



Genesis Energy

Jarden Australasian Decarbonisation Conference



genesis With you. For you.



Marc England
Chief Executive

Genesis Energy Overview



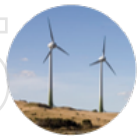
HUNTLY
1203
Peak Capacity/MW



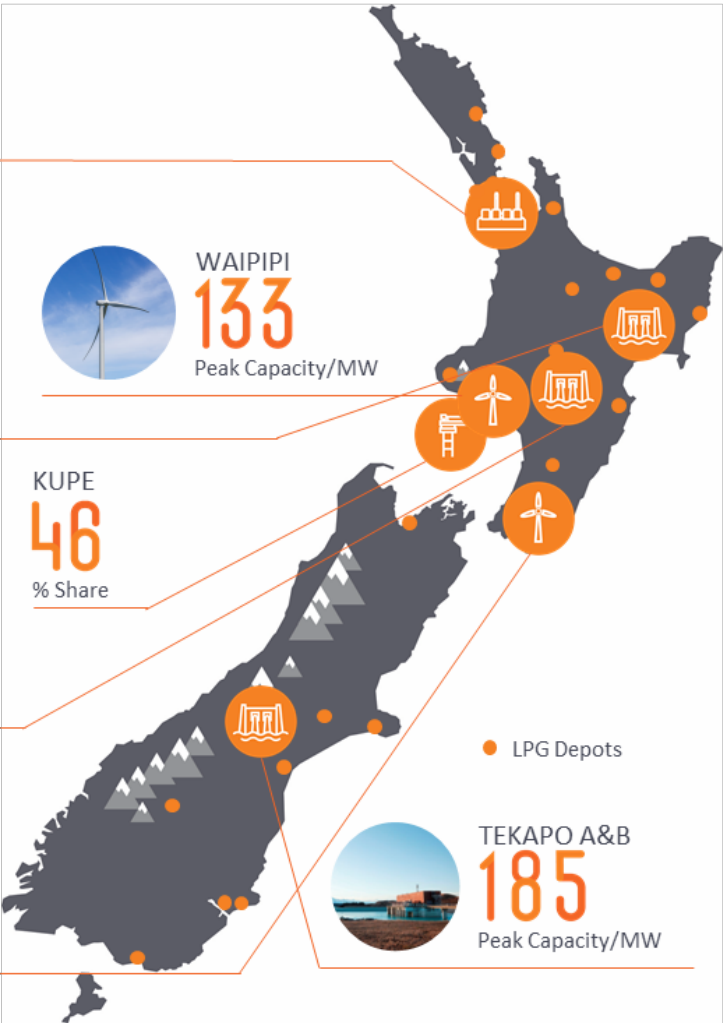
WAIKAREMOANA
138
Peak Capacity/MW



TONGARIRO
362
Peak Capacity/MW



HAU NUI
8
Peak Capacity/MW



480,000

customers

22% electricity market share

38% gas market share

19% LPG market share

1.3
products per
customer

Financial Performance

Key Information

Revenue (FY21): NZ\$3.2 billion

EBITDAF (FY21): NZ\$358 million

Gross Dividend Yield *: 7.1%

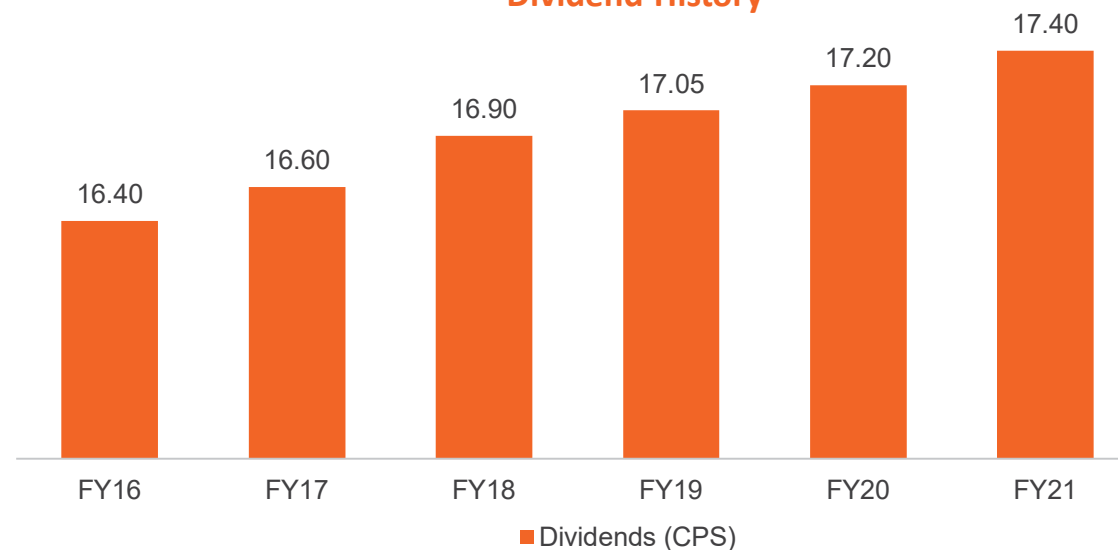
Share Price *: NZ\$3.25

Market Capitalisation *: NZ\$3.4 billion

Credit Rating: BBB+ (Standard & Poors)

* Calculation as of 29 October 2021

Dividend History



Dividend policy :

Genesis' intention is to provide shareholders with a consistent, reliable and attractive dividend. The company aims to pay out between 70% and 90% of its free cash flow.

FY22 Guidance:

\$420 million to \$440 million EBITDAF subject to normal hydrological conditions, any material one-off expenses or other unforeseen circumstances.

New Zealand Regulatory Comparison

New Zealand

- Proportional representation system, frequent multi-party governments
- One house, no upper house or states

- Legislated net-zero emissions by 2050 with near unanimous support in Parliament
- 50% net carbon reductions by 2030
- Electricity sector 5% of emissions
- Major emissions from agriculture, industrial and transport sectors
- Mandatory emissions trading scheme since 2010

- Electricity sector seen as an enabler not an obstacle to emissions reductions
- Electricity market largely unchanged since 1990s de-regulation
- Already 85% renewable; expected to be more than 95% renewable by 2030
- No retail price caps

Australia

- Bicameral Parliament system nationally
- Federal system across six states

- Recently committed to net-zero by 2050 after considerable political debate
- Electricity sector accounts for 32% of emissions
- Climate change regulations are highly political and have frequently changed
- Emissions trading scheme introduced then revoked

- Heavy and disjointed mix of federal and state policies
- Mixture of subsidies and interventions to induce renewable generation
- Regulated solar feed-in tariffs
- Frequent negative wholesale pricing
- Retail price caps set by state

United Kingdom

- Bicameral Parliamentary system
- Less predictable regulatory environment

- Net zero target by 2050 and target of 78% reduction by 2035
- Transport largest emitting sector

- Government direct investment in electricity generation
- Subsidies for wind, solar and nuclear
- Retail price caps set by regulator

