Contact Energy

Accelerates renewable generation strategy with the proposed acquisition of Manawa

11 September 2024

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Content

1. Acquisition summary

A highly strategic and financially compelling acquisition

1

Geographically diversified hydro schemes are complementary, enhancing portfolio resilience and the ability to support the energy market

2

Accelerates Contact's strategy to grow its renewable generation portfolio and decarbonise with a combined development pipeline of >10TWh and complementary development capabilities

3

Transaction structure maintains Contact's BBB credit rating, retains capital options for renewable development and enables Manawa shareholders to share in combination benefits

4

Greater stability of both portfolio generation and cash flow expected to support an uplift in Contact's DPS profile by 1cps in FY26 (40cps) and by 2 - 3cps in FY27 (41- 42cps)[1]

5

~$220m Normalised EBITDAF contribution post realisation of future embedded value, portfolio benefits and cost synergies (~$75m higher than Manawa reported FY24)[2]

6

Transaction implies a 10.7x Normalised EV/EBITDAF acquisition multiple and is forecast to deliver an IRR exceeding Contact's WACC

[1] All dividend decisions are a matter for the Board. These align to the dividend policy and are dependent on business and market conditions when each payment decision is made.

[2] Normalised EBITDAF represents Manawa's FY24 Reported EBITDAF adjusted for expected future mean annual hydro generation, Contact's view of expected long-run wholesale electricity prices and expected cost synergy and portfolio combination benefits. Please refer to pages 24 and 41 for further detail, and to pages 25 and 27 for expected integration and transaction costs to achieve the Normalised EBITDAF.

Important combination for the New Zealand energy market and energy transition

Combination benefits

- Increased hydro generation diversification and greater portfolio resilience
- Attractive and diversified combined renewable development pipeline of >10TWh supported by complementary capabilities
- Balance sheet and scale efficiencies – including reduced cost of capital, while retaining capital options

Enhanced Contact abilities

- Greater ability to offer competitive risk management products to the market

OR

- Greater ability to place a higher volume of fixed price supply agreements into the market[1]
- Greater ability to develop and invest in future intermittent renewable generation

Expected energy market benefits

- Ability for customers to reduce exposure to spot-market rates in 'dry years' through hedging
- Increasing renewable generation capacity can
  - Enhance energy market security
  - Contribute to reducing wholesale electricity prices
  - Reduce reliance on baseload or discretionary thermal generation

"The combination with Manawa is expected to create a more diversified, resilient and efficient Contact business, which will be positioned to better manage dry year risk, execute on renewable development opportunities and support New Zealand's energy transition"

- Mike Fuge, CEO

[1] When compared to the volume that can be supported by Contact's and Manawa's standalone hydro portfolios.

Acquisition summary

Contact has entered into a Scheme Implementation Agreement with Manawa to acquire 100% of Manawa via a mixture of Contact shares and cash

Acquisition overview

- Contact has entered into a Scheme Implementation Agreement (Scheme) to acquire 100% of Manawa
- As consideration, eligible Manawa shareholders are expected to receive 0.5719x[1] Contact shares for each Manawa share held on the record date (equivalent to $4.79 per Manawa share); plus cash consideration of $1.16 per Manawa share[2]
- Total consideration implies a value of $5.95 per Manawa share and a Manawa enterprise value of ~$2.3bn
  - equates to a 47.6% premium to last close and 47.4% premium to the 30-day VWAP
  - implies a Normalised EV / EBITDAF acquisition multiple of 10.7x

Financial impacts

- ~$220m Normalised EBITDAF contribution post realisation of future embedded value, portfolio benefits and cost synergies
- Transaction is accretive on a Normalised EBITDAF less SIB capex per share basis and is expected to deliver an IRR exceeding Contact's WACC
- Expected Contact cost of capital benefits from greater earnings stability, generation diversification and reduced thermal generation exposure
- Greater stability of generation and cash flow is expected to support an uplift in Contact's DPS profile by 1cps in FY26 (40cps) and by 2 - 3cps in FY27 (41 – 42cps)[3]

Funding & capital structure

- Estimated cash consideration and repayment of outstanding Manawa bank debt and bonds will initially be funded via new committed Contact bank debt facilities
- Contact Net Debt / EBITDAF is expected to rise temporarily above 3.0x on a spot basis[4] at the time of closing before progressively decreasing to below 3.0x in the short term
  - post transaction announcement, Contact expects S&P to reaffirm Contact's BBB credit rating on a stable outlook

Transaction process

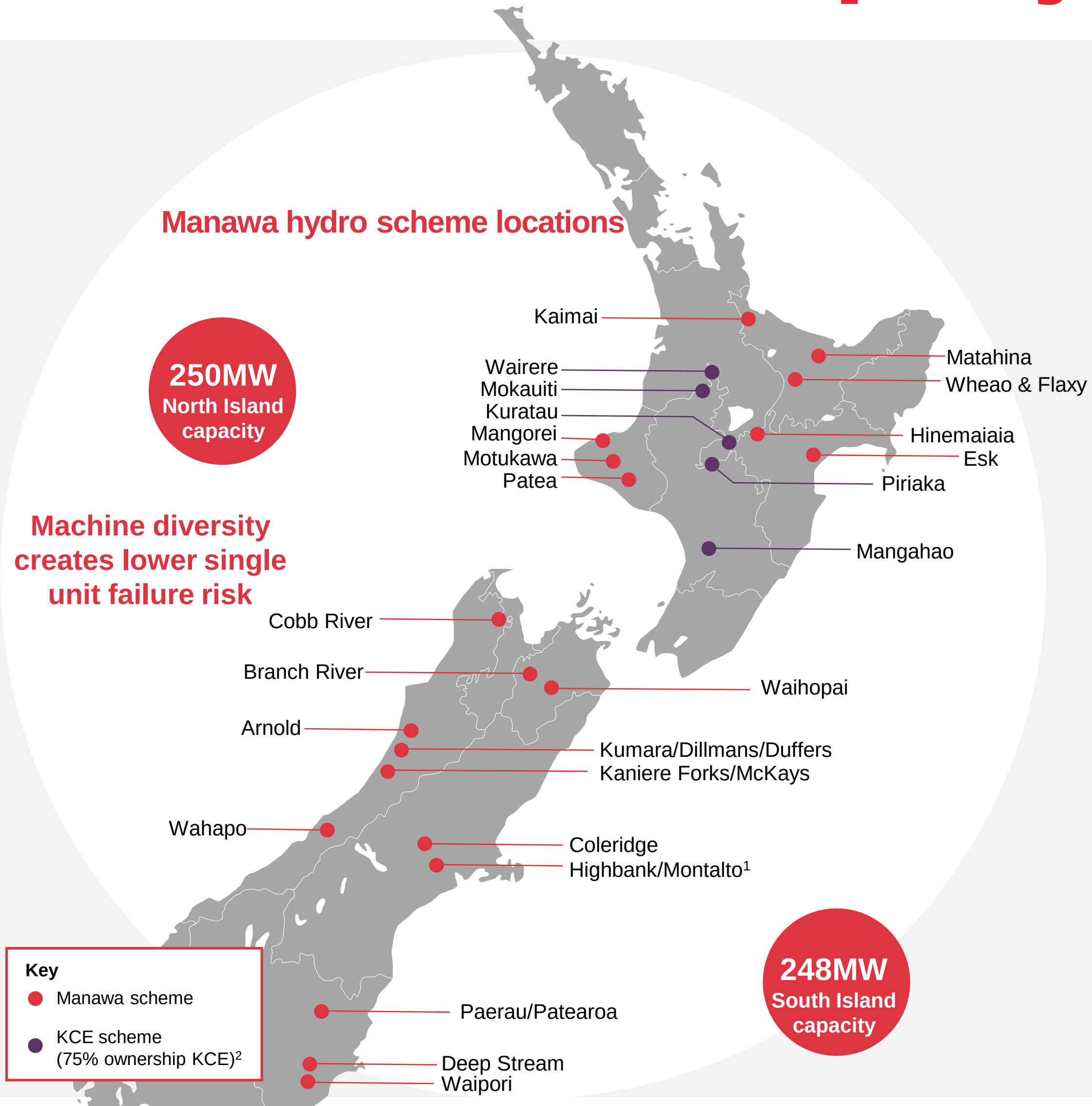
- The Scheme is subject to a number of conditions (as set out in more detail on page 30), including Contact obtaining NZ Commerce Commission approval
- Major Manawa shareholders Infratil and TECT Holdings (who together represent 77.9% of Manawa's shares) have committed to vote in favour of the Scheme subject to certain conditions
  - Manawa shareholders are expected to own ~18.5%[1] of Contact post completion of the Transaction
- The current indicative timetable is targeting the Scheme taking effect first half 2025[5]

[1] Based on the Contact SIA price of $8.3755 (calculated as the 5-day VWAP to market close 10th September 2024) and excludes any adjustments for dividends declared and paid by Contact between Scheme signing and implementation.
[2] Final cash consideration and the number of shares issued to Manawa shareholders are subject to adjustments for dividends declared paid by Contact and Manawa between Scheme signing and implementation. [3] All dividend decisions are a matter for the Board. These align to the dividend policy and are dependent on business and market conditions when each payment decision is made. [4] Does not account for smoothing. [5] All dates are indicative only and subject to change.


2. Overview of Manawa

Manawa owns and operates 25 hydro schemes around NZ with ~500MW of capacity and winter-weighted generation

Manawa hydro scheme locations



Key metrics

Total hydro generation volumes of 1.9TWh in FY24

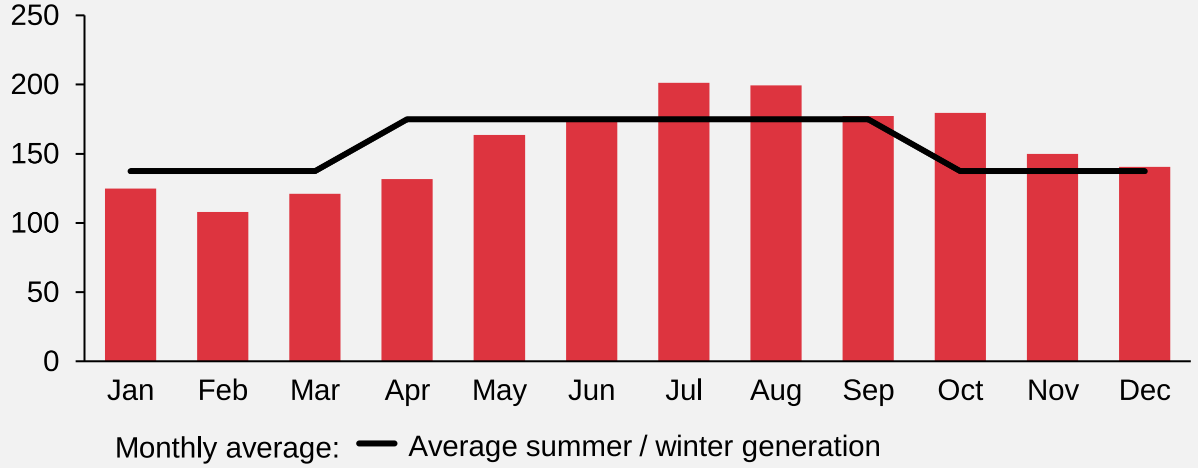
>99% of FY24 generation from renewable sources

Owns and operates 25 hydro schemes with ~500MW of capacity and one diesel peaking station

40% / 60% summer / winter generation (long term average)

Winter dominated generation[3]

Average output by month (GWh)



[1] Highbank and Montalto illustrated as one hydro scheme for the purposes of this presentation.
[2] King Country Energy (KCE) is a hydropower electricity generator 75% owned by Manawa and 25% owned by King Country Trust.

