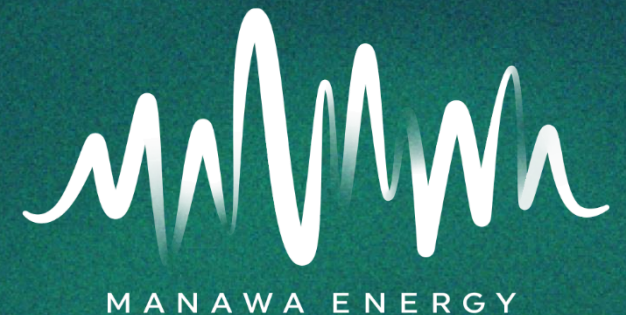


MANAWA ENERGY

FY-22 Investor Presentation

David Prentice – Chief Executive

Phil Wiltshire – GM Corporate Services



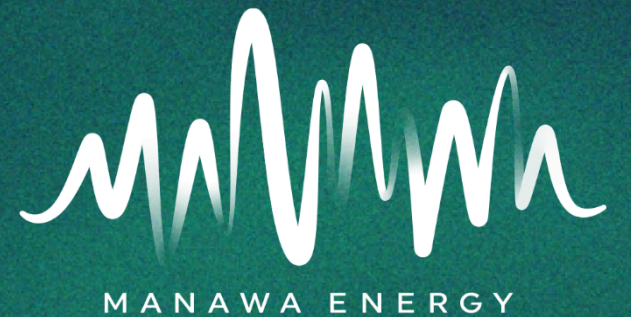


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1. FY22 Overview
2. Generation Performance
3. FY22 Financial Review
4. Introduction to Manawa Energy
5. FY23 Outlook & Guidance



FY-22 Overview



\$119.8
million

Group NPAT
up 290.0%

\$204.2
million

Total EBITDAF up
2.0%

\$88.5
million

Group underlying
earnings down 2.6%

\$159.7
million

Continuing Operations
EBITDAF up 2.0%

\$44.5
million

Discontinued Operations
EBITDAF up 2.3%

1,760
GWh

Generation Volume up
3.0%

37.5c

Earnings per share up
244.0%

Final ordinary dividend of
16.0c

Per share bringing full year
dividend to 33 cents per share

\$467.4
million

Sale of mass market retail business (incl.
estimated working capital)

35.0c
per share
(unimputed)

Special dividend declared

0.93

Total Recordable Injury
Frequency Rate up from
0.60 in FY21

7

Non-compliant incidents
across 3,500 resource
consent conditions

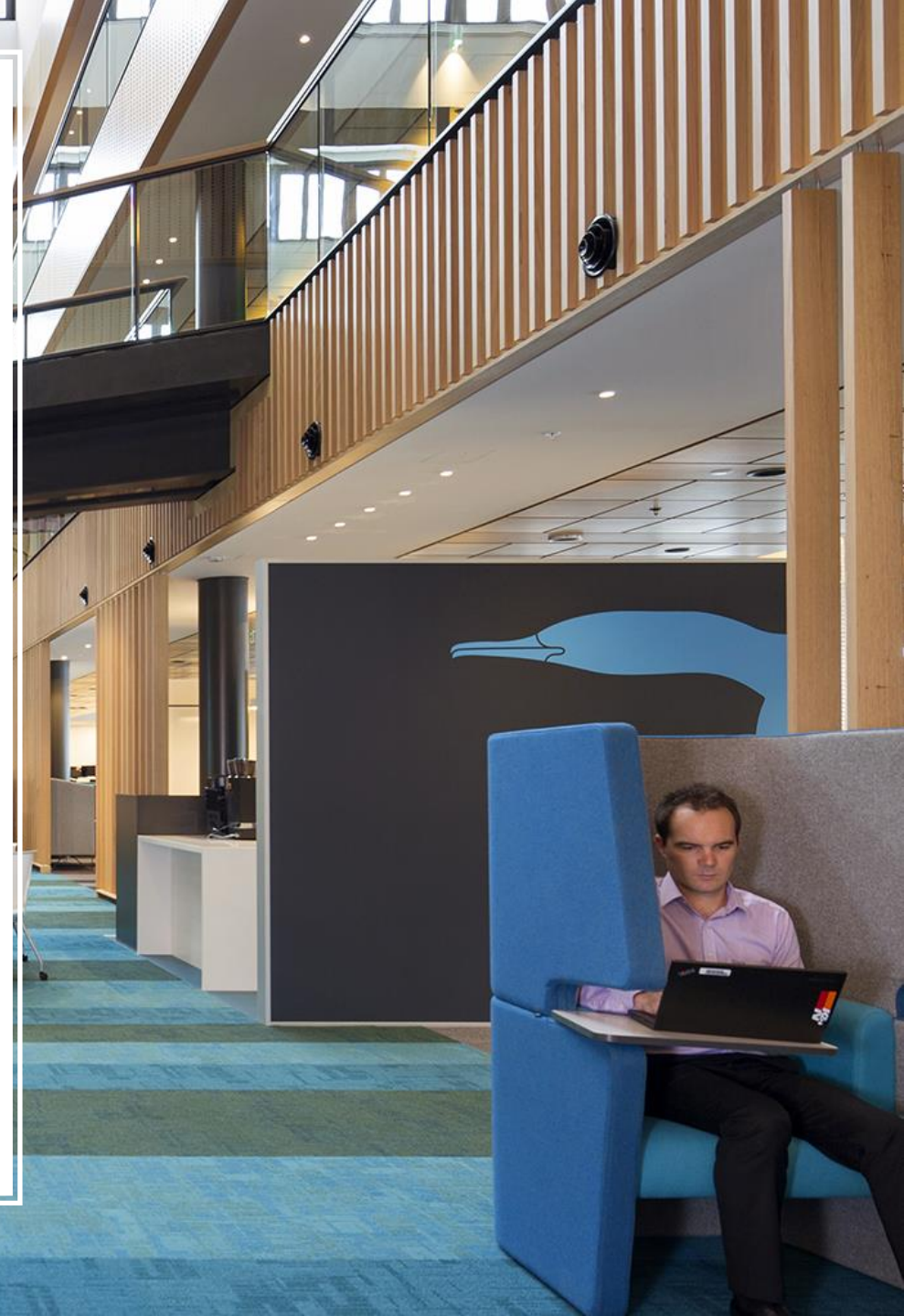
FY-22 Overview

- Solid performance in a year that included operating challenges from lower than average inflows and COVID-19
- Successful separation and sale (post year end) of the Mass Market Retail business for \$467m
- EBITDAF ahead of prior year in both Generation and Retail segments
- Generation enhancement projects delivered additional output
- New generation pipeline accelerated in H2

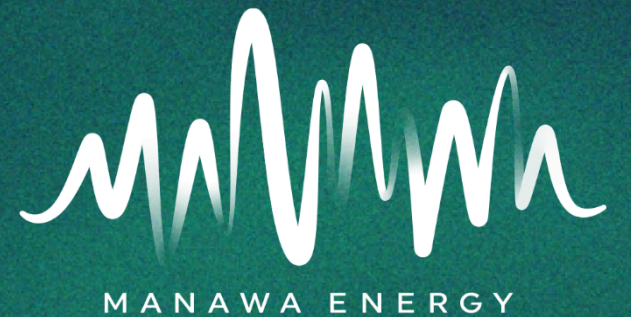


Retail sale

- On 1 May 2022 we completed the sale of our mass market retail business to Mercury NZ.
- Many years of work have gone into setting our retail business up for a bright future and this was reflected in the sale price.
- Our retail operations were in strong shape to hand over, thanks to the significant efforts of our people to maintain momentum in growth and customer service through this transition, and in the required separation activities.
- 5% increase in customers with two or more services, and 93% increase in mobile connections during FY-22, despite COVID and sale disruption.