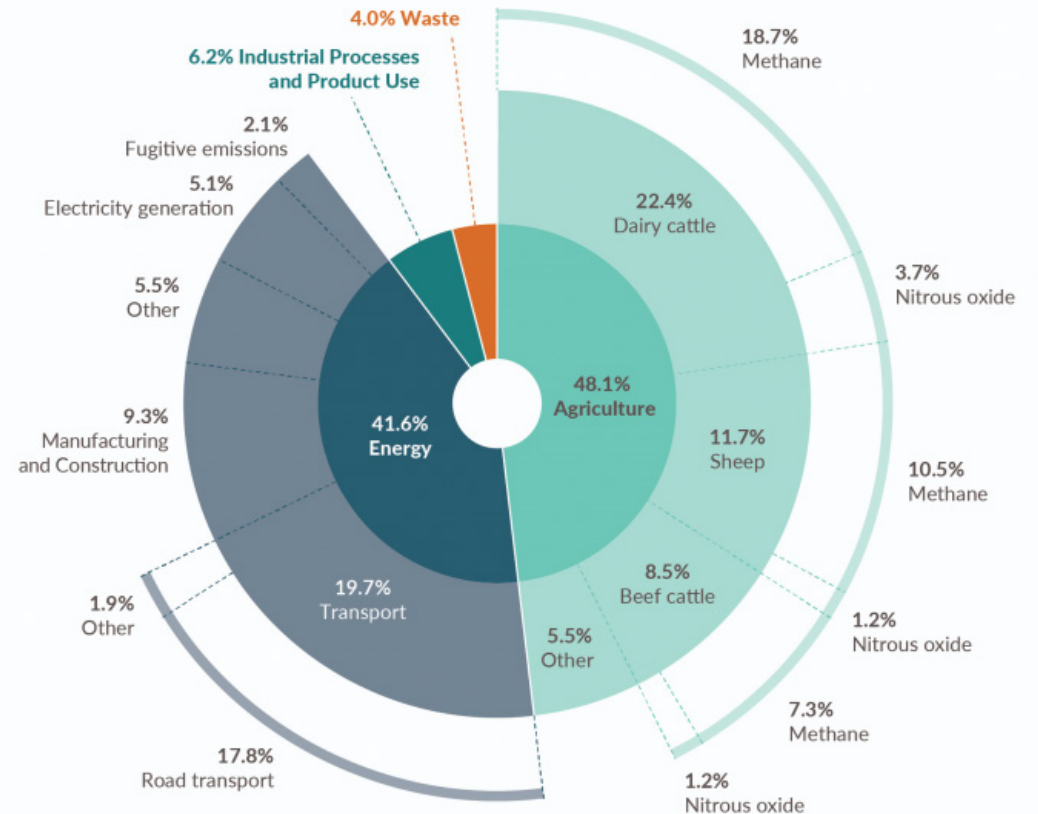
New Zealand's Climate Commitments and Emissions Reduction Plan

- New Zealand has recently announced an increase in its Nationally Determined Contribution (NDC) to the Paris Agreement.
- The new NDC is a 50% reduction of gross 2005 levels by 2030 (up from 30%) and is consistent with limiting global warming to 1.5 degrees.
- The provisional emissions budget for the new NDC is 571 Mt, down from 623 Mt.

The Government has released a draft Emissions Reduction Plan to set the direction to reduce emissions across New Zealand. The plan includes:

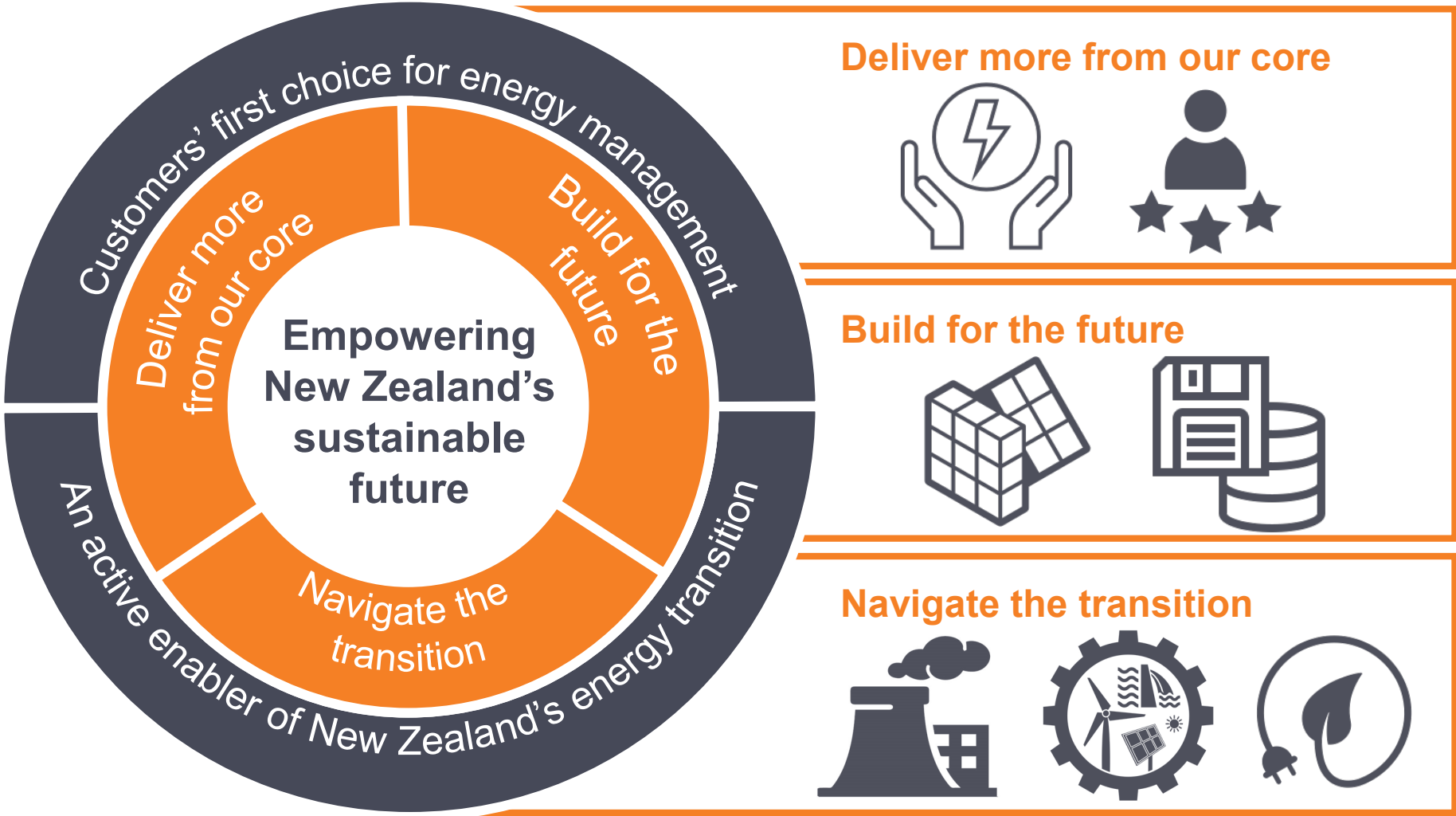
- Developing an energy strategy and a renewable energy target.
- Developing a plan to decarbonise the industrial sector. This includes a national direction for industrial emissions and a ban on coal boilers.
- Identifying the level of support the Government could provide for the development of low-emissions fuels, such as bioenergy and hydrogen, to support decarbonisation of industrial heat, electricity and transport.
- Supporting the regulatory environment for electricity distribution

New Zealand Gross Greenhouse Gas Emissions (2019)