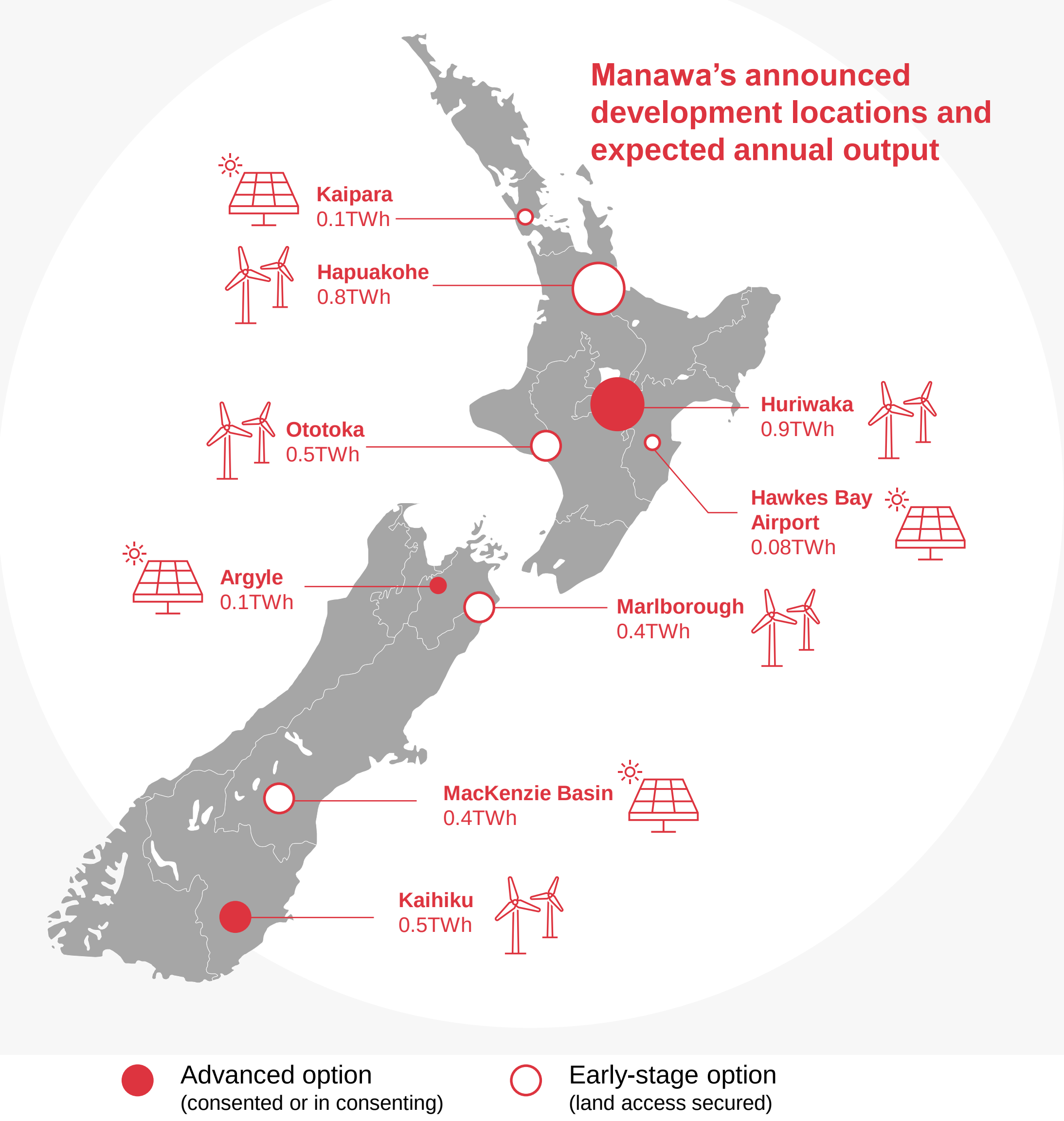
[3] Manawa company information. This data is from 2017-2023 to include King Country Energy generation information.

Manawa has over 1,200MW of geographically diversified, secured development options in wind and solar

Status of Manawa's announced development options

Wind	Capacity (MW)	Output (~GWh)	Status Land secured all sites
Huriwaka	250	850	Previous Central Wind project. Consenting workstreams underway
Hapuakohe	230	790	Wind monitoring, site design and consenting assessments underway
Kaihiku[1]	150	530	Historic wind monitoring data available, consenting workstreams underway
Ototoka	150	530	Wind monitoring and site development assessments underway
Marlborough	100	350	Wind monitoring and site development assessments underway
Total	**880**	**3,050**	

Solar	Capacity (MW)	Output (~GWh)	Status Land secured all sites
Kaipara	70	130	Resource monitoring, site design and consenting assessments underway
Hawke's Bay Airport	40	80	Resource monitoring, site design and consenting assessments underway
Argyle	65	130	Consents secured. Design and procurement underway
MacKenzie Basin	200	430	Consenting assessments underway
Total	**375**	**770**	



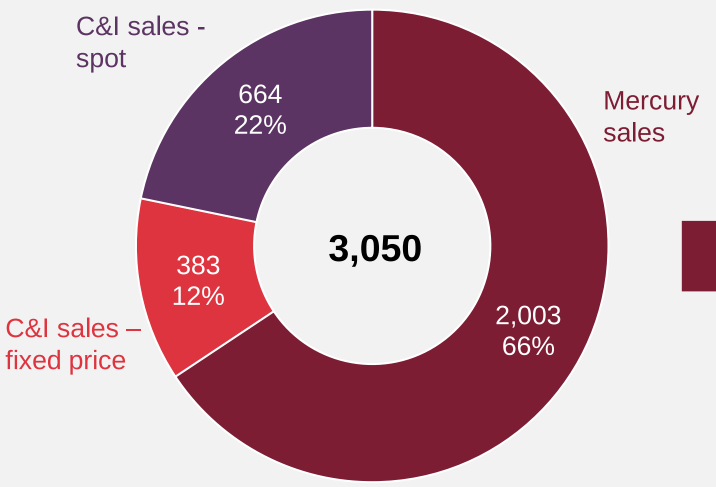
[1] Kaihiku is a 50/50 partnership with Alexandra-based Pioneer Energy.

Strong cashflow visibility with embedded value upside

Highly contracted revenue with future embedded value as long-term contracted sales reprice to winter-weighted market prices

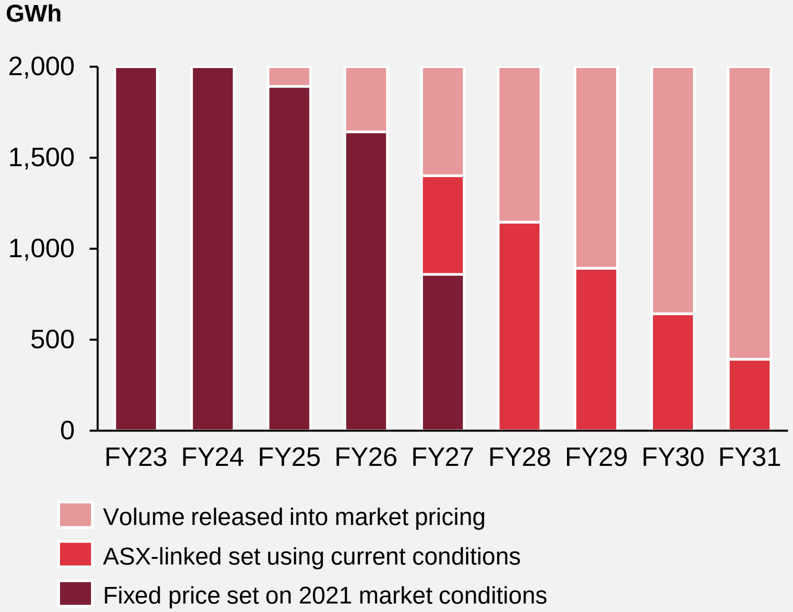
Manawa's volumes are mostly under long-term contracts (78% of sales in FY24) providing earnings visibility

Manawa FY24 sales mix (March year-end, GWh)

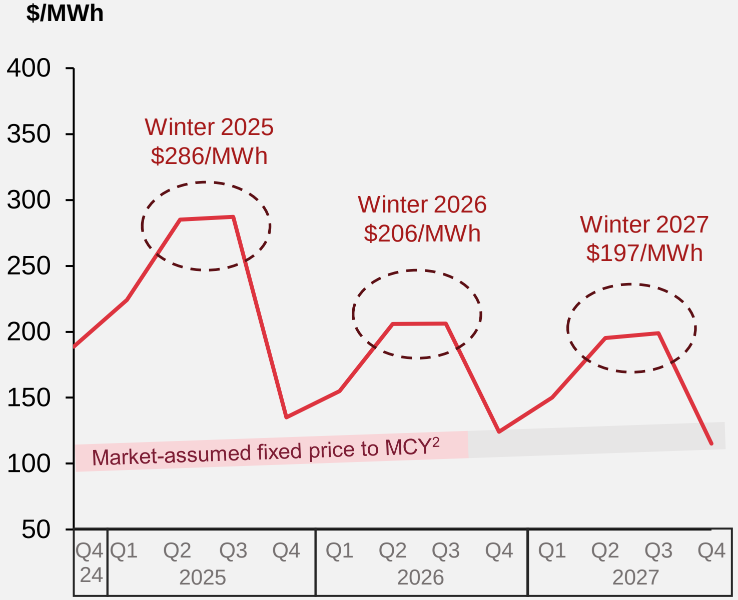


Value expected to be realised as fixed price Mercury contracts begin to update to market prices from Oct-26

Mercury hedge volumes (March year-end)



ASX Futures (Quarterly, base period)[1]



- ✓ Long-term sales volume to Mercury will reduce from 1 October 2024
- ✓ Prices fixed (with CPI escalation) until 30th September 2026
- ✓ Pricing linked to historic rolling ASX prices from 1 October 2026

- ✓ Repricing benefits meaningful from FY26[3] when >350GWh volume released
- ✓ Volume is winter-weighted i.e. shaped ~40/60% summer/winter, providing repricing upside vs. average wholesale pricing benchmarks

[1] ASX NZ Electricity Otahuhu base quarter futures pricing as at 27 August 2024.
[2] Based on broker estimate and Trustpower's Internal Transfer price disclosure on the EA website (2021/22) – CPI applied.
[3] Reflects Manawa's March year end.

3. Strategic rationale

A strategically compelling acquisition

1. **Geographically diversified hydro schemes** are complementary, **enhancing portfolio resilience** and the volume of fixed price supply agreements able to be placed into the market[1]

2. Hydro flexibility is expected to provide firming to **expedite intermittent renewable development**

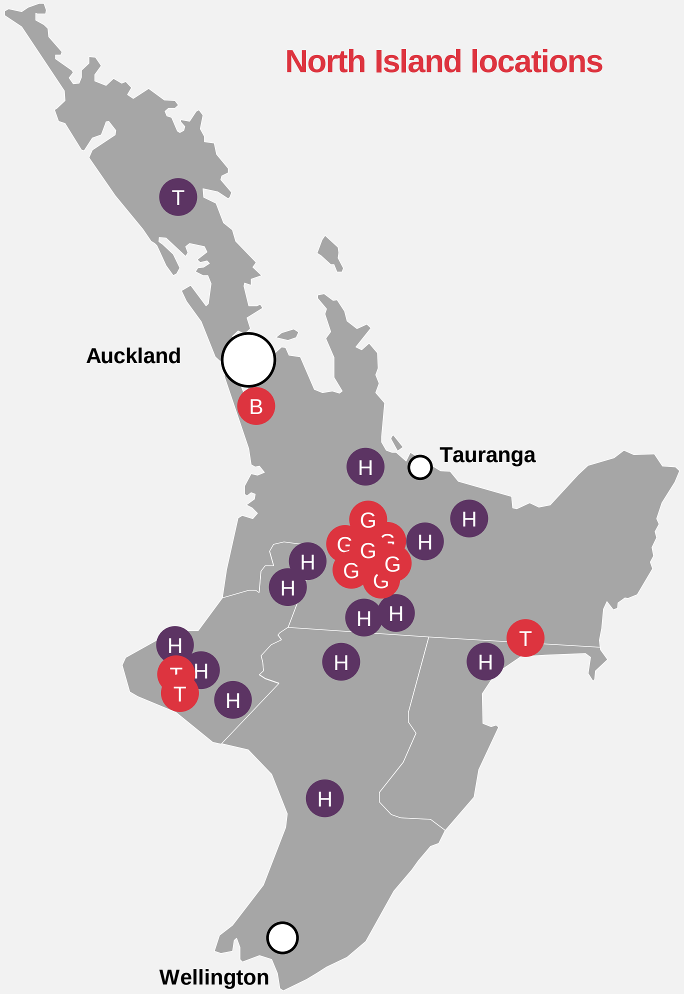
3. Combined portfolio will see mean **renewable generation of more than 10TWh[2] with 94% renewable output[3],** accelerating Contact's strategy to grow renewable **generation while decarbonising its portfolio**

4. Highest value options can be advanced from an **attractive and diversified combined development pipeline,** supported by **Contact & Manawa's renewable development execution capabilities**

[1] When compared to the volume that can be supported by Contact's and Manawa's standalone hydro portfolios.
[2] Own generation. [2] Includes acquired generation. See page 18 for further information on the basis of these data points.

