

Genesis Energy 2024 Annual Shareholder Meeting

Chairman's address - Barbara Chapman, CNZM

Kia ora, tēnā koutou katoa.

Good morning everyone. I'm Barbara Chapman, Chair of the Board of Genesis Energy Limited.

On behalf of my fellow directors, our Chief Executive and his team, and all Genesis employees around New Zealand, welcome to our 2024 Annual Shareholder Meeting.

We continue to hold this meeting in hybrid form and thank those shareholders who have made the effort to be here today. It's great to be back in Wellington for the first time in a number of years. Our online streaming facility is available for those unable to attend in person, and we thank you for taking the time to be present virtually.

Two directors require re-election this year under the NZX director rotation rules – myself and James Moulder.

With us today are members of our Executive team, including our Chief Corporate Affairs Officer Matthew Osborne, who will fulfil the role of Secretary for this year's meeting.

Silvio Bruinsma is here representing our external auditor, Deloitte.

I will quickly run through the agenda for this morning.

Firstly, I will provide a brief overview of the Board's key highlights for the year.

Chief Executive Malcolm Johns will then provide you with a more detailed overview of our company performance and priorities.

There will then be an opportunity for you to ask questions of the Board and the Executive arising from the two presentations.

Finally, we will move to the formal business of today's meeting. At that point I will outline the process for the discussion and voting on the two resolutions in the agenda.

Following voting you will be provided with an opportunity to raise any items of general business that may be lawfully put to the meeting

If there are any additional discussion points that you feel haven't been covered in today's meeting, please reach out to our investor relations team at the email address:

investor.relations@genesisenergy.co.nz

To begin, let me introduce your Board of Directors.

Hinerangi Raumati-Tu'ua

Hinerangi joined the Board in March 2022. She is a member of the Audit and Risk Committee.

Hinerangi is Chair of Tainui Group Holdings and brings extensive governance experience, having Chaired and served on iwi boards and those in varied sectors including water, fisheries, local government, Public Trust and the Reserve Bank of New Zealand.

In addition to her strong commercial, investment and corporate governance background, Hinerangi was named Māori Businesswoman Leader of the Year in 2016 and served on the Cullen Tax Working Group in 2019. This year she won the Māori Leadership in Finance Award at the Institute of Finance Professionals Awards.

Thank you for joining us Hinerangi.

Warwick Hunt

Warwick joined the Board in October 2022. He is a member of the Audit and Risk Committee.

Warwick brings over 30 years leadership and governance experience. As a partner and then managing partner of PwC New Zealand, Europe, Middle East, Africa, and UK, Warwick has worked across a range of sectors including energy, professional services, financial services, agribusiness and aviation.

He is Chair of the Bank of New Zealand and an Executive Fellow of Kings College London Business School. He is a Fellow of Chartered Accountants Australia and New Zealand, and an Honorary Fellow of Kings College London.

Warwick is a Member of the New Zealand Order of Merit for services to business.

Thank you for joining us Warwick.

Tim Miles

Tim joined our Board in 2016, coming to us from his previous role as Chief Executive of Spark Digital. He is Chairman of the Human Resources and Remuneration Committee, and a

member of the Nominations committee.

Tim has had a long career in customer and technology-focused roles at the most senior levels, both in New Zealand and internationally. He is Chair of FortySouth Ltd and a Director of ASX listed Ooh! Media Limited. Tim has served as a director of companies in the fields of technology, finance and property.

Thank you for joining us Tim.

Paul Zealand

Paul joined our Board in 2016. He is a member of the company's Human Resources and Remuneration Committee and the Nominations Committee.

Paul has over 40 years' experience in the oil and gas sector, including senior executive and Chief Executive roles at Shell and Origin Energy. In particular, he brings strong expertise around health, safety and environmental management, and advice around operational risk and commercial management of complex assets.

He is currently Chairman of Port Nelson Limited and Channel Infrastructure NZ Limited, and a Director of Lochard Energy.

Thanks for joining us Paul.