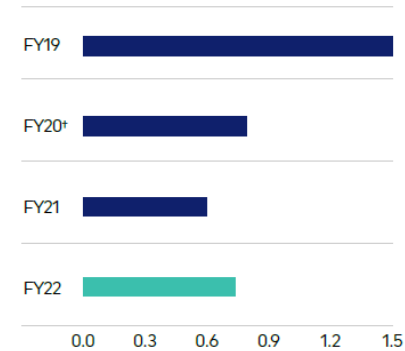
Generation Performance



Health, safety, wellbeing

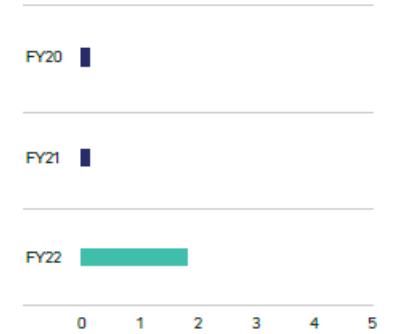
- We prioritise the safety and wellbeing of our people and the people we interact with. This year we reviewed and improved our public safety and contractor management systems.
- We carried out a safety and wellbeing culture audit to assess our processes, systems, mindsets and behaviours against best practice.
- We continued our schedule of Director site visits, with a focus on site safety.

Total Recordable Injury Frequency Rate (TRIFR)



† A FY20 incident has since been recategorised changing FY21's reporting of 0.72 to 0.79
Number of lost time and medical treatment injuries, per 200,000 hours worked*.

Lost Time Injuries (LTI)



LTI incidents were low consequence with no systemic issues highlighted.

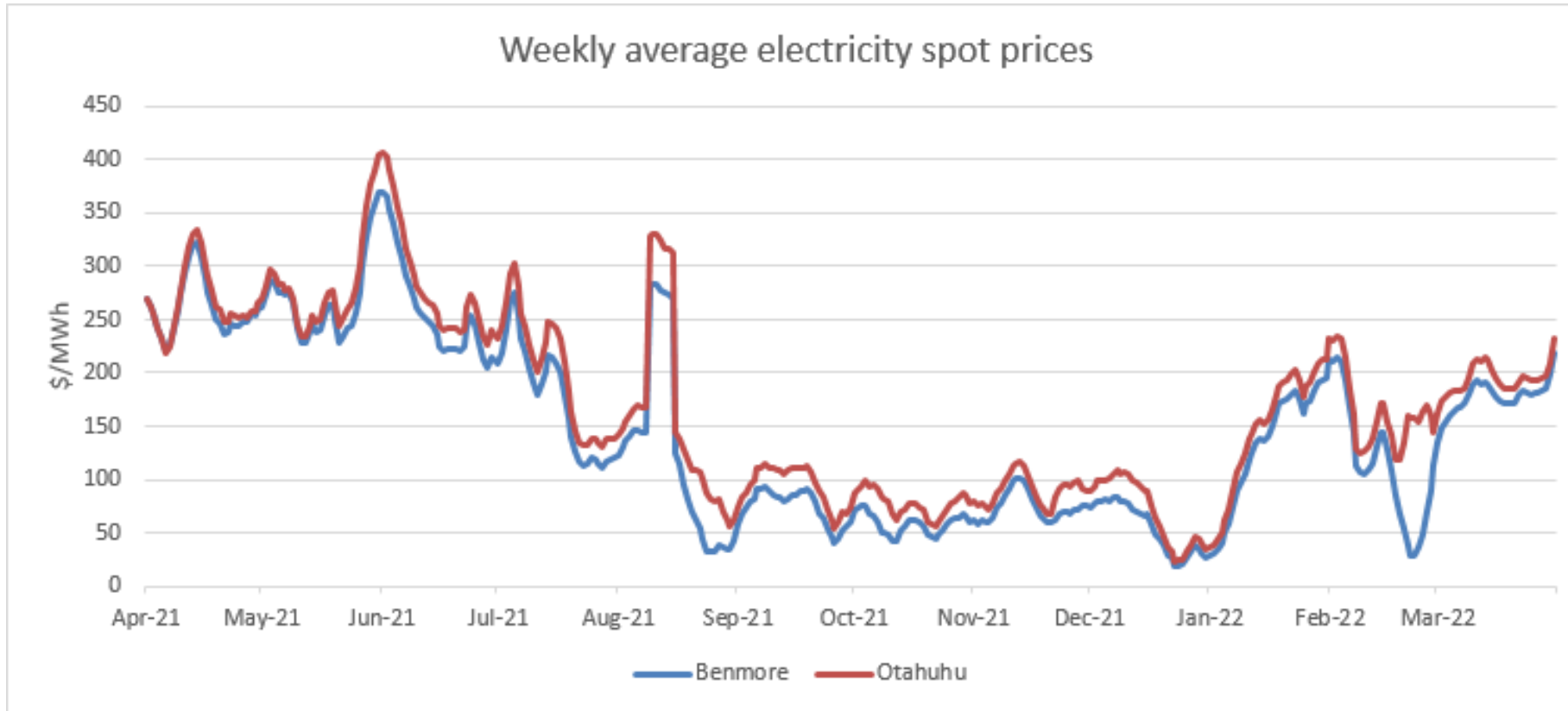
Zero Lost Time Injuries in FY20 and FY21

Recognised with an Excellence Award in the Health and wellbeing category of the HRD

Confirmed as a finalist in the Wellbeing Category of the NZ Energy Excellence Awards with the winner to be announced in June 2022.

Wholesale prices

Electricity spot market prices were volatile but elevated across most of the year, reflecting low inflows and the cost of thermal generation. High prices are continuing to persist into Q1FY23

