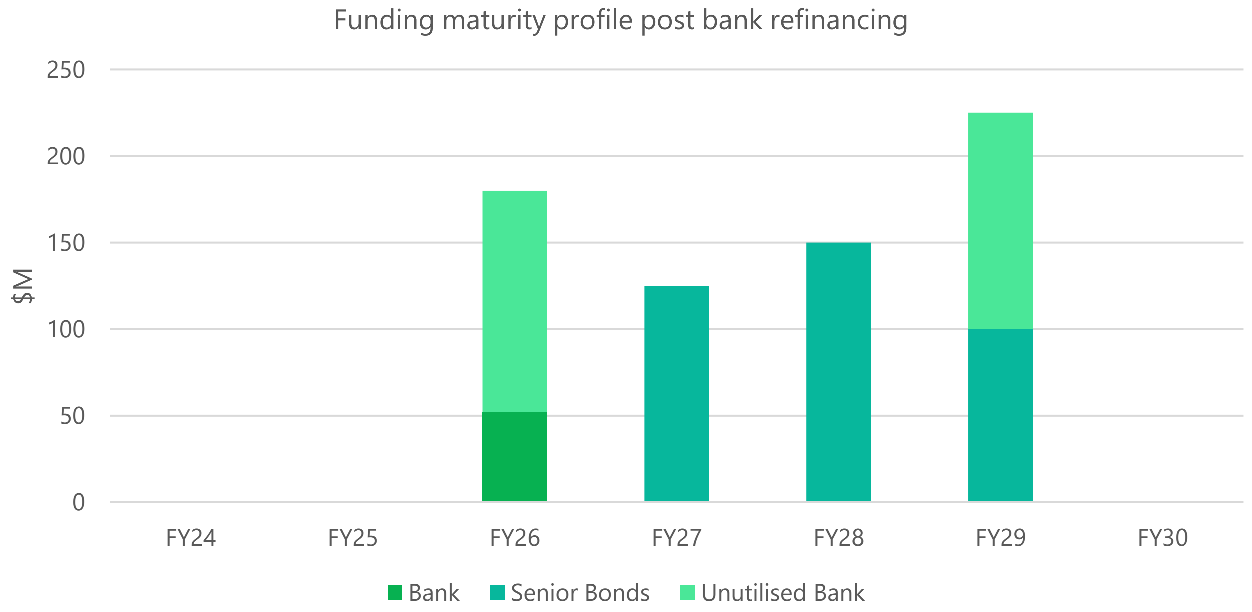


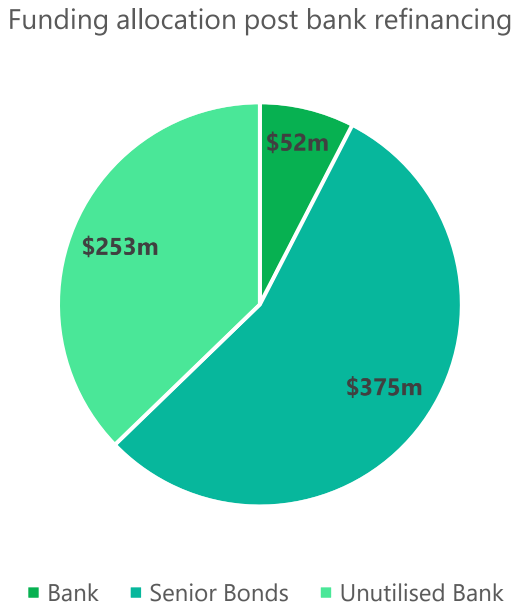


- Material uplift with significant investment across our existing assets: dam safety, enhancements, and life-cycle asset replacements and refurbishments
- Higher investment from significant activity across new development pipeline (including land purchases). Total investment of $5.7m in FY23.

Capital management

Balance sheet well positioned for capital investment programme





- Successful 5-year $150m senior bond raise in September 2022
- $265m of bank facilities refinanced with $305m of new facilities in May 2023