Our Strategy into the 2020s

Purpose-led: Empowering New Zealand's sustainable future



Empowering New Zealand's Sustainable Future

Breaking down our purpose

Enabling New Zealand to make **lower carbon choices**



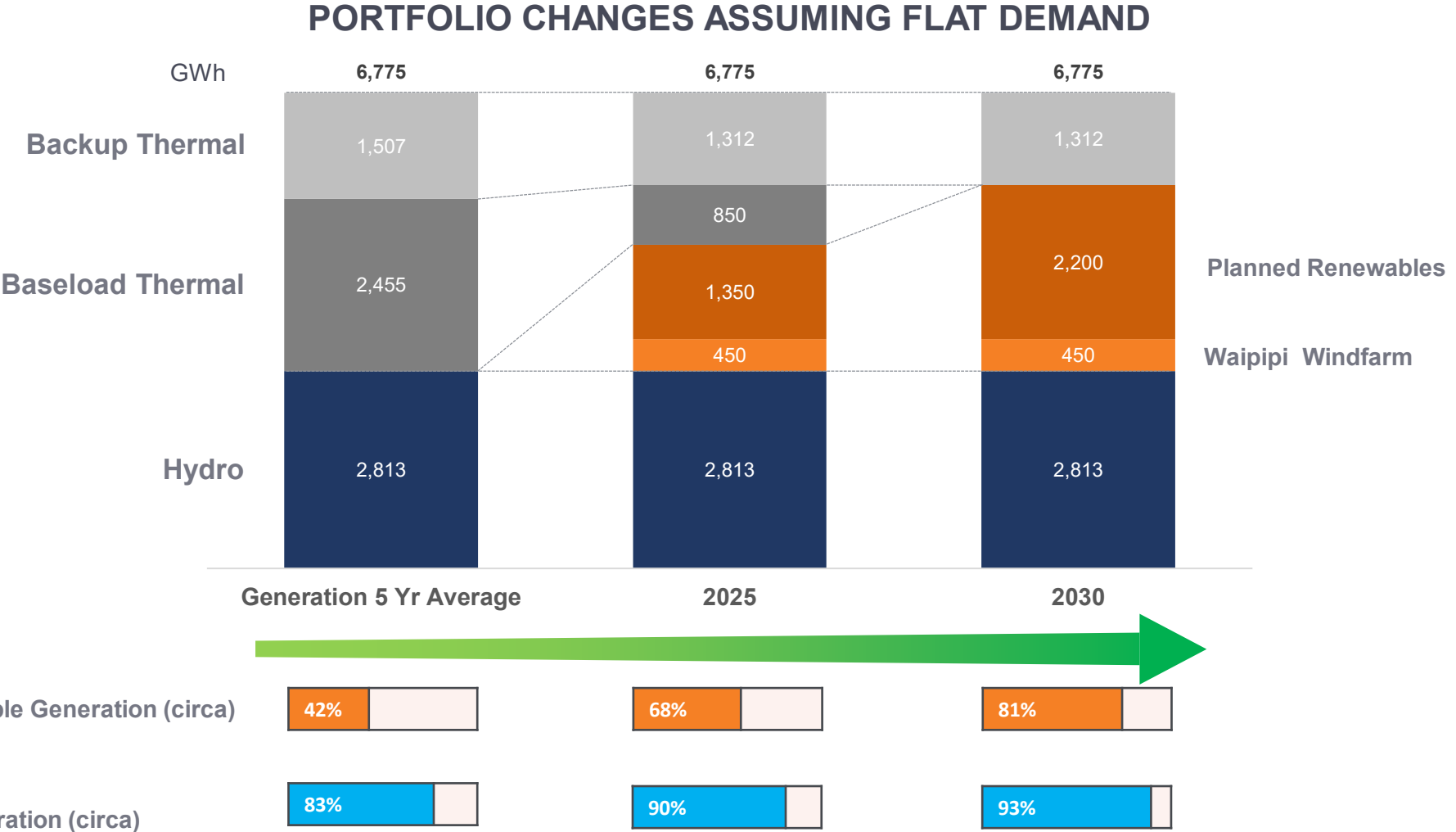
Leading a **sustainable business** in NZ



Playing our part as **individuals** for a more sustainable future



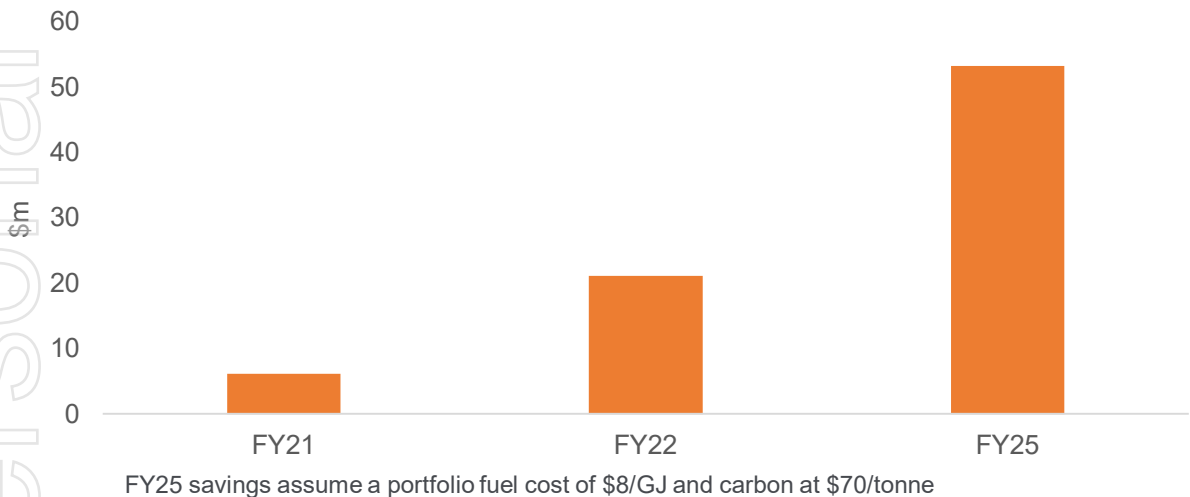
The Future-gen strategy will displace baseload thermal



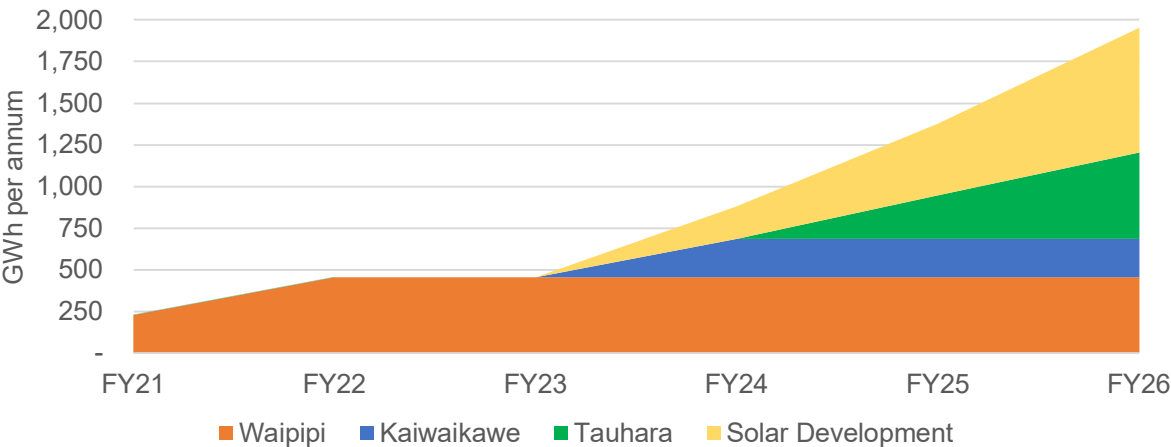
New renewables cheaper than current thermal options

- Genesis has committed to three major renewable projects to progress our Future-gen strategy:
 - The Waipipi Wind Farm** PPA became fully operational in March 2021 and is expected to provide 450 GWh of energy.
 - Kaiwaikawe** PPA will provide an additional 230 GWh of renewable energy. The Northland location will provide generation close to demand and with a favourable GWAP.
 - Tauhara** PPA partnership with Contact to support the development of 1.3 TWh of geothermal plant. Genesis has contracted 41% of the output capacity for the first 10 years.
- Genesis is to become co-developer of large scale solar in New Zealand and intends to build up to 500MW of solar capacity.

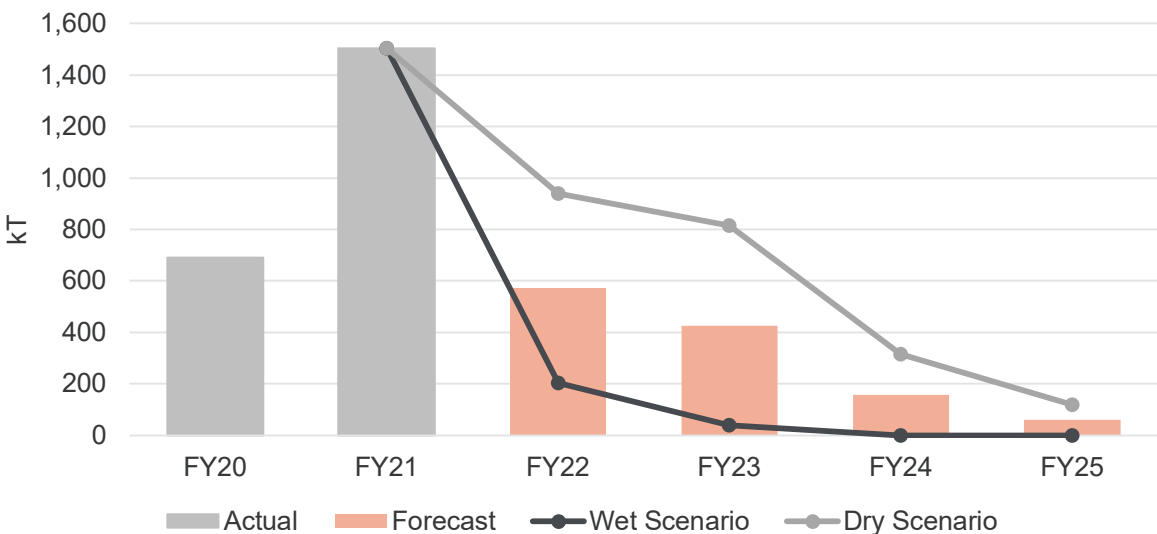
Future-gen Cost Savings



Future-gen Portfolio Pipeline



Coal Generation Expected To Rapidly Decline From FY22



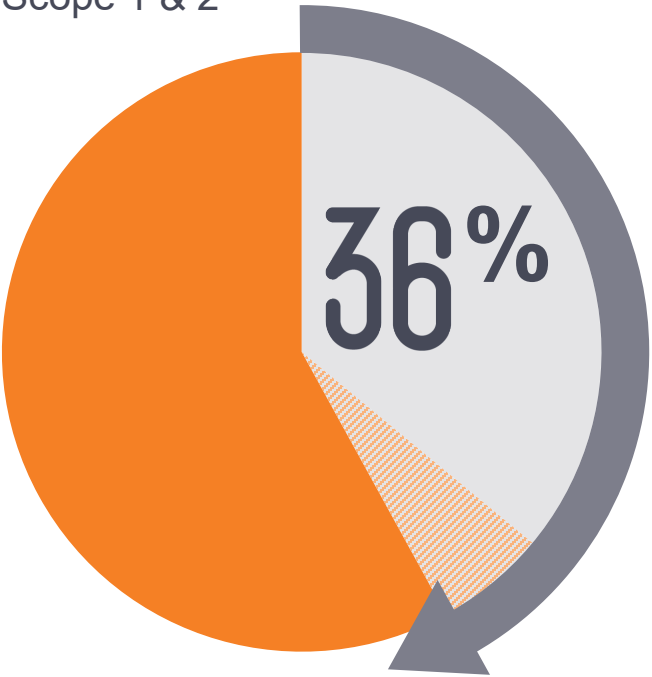
Genesis has committed to an ambitious Science Based Target to reduce carbon emissions

Target Year ¹:
2025

Reduce emissions²
by at least
1.2 million tonnes

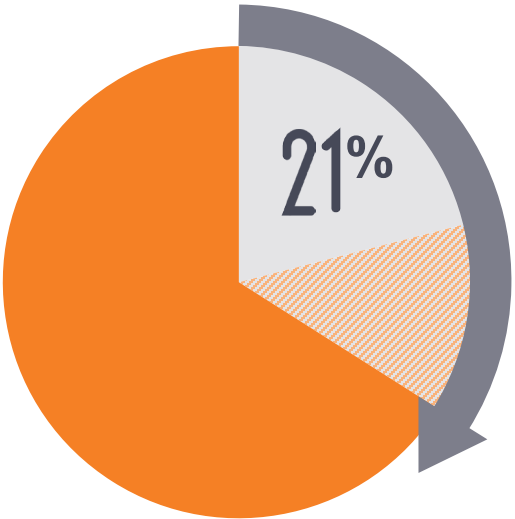
- 1. Target is based on our FY20 as the base year.
- 2. Combined scope 1, 2 & 3

Reduce direct emissions
Scope 1 & 2



Reduction for 1.5°C

Reduce indirect emissions
Scope 3



Genesis ambition

Remaining emissions



genesis With you. For you.

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