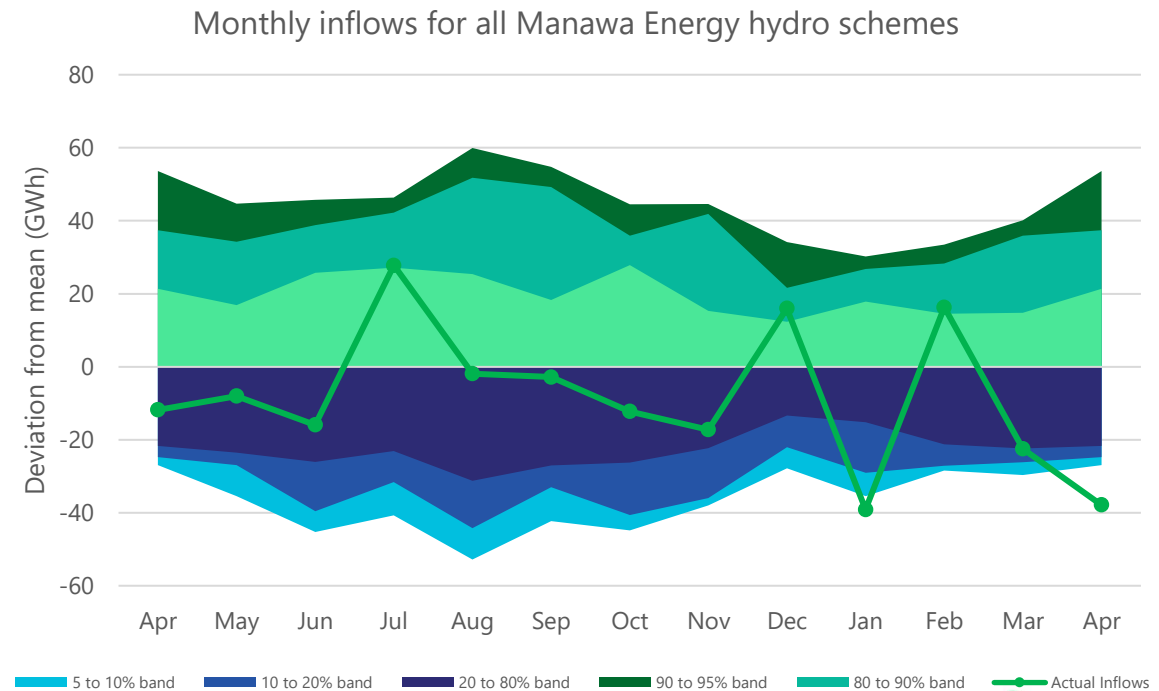
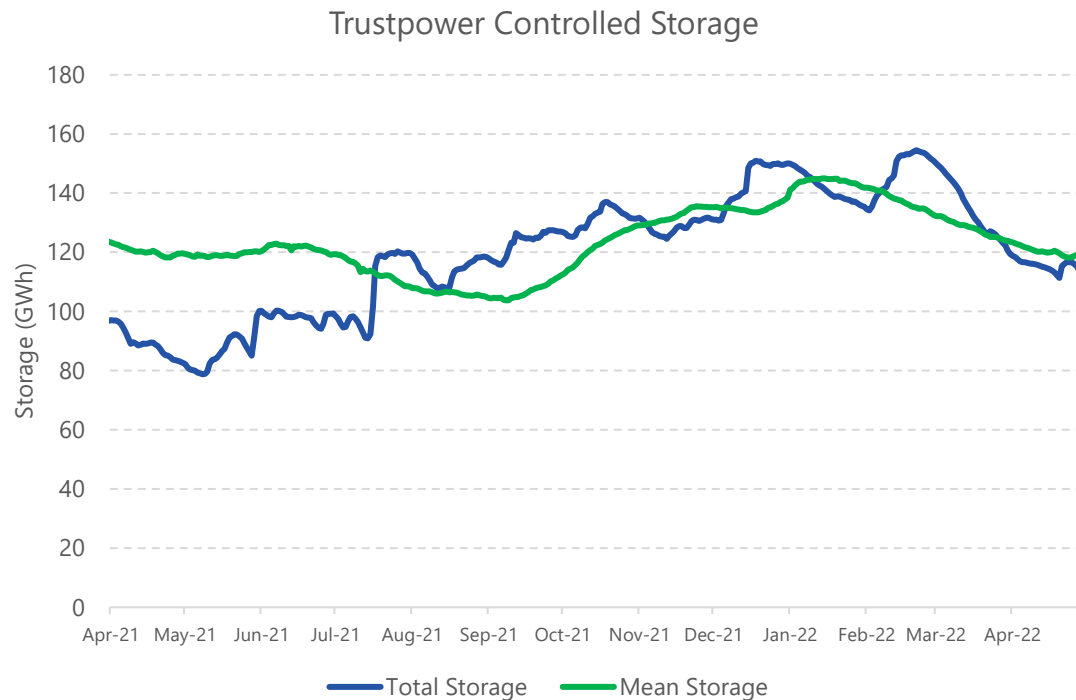


Note: 9th of August scarcity pricing event is still under consultation by the Electricity Authority and prices are not yet finalised.

Source: NZX

Inflows and storage

Hydro inflows across FY-22 were well below average. This impacted production volumes and lake storage levels, however Waipori storage remains at average levels for this time of year due to planned outage works.



Branch Scheme Enhancement



- Due to be completed in early FY-23, as part of Manawa's commitment to enhancing our existing fleet of assets,
- Will double the intake capacity, enabling the scheme to use its full consented take, and will now be able to operate under most flood conditions.
- Advanced hydro scheme modelling was used to select the optimum design and location to ensure the best performance.

Enhancement will deliver 10 GWh/year in additional output

Waipori Outage



Upgrading intake structure for 4 station

For five months during FY-22, our Waipori scheme in Otago underwent significant planned upgrades and maintenance.

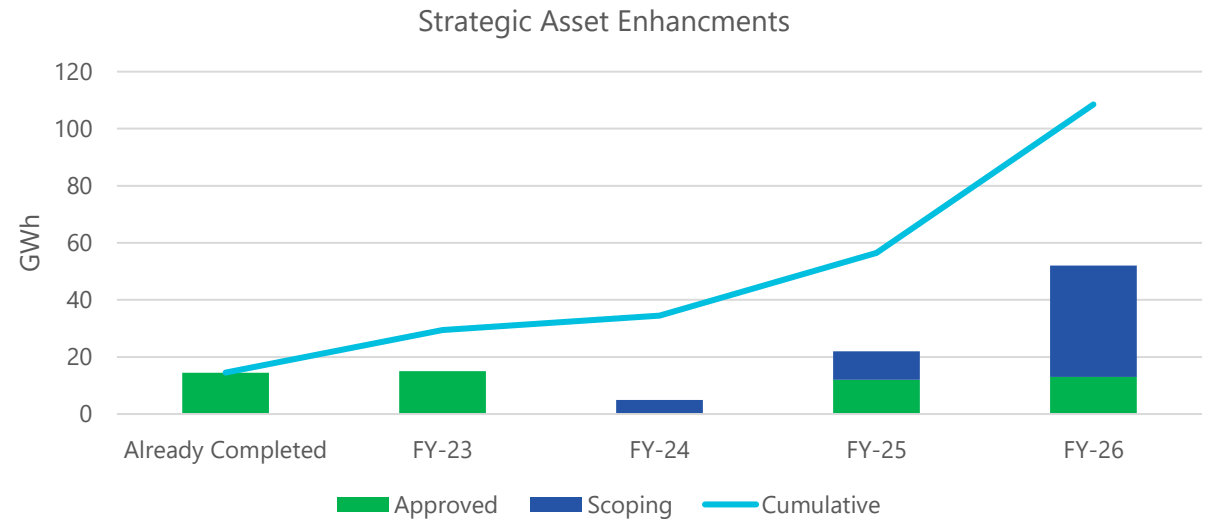
- Works completed in challenging COVID times with a high focus on pre-planning to achieve excellent health and safety outcomes and environmental compliance.
- Works spanned all four stations, encompassing over 20 individual projects and workstreams, with work force peaking at 91 people, and was the largest outage at Waipori over the last 10 years
- No loss of water through careful planning and timing.