Outlook & Guidance

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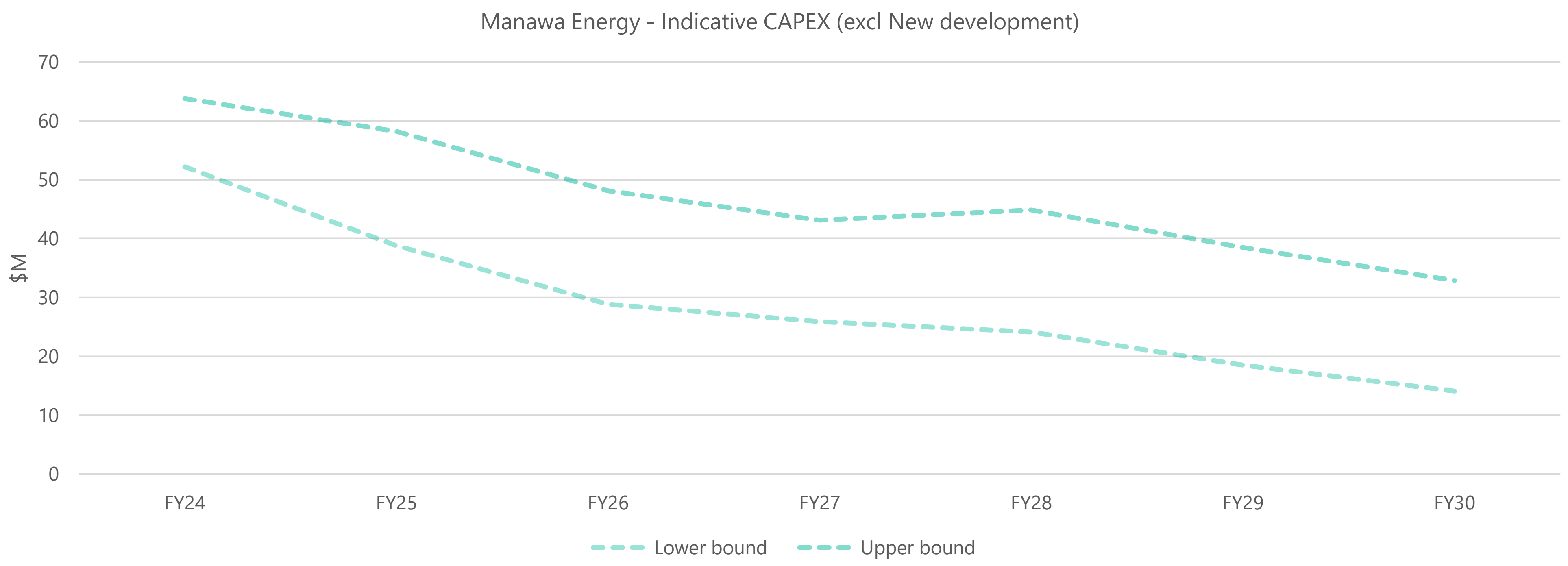
CAPEX Outlook

Non-development capital expenditure will remain elevated for 2-3 years

- Significant investment under way and forecast across asset enhancement, dam safety and asset lifecycle replacements
- Anticipating peak in FY24, tapering off to a new normal 'BAU' level of $20m-$30m (previously noted as $22m-$32m)
- Timing/quantum of projects are estimates, and we expect variations as further scoping and phasing updates are completed



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FY24 Guidance

Manawa Energy expects EBITDAF for the year to 31 March 2024 to be in the range of $120m to $140m

This is underpinned by the following assumptions:

- Wholesale prices remain materially in line with the current ASX forward curve.
- MNW's generation volumes are approximately 1,915 gigawatt hours, including the volumes generated by KCE schemes. Note that this is below the 'long-run average' of 1,942 gigawatt hours due to a weather-related outage at the Esk Scheme (Hawke's Bay) and a planned Waipori Scheme (Otago) outage over summer to replace the Waipori 3 generator and undertake maintenance works;
- Average hydrological conditions;
- Around $8m operational expenditure related to our new generation development pipeline; and
- No material adverse events.

Manawa Energy expects its FY24 capital expenditure to be in the range of $65m-$80m. This comprises the following expenditure:

- $18m-$22m for enhancements of existing generation assets;
- $22m-$28m for asset maintenance and lifecycle expenditure on existing generation assets (including KCE assets);
- $13m-$16m for new generation development activity;
- $7m-$9m for technology, regulatory, environmental, and other capital investment;
- ~$5m for the Manawa House office fit-out in Tauranga.

Manawa Energy also expects to receive $20m-$28m of cash proceeds in FY24 from the divestment of surplus land and carbon credits.

Note: Enhancement capex includes stand-alone enhancement projects as well as life cycle projects that include an enhancement of output alongside the replacement and life extension of the existing asset

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Thank you

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Additional Information

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Key facts

Manawa Energy is Aotearoa New Zealand's largest independent electricity generator and renewables developer.

We have 26 power schemes throughout Aotearoa New Zealand and a total installed capacity of 510 megawatts, generating ~1,942 gigawatt hours of electricity per year. We supply around 650 commercial and industrial customers via 6,400 electricity connections.

Manawa (meaning 'heart') acknowledges our heritage establishing electricity generation on the Omanawa River in the Kaimai area during the early 1900s. Our name was gifted by Ngāti Hangarau hapū, mana whenua of the area where our Kaimai hydro-electric power scheme is located.

Non-GAAP measures

Underlying Earnings is a non-GAAP (Generally Accepted Accounting Principles) financial measure. Manawa Energy 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 and/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 gain/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 the impact of gearing levels and non-cash charges such as depreciation and amortisation. 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.

Reconciliation between statutory measures of profit and the two measures above, as well as EBITDAF per the financial statements and total EBITDAF, are given below:

	FY23	FY22
Profit after tax	**444,368**	**119,813**
Fair value losses/(gains) on financial instruments	(62,895)	(43,442)
Gain on sale of mass market retail business	(342,063)	-
Asset Impairments	12,827	-
Changes in income tax expense in relation to adjustments	17,611	12,164
Underlying Earnings After Tax	**69,848**	**88,535**
Operating Profit Continuing Operations	**165,280**	**182,639**
Fair value losses/(gains) on financial instruments	(62,895)	(43,442)
Depreciation and amortisation	21,526	20,524
Impairment of assets	12,827	-
EBITDAF Continuing Operations	**136,738**	**159,721**
Operating Profit Discontinued Operations	**343,640**	**17,535**
Gain on sale of mass market retail business	(342,063)	
Depreciation and amortisation	1,915	26,956
EBITDAF Discontinued Operations	**3,492**	**44,491**

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