1 Manawa and Contact's geographically diversified hydro schemes are complementary...

North Island locations



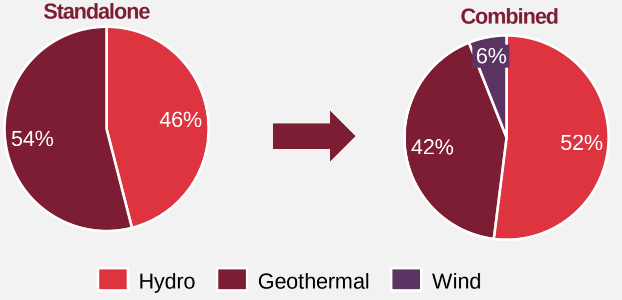
Type	Contact	Manawa	Combined
Thermal peaking stations	2	1	3
Hydro	2	25	27
Geothermal	7	-	7
Solar	1	-	1
Battery	1	-	1
Other (gas)	1	-	1
Total	**14**	**26**	**40**

Geothermal: Includes one under construction

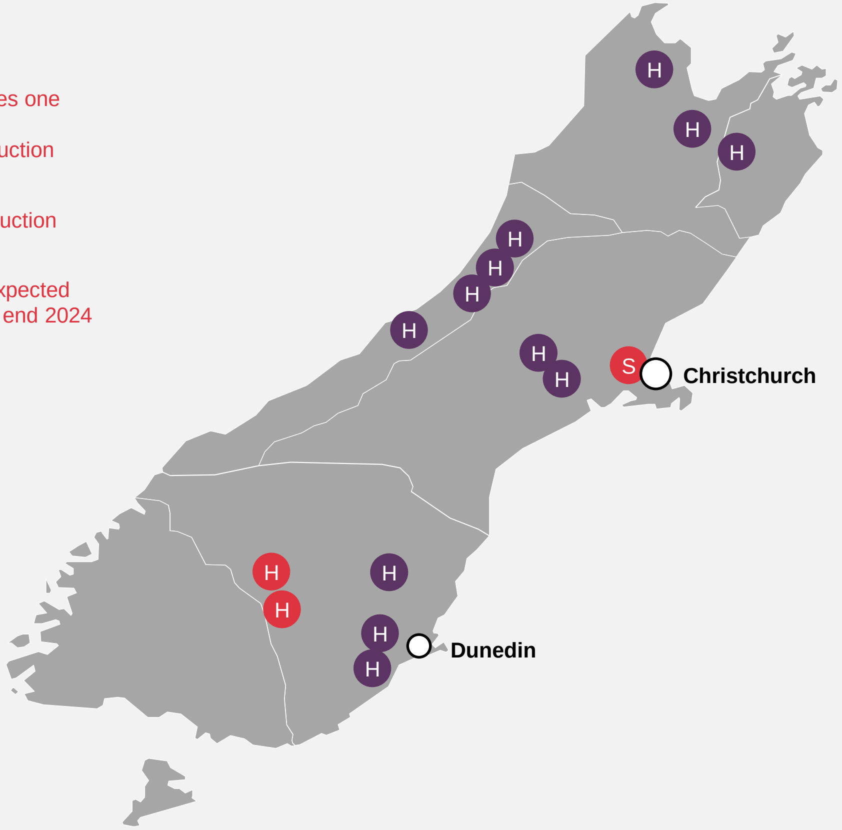
Solar, Battery: Under construction

Other (gas): TCC expected closure end 2024

Contact mean renewable generation mix (including acquired)[1]



South Island locations



T Thermal power station | G Geothermal power station | H Hydroelectric power scheme | S Solar Farm | B Battery

Contact | Manawa

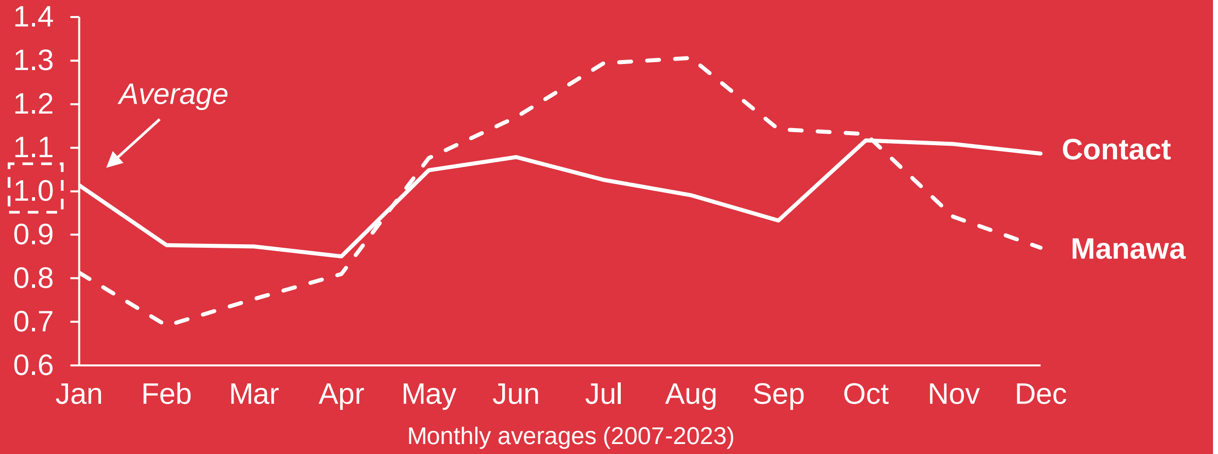
[1] Based on long-term average annual output (including acquired). For Contact this reflects the normalised and expected FY25 generation by type outlined on slide 40 of the FY24 full year results presentation. For Manawa this is based on all-time average hydro output by scheme. Acquired generation comprises Manawa's contracted electricity under long term wind PPA and excludes acquired geothermal output.

1 ...enhancing portfolio resilience and volume of fixed price supply agreements able to be placed into the market

Risk management benefits from hydro diversification

Seasonal shape

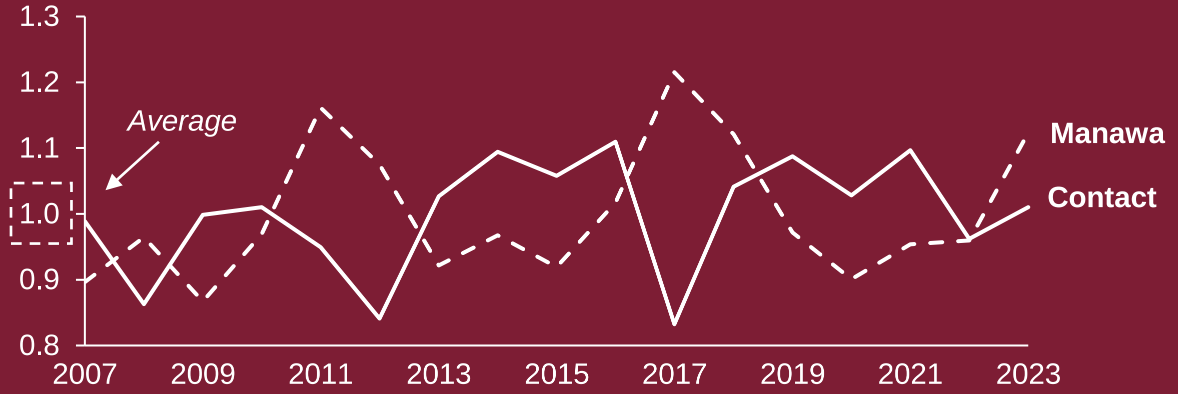
Output relative to average (x)



- ✓ **Low correlation between seasonal hydro generation profiles**
  - **Contact inflows are summer-weighted**
  - **Manawa inflows are winter-weighted**
- ✓ **The combined business is expected to have improved shaping of generation to residential load, which is winter-weighted**

Volatility and generation shape over time

Output relative to average (x)



- ✓ **Generation shape and volatility are negatively correlated over time, resulting in reduced year-on-year volatility for the combined business compared to Contact or Manawa standalone**
- ✓ **Combined business is expected to be better able to manage dry year risk with lower reliance on thermal generation or thermal-backed risk management products**
- ✓ **Increases the ability of the combined business to place a higher volume of fixed price supply agreements into the market[1]**

Source: EMI and company analysis.
Note: Annual references are to calendar years. Monthly data is calculated over the period 2007 - 2023. Excludes King Country Energy schemes and some very small schemes where continuous data is not available.
[1] When compared to the volume that can be supported by Contact's and Manawa's standalone hydro portfolios.

2

Hydro flexibility is expected to provide firming to expedite intermittent renewable development

Hydro flexibility is a valuable source of firming effective across a wide range of time periods

Seconds	Minutes	Intra-day	Inter-day	Weekly+	Quarterly+
✓	✓	✓	✓	✓	

Manawa schemes derive flexibility from a range of characteristics

	Matahina	Patea	Kaimai	Coleridge	Cobb River	Waipori
Max capacity	75MW	32MW	42MW	40MW	36MW	93MW
Average output	284GWh	108GWh	166GWh	272GWh	190GWh	188GWh
Storage[1]	Days / weeks			Weeks / months		
Daily Flex[1]	✓	✓✓	✓✓	✓	✓✓	✓✓✓
Seasonal Flex[1]				✓	✓	✓✓
	North Island			*South Island*		

While Manawa's largest three South Island schemes provide some seasonal flexibility, this is a small component relative to the market

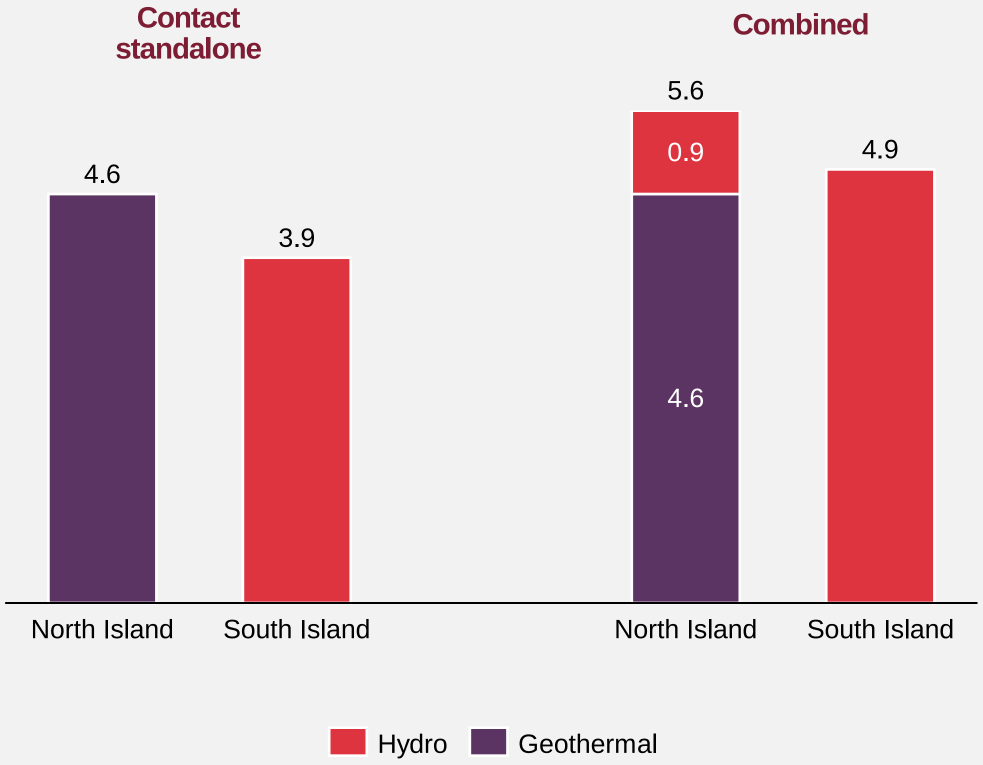
Source: Capacity and long-term average output figures are company information (output reflects all-time average by scheme).

[1] Assessments / representations of Manawa's storage and flexibility characteristics are Contact's qualitative assessments based on a range of company information.

3 Combined portfolio will see mean renewable generation of more than 10TWh with 94% renewable output…

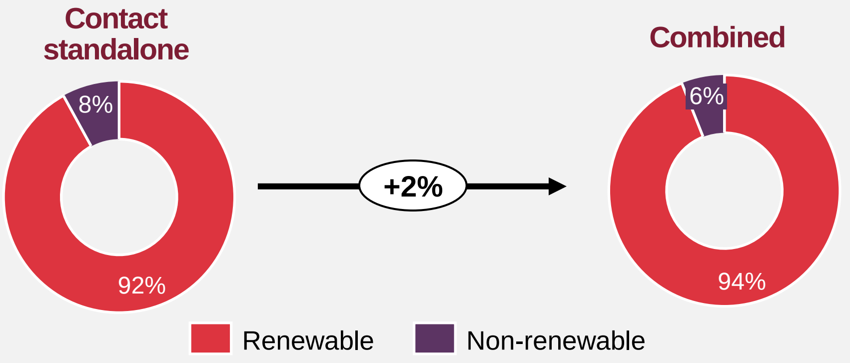
Diversification and increase in renewable generation

Mean renewable output (own generation, TWh)[1]



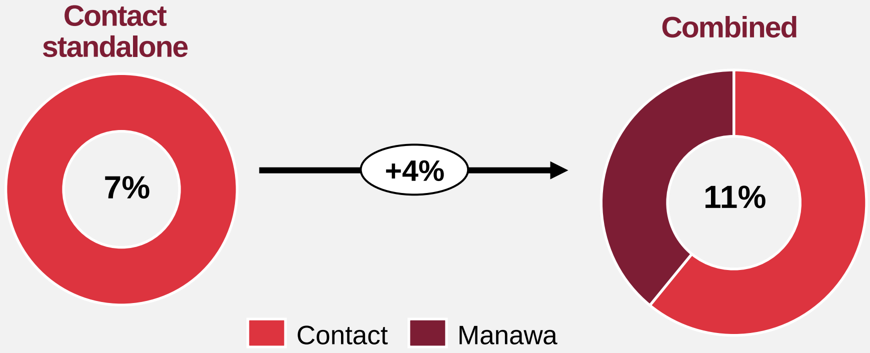
Enhances Contact's highly renewable mean output

Mean renewable output (including acquired generation)[1,2]



Improved access to total hydro storage capacity in New Zealand

Share of New Zealand hydro storage capacity[3]



[1] Based on long-term average annual output. For Contact this reflects the normalised and expected FY25 generation by type outlined on slide 40 of the FY24 full year results presentation. For Manawa this is based on all-time average output by scheme.
[2] For simplicity, Contact has included its acquired generation within thermal (technically, Contact's acquired generation ties to a mix of generation sources from the market). Manawa's acquired generation includes wind generation under PPA. Excludes Manawa's acquired geothermal output. [3] Hydro storage market share is calculated by dividing the estimated volume of useable hydro storage (in GWh) within Lakes Hawea, Cobb, Coleridge, and Waipori by the total assumed national hydro storage volume (~4.3TWh). Useable storage describes the available volume above minimum consent maintenance levels and below flood levels.