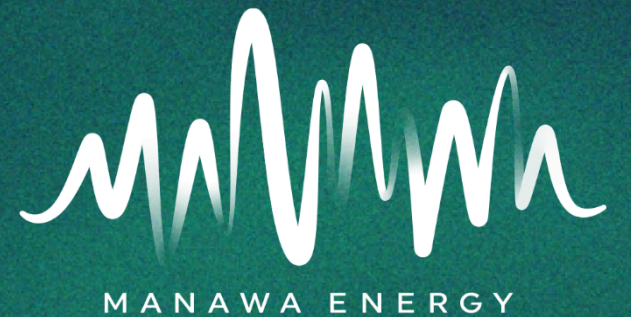
Maintenance works at 2a station

Asset Enhancement Programme

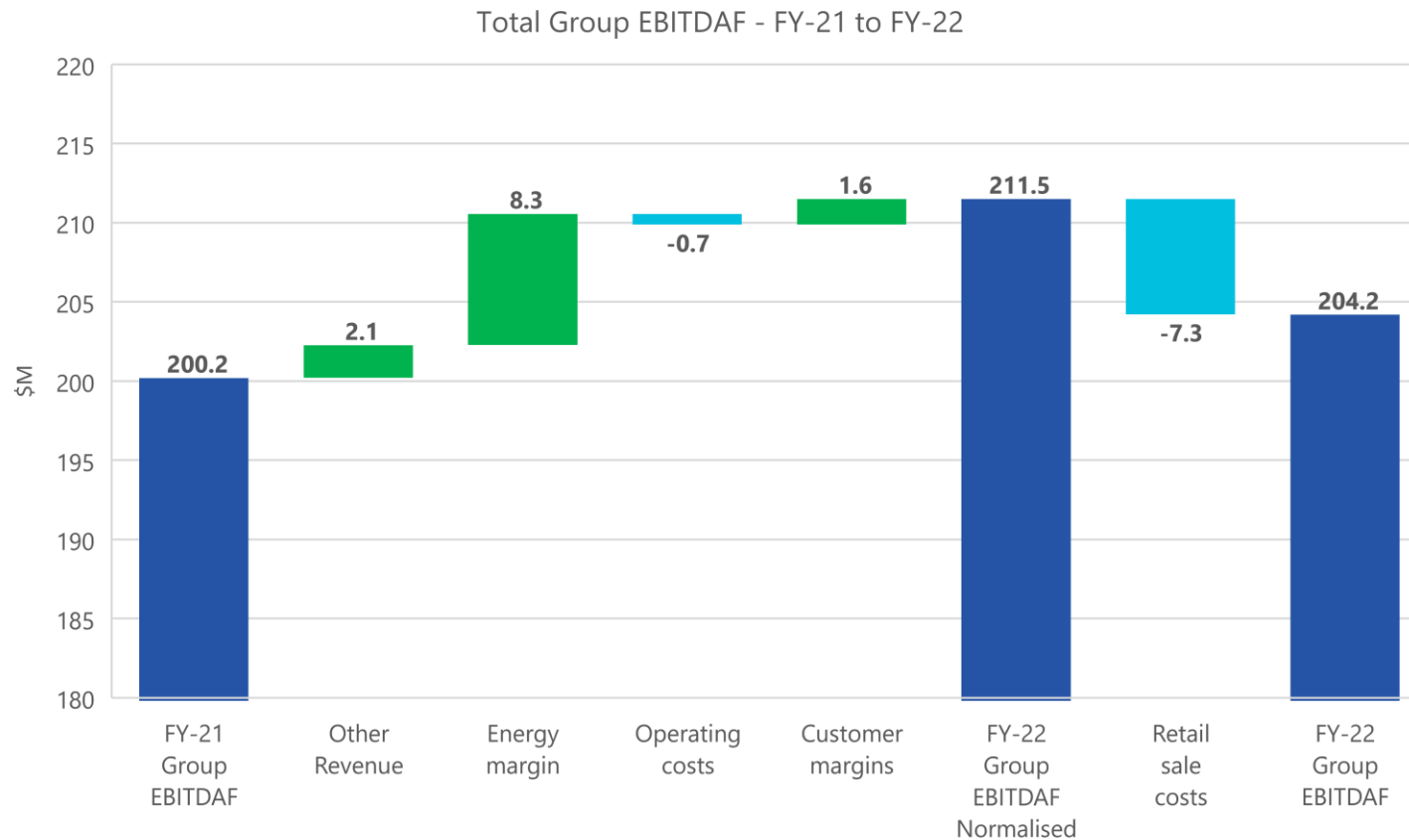
- Focus on strategic asset enhancements is delivering volume and value.
- ~15 GWh/year worth of enhancements have already been completed, with 15 GWh/year expected to be completed in FY-23.
- A further ~79 GWh/year worth of enhancements currently planned to be delivered across FY-24 to FY-26.
- These are at various stages of progress, with three key projects already achieving FID and contract management completion.