Catherine Drayton

Catherine joined the Genesis Board in March 2019 and is the Chair of the company's Audit and Risk Committee.

Catherine is a former senior partner at PwC, specialising in mergers and acquisitions, culminating in her leading the Assurance and Advisory divisions in Central and Eastern Europe. Her extensive cross-sector governance experience includes multiple directorships across iwi organisations and the energy, healthcare and infrastructure sectors. She is a former Chair of Guardians of New Zealand Superannuation.

She is currently the Chair of Mint Innovation Limited and Connexa Ltd and a director of IAG New Zealand Ltd and Warren and Mahoney Ltd.

Catherine is a Fellow of Chartered Accountants New Zealand and Australia.

Thank you for joining us Catherine.

James Moulder

James joined the Board in 2018 and is a member of the company's Audit and Risk Committee.

James has strong governance experience, having held a number of non-executive Board and Advisory Board positions in the electricity and carbon industries. He has previously held executive management positions at Mighty River Power, now known as Mercury Energy.

Prior to joining the Genesis Board James advised the Singaporean Government on the development of electricity hedge trading markets. More recently he has been involved in the development of carbon and environmental markets in Asia.

James' background advising the New Zealand electricity sector's regulatory bodies also strengthens our governance.

Thank you for joining us today James.

Behind me is an image of our Board Skills Matrix – a summary of the skills necessary for the company's success, and an assessment of the skills held by Directors. The matrix shows an excellent spread of expertise and secondary skills among our Directors.

This year we enhanced the skills matrix to highlight climate change risk and opportunity management as a key skill, recognising that understanding climate-related risks and opportunities and how they may impact business outcomes in the near, medium and long-term is key to good governance.

We are determined to be transparent about our opportunities, targets, strategy and progress, and also about our challenges, the impacts we have and how we're addressing those. Our reporting strives to present a balanced view of how we create value over the short, medium and long term. Our annual reporting suite now includes a fully integrated report, in which environmental, social and governance metrics are integrated with financial and performance updates, a Climate Statement and a Sustainable Finance Report. They can be found in the investor centre on our website.

Establishing a good working relationship with a company's Chief Executive is one of a Board's most important roles, and it's pleasing to see the progress Malcolm Johns has made in launching a new strategy, structuring an Executive team to support its execution and starting delivery of value-enhancing strategic objectives. The Board looks forward to supporting the Executive team to action the strategy over the coming years, in particular our 8by28, the 8 objectives we intend to deliver by FY28. Malcolm will speak more on these soon.

A Board must continually assess itself, and this year we had an external party undertake a robust review of our members' skills, experience, and our ability to work as a team for the benefit of the company. While there are always areas in which to improve, the results overall were extremely positive.

Directors' remuneration was reviewed this year as part of the previously communicated biennial review cycle with the support of Korn Ferry. Directors' fees were last increased in 2021. No increase in the Director fees pool has been sought this year. Rather, the Company has sought to achieve a modest increase in Directors fees through reallocating the current fees pool among the existing seven directors. As this re-allocation of fees is within the envelope of the current fees pool, shareholder approval is not required. Revised Directors' fees have been published through the investor section on the Genesis website together with a copy of the supporting Korn Ferry benchmarking report.

I am proud to lead a strong and capable Board of Directors who provide their extensive experience and specialist skills for the benefit of the company, our stakeholders, the wider community and you, our shareholders.

Our results this year are compared against a year of record hydrology in FY23, and were affected by three major impacts – the loss of Unit 5 for seven months, the declining gas supply nationally, and low hydrology, especially in the South Island storage lakes.

The impact of Unit 5's unplanned outage could have been more significant if not for the expertise and commitment of the team that returned the unit to service four months earlier than anticipated, and I want to thank the Huntly team for their efforts.

Lower than forecast national gas supply, coupled with lower hydro inflows, saw generation fuel costs rise by over \$100 million during FY24.

This meant FY24 EBITDAF was \$407 million, down 22% on FY23, and net profit after tax was \$131 million, down 33%.