3 ...accelerating Contact's strategy to grow renewable generation while decarbonising its portfolio

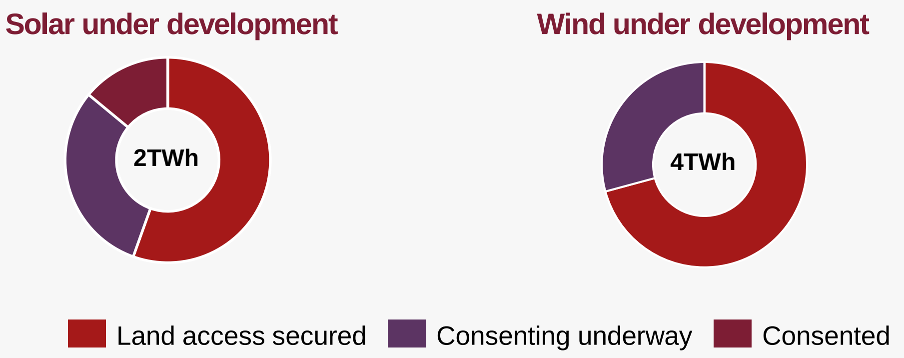
Contact26 Our strategy to lead NZ's decarbonisation

	Grow demand	Grow renewable development	Decarbonise our portfolio	Create outstanding customer experiences
Strategic alignment	Combined portfolio increases Contact's ability to provide a higher volume of fixed price supply agreements, helping to support the energy market and customers Ability to reduce cost to serve C&I customers through fixed cost leverage Opportunity for wider deployment of demand flex products	Manawa's >1,200MW wind and solar development pipeline adds to Contact's attractive options across New Zealand Enhances Contact's renewable development capability Hydro scheme flexibility and resilience provides firming to expedite intermittent renewable development Balance sheet and scale efficiencies – including cost of capital benefits – expected to support the financing of new development	GHG emissions intensity from generation reduces by ~20tCO2e/GWh when businesses combined[1] A more diversified generation portfolio and portfolio complementarities are expected to reduce reliance on thermal peaking	Portfolio risk is reduced through generation diversification and more winter-weighted generation. This better enables the firming of existing retail load Accelerating Contact's renewable generation strategy aligns with Contact's decarbonisation-led, 'it's good to be home', brand proposition

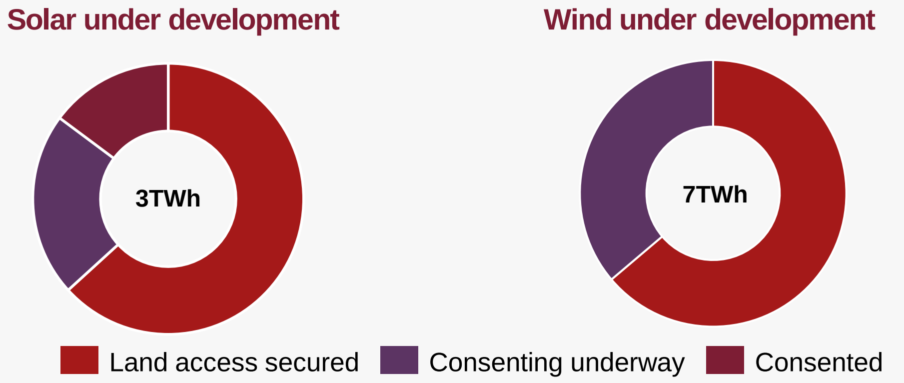
[1] Based on combined Contact and Manawa FY24 scope 1 and 2 GHG emissions and scope 1 and 2 generation.

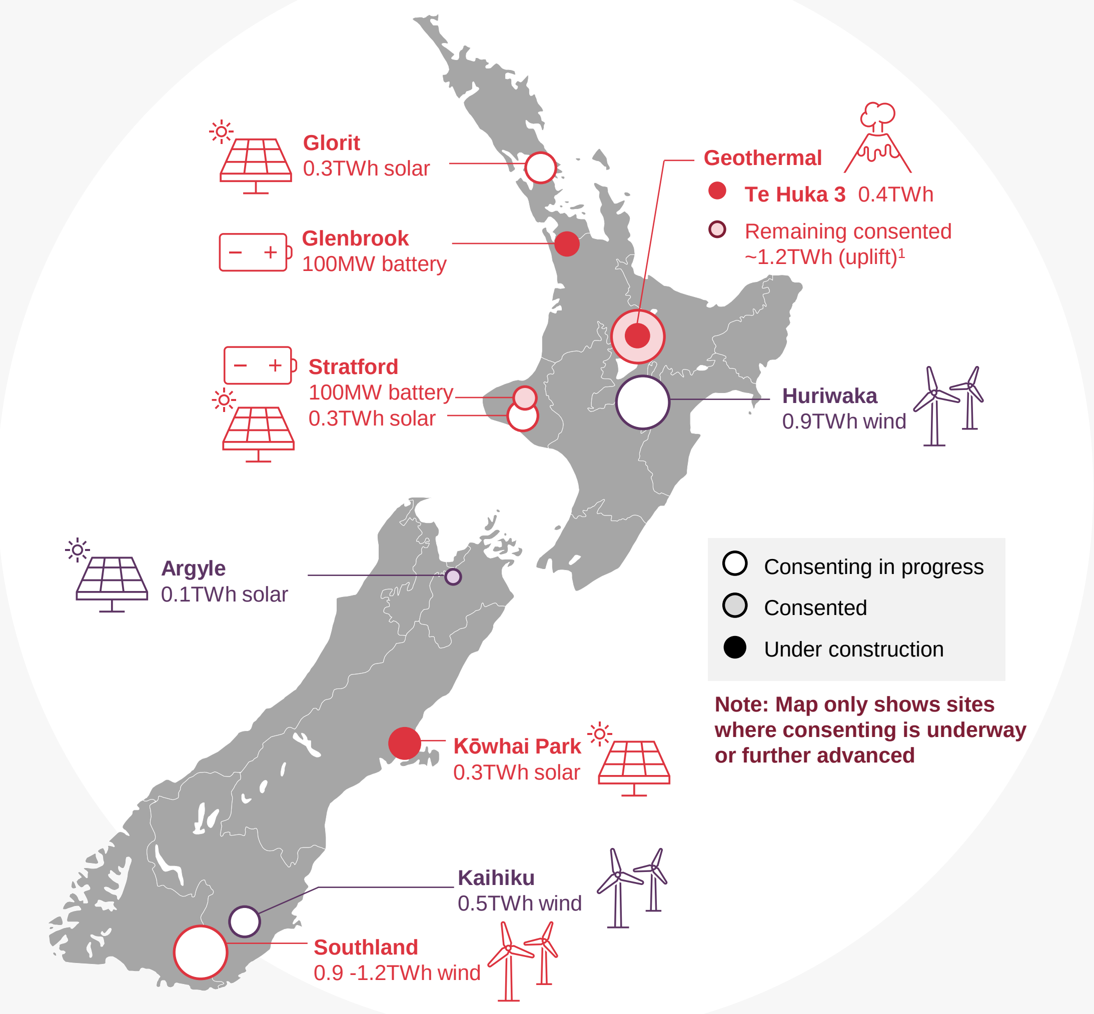
4 Highest value options can be advanced from an attractive and diversified combined development pipeline...

Contact's solar and wind pipeline



Manawa and Contact's combined solar and wind pipeline





Note: All new generation / storage projects, other than Te Huka 3, Kōwhai Park and the Glenbrook Battery, remain subject to Final Investment Decisions. Pipeline illustrations exclude additional options where land access is under negotiation.

[1] Includes Te Mihi Stage 2 & 3 uplift potential, additional volume expected from Tauhara after the first planned outage in 2025 and further consented Tauhara development potential.

4 ...supported by Contact & Manawa's renewable development execution capabilities

Large capital project execution is a strategic advantage

Shared expertise

Tauhara

Te Huka 3

Te Mihi Stage 2 & 3

Battery

Solar

Wind

Hydro

Design

- ✓ Design efficiency through scope optimisation
- ✓ Simplification of specifications & standardisation
- ✓ Constructability in design
- ✓ Safety in design

Capability

- ✓ Front-end work and project planning
- ✓ Major Project processes for consistency in delivery
- ✓ Contracting & procurement expertise
- ✓ Specialist knowledge acquired through partnerships (wind / solar)
- ✓ Incremental capability added through Manawa's development team

Construction

- ✓ Contracting strategies aligned with local, regional and national industry capabilities
- ✓ Partnership and collaboration with contractors and construction industry
- ✓ Focus on enhancing efficiency and sustainability in construction

Access to finance

- ✓ Investment grade BBB credit rating
- ✓ Open share register
- ✓ Green borrowing programme, certified by Climate Bonds Initiative
- ✓ Experience in project financing, enabling off balance sheet funding

4. Combined group & financial impact

Acquisition is financially compelling

Combination benefits expected to drive greater financial stability and value accretion

1 Embedded future Manawa standalone earnings potential

- **Embedded value benefits as MCY, C&I contracts & PPA contracts roll-over** onto more favourable pricing terms
  - net EBITDAF impact expected to be ~$21m assuming a long-run electricity price of $120MWh[1]
- **Generation uplift of ~90GWh (from reported FY24)** with reversion to mean hydro and following completion of Manawa's announced asset refurbishment programme is expected to generate incremental EBITDAF of ~$11m

2 Cost synergies

- Material synergies are expected to **arise due to recurring cost reductions**
- These are expected to **deliver cost savings of $23m - 28m p.a.** and are expected to be realised within 18 - 24 months post transaction completion

3 Expected portfolio combination benefits

- **~$10 - 20m in combined portfolio benefits** through complementary inflow patterns of combined hydro assets
- Expected to **reduce both generation and cash flow volatility**

4 Non-quantified potential strategic benefits

- **Higher GWAP:TWAP** through increased ability to shift generation into periods where the market values it the most
- **Enhanced development capability** and future investment pipeline
- **Accelerated decarbonisation strategy delivery**, which is expected to help attract a **wider audience of investors and / or customers**

Key financial benefits

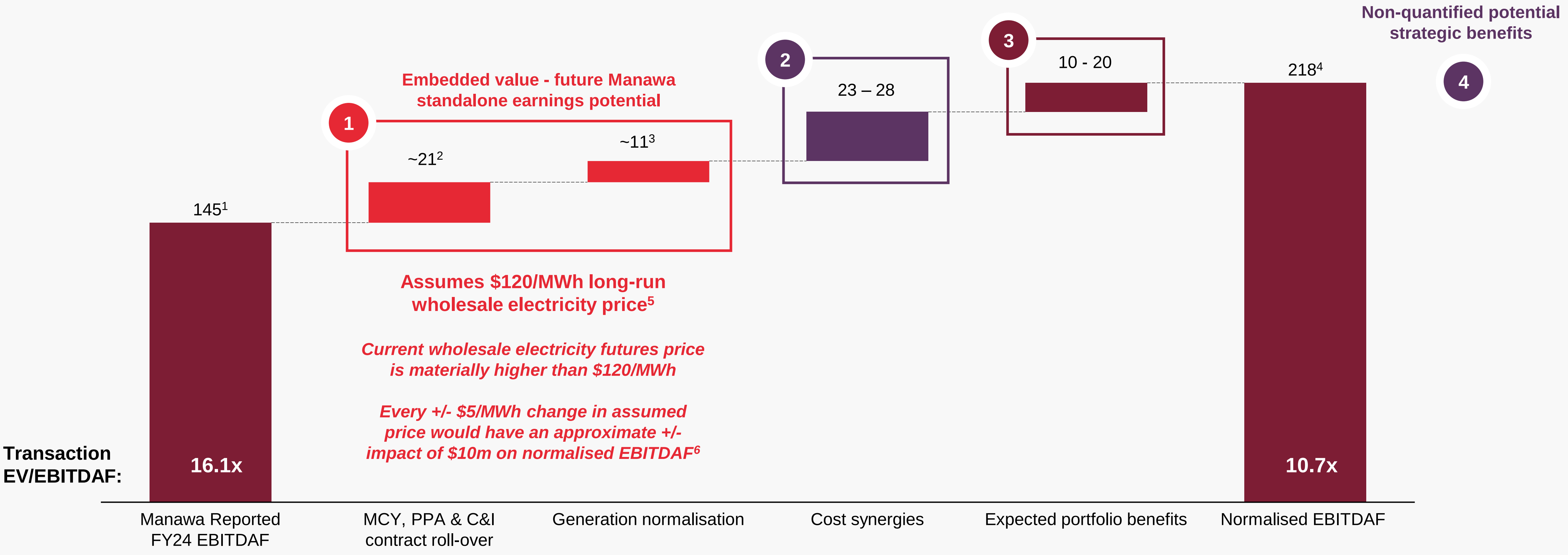
- ✓ Enhanced DPS profile by 1cps in FY26 (40cps) and by 2 - 3cps in FY27 (41-42cps)[2]
- ✓ Value accretive transaction with forecast IRR exceeding Contact target WACC
- ✓ Normalised EBITDAF less SIB capex per share accretive[3]
- ✓ Expected cost of capital benefits through a lower risk business with greater earnings stability from diversified hydro generation and reduced thermal generation exposure

[1] Base price at Otahuhu, 2024 real terms.
[2] All dividend decisions are a matter for the Board. These align to the dividend policy and are dependent on business and market conditions when each payment decision is made.
[3] Normalised EBITDAF represents Manawa's FY24 Reported EBITDAF adjusted for expected future mean annual hydro generation, Contact's view of expected long-run wholesale electricity prices and expected cost synergy and portfolio combination benefits. Please refer to pages 24 and 41 for further detail. SIB capex is based on Manawa long term SIB capex disclosures.