FY-22 Financial Review



Total Group EBITDAF

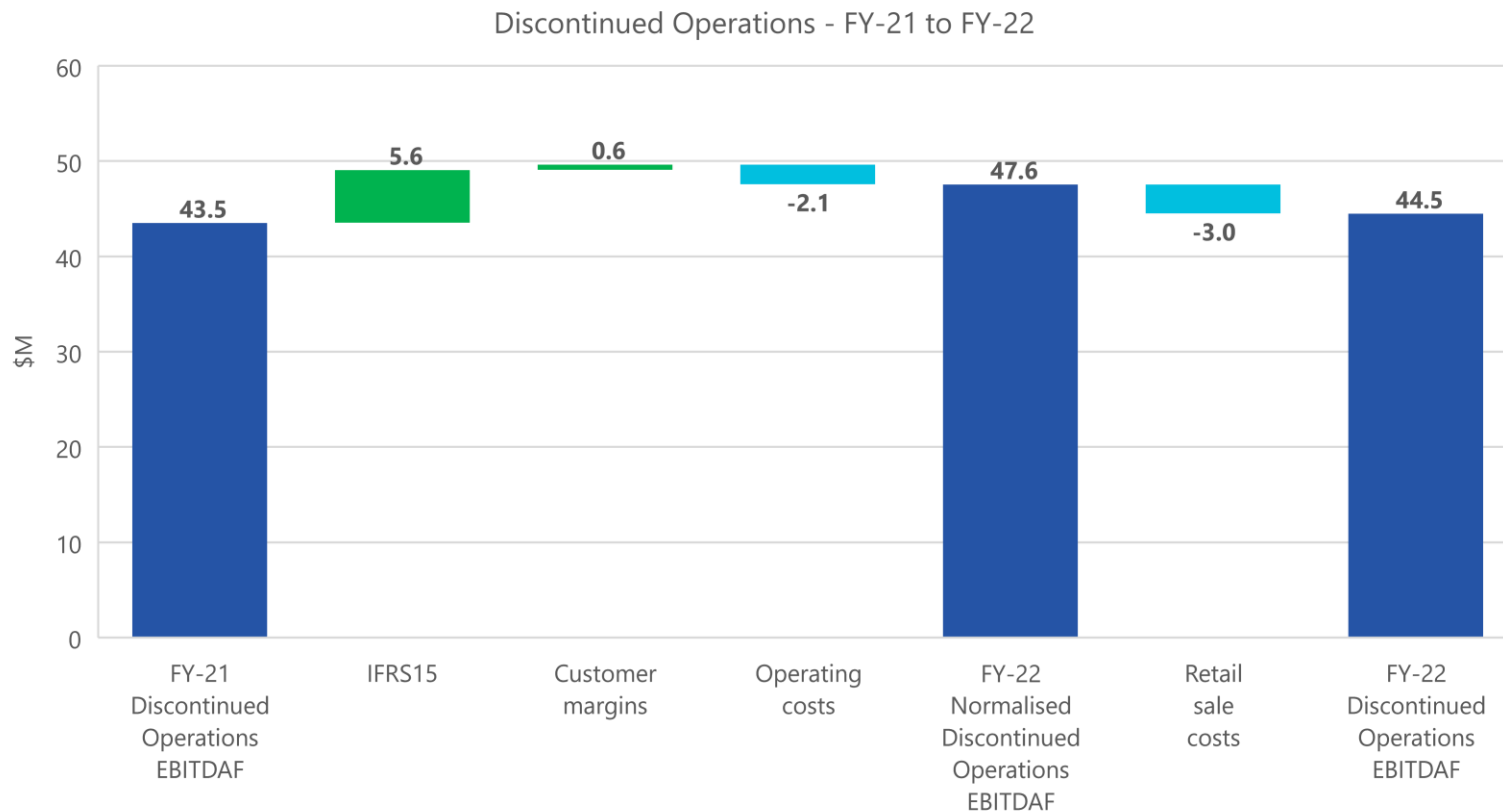


- Other revenue relates to carbon credit revaluations, partially offset by reductions in transmission revenue and irrigation.
- Energy margin variance was driven by higher inflows (albeit materially below average) than the pcg, and higher wholesale prices.
- Higher operating costs in Generation and Retail (compared to COVID-impacted FY-21) were offset by favourable variances in IFRS15 adjustments, and reduced technology spend, as the technology focus was on retail separation activity.
- Retail sale costs are all one-off expenses incurred in the transaction, as well as separation activities, and the establishment of Manawa Energy.

Group consists of Manawa Energy Limited & its subsidiaries

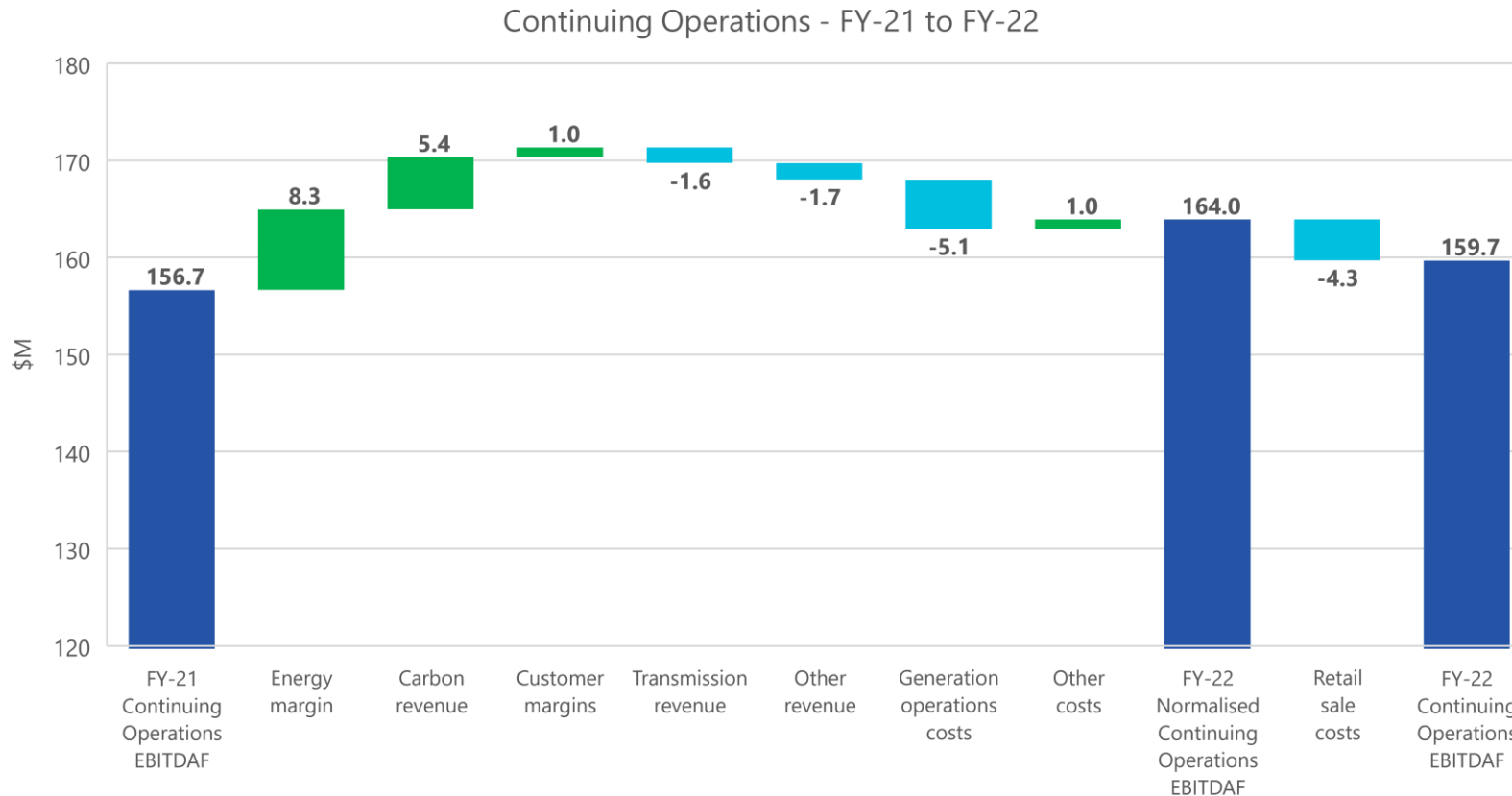
EBITDAF is a non-GAAP measure refer to slide 41 for a reconciliation of EBITDAF to statutory profit measures