As previously guided, the Board chose to pay a reset dividend of 14 cents per share over the year as we transition Genesis towards maintaining sector-leading yields while increasing our capital programme to deliver long-term earnings growth. I'll speak more on this shortly.

Looking ahead, our FY25 EBITDAF is expected to increase to around \$460 million, subject to hydro inflows, plant availability and any other unforeseen events.

FY24 was a watershed year for Genesis with the launch of our Gen35 growth strategy.

Gen35 is focused on three key things:

1. Cost control
2. Deploying capital to drive earnings growth
3. Maintaining our sector-leading yield

Gen35 capitalises on Genesis' unique position in the sector. We have a large customer base to help transition to electrification, we have the ability to expand our renewables generation fleet to increase margin, and Huntly Power Station is front and centre in our plans to derive value from energy security and flexibility in a high-renewables grid. Huntly proved its worth once again this winter in providing security of supply when hydro lakes were low, wind did not arrive at wind farms, and the national gas supply declined markedly.

We have moved quickly to start delivering Gen35:

First up we achieved final investment decision for the Lauriston solar farm. Construction is well underway and the facility is on track to begin generation in December this year. The swift delivery of generation assets to the market is a tribute to how we have built development and delivery capability quickly within the Genesis team over the past year.

We also secured our next solar site near Edgecumbe in the Bay of Plenty, while adding enough development opportunities to our pipeline to be confident of achieving our target of 500 MW of solar by FY28.

We are delivering on the transformation of Huntly Power Station, a 1,200MW grid connection located in the heart of New Zealand's growth region of Auckland, Hamilton and Tauranga. The transformation began by reaching financial close on the first stage of the site's grid scale battery project. The 100 MW battery is expected to be operational in the middle of 2026. It will play an important part in driving enhanced margin from our existing portfolio and accessing new revenue and margin from the market.

We continue to advance displacing coal with biomass and expect to have more to say about this project later in FY25.

We are well into delivering our retail transition, a journey towards a simplified, lower cost model, while focusing on new value pools in demand-side flexibility and EV's. Our new approach will result in a reduction of around 200 FTE's across FY24 and FY25. We thank our people for their professionalism in working through this difficult process with us.

We advanced delivery of our digital programme, which consists of three key upgrade projects for our billing and CRM platform, our finance management platform, and our wholesale trading toolkit. The Board and executive are focused on managing delivery risk

and ensuring these projects have the earnings impact we seek.

Our work this year also included starting to deploy productivity-enhancing technology like AI. We will have more to say on this over the coming year.

At Investor Day last November we outlined a \$1.1 billion capital programme to build new renewables and drive earnings growth. We indicated we would aim to maintain a credit rating debt to EBITDAF ratio in a multiple range of between two and three over the long term. This would include dedicating the free cash flows from our share of the Kupe gas field to this programme. The current unfavourable outcome at Kupe's KS-9 well means we may be at the upper end of our credit rating range while we deploy capital, moving back towards the mid-point as earnings growth from new initiatives beds in. We remain committed to our BBB+ credit rating, long term.

We indicated at Investor Day that we could build earnings using Power Purchase Agreements, (or PPAs), partnered capital at asset level with PPAs, and use our own capital on balance sheet.

In the past year, Genesis' share price has not performed at the level of our competitors. We acknowledge that as we transition to a new setting of yield and growth it will take time to build earnings and for our share price to follow. Genesis is in a transition within the energy transition and we are focusing on the things we can deliver to grow shareholder value, such as setting our new strategy, good governance of key investment decisions, maintaining a strong and capable executive team and upholding the reputation of Genesis.

The Board carefully considers dividend policy to provide shareholders returns, while balancing investment for long term growth and maintaining an appropriate balance sheet setting.

The reset of the dividend to 14 cps was an important decision for the Board, as we chose to direct increased free cash flows into new renewable generation to deliver Genesis' transition to an earnings growth outlook.

While the outcome of the KS-9 well intervention has proven there is some gas there, there is a blockage in the well that is preventing the gas from flowing. The Joint Venture is reviewing options for further intervention and we will remain engaged in that process.