EBITDAF synergies and expected portfolio benefits

~$220m Normalised EBITDAF contribution post realisation of future embedded value, portfolio benefits and cost synergies (~$75m higher than Manawa Reported FY24)

Normalised EBITDAF bridge ($m)



Note: Normalised EBITDAF adjusts FY24 EBITDAF to reflect a long-term outlook, due to the timeframe required to achieve generation normalisation and realise synergy benefits.
[1] FY24 EBITDAF is from continuing operations only. [2] Represents the difference in FY24 EBITDAF and normalised EBITDAF excluding changes associated with higher generation volumes shown separately (generation normalisation), cost synergies and portfolio benefits – refer to page 41 for normalisation calculation and assumptions. [3] Generation uplift of ~90GWh on FY24 includes reversion to mean hydro and requires completion of the Manawa announced asset refurbishment and enhancement projects. Further detail on these can be found on page 15 of the Manawa FY23 Annual Shareholder Meeting Presentation. [4] Assumes midpoint of cost synergies and portfolio benefits. [5] Base price at Otahuhu in 2024 real terms. [6] Holding all other assumptions constant at the mid-point.

Cost synergies expected to be realised within 18 - 24 months

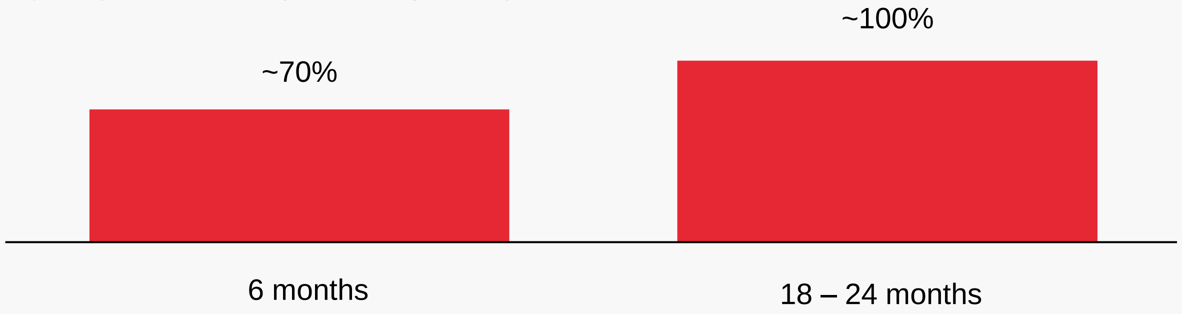
Cost synergies of $23m-28m, predominantly from duplicated corporate functions

Sources of cost synergies[1]
FY24 real, $m

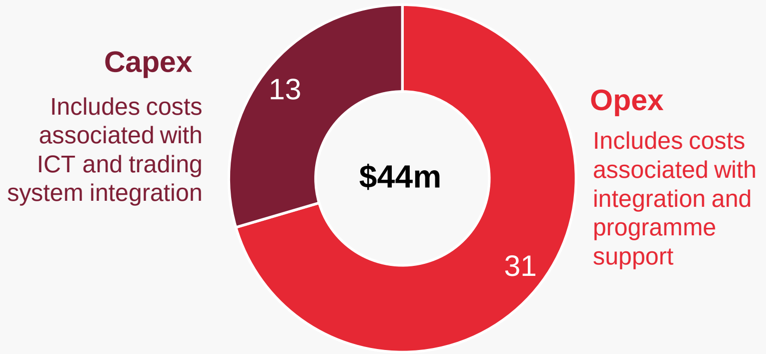
Cost synergies are expected to total $23-28m

The majority (over 85%) of these savings are expected to come from the removal of duplication of corporate functions and systems (ICT) between the existing entities

Cost synergies are expected to be fully realised within 18 - 24 months post transaction completion
(% cost synergies realised post completion)



One-off integration cost $44m expected to be incurred within 18 - 24 months post completion
FY24 real, $m



Above numbers exclude one-off transaction costs as noted on page 27

[1] Synergies have been estimated from FY25 forecast operating costs for Manawa which is the assumed cost base for steady state calculations and aligns with FY24 actual performance.

Full combination benefits to be realised over 3 horizons

Horizon 1: FY25 - 26

Horizon 2: FY26 - 27

Horizon 3: FY28 and beyond

Description	1 Combine	2 Deliver	3 Grow
Objective	Lower Contact's overall market risk by acquiring contracted cash flows with lower risk on fuel cost changes	Integrate and optimise to deliver cost synergies and portfolio benefits and see benefits from repricing to market and completion of asset enhancement programme	Look for opportunities to further advance intermittent renewable generation supported by Contact & Manawa's renewable development execution capabilities
Benefits in the period	Expected increase in DPS by +1cps in FY26 to reflect lower business risk[1] Initial realisation of complementary portfolio benefits	Expected increase in DPS by +2 to 3cps in FY27 reflecting confidence in synergy and repricing benefits[1] Reduced earnings volatility	Estimated Normalised EBITDAF ~$75m above Manawa FY24 baseline earnings from realisation of embedded value and synergy delivery

[1] All dividend decisions are a matter for the Board. These align to the dividend policy and are dependent on business and market conditions when each payment decision is made.

Scrip/cash consideration maintaining financial flexibility

Contact intends to fund the Transaction via a mixture of Contact shares and cash, and remains committed to maintaining its BBB S&P credit rating

Funding & capital structure

- As consideration, eligible Manawa shareholders are expected to receive 0.5719x[1] Contact shares for each Manawa share held on the record date (equivalent to $4.79 per Manawa share or $1,499m); plus cash consideration of $1.16 per Manawa share (equivalent to $363m)
  - Contact shares consideration will only be available to Manawa shareholders in New Zealand or Australia[2]
  - final cash consideration and the number of shares issued to Manawa shareholders are subject to completion adjustments (see consideration adjustment detail below)
- Estimated cash consideration and repayment of outstanding Manawa bank debt and bonds will initially be funded via new committed Contact bank debt facilities
- Contact Net Debt / EBITDAF is expected to rise temporarily above 3.0x on a spot basis[3] at the time of closing before progressively decreasing to below 3.0x in the short term
  - post transaction announcement, Contact expects S&P to reaffirm Contact's BBB credit rating on a stable outlook

Consideration adjustment detail

- Final cash consideration and the number of shares issued to Manawa shareholders are subject to adjustments for dividends declared and paid by Contact and Manawa between Scheme signing and implementation
  - cash consideration is reduced by the amount of any Manawa dividends
  - Contact shares consideration is increased by Manawa shareholders' proportionate share of any Contact dividends with an ex-date between Scheme signing and implementation

Estimated sources and uses ($m)[4]

Sources	
Issuance of Contact shares	1,499
New committed Contact senior debt facilities	815
Total sources	**2,314**

Uses	
Contact shares consideration	1,499
Cash consideration	363
Cancellation and repayment of Manawa bank debt and bonds	452[5]
Total uses	**2,314**

Note: Sources and uses shown are rounded to the nearest NZ$1m and exclude one-off transaction costs. One-off transaction costs, including advisors and finance establishment (excluding any interest costs relating to the new debt), are expected to total ~2% of the transaction enterprise value. Transaction costs will be paid from new Contact senior debt facilities. Sources and uses differs from Transaction EV as it excludes non-controlling interests of $22.1m.

[1] Based on the Contact SIA price of $8.3755 (calculated as the 5-day VWAP to market close 10th September 2024) and excludes any adjustments for dividends declared and paid by Contact between Scheme signing and implementation of the Scheme. [2] Contact shares consideration may also be available in certain other jurisdictions if agreed between Contact and Manawa. Shares that would otherwise be issued to all other shareholders will be issued to a nominee and sold with the net proceeds paid to those shareholders. [3] Does not account for smoothing. [4] Assumes Manawa shareholders receive 0.5719 Contact shares and cash consideration of $1.16 per Manawa share. [5] Represents Manawa FY24 reported net debt. Actual Manawa net debt at Scheme implementation will be subject to Manawa financial performance and Scheme implementation timing.

Enhanced dividend profile in FY26 and FY27

Greater stability of generation and cash flow is expected to support a DPS profile which is 1cps higher in FY26 and 2 - 3cps higher in FY27[1]

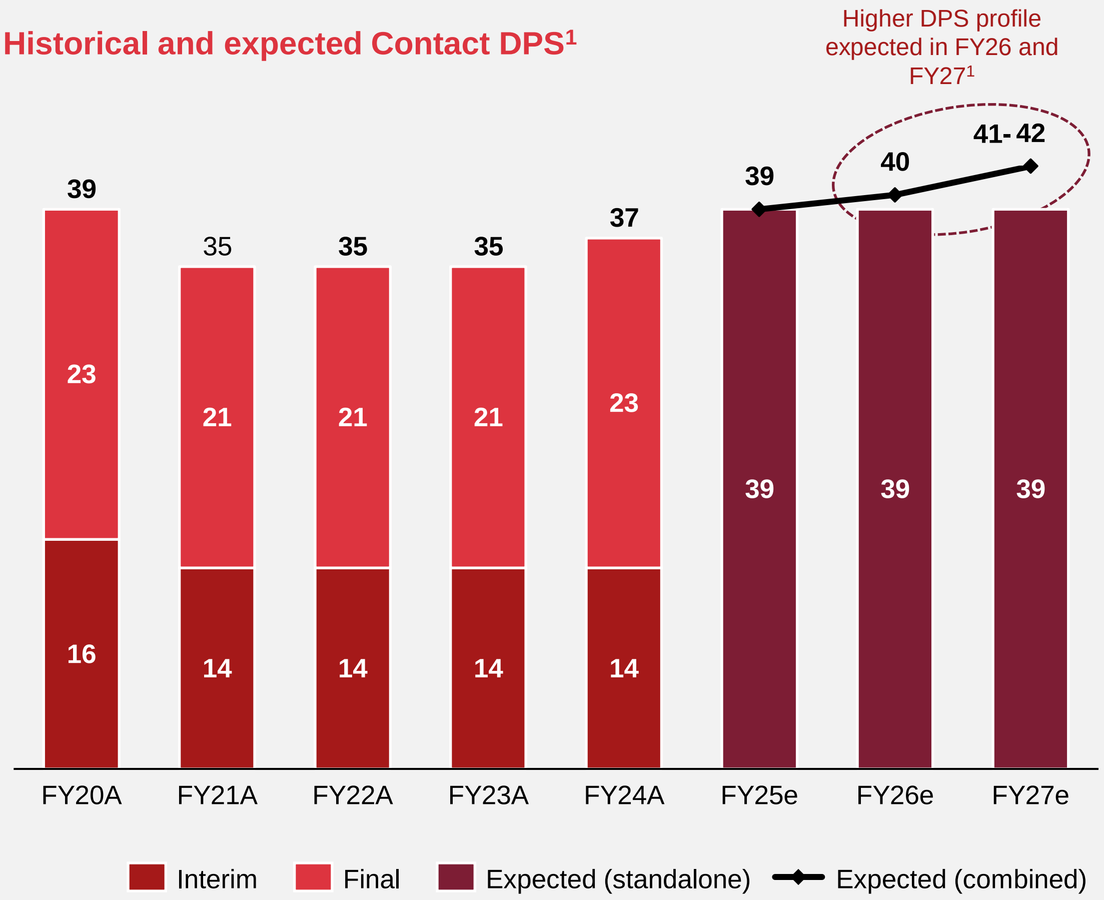
Dividend policy and outlook

- Contact's dividend policy is to pay dividends of 80-100% of average operating free cash flow of the preceding four years. As the historic measure will not capture the operating free cash flow contribution from Manawa within the history, the board will apply discretion in the first few years post-acquisition, if the measure is temporarily above 100%, so that it is not constrained in delivering the expected DPS uplift
- The combined entities are expected to provide greater stability of generation and cash flow supporting a higher DPS profile
- The dividend is expected to be 1cps higher in FY26 and 2 - 3cps higher in FY27 compared to Contact standalone[1]

Dividend reinvestment plan (DRP) modification

- Due to the announcement of the acquisition of Manawa and to ensure fairness to shareholders, the Board has resolved to modify the Contact DRP programme. Shareholders that have already made an election to participate in the DRP on the final FY24 dividend will have the option to opt-out. Shareholders eligible to participate in the DRP that did not elect to participate previously will also have the opportunity to opt-in
- The DRP strike price for the FY24 dividend will remain as $8.2352 per share as announced on 3 September 2024. Changes to participation in the DRP, either to opt-in or opt-out, must be submitted by 5pm on Tuesday 17 September 2024

Historical and expected Contact DPS[1]



[1] All dividend decisions are a matter for the Board. These align to the dividend policy and are dependent on business and market conditions when each payment decision is made.