Discontinued Operations EBITDAF



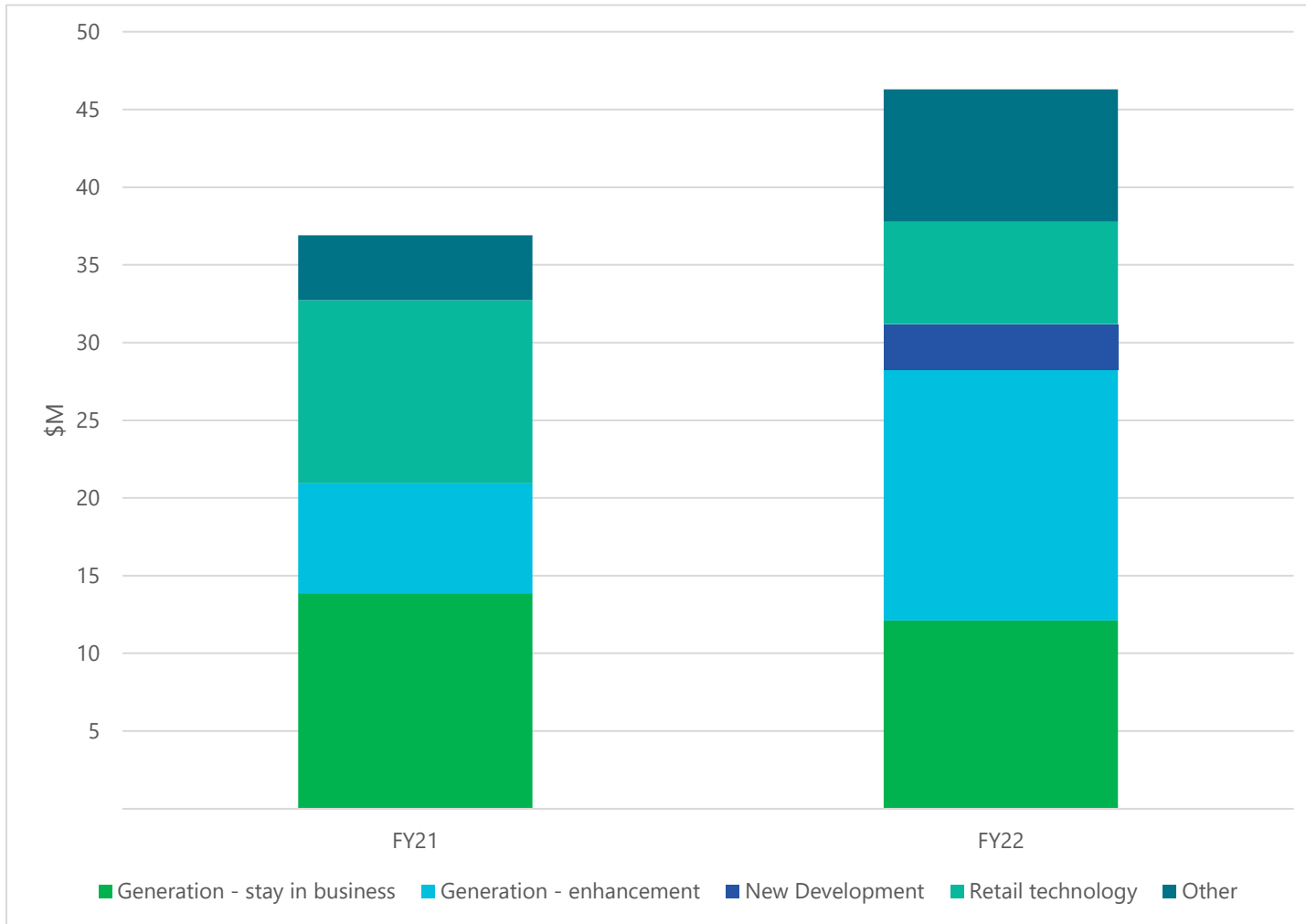
- IFRS15 (non-cash capitalisation & amortisation of direct customer acquisition costs) differential primarily driven by higher selling prices for customer incentives.
- Operating costs mainly relates to increased customer incentives compared to COVID-impacted FY-21.
- Retail sale costs are those one-off project expenses that relate specifically to the sale transaction.

Continuing Operations EBITDAF



- Energy margin variance was driven by higher inflows (albeit materially below average) than the pcg, and higher wholesale prices.
- Carbon revenue is due to carbon credit inventory revaluations.
- Generation operations cost increase was driven by higher level of works compared to COVID-impacted FY-21, as well as higher insurance costs, and recharges from Corporate.
- Retail sale costs are those one-off expenses incurred due to the sale but not directly relating to the sale (e.g., establishment of Manawa Energy and separation activities).

CAPEX

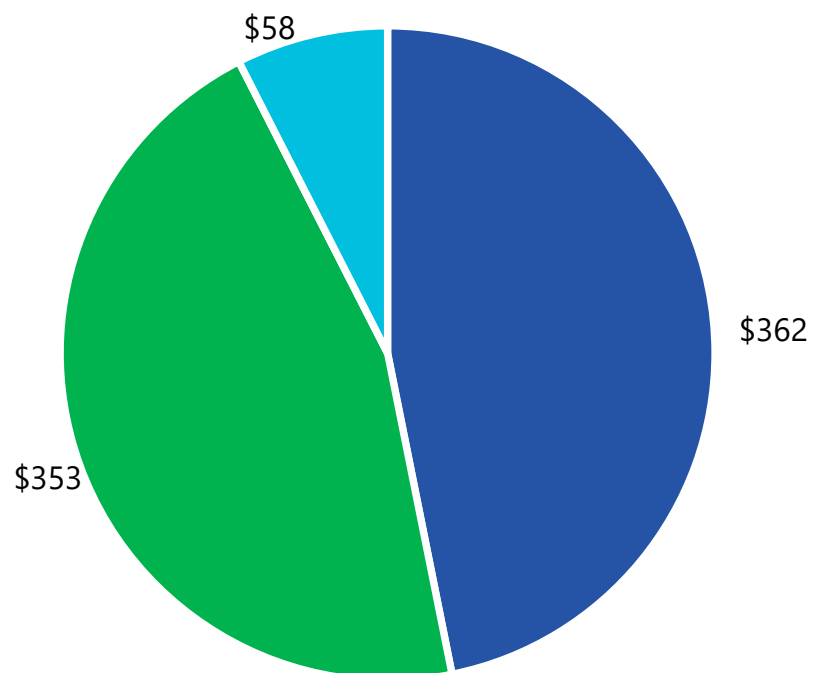


- Asset investment in FY-22 included significant works at Waipori, Highbank, Branch, Matahina, and Cobb schemes.
- New development spend mainly related to the purchase of land and monitoring equipment.
- Other includes corporate technology, regulatory/environment and Retail sale costs including hardware and building fit-out costs.

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

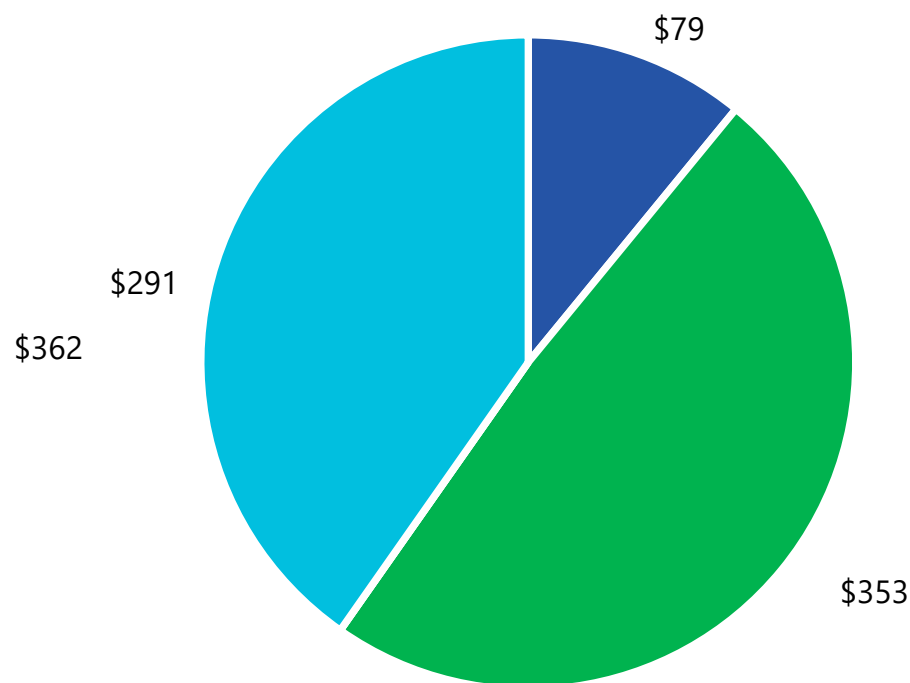
Debt Capital Management

March 2022 (\$m)