The KS-9 outcome reinforces the importance of transitioning Genesis under Gen35, and Genesis remains committed to delivering our strategy objectives.

The next phase of this transition will occur over the next four years as we deliver Horizon 2

of Gen35, our 8by28 programme, targeted to lift earnings to the mid \$500 millions by FY28 and drive shareholder value.

Our business is nothing without the commitment of our people. FY24 saw major restructuring of the business and the introduction of a new strategy. A survey conducted after the restructure delivered an overall team engagement score of 81%, an outstanding result considering the difficult period our people had just been through. Most agreed their work gave them a feeling of personal accomplishment and that they would recommend Genesis as a great place to work.

A focus on safety and wellness is key to this result. This year we continued to see a significant reduction in injury severity, with the total number of lost and restricted days due to injury reduced by 42% compared to FY23. Our ongoing LPG Delivery Injury Reduction Programme maintained its momentum, with a 31% reduction in the LPG injury rate since the programme launched in FY22.

Our Genesis Wellbeing Programme continued its success with widespread use of resources in a portal called My Everyday Wellbeing. We are working towards an international standard for workplace health and safety systems.

In conclusion, along with my fellow Directors and our Genesis Energy team, I would like to thank you for your ongoing support of our company.

FY24 has been a challenging year in what is a dynamic decade for the energy sector. The year's events have underlined our long-held view that a renewable transition must also deliver energy security and reliability. We will continue to engage constructively with regulators to help ensure a workable pathway for new renewable generation, while helping ensure security of electricity supply and affordability for our customers.

I have every confidence that your Board, overseeing our strong executive team, will maintain the company's position as an essential and profitable part of New Zealand's energy future, while at the same time living up to the company's purpose and vision.

Finally, I do want to acknowledge the awards that Genesis has been recognised for in the past year, across our wholesale, retail and corporate segments. We were pleased that our integrated report was recognised as best overall at the 2023 Internal Annual Reports awards.

It is now my pleasure to invite your Chief Executive Malcolm Johns to address our shareholders. Welcome, Malcolm.

Chief Executive Officer's address – Malcolm Johns

Kia ora everyone. Thank you Barbara for providing an overview of some of the challenges and opportunities the company has navigated in what has been a demanding but rewarding year, in which we defended our earnings and delivered on strategy.

While we were challenged by major unplanned outages and New Zealand's gas shortage, the big impact was mother nature failing to show up during winter 2024. The country experienced 30% less generation from major hydro and wind operators over the past winter.

Despite these challenges our portfolio showed its resilience. We delivered for our customers from our own generation assets, avoiding the volatile spot market. This meant we defended our earnings while also delivering on key strategic projects.

Horizon 1 of our Gen35 strategy was about getting the business future fit to grow earnings and we delivered on that. We have reshaped Genesis into six business units, realigned the Executive Team and commenced a major repositioning of the retail business into a lighter touch, lower cost model. As part of this we farewelled around 130 of what will ultimately be 200 fewer staff in our retail business. I want to thank everybody for the professional way this was handled.

In addition to strengthening our Executive Team we have also built depth into our leadership bench with a more impactful senior leadership team, laser focused on delivering cost control, our earnings-enhancing capital programme and maintaining our sector-leading yield position.

I'd like to introduce our Executive Team to you now.

Tracey Hickman has been on the Genesis executive for more than 12 years and in the energy sector for three decades. In FY24 Tracey was appointed Chief Wholesale Officer, overseeing our wholesale operations, trading and fuels portfolio, and asset development team. She has also been Chief Customer Officer, and prior to this was Executive General Manager for Generation and Wholesale. Tracey's long experience through market transformations and transitions are invaluable to the Genesis team right now. Her early career was in managing large-scale environmental consenting projects and iwi/stakeholder relations.

Matthew Osborne has been with Genesis since 2018 and as our Chief Corporate Affairs

Officer and is responsible for legal, regulatory, government relations, sustainability, community investment, communications, and company secretarial functions. Matthew previously worked in a number of international markets and brings significant experience in executing business strategy and in providing specialist risk management, commercial, legal and regulatory advice.

Claire Walker joined the team last year as Chief People Officer. Claire is a deeply experienced people and culture executive. She understands how structures best serve strategy and how to build high-performing cultures.

Stephen England-Hall joined us as our Chief Retail Officer. He is a market strategy specialist who understands value-creating brand strategy, customer loyalty, proactive channel management and high-value, low-cost customer service models.

Ed Hyde came on board as our Chief Transformation and Technology Officer. Ed has deep experience in introducing technology platforms, data and AI into businesses to drive productivity growth.

This year we farewelled Chief Financial Officer **James Spence**, and look forward to welcoming our new Chief Financial Officer, **Julie Amey**, in November. Julie joins us with a wealth of experience in both the energy sector and listed entities.

We're grateful to **Emma Oettli** for taking on the role of Interim CFO until Julie joins us. Emma is an excellent example of the strength in our leadership team and will then move into a new but critical role of GM Portfolio, leading our work on growing group gross margin outcomes over the next four years.

As Barbara mentioned, the launch of our Gen35 strategy kick-started Genesis' transition to a growth stock with sector leading yields, focusing on deploying capital to grow earnings and value.

For New Zealand to reach net zero by 2050, 60% of New Zealand's energy needs to come from electricity, up from around 38% today. At least 95% of that electricity needs to be renewable, up from around 80% today, and it will need to be practically available 100% of the time. This includes winter peaks, periods of low wind, and dry years.

This is the first principle of our operating context for the next 25 years: 60 – 95 – 100. The challenging elements of the 60-95-100 scenario will be advancing the demand-side transition to electrification and maintaining 100% energy security while we do so.

If we look back over the past decade we can see from this slide that demand for electricity

has been flat, however the sector has been investing in new renewable generation, lifting from around 70% a decade ago to over 80% today.

What this graph shows is while electricity generators have been investing in New Zealand's energy transition, the New Zealand economy has not. We are no more electrified today than we were a decade ago, yet electricity is much more renewable.

New Zealand has chosen a market-based approach to the energy transition. Markets by their very nature foster the rational deployment of capital and that is exactly what we have seen over the past decade of a no-growth market.

Countries which have transitioned over the past decade without subsidies have seen customer demand growth and strong demand-side policy settings sending clear growth signals that have triggered rational investment in new generation. It is time for NZ Inc to invest in both demand and supply growth.

New Zealand relies on foreign investment to fund our economy and standard of living. The challenge is not just to attract that capital, but to have long term, stable market settings and capital structures that make it easy for that capital to land in a meaningful way, driving investment in both demand for electricity and its supply.

Under our new strategy we are committed to playing our role to deliver the 60-95-100 pathway to Net Zero 2050 for New Zealand, growing shareholder value as we do so.

Our recent investment in taking a majority position in ChargeNet, New Zealand's fastest growing EV charging infrastructure provider, complements our existing investment in Ecotricity, New Zealand's largest distributed energy retailer through scaled deployment of household rooftop solar and battery systems. These partnerships enable us to support our 500,000 customers in electrifying their homes and businesses while we create new value pools to build shareholder returns in the future.

We're committed to investing around \$1 billion in new renewables by FY30 as we develop our generation portfolio to be 95% baseload renewable by FY35, producing long-term earnings growth.

As we build new renewables we will free up around 1,400 MW of energy security generation in the Huntly Portfolio to be sold into the short and long-term energy security market, which as winter '24 has shown is not yet fully serviced.

Despite the operational challenges of FY24, we delivered all the Gen35 Horizon 1 strategic objectives we said we would.

We delivered on the first stages of moving to a lower cost, lighter touch retail model, focused on value share over volume share. The changes resulted in a reduction of 130 FTE in our core retail and technology teams. By FY26 we will be operating retail with a total of 200 fewer FTE.

At the same time, we invested in growing our teams across renewables development adding specialist skills and subject matter experts in batteries, solar and wind. We also increased the capability in our trading and fuels teams.