5. Transaction process & key messages

Transaction overview

The acquisition of Manawa is to be achieved by a New Zealand Court approved Scheme of Arrangement (the Scheme) and has the support from major Manawa shareholders

- The acquisition of Manawa is to be achieved by a New Zealand Court approved Scheme of Arrangement (the Scheme)
- The Scheme is governed by a Scheme Implementation Agreement between Contact and Manawa
- Contact will acquire all the shares in Manawa, and Manawa will become a wholly owned subsidiary of Contact, on implementation of the Scheme
- Implementation of the Scheme is subject to a number of conditions, including:
  - Contact obtaining approval from the New Zealand Commerce Commission
  - the Independent Adviser's Report concluding, and continuing to conclude until the Scheme shareholder meeting, that the value of the combined cash and scrip consideration (which is subject to adjustment for dividends declared and paid by either party) is within or above the Independent Adviser's valuation range for the Manawa shares
  - no 'material adverse change' or certain other prescribed events occurring in respect of either Contact or Manawa before the Scheme is implemented
  - approval at a meeting of Manawa shareholders by: (1) 75% of the votes of Manawa shareholders voting; and (2) more than 50% of the votes of Manawa shareholders entitled to vote
  - approval of the New Zealand High Court
- The transaction does not require OIO approval
- Major shareholders of Manawa, Infratil and TECT Holdings (who between them hold approximately 77.9% of Manawa shares), have entered into voting agreements and committed to vote in favour of the Scheme subject to certain conditions
  - Infratil and TECT Holdings are expected to hold approximately 9.5% and 5.0% of Contact's shares post transaction completion[1]
- For continuity and to support integration with the Manawa business and assets, and growth of the combined business, it is intended that Manawa's Chairman, Deion Campbell, will join the Contact Board following implementation of the Scheme

[1] Based on the Contact SIA price of $8.3755 (calculated as the 5-day VWAP to market close 10th September 2024) and excludes any adjustments for dividends declared and paid by Contact between Scheme signing and implementation.

Targeting completion in first half 2025

The transaction is targeting receipt of regulatory approvals and Scheme implementation first half 2025

Indicative transaction timeline (all dates calendar year)

Key event	Indicative date
Entry in Scheme Implementation Agreement	11 September 2024
NZ Commerce Commission (NZCC) application made	September 2024
Receipt of NZCC approval	First half 2025 (estimated)
Issuance of Scheme Booklet to Manawa shareholders	As soon as practicable following NZCC approval
Manawa Scheme Meeting	Four weeks post issuance of the Scheme Booklet
Second Court hearing	Approximately two weeks post Scheme Meeting
Implementation of the Scheme	**First half 2025**

Note: All dates are indicative only and subject to change. The dates assume there are no delays or complications, including with respect to court and regulatory approvals, and will depend on the timing of each other step and satisfaction of the conditions precedent.

Key messages

- Contact has entered into a Scheme Implementation Agreement to acquire 100% of Manawa via a mixture of Contact shares and cash
- The combination of Contact and Manawa delivers portfolio resilience and cash flow stability while accelerating Contact's decarbonisation strategy and future growth pipeline
  - Reduced risk profile of combined entity expected to help support the energy market and customers through a higher volume of fixed price supply agreements
  - Greater ability to invest in future generation capacity. Increasing renewable generation capacity can enhance energy market security, contribute to reducing wholesale prices and reduce reliance on baseload or discretionary thermal generation
- The acquisition is financially compelling and Contact is strongly placed to unlock value from a combination with Manawa
  - Significant embedded value and combination benefits expected
  - Increased DPS profile by 1cps in FY26 (40cps) and by 2 - 3cps in FY27 (41-42cps)[1]
- The transaction subject to conditions, including NZ Commerce Commission approval, with targeted completion in first half 2025

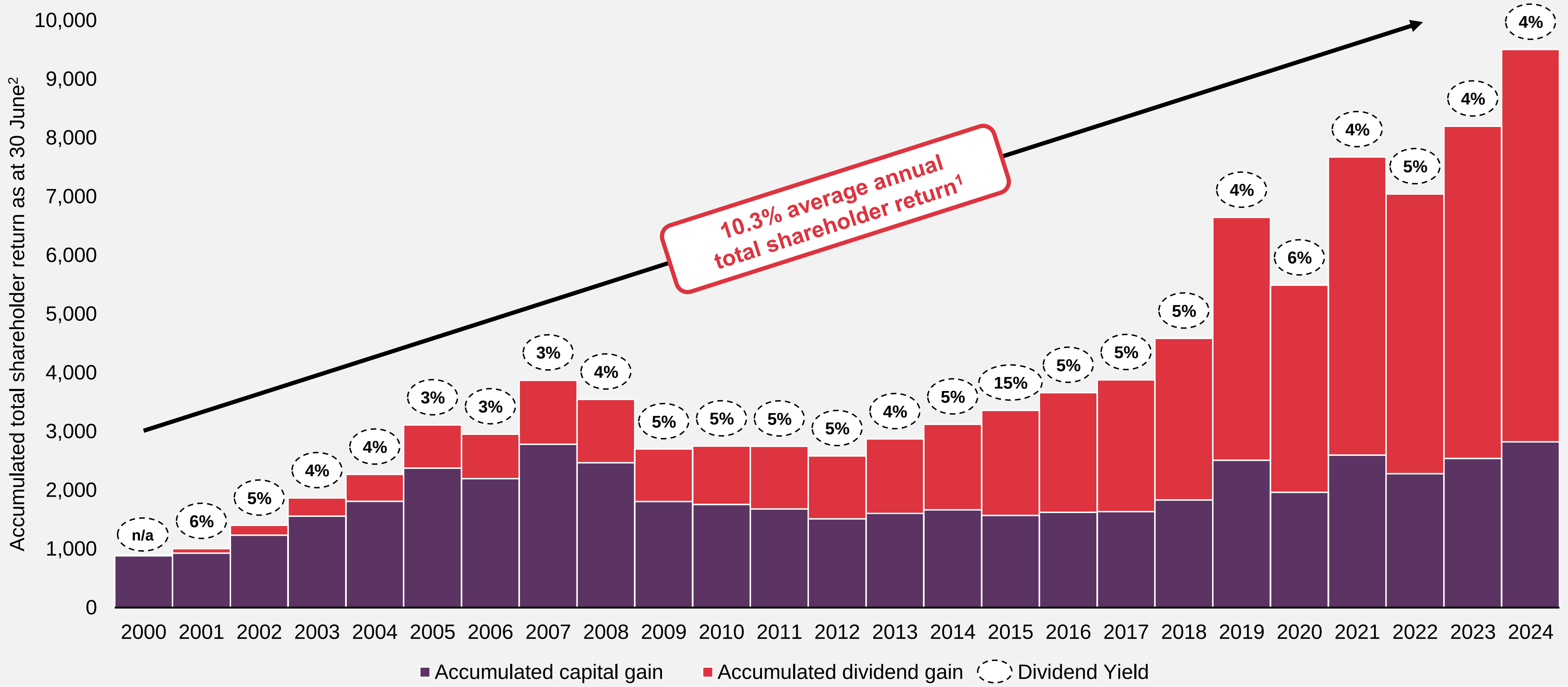
[1] All dividend decisions are a matter for the Board. These align to the dividend policy and are dependent on business and market conditions when each payment decision is made.

Appendix A

Supplementary Contact information

Contact value creation track record

Contact has delivered a total shareholder return of 15.9% for FY24 and an average annual return of 10.3% since 2000, along with a consistent dividend yield of 4 – 5%



[1] Returns as at Contact year end of 30 June. [2] The accumulated total shareholder return assumes that $1,000 was invested in January 2000. Dividend yield is calculated based on the share price of Contact at each financial year end.

Appendix B

Supplementary CombinedCo information

Adhering to Contact's capital allocation framework

Value accretive transaction supported by market fundamentals

Aligns with long-term market fundamentals…

Long-run wholesale electricity prices remain supportive

Contact's view of expected long-run wholesale electricity prices supports the firmed long-run cost of new renewables (annual average $115-125/MWh)[1]. Observed construction costs for new renewables have continued to rise, while the cost of indigenous gas appears to have undertaken a step change

Winter summer price separation widening

While average prices reflect long-run economics, ASX Futures illustrate winter prices rising by substantially more than summer prices. This reflects the requirement to recover thermal system fuel costs and the expected increase in must-run renewables within the market

Role of flexibility

Flexible generation and fuel storage is required to support new intermittent generation as more comes online

… and Contact's decision-making framework to deliver value accretive growth

Opportunity	Target returns[2]	Returns on projects at or nearing FID	Rationale
Geothermal	9-11%	>10%	Compensates for scarce resource and subsurface expertise to develop
Wind	8-10%	TBC	Above WACC return for higher quality sites e.g. low correlation, close to load, quality wind resource
Solar	10-12%	>12%	Speed to market. Lowest barriers to entry. Target returns need to be high to account for increasing correlation over time
Battery	8-9%	9-10%	Sources of value and returns profile expected to change over time as the market evolves
Hydro	8-9%	>8%	Portfolio value derived from complementarity and flexibility. Lowers cost of capital over time

[1] As indicated in November 2022, updated for inflation and includes update to reflect higher cost of capital. This is a through-the-cycle measure in a balanced market. Prices achieved are a function of the market at a point in time.
[2] IRR, based on current financing approaches (Wind, Geothermal on balance sheet, 30% gearing, Solar project financed).

Manawa has a long history providing renewable energy to New Zealand

1923

The origins of Manawa go back to the early 20th century, when water from the Omanawa River in the Bay of Plenty was first used for hydro-electric power generation

The establishment of the Tauranga Electric Power Board followed in 1923

1993

Following the Government's 1993 restructuring of New Zealand's electricity sector, **Trustpower Limited was formed** and began developing a generation and retailing business

1994 - 2015

Trustpower grows hydro and wind generation capacity **through development of new schemes and purchasing of existing schemes** to a peak of 1,101MW

Retail offering is expanded to include telecommunications and gas with customers throughout New Zealand

Trustpower exits distribution

2016

Trustpower underwent a demerger of its wind assets to form Tilt Renewables Limited

MANAWA ENERGY

2022

Trustpower Limited changes its name to Manawa Energy Limited following the successful sale of its mass market retail business to Mercury NZ in May 2022

Manawa

Operates 25 hydro schemes and one diesel peaking station

650 C&I customers

$145m EBITDAF in FY24[1]

Source: Public disclosures

[1] FY24 EBITDAF is from continuing operations only and excludes $0.6m of discontinued operations.

Combined business operational dashboard

Generation & trading

Geothermal	7 stations[1] | 4.6TWh
Hydro	27 schemes | 5.8TWh
Acquired renewable	Wind[2] | 0.6TWh
Peakers	2 diesel | 1 gas station[3]

Combined enabling functions + expertise

- ✓ Engineering + safety
- ✓ Re-consenting + environmental management
- ✓ Geographically diverse hydro management teams
- ✓ Geothermal reservoir management
- ✓ Trading and commodity risk management
- ✓ Wholesale strategy

Sales & customer solutions

Strategic long term	3.9TWh 2TWh MCY volume repricing FY25-31
C&I	2.3TWh
Retail	>620k connections
Flexible load contracted	~170MW flexible demand[4]

Combined enabling functions + expertise

- ✓ C&I contracting and sales platform
- ✓ Contractual structuring / load shaping
- ✓ Long-term partnering
- ✓ Multi-product retail business
- ✓ Decarbonisation solutions
- ✓ Channel management strategy

Renewable development

Geothermal	1.3TWh Uplift on FY25 and future consented[5]
Wind	7TWh Land access secured or in consenting
Solar	3TWh Land access secured or in consenting
Battery	200MW Under construction or consented

Combined enabling functions + expertise

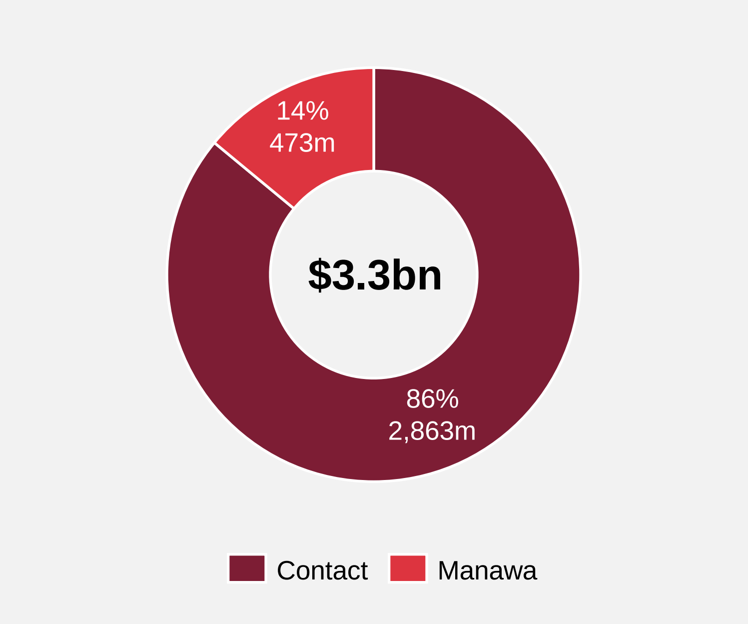
- ✓ In-house development
- ✓ Consenting + stakeholder relationships
- ✓ Partnerships
- ✓ Sustainable procurement
- ✓ Major projects execution
- ✓ Project financing + structuring

Note: All volumes are in expected or mean GWh per annum with Contact output reflecting FY25 guidance. Manawa's acquired geothermal output has been excluded.
[1] Includes one station under construction (Te Huka 3).
[2] Relates to Manawa's PPAs on the Tararua I & II, Tararua III and Mahinerangi wind farms expiring 2029, 2032 and 2036 respectively.
[3] Contact also owns the Taranaki Combined Cycle (TCC) gas generation plant which is expected to close at the end of 2024 (not illustrated in this section).
[4] Flexible demand contracted as at 30 June 2024 was 173MW. This included 55MW that was already in-market as at 30 June 2024 and a further 46MW of NZAS demand response that became operational soon after in July 2024.
[5] Represents additional expected volume from Tauhara and Te Huka 3 over and above the output included in FY25 guidance together with remaining consented uplift available for Te Mihi Stage 2 & 3 and Tauhara 2.