■ Bank ■ Senior Bonds ■ Unutilised Bank

Post June 2022 dividend payment (\$m)



■ Bank ■ Senior Bonds ■ Unutilised Bank

- Majority of the bank facilities maturing in July 2022 to be repaid
- Senior bond maturing in December 2022 planned to be refinanced with similar sized issue
- Medium term capital structure will flex to ensure sufficient capacity for growth
- Alternative funding sources will be considered for new developments

Dividends

- FY-22 final ordinary dividend (fully imputed) of 16cps (~\$50m). *Note 1*
- Bringing FY-22 total ordinary dividends to 33cps.
- Special unimputed dividend of 35cps (~\$110m) has been declared. *Note 1*

Note 1 Both the final ordinary dividend and the special dividend will have a record date of 10 June 2022 and a payment date of 17 June 2022



Introduction to Manawa Energy



Introduction to Manawa Energy

Our core focus is growth through the development of new renewable generation assets – primarily wind and solar, as well as optimising and enhancing our existing generation assets

Manawa Energy consists of:

- 25 hydro schemes¹ with geographic spread across NZ and operating capacity of ~498MW
- Approximately 680 commercial & industrial customers
- ~240 employees (FTE)
- A dedicated new generation development team

¹ includes 5 King Country Energy (KCE) hydro schemes. Manawa Energy owns 75% of KCE. Refer to page 41 for further details on KCE



Board of Directors



Paul Ridley-Smith
Board Chair &
Non-Independent
Director



Joanna Breare
Independent Director



Sheridan Broadbent
Independent Director



Peter Coman
Non-Independent
Director



Kevin Baker
Non-Independent
Director



Michael Smith
Non-Independent
Director

- We had various changes to the Board of Directors and the Executive Team throughout the year

Leadership Team



David Prentice
Chief Executive



Catherine Thompson
General Manager
Regulatory & Risk



Phil Wiltshire
General Manager
Corporate Services

- 3 new executives appointed to the Manawa team in late FY22
- The new team brings strong and relevant capabilities across energy sector strategy, regulatory, M&A and finance



Rob Buchanan
General Manager
Growth & Trading



Stephen Fraser
General Manager
Generation



Matt Van Deventer
General Manager
Technology & Delivery

Strategic Context

- With the New Zealand economy expected to continue decarbonising, demand for electricity is expected to grow by 50% over the next 20 years.
- This growth in demand underpins our strategy of investing in the development and delivery of new renewable generation capacity
- The market is undergoing change and will continue to do so as we progress through our decarbonisation journey.
- With this change comes uncertainty and disruption – we are seeking to understand the impact, opportunities, and risks this disruption presents.
- We expect price volatility to grow as intermittent generation becomes a larger proportion of the overall mix. Peaking or storage capacity (e.g., our hydro portfolio) will become even more valuable.



Strategic plan overview

Growth



Generation

Develop a large portfolio of options.
Pursue partnerships with established participants.
Focus on areas we can lead the market, such as solar and wind development.



Market channels

Develop long-term relationships with customers through enhanced product offerings.
Utilise relationships with customers to support generation investment.
Investigate opportunities at grid-edge.

Operational Excellence



Generation

Deliver on our established value protection and enhancement strategies.
Optimise our existing portfolio through improved decision-making capability.



Market channels

Plan and optimise our wholesale risk position in the long-term.
Identify the highest value customers for our energy portfolio.

Critical Enablers



Technology and innovation

Embed a digital mindset in the business.
Optimise our systems following retail sale.
Use data and automation to enhance our decision-making and create value.



Culture and capability

Create an environment that brings out the best in our people.
Plan for the future to ensure we have the capability we need to succeed.

Baseline Excellence

Sustainability – Health, Safety and Wellbeing – Reputation and Brand – Iwi Relationships – Business Performance and Financial Management.

New developments strategy and ambition

- We are taking a flexible approach to new development – pursuing our own projects in addition to partnerships and joint ventures with existing developers.
- Our existing assets, capability, and access to capital - means we are well placed to take development concepts through to execution.
- This makes us an attractive partner to both developers and end-use customers – which is being demonstrated by the regular enquiries we are receiving from developers and potential partners.



New development pipeline

- We have over 30 new solar and wind developments under active consideration, including four solar projects in the feasibility stage.
- While the total potential capacity of this pipeline is significant, we are taking a disciplined approach.
- Our focus to date has been on securing a wide range of options, given significant development activity in market.
- We are now beginning to focus on execution of some of our more advanced options, with the range of structures being considered demonstrating our flexible approach:
 - *c120MW grid connected solar project near Thames, with the consenting process, including community and iwi consultation commencing shortly*
 - *MoU executed for a joint venture with Hawke's Bay airport in respect of a 24MW solar development on airfield land*
 - *Advanced stage of consenting in respect of a grid scale solar project in Northland, with potential offtake to a large C&I customer*

Portfolio Management

- Long-term hedge with Mercury will provide revenue certainty for the near-term, while providing increased freedom to develop a balanced sales portfolio over time.
- As this declines, we will create revenue certainty through developing long-term relationships with potential partners (e.g., large energy users or electricity retailers) and other customers.
- We will focus on identifying customers where we can build long-term partnerships and work with these customers to provide products that maximise value for both us and them – exploring new products and business models.



Capability to Deliver

We have been here before.

We pioneered wind development in New Zealand and Australia, including the Tararua and Mahinerangi projects in New Zealand and Snowtown 1&2 in Australia and have retained much of that expertise.

In addition we have:

- Supportive, experienced major shareholder
- Leadership team with significant relevant experience
- Significant and flexible funding ability
- Strong existing community and regulatory relationships
- Diverse portfolio of existing flexible and geographically dispersed generation which will allow us to deliver firmed renewable generation solutions to major industrial energy users

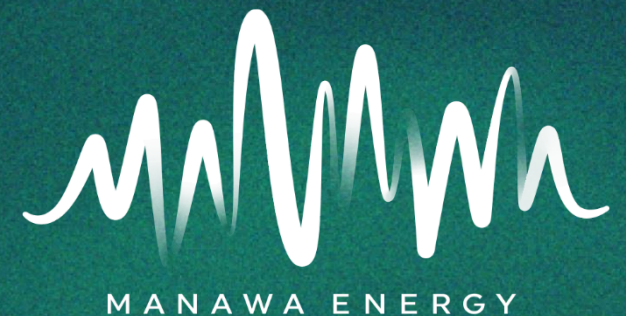


Regulatory and Policy Engagement

Key Matters	Transmission Pricing Methodology	Wholesale Energy Market Review	9th August Scarcity Event	Freshwater Reform	National Energy Strategy	Resource Management system reform
Status	Final TPM published - will apply from 1 April 2023	Remains underway. Anticipate any code changes to be progressed in 2022	Number of reviews and investigations undertaken	NPS:FM effective August 2020. Implementation into regional policy scheduled for 2024.	Development will kick off second half 2022	Remains underway
Manawa Energy Position	Judicial Review decision remains pending.	Regulatory stability important to enable investment. Changes need to be well-justified.	Support enduring improvements to scarcity event arrangements.	Continue to seek explicit recognition of Manawa hydro assets.	Opportunity to provide clear direction for energy transition, including aspirational 100% RG target	Opportunity to ensure framework supports decarbonisation

- Prioritise decarbonisation and electrification and support an orderly energy transition;
- Preserve existing renewable generation and enable investment in new renewable generation and technologies, including via ensuring an efficient and well-functioning wholesale market and supportive resource management statutory framework;
- Seek to ensure all three pillars of the energy trilemma (reliability, affordability and sustainability) are balanced.