The change process we navigated during the past year was one of the best I have been part of during my 30 year executive career. Over 90% of our team have been through some form of change process over the past 12 months and the evidence of how well this was handled came in a follow-up survey of our people. Despite the major restructures, 81% of our team are engaged in the business and our new strategy. That is 6% above the national benchmark and reflects the quality and capability we now have in our Executive and senior leadership teams to navigate large scale change while maintaining strong team engagement.

We also maintained our high customer satisfaction rating. The Genesis brand improved its customer satisfaction score by 6 points compared to FY23. Frank won the Consumer NZ People's Choice award for the second year in a row, and our Power Shout programme won Best Overall Loyalty Programme in our industry category at the Asia Pacific Loyalty Awards.

Our billing and CRM platform upgrade is on track. We're planning for a late FY25 go-live across our Frank brand and full implementation across all brands by FY27.

Our wholesale programme gathered momentum. The Lauriston solar farm is under construction with our joint venture partner FRV Australia and due for first generation in December this year.

A 10-year renewable energy supply partnership agreed with Spark supported by the Lauriston development is an example of agreements that can support the development of new renewable energy capacity, as well as the delivery of our partners' sustainability commitments.

We've secured another solar site near Edgecumbe in the Bay of Plenty, with a final investment decision due in coming months and first generation in the first half of 2026.

We are on target to deliver 500MW of solar by close of FY28.

We reached final investment decision on the first stage of our grid scale battery programme

at Huntly Power Station. Installation of the first 100 MW battery will start this year with operation planned for mid-2026.

Using the new battery at Huntly we will be able to move winter solar generation from the middle of the day into evening peaks.

Gas storage will allow our summer gas to be displaced by solar, shifting summer gas to winter where it is more valuable.

Winter '24 highlighted the need for New Zealand to be able to store energy at scale to cover dry year needs. We also learned the same weather patterns that that bring us dry years also produce low wind. Mother nature didn't show up in 2021, again in 2024 and she will fail to show up in future years.

During winter '24 hydro and wind generated 30% less electricity than the year before. The system didn't have this covered and as a result the country was short of stored energy reserves with the result being volatile wholesale electricity prices.

Genesis can be proud of two things from this past winter.

Firstly, our 500,000 customers across the country were not exposed to the prices quoted in media commentary. We backed every one of our customers.

Secondly, at short notice Genesis delivered 25% more generation to the market than winter 2023, despite having less gas to do so. New Zealand was simply lucky that the Huntly coal stockpile was at 800,000 tonnes at the start of autumn. This was materially above the 350,000 tonne operational stock pile Genesis would expect to carry in a normal year.

The current New Zealand wholesale electricity market rules require generators to carry a generation reserve but not an energy reserve. During winter '24 we were not at risk of running out of generation, we were at risk of running out of energy.

This slide shows where New Zealand stores energy at scale for electricity generation.

As you can see, hydro storage is around 4 TWh, gas 1 TWh, coal 2 TWh, but New Zealand's biggest energy reserves lie in our forests. If we take low value logs we can produce around 4TWh per annum of electricity. High value logs we export produce around 10 TWh.

New Zealand's largest, cheapest, most sustainable and reliable energy storage for electricity sits in our exotic forests. Biomass through the Rankine units offers the country as much a 4.5 TWh of stored energy to cover the 1-2 TWh of energy reserves needed to cover years of low

hydro and low wind.

Biomass used in the Rankine units produces competitive electricity prices, as can be seen on this slide.

New Zealand has the opportunity to not only secure dry year cover using biomass from domestic forests, without disrupting logs for export or construction, the potential supply is also large enough to ultimately displace coal and gas, securing the electricity system with domestic fuel storage for generations to come.

Under our new strategy Genesis is pursuing biomass at some speed, investing in a dedicated team to deliver real outcomes at volume by FY28.

While biomass as a fuel is important, we also need to secure a commercial pathway for two Rankines plus a reserve Rankine out to 2035-40.

In dry years the Rankines become critical to New Zealand's electricity system. A commercial pathway for the Rankines beyond FY28 will require an adequate return on capital. This year we launched a new product, Huntly Firming Options (or HFO's) to test how we might deliver both energy and earnings security beyond FY28. A key feature of HFOs is they sell fixed capacity options to the market, with fuel reserves and costs sitting with the HFO holder rather than Genesis.

We were very pleased with the market response. While this round of HFO's was at limited volume and only for two years, we are working on how we deliver greater volumes over a 10-year period. Ten-year HFO's will be critical to investing in Rankine capacity on biomass out to 2035-2040. There will need to be sector support to deliver both and to secure the electricity system during years of low hydro and low wind.

As we add more renewable generation to our portfolio, we will be able to offer more capacity at Huntly to provide the nation's energy security.

Our financial performance in FY24 had three significant impacts. First was the loss of Unit 5, our 400 MW combined cycle gas turbine at Huntly Power Station, for seven months following a fault that had not been experienced by this type of turbine anywhere else in the world.

Much of the direct impact was insurable. However, the indirect impact was not. We had to run Rankines for longer, burn more coal than we planned, and delay some of our planned outages on our hydro generation.

The second major impact of the year was the declining gas supply nationally, down 29% in the year to June. Less gas means more coal and coal has been more expensive than gas.

The third impact was low hydrology and a lack of wind at wind farms.

In normal dry years the country has been able to rely on gas generation to back up the grid, however the national gas shortage meant that once Unit 5 was back online we could not run it at full capacity.

The result of these three impacts was over \$100 million in extra fuel cost for FY24.

Our team responded well to these challenges to minimise their financial effect and ensure there was no impact on our customers. The challenges have however created a drag on short term financial outcomes.

Opex was on budget but up 10% on the prior year. The main restructures occurred in the second half of FY24 so the full effects are expected to flow through into FY25 and beyond. We've previously signalled higher time-limited Opex driven by investment in digital projects. This Opex will peak in FY25/26 before falling back to stay-in-business levels by FY28.

The next two years will be focused on controlling Opex, completing the technology programme and deploying growth Capex to drive earnings growth. We have major Capex being deployed across FY25/26 and expect to see the impact of this on FY27/28 earnings.

Until we secure a reliable supply of sustainable biomass, less gas does mean more coal for the Rankines. Combined with the Unit 5 outage and low hydro levels, FY24 saw us burn a lot more coal, with a resulting increase in emissions of 1.2 million tonnes of CO₂ compared to FY23.

This means we will likely miss our FY25 Science Based Targets for emissions reduction, despite all Scopes being lower than the FY20 base year.

We have always said that our emissions reduction journey will not be a straight line but a trend over time. We now intend to extend that timeline to be net zero by 2040, and this year we will apply to the Science Based Targets initiative for verification of this target as we continue our work to support New Zealand toward its goal of net zero 2050.

We have spent FY24 getting the team and business future fit, we are in delivery mode and we have a growth mindset.

Our mission is to deliver 8 earnings growth initiatives by 2028, our 8by28!

These are the eight deliverables that will drive earnings into the mid \$500m's by FY28, equating to around 35% earnings growth.

As you can see from this slide, each of the eight strategic items aligns with one of the three cogs of our Gen35 strategy – Customers, Company, and Country.

We currently believe the long-run cost of electricity in today's dollars will be around \$115 per MW.

We are well into delivery mode of each item on this list and will report on our progress every six months.

FY24 has been a transition year for our shareholders as well as our team and we acknowledge that. The earnings outlook pre-Gen35 was flat to declining as renewables reduced the role of thermal and we weren't building new renewable generation. Horizon 2 of Gen35 focuses on the 8by28 programme, transitioning Genesis within the energy transition and returning to a growth outlook.

Our focus for the next four years is on driving cost control, deploying capital for earnings growth and maintaining sector leading yields. We are confident our strategy and the team we have in place will deliver this for shareholders.

Thank you for your support over the past year and as we progress in delivering Gen35.

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