CombinedCo contribution snapshot

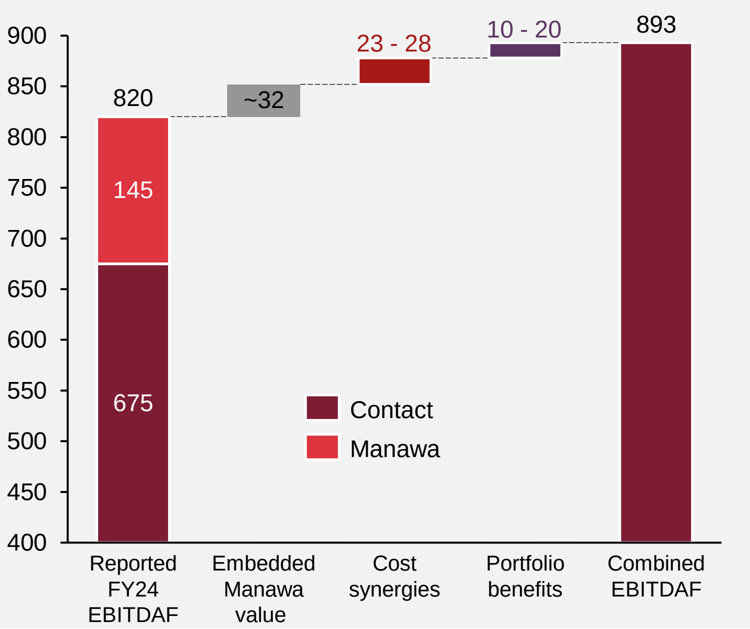
Combined entity is expected to have a significant asset base of ~$8.3bn and combined EBITDAF of ~$893m based on FY24 Reported plus realisation of Manawa embedded value and synergy delivery

FY24 revenue[1]



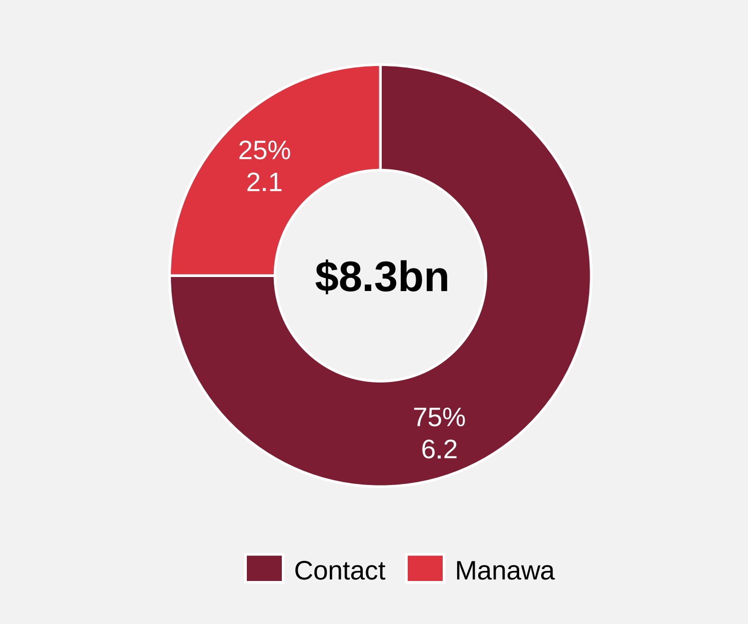
Combined FY24 revenue of ~$3.3bn

Combined EBITDAF[2] ($m)



Combined entity estimated to generate ~$893m EBITDAF based on FY24 Reported plus realisation of Manawa embedded value and synergy delivery

Total assets[3]



Significant asset base of ~$8.3bn

See pages 24 and 41 for a reconciliation of Normalised EBITDAF

Note: The numbers presented in this slide do not include any adjustments required for accounting policy alignment. Accounting policy differences have not been quantified. $761k of profit and $22m of net assets relate to non-controlling interests of subsidiaries. [1] Contact revenue based on y/e of 30 June and Manawa based on y/e of 31 March. [2] Combined EBITDAF represents the aggregation of Contact and Manawa reported EBITDAF for 30 June 2024 and 31 March 2024 respectively, adjusted for Manawa's expected future uplift in mean annual hydro generation, Contact's view of expected long-run wholesale electricity prices and expected cost synergy and portfolio combination benefits. Please refer to pages 24 and 41 for further detail. [3] Total assets represent the aggregation of Contact's and Manawa's FY24 reported total assets. A full purchase price allocation has not been performed for the above figures and does not include any potential goodwill from the transaction or any potential fair value adjustments to assets required for a full purchase price allocation calculation.

Manawa's targeted hydro asset refurbishment programme is nearing completion

Expected mean generation of 1,991GWh from FY29 includes ~50GWh remaining uplift from approved projects and ~40GWh mean reversion (relative to FY24 generation)

Targeted asset refurbishment: Announced major projects

All listed projects are either underway or complete

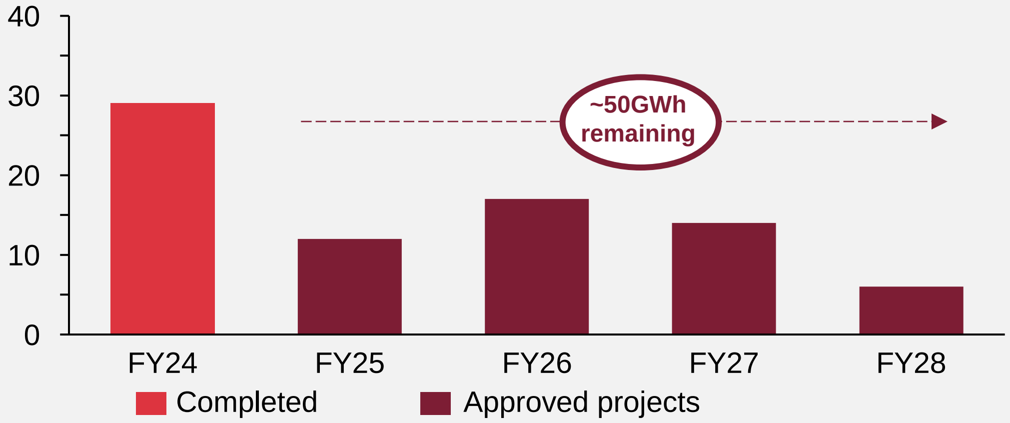
Scheme	Capacity (MW)	Project Scope	Uplift (GWh)[1]
Branch	11	New intake gallery	10
Highbank	25	New turbine and generator	8
Coleridge	40	3 x new turbines, 1x new generator	23
Matahina	80	2x new turbines	17
Waipori	93	2x new generators	-
Cobb	36	2x new generators	-
Arnold	3	Dam strengthening	-
Highbank	N/A	Convert irrigation pumps to turbines	-
Various	-	Refurbishments, replacements, upgrades	20
Total	**290**		**78**

Complete — Partially complete (initial uplift delivered) — Underway

Programme benefits

- Revenue protection
- Output enhancement (+78GWh)
- Increased reliability
- Support capture of future firming opportunity

Strategic asset enhancements (Uplift, GWh)[1]



Source: Manawa 2024 Integrated Report.
[1] From a 2021 baseline and assumes mean hydro.

Calculation of normalised EBITDAF contribution

Includes embedded value, cost synergies and portfolio benefits

Factor	Units	Low	Mid	High	Commentary
Manawa future mean annual hydro generation	GWh	1,991	1,991	1,991	FY29 estimate of forecast generation in mean hydro conditions and following the completion of asset enhancement programme[1]
Future base prices and uplift	$/MWh	118	126	134	Based on Contact's view of expected long-run wholesale electricity prices at Otahuhu ($115 – 125/MWh, 2024 real) adjusted for profile and flexibility from Manawa generation
Hydro revenue	**$m**	**236**	**251**	**267**	**Revenue derived from above factors** to calculate embedded value uplift from future Manawa hydro earnings
Other costs net of other revenue and C&I Margin	$m	(75)	(74)	(73)	Based on latest cost and revenue performance[2]
Cost synergies	$m	23	26	28	Synergies from amalgamation of systems and an efficiency gain in operations through a larger scale team, combined with the removal of duplicated corporate functions and costs
Portfolio benefits	$m	10	15	20	Synergy benefit through complementary inflow patterns of combined hydro assets and an ability to optimise hydro water management across the portfolio
Normalised EBITDAF	**$m**	**194**	**218**	**241**	

[1,2] Manawa Energy FY24 results.

Appendix C

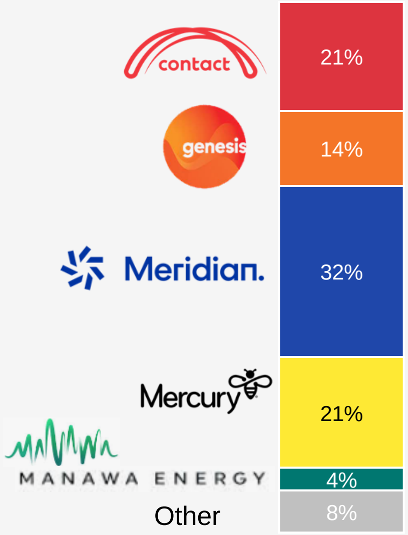
New Zealand electricity sector overview

New Zealand's reliable, competitive and environmentally sustainable electricity system

Competitive

5+

Generators



Spot electricity pool

Regulated monopolies

1

National transmission grid operator

TRANSPOWER

29

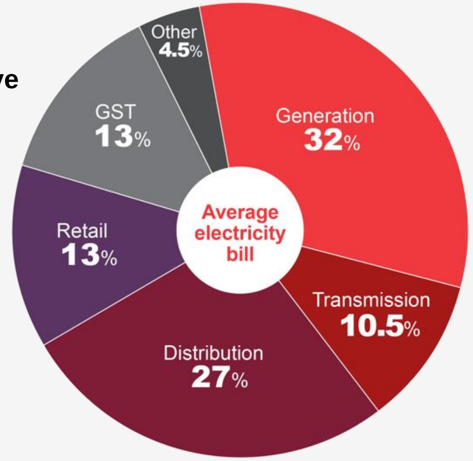
Distribution businesses

Competitive

8

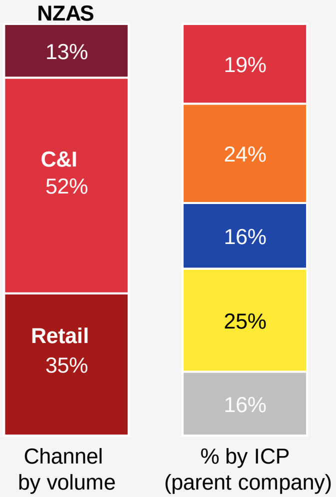
Retailers over 50k connections

Indicative sector revenue share



2.3

Million consumers[1]



Source: EMI, July 2023-Jun 2024
Major generators' respective operating reports, July 2023-Jun 2024. Mercury's FY24 generation is as reported on page 5 of its FY24 Integrated Report and appears to exclude a portion geothermal output associated with joint ventures (captured under other market participants).