FY23 Outlook & Guidance



Trading Conditions

- Trading conditions in the first six weeks of FY-23 have been challenging owing to continued dry conditions resulting in low hydro inflows and low wind production, combined with high wholesale prices
- We also note that hydrological and wind conditions can change quickly, and annual production tends to be less volatile than monthly production



Outlook

- New generation is expected to provide incremental earnings in the medium term
- Near term capital expenditure will remain elevated
- We expect to invest further in both capital spend and opex relating to new generation projects
- Refinancing of bank facilities and retail bonds to commence in Q2 of FY23



FY-23 Guidance

Manawa Energy expects FY-23 EBITDAF to be in the range of \$140m - \$160m. This is underpinned by the following assumptions:

- Mass Market Retail business sale completed on 1 May 2022
- Generation volumes of ~1,915 GWh
- Wholesale prices in line with current forward pricing
- C&I retail volumes of ~1,300 GWh
- Average hydrological conditions
- No material adverse events
- ACoT contribution of ~\$17.1m

We expect CAPEX in the range of \$45m - \$55m. This is comprised of the following expenditure:

- \$15m - \$19m of Generation asset maintenance and lifecycle, including King Country Energy assets
- \$22m - \$26m for Generation asset enhancements and growth
- \$8m - \$10m for technology, regulatory, environmental, and other capital expenditure

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



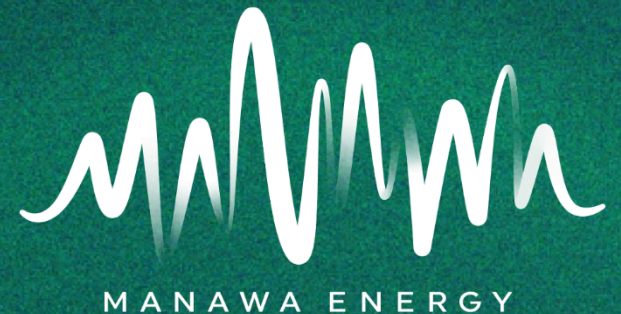
Thank you

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Media contact:

comms@manawaenergy.co.nz



Questions

How to ask questions:

While you're attending the webcast there are integrated features on the platform which allow you to send questions to the presenters. You can either ask questions via the Q&A feature and type your question, or you can use the Raise Hand feature if you would like to verbally ask your question to the presenters. If you are dialling in via the dial-in phone number, you can only ask questions verbally using the Raise Hand feature.

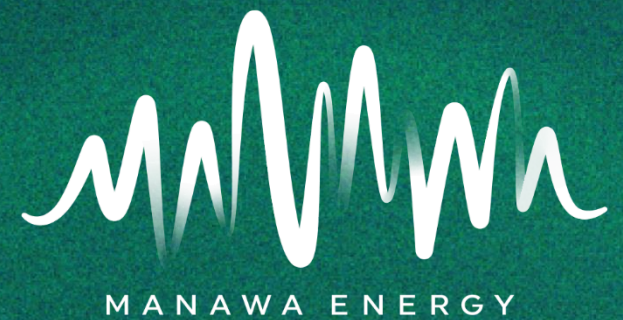
How to use the Q&A feature: Click on the Q&A button and type your question and press the send button to submit. When the presenters are ready to answer your question, they will either answer it live, or they will reply in the Q&A feature where you will be able to read their response.

How to verbally ask your question online: Press the Raise Hand button. When the presenters are ready to answer your question, they will acknowledge and unmute you, so you are able to ask your question.

How to verbally ask your question via your phone: If you have dialled in via the phone number you can press *9 on your phones dial pad which will raise your hand, the presenters will acknowledge and unmute you when they are ready for your question.



Additional Information



Key Facts

Manawa Energy is Aotearoa New Zealand's largest independent* electricity generator and renewables developer, with 26 power schemes throughout New Zealand and a total installed capacity of 498MW producing an average of 1,940 GWh of electricity per year.

Its commercial and industrial electricity business supplies around 680 customers at more than 14,000 electricity connections nationally, currently supplying ~1,220GWh per annum.

Headquartered in Tauranga, Manawa Energy was created after the sale of Manawa Energy's Mass Market Retail business in 2022.

* By independent we mean without an integrated mass-market retail business



King Country Energy

Manawa Energy owns 75% of King Country Energy (KCE) and consolidates KCE into the Manawa Energy Group

KCE consists of:

- 5 hydro schemes being, Mangahao, Kuratau, Wairere, Piriaka and Mokauiti
- Long run average production is 190 GWh (approx. 10% of total Manawa Energy production)
- KCE manages their hedge book independently of Manawa Energy

Key commercial arrangements:

- Manawa Energy operates and maintains the KCE schemes under a long term Operations & Maintenance Agreement
- Manawa Energy manages the despatch of the KCE scheme generation
- KCE and Manawa Energy do not have a PPA (Power Purchase Agreement)



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 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 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 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. 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 below:

	2022	2021
Profit after tax	119,813	30,737
Fair value losses / (gains) on financial instruments	(43,442)	83,508
Changes in income tax expense in relation to adjustments	12,164	(23,382)
Underlying Earnings After Tax	88,535	90,863
Operating Profit Continuing Operations	182,639	50,033
Fair value losses / (gains) on financial instruments	(43,442)	83,508
Depreciation and amortisation	20,524	23,122
EBITDAF Continuing Operations	159,721	156,663
Operating Profit Discontinued Operations	17,535	21,284
Fair value losses / (gains) on financial instruments		
Depreciation and amortisation	26,956	22,220
EBITDAF Discontinued Operations	44,491	43,504

Mass Market Retail sale - indicative financial impact

The sale of the Mass Market Retail business was completed on 1 May 2022. In the 31 March 2022 financial statements the mass Market Retail meets the definition of a discontinued operation under NZ IFRS 5 (Non-current Assets Held For Sale and Discontinued Operations). As the transaction occurred after balance date, the gain on sale has not been recognised in the financial statements. Details of the indicative effect of the sale are disclosed in the financial statements as a subsequent event.

	\$000
Sale price including estimated working capital	467,438
Carrying amount of net assets sold	130,684
Indicative gain on sale before transaction costs	336,754
Costs of disposal	3,049
Indicative gain on sale	333,705

The indicative gain on sale calculated above reflects the working capital that would be included as part of the sale if settlement was 31 March 2022. Manawa Energy is retaining the accounts payable, other than employee entitlements, relating to the mass market retail business on settlement. This working capital adjustment will differ based on the working capital transferred on the actual completion date. Due to the proximity of the sale date to the issue of the financial statements, final working capital and asset values and the resultant gain on sale have not yet been determined.

Mercury NZ Limited and Manawa Energy signed a pre-agreed electricity price contract for difference on 2 May 2022 which approximates the volume used by the mass market retail business until 2025 before reducing each year until it matures in 2031. This contract for difference was taken into account when the sale and purchase agreement was negotiated and was transferred at \$1 in that agreement. Immediately following the completion of the sale, the fair value of this contract for difference resulted in a negative variance of \$530m.

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