Source: EA website

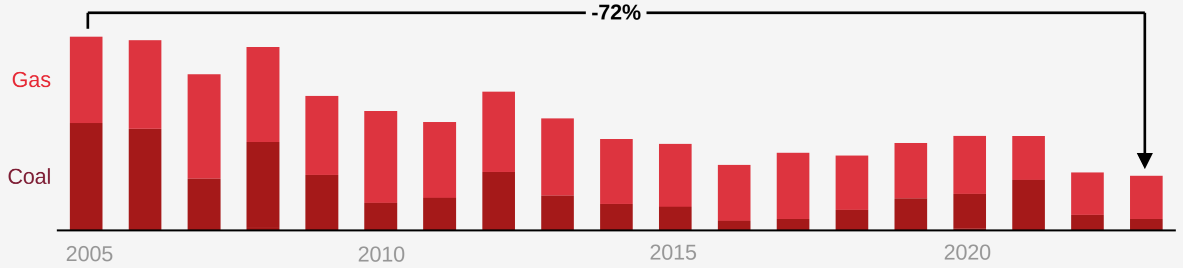
Source: MBIE quarterly electricity generation and consumption, Sep 22 – Mar 24. EMI, Aug 2024.[1] Total ICP including residential, Small Medium Enterprises, C&I

NZ electricity supply is highly renewable

Contact has led the way in decarbonising the NZ electricity system through geothermal development

Electricity generation carbon emissions (units of CO2e)[1]

Calendar year



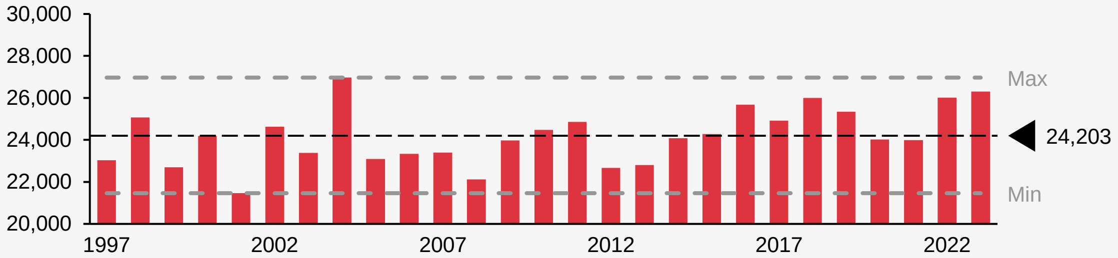
Source: MBIE quarterly electricity and liquid fuel emissions data tables

Electricity generation mix comparison 2005 and 2023

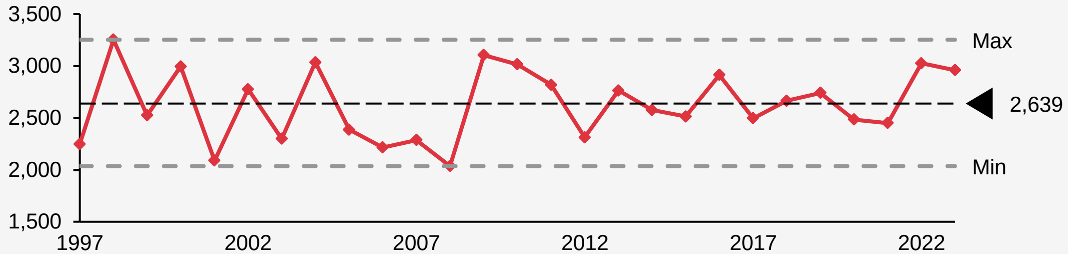
Calendar year

New Zealand has limited hydro storage and high variability

Annual hydro generation volumes (GWh)[2]



Controlled hydro lake storage volumes (GWh)[3]



3-5TWh of flexible alternatives (including thermal) are required to manage dry year risk[4]

[1] Source: MBIE quarterly electricity generation and consumption data

[2] Source: NZX hydro, annual average controlled lake storage volumes (post-market formation) 1997 – 2023

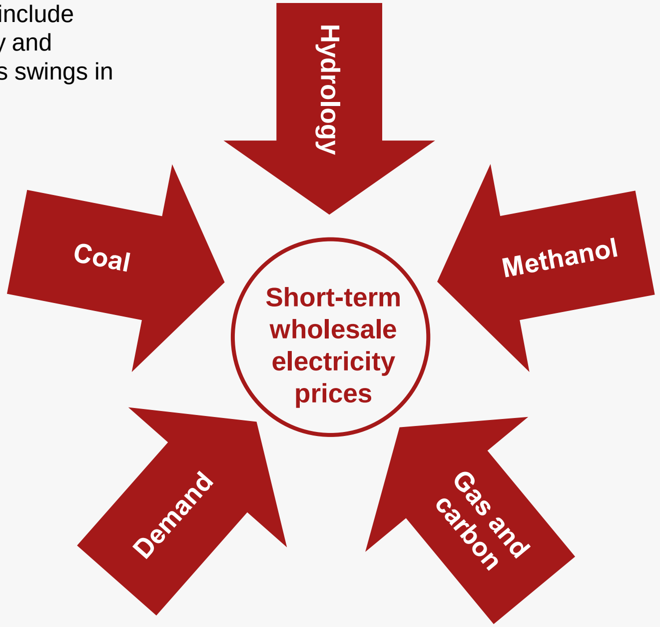
[3] MBIE Electricity Generation statistics (post-market formation) 1997 – 2023

[4] Source: NZ Battery Indicative Business Case, MBIE, 2023

The market responds to changes in supply and demand by sending price signals

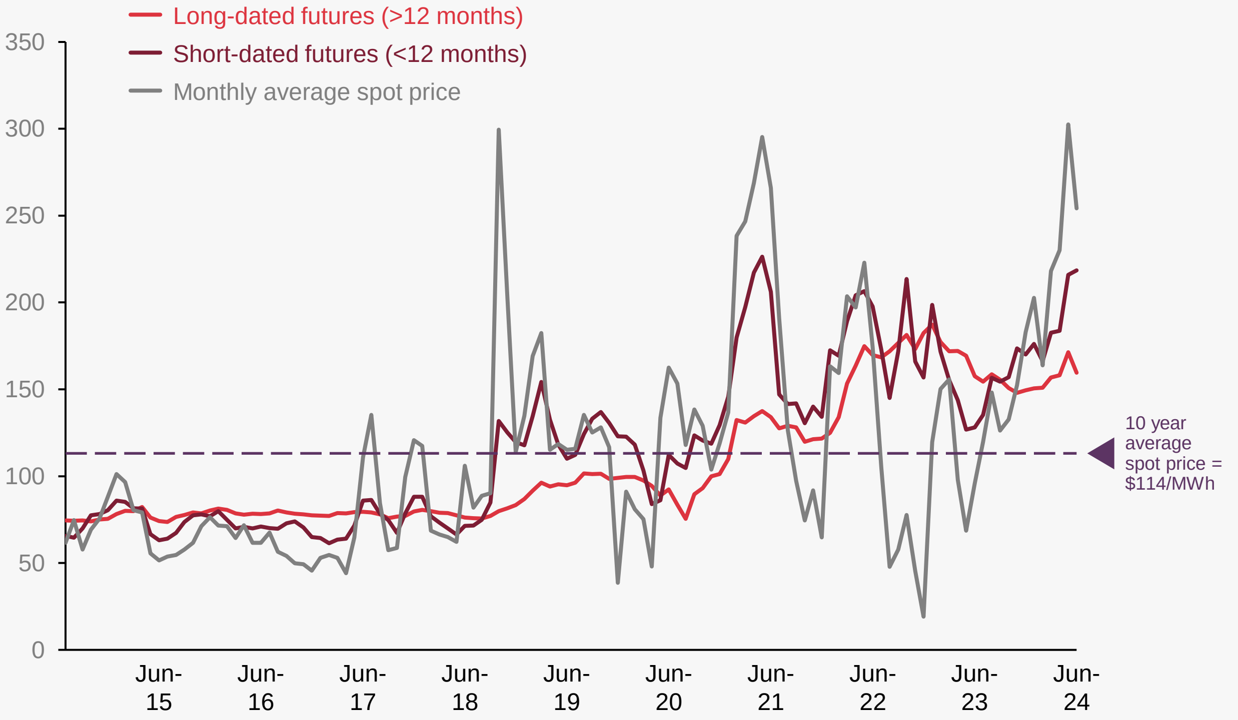
And the fundamental requirement for thermal to support a hydro dominated system supports forward electricity prices

Short-term external factors that can influence the market include thermal fuel price volatility and availability risks as well as swings in hydrology conditions.

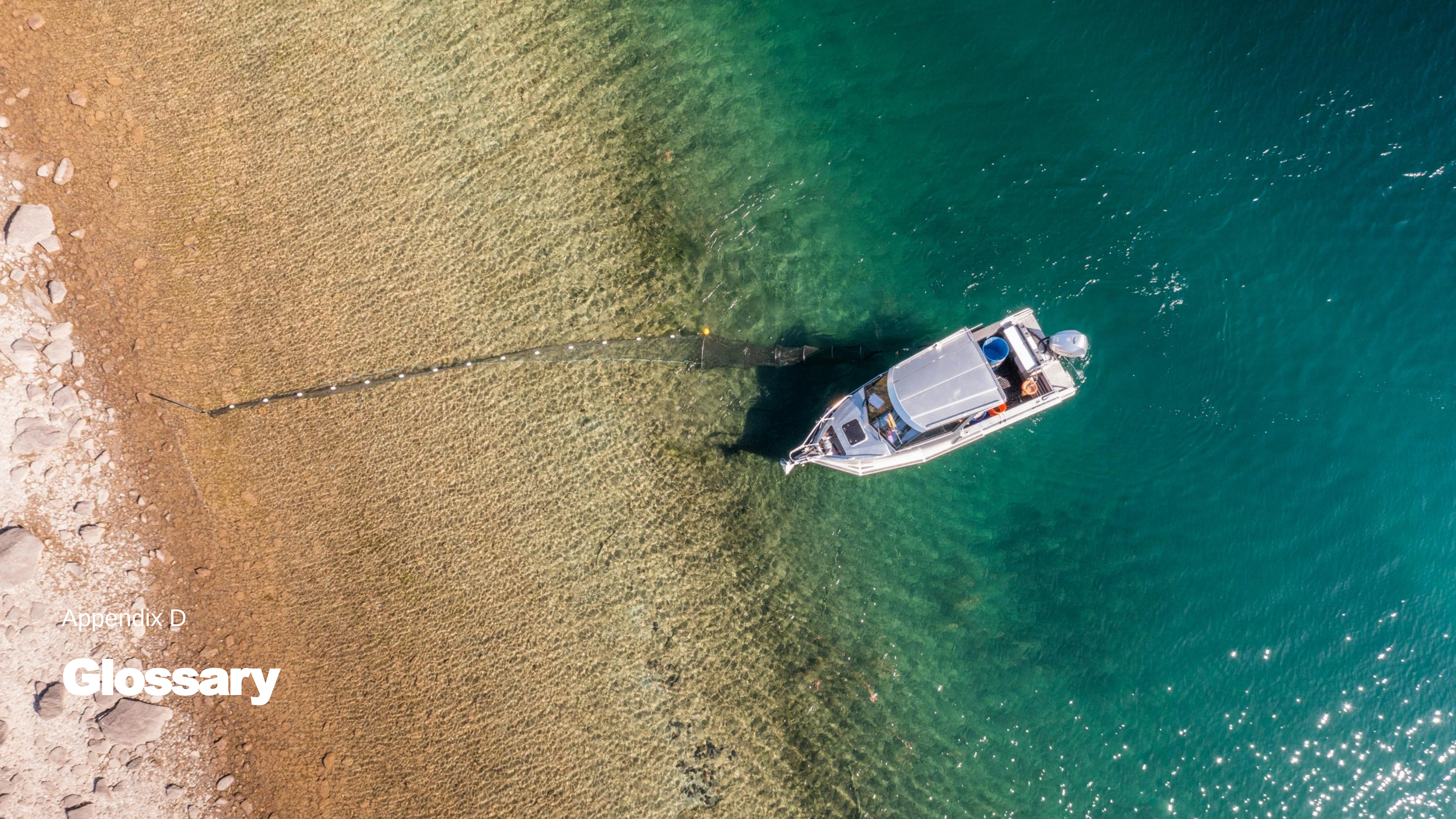


Long-term pricing is linked to the long-run marginal costs of new renewable projects to meet demand, plus costs associated with firming renewable intermittency. On this basis, Contact expects the long-term wholesale price to revert to $115-125/MWh (2024 real - OTA).

Wholesale and futures electricity pricing ($/MWh)



Source: EMI wholesale pricing (OTA) - data to 30 June 2024



Appendix D

Glossary

Glossary

Term	Description
ASX	Australian Stock Exchange market for electricity derivatives
C&I	Commercial and Industrial Customers
CO_2	Carbon dioxide
Contact	Contact Energy Limited
CPI	Consumer Price Index
CPS	Cents per share
DPS	Dividend per share
DRP	Dividend Reinvestment Plan
EBITDAF	A non-GAAP measure used to monitor performance defined as earnings before interest, tax, depreciation and amortisation, asset impairment and write-offs, and changes in fair value of financial instruments
EV	Enterprise Value
FY	Financial year ended 30 June unless otherwise stated
GWAP	Generation Weighted Average Price
GWh	Gigawatt hour. One gigawatt hour is equal to 1,000 MWh or 1,000,000 kWh
ICP	Installation Control Point
IRR	Internal rate of return
MCY	Mercury NZ Limited
MW	A megawatt (MW) is a unit of power and equal to 1,000,000 watts (W) or 1,000 kilowatts (kW)
MWh	A megawatt hour (MWh) is the amount of electricity equivalent to a steady power of one MW running for one hour. Megawatt hours are the metering standard unit for wholesale spot market

Term	Description
Net debt	A non-GAAP measure used by S&P for their credit rating evaluations. Gross debt with S&P specific adjustments less cash
NZ$	New Zealand dollars
NZAS	New Zealand Aluminium Smelter
NZCC	New Zealand Commerce Commission
OIO	New Zealand Overseas Investment Office
Free cash flow	A non-GAAP measure used to measure Contact’s cash generating performance and shows the cash available to distribute to shareholders, reduce debt and/or invest in growth capital expenditure. Calculated as Contact’s GAAP operating cash flows less stay in business capital payments, plus net proceeds from sale of assets/operations
Operating free cash flow	Operating free cash flow is free cash flow before the addition of the net proceeds from the sale of asset/operations
p.a	Per Annum
PPA	Power Purchase Agreements, including Contracts for Difference, based on wholesale market pricing
S&P	Standard & Poor’s
Scheme	A New Zealand Court approved Scheme of Arrangement governed by the SIA
SIA	Scheme Implementation Agreement
SIB capex	A non-GAAP measure, stay-in capital expenditure required to maintain business operations and includes major plant inspections and replacements of existing assets
Transaction EV	Is the sum of cash and scrip consideration for the transaction, plus Manawa debt outstanding, less unrestricted cash and plus non-controlling interests as at 31 March 2024
TWAP	Time Weighted Average Price
TWh	Terawatt hour. One terawatt hour is equal to 1,000 GWh
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital