Capital Markets Day 2021

20 May 2021

Agenda

Topic	Presenters
Welcome, recap of FY21 and strategy overview	Mike Fuge
Theme 1: Grow demand	James Kilty
Morning tea	
Theme 2: Grow renewable development	James Kilty
Theme 3: Decarbonise our portfolio	Jacqui Nelson
Theme 4: Create Outstanding Customer Experiences	Matt Bolton
Enabling our strategy	Catherine Thompson, Jacqui Nelson, Jan Bibby
Our investor value proposition	Dorian Devers
Q&A	
Lunch and technology showcase	
Tauhara site and rig visit	

Presenting

Mike Fuge
CEO

James Kilty
Deputy CEO

Jan Bibby
Chief People Experience Officer

Dorian Devers
CFO

Jacqui Nelson
Chief Generation Officer

Catherine Thompson
Chief Corporate Affairs Officer and General Counsel

Matt Bolton
Acting Chief Customer Officer
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Welcome, recap of FY21 and strategy overview

Mike Fuge
CEO

2021 Highlights

Overview: Introduction to Contact26

Theme 1: Grow Demand

Theme 2: Grow Renewable Development

Theme 3: Decarbonise Our Portfolio

Theme 4: Create Outstanding Customer Experiences

Enabling our strategy

Our investor value proposition

FY21 highlights

100% ownership of Simply Energy powered by contact.

Redesigning our work with **Transformative Ways of Working**

Completed acquisition of Western Energy

Tauhara final investment decision backed by $400m equity raise

Expected to beat EBITDAF target of **$480m** despite fuel, hydrology headwinds and NZAS support agreement

7% year-on-year reduction in carbon emissions

+30 NPS

>1000 households energy hardship support

Roaring40s Wind Power **partnership**

2021 Highlights

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Theme 4: Create Outstanding Customer Experiences

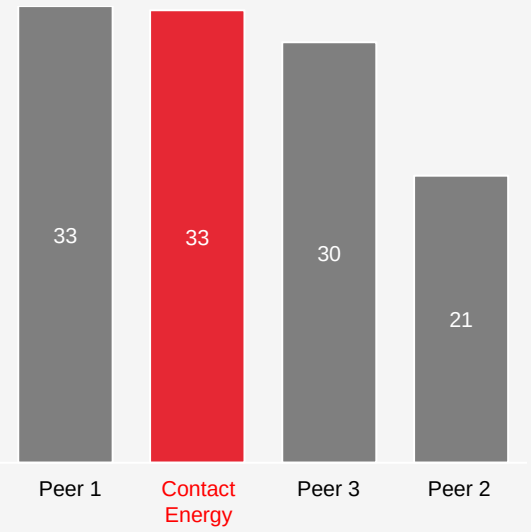
Enabling our strategy

Our investor value proposition

Our past strategy focused on efficient operations and use of capital

Profitable operations

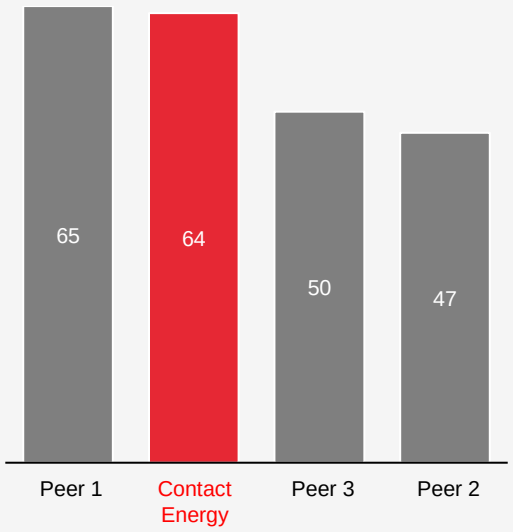
Operating free cash flows per MWh, $/MWh



Strong cash flow generation per unit despite higher cost thermal generation assets in our portfolio

Strong cash conversion

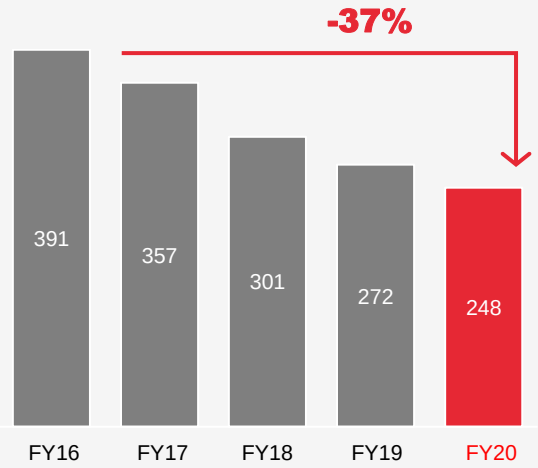
Operating free cash flows as a proportion of EBITDAF, %, 3-year average



Strong conversion of operating earnings into cash flow, highlighting capital discipline

Reducing our cost base

Other operating costs and SIB capex, $M



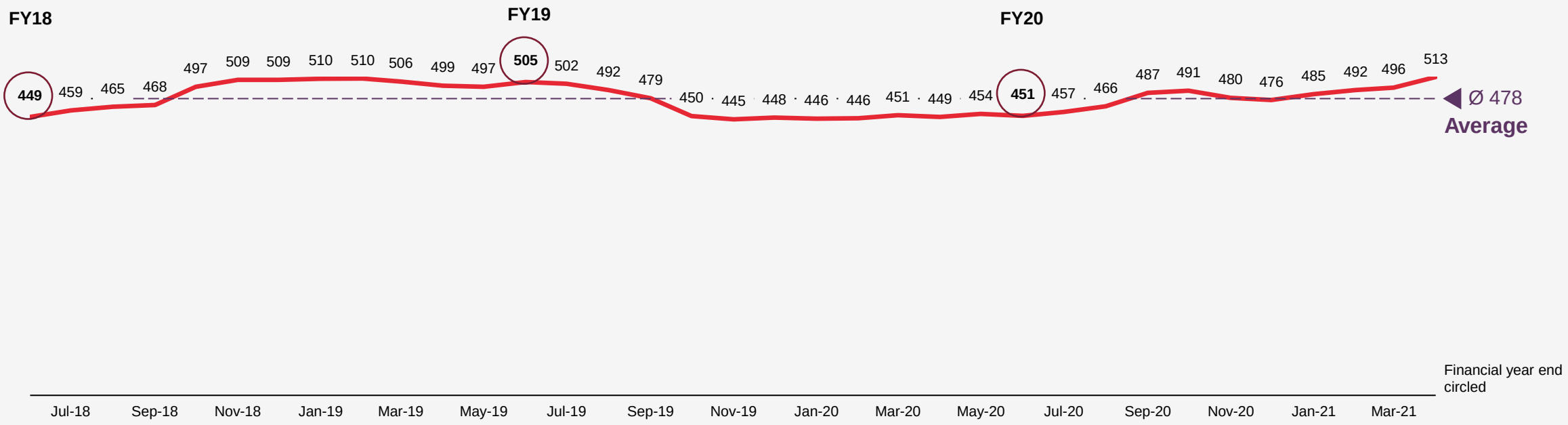
Controllable CAPEX and OPEX removed through our continuous improvement program

This discipline has delivered stable EBITDAF over the past four years,

despite volatile wholesale markets and rising thermal fuel costs

In line with our mean EBITDAF of $480m p.a. and beating our operating free cash flow target

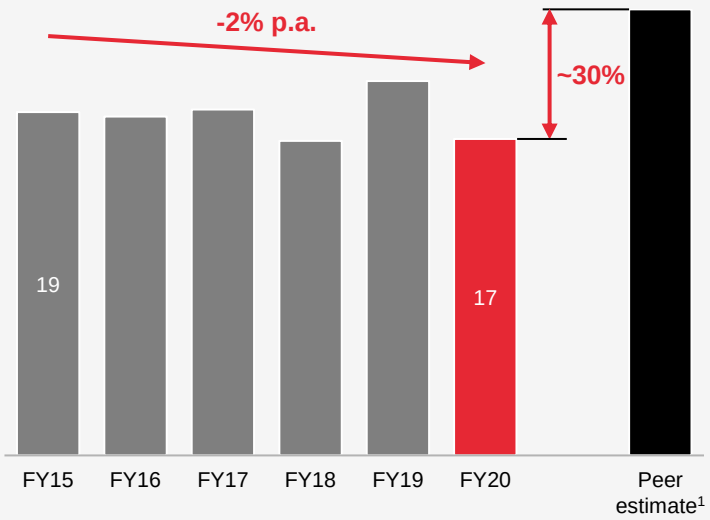
EBITDAF, $M, continuing operations rolling 12 months average



Net debt has reduced by $408m between 30 June 2018 and 31 December 2020 positioning us well

At the same time, we have developed or acquired distinctive capabilities to position us for growth

Strong geothermal capabilities
Geothermal generation cash-costs excluding transmission, $/MWh



Geothermal fixed costs believed to ~30% less than major peers

Operational excellence program achieved 2% p.a. cost reduction off-setting carbon price increase and inflation

Strategic acquisitions and partnerships to build capability

Simply Energy powered by contact

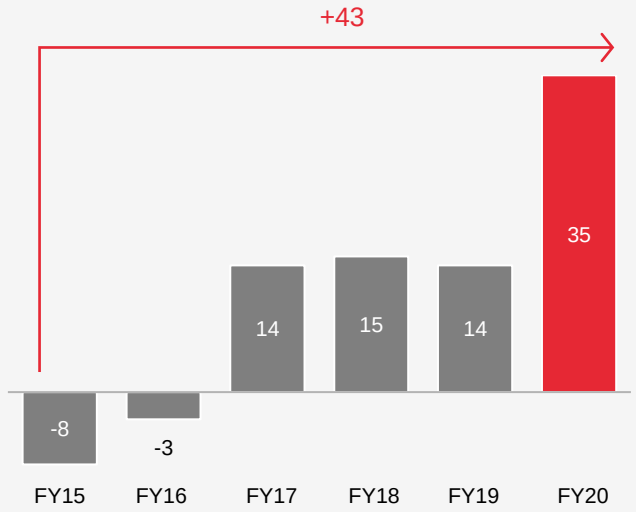
Roaring40s Wind Power

Western Energy

DRYLAND CARBON

Strategic acquisitions and partnerships with distinctive capabilities to meet our electrification and development targets

Enhanced customer experiences driving highly engaged customers
Retail NPS, %



Digitisation of key touchpoints and growth into new adjacencies supporting rapid net promoter score (NPS) growth

1. Based on annual reports total generation cash-costs weighted by the relative capacity of each technology

Two structural shifts impact the NZ electricity market

1 Decarbonising the economy

+

End of NZAS supply agreement 2

1. Decarbonisation imperatives and technology improvements will accelerate electricity demand growth

Key drivers of decarbonisation

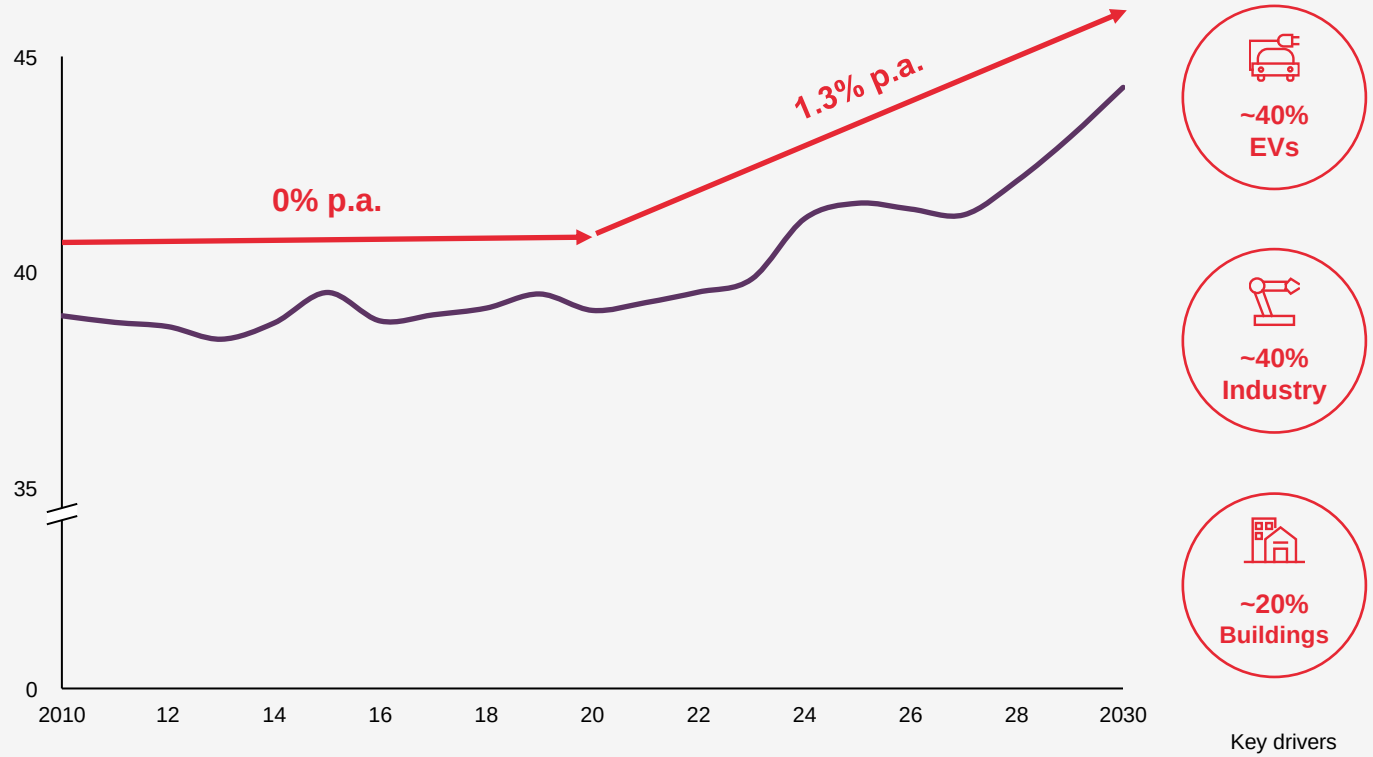
Increased focus on climate change globally
including from the NZ government and consumers, e.g. Climate Change Commission

Increasing carbon and gas prices

Competitive electricity costs against alternatives

Falling technology costs
including renewables, electric boilers, electrolysers and electric vehicles (EVs)

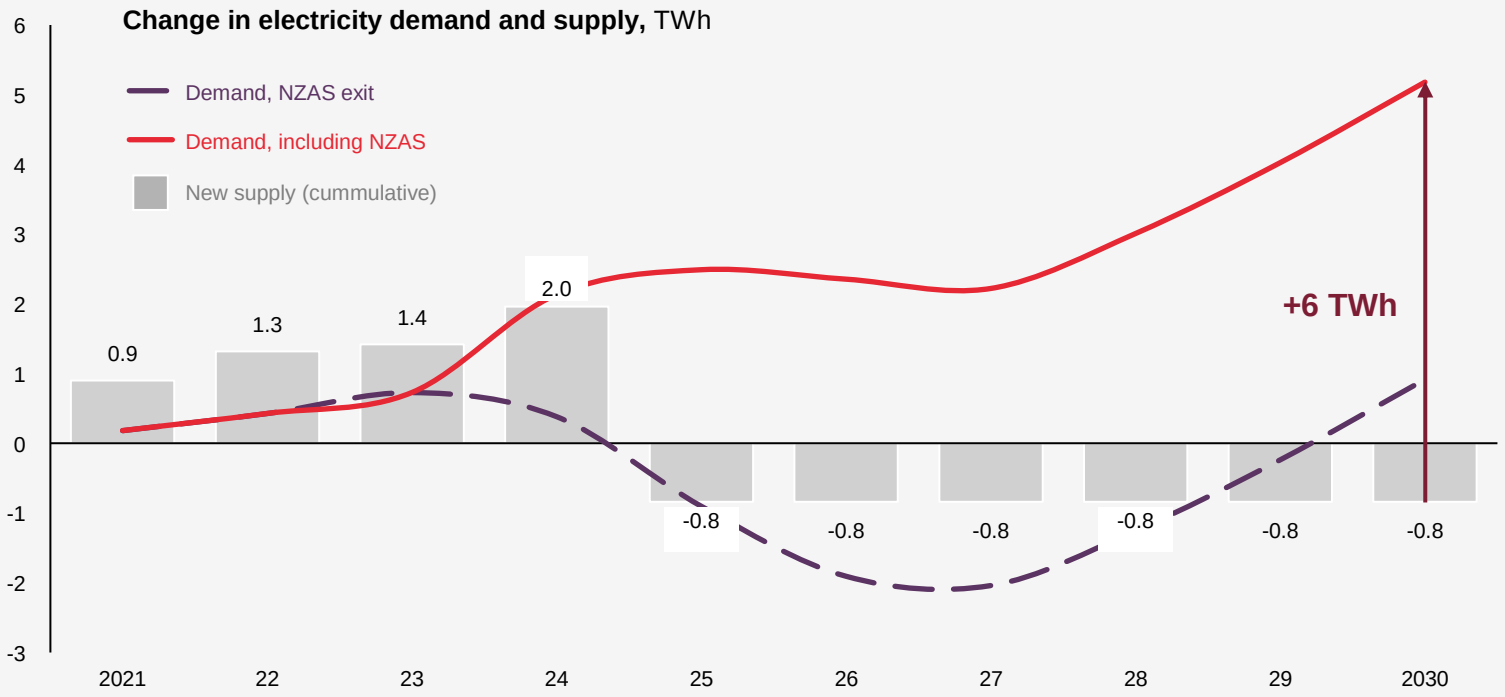
The Climate Change Commission expects electricity demand to grow to meet climate targets
Electricity demand, TWh[1]



1. Assumes demand equivalent to NZAS is operating

Source: Climate Change Commission 2021, Contact Energy analysis

2. Decarbonisation provides the opportunity for growth



Implication for Contact

Our imperative is to deliver on our commitment to decarbonisation and grow demand by electrifying NZ and decarbonising new global industrial supply chains

Note: New supply includes Turitea (2021, 2022),, Tauhara (2023), and Harapaki (2024). Assumes decommissioning of TCC (2023) and Huntly (2025).
Source: Climate Change Commission Draft Report 2021, Contact Energy analysis

Decarbonisation and the end of the NZAS supply agreement could leave the electricity market looking very different by 2030

How the electricity market will change?

Baseload thermal exits, with low utilisation for remaining thermal assets

Intermittent renewables will dominate the generation mix, with geothermal as the only baseload generation source

Batteries and large-scale demand flexibility will supplement existing hydro reservoirs and thermal peaking plant to maintain the energy balance

Long-term PPAs secured to supply large sources of demand

The energy transition will be bumpy with periods of increased volatility

Winners will attract new demand with long-term PPAs recovering investment costs

We are best positioned to enable decarbonisation

Proven decarbonisation growth platform

Combining Simply Energy with our deep market knowledge, and strong retail brand brings the experience and capability to lead the energy transition with innovative customer-led solutions

New Zealand's best renewable development pipeline

We have a pipeline of options for high-quality renewable developments unmatched by peers, with the added benefit of NZ's only baseload renewable pipeline of ~3 TWh geothermal*

Leading NZ thermal generation transition

We have led the economic substitution of almost 3 TWh of thermal generation over the last 15 years (twice as much as all our peers combined), while developing advanced trading capabilities and systems to manage changes to our commodity risk position

Low-cost, innovative operations

We have a track record of sustainably reducing costs across the business, with lowest cost geothermal and retail cost-to-serve

Largest NZ electricity brand

We are NZ's largest electricity brand, catering to changing customer needs with a great customer experience

Future-focused capabilities

Our capabilities will support our growth with major projects, business development and digital & analytics skills recently added

*:Includes Tauhara which is currently under construction


We’re ready to drive New Zealand’s decarbonisation:
Contact26

Contact 26 Our strategy to lead NZ's decarbonisation

	Grow demand	Grow renewable development	Decarbonise our portfolio	Create outstanding customer experiences
Strategic theme				
Objective	Attract new industrial demand with globally competitive renewables	Build renewable generation and flexibility on the back of new demand	Lead an orderly transition to renewables	Create NZ's leading sustainable energy brand that will support renewable development ambitions

Enablers

ESG: create long-term value through our strong performance across a broad set of environmental, social and governance factors

Operational excellence: continuously improving our operations through innovation and digitisation

Transformative ways of working: create a flexible and high-performing environment for NZ's top talent

Outcomes

Growth
Pivot our business to a new growth era that captures the value unlocked by decarbonisation

Resilience
Deliver sustainable shareholder returns, aligned with our ESG commitment

Performance
Realise a step-change in performance, materially growing EBITDAF through strategic investments

We have set ambitious measures of success across our strategic themes

	Grow demand	Grow renewable development	Decarbonise our portfolio	Create outstanding customer experiences
Objective	Attract new industrial demand with globally competitive renewables	Build renewable generation and flexibility on the back of new demand	Lead an orderly transition to renewables	Create NZ's leading sustainable energy brand that will support renewable development ambitions
Metrics & measures	Senior in-house capability to support industry electrification partnerships by 2021 100 MW of new commercial and industrial demand by 2025 Identified 300+ MW of market-backed demand opportunities, replacing NZAS in the lower SI by end of 2024 (e.g., hydrogen)	Tauhara online by 2023 FID on next renewable build (Wairakei, wind, and/or solar) by 2024 Decision on North Island battery by end of 2023, for delivery in 2024 100 MW demand response capacity by 2025	Complete thermal review in 2021, and executed by the end of 2022 TCC decommissioned by end of 2023 Reduce Scope 1 and 2 GHG emissions 45% compared to 2018 baseline by 2026ê[2]	Top 10 ‘most trusted brand’ by 2025[1] +650,000 customer connections by 2025 CTS < $120 per connection 75% of customer interactions through digital channels

1. As per Colmar Brunton Rep Track report, 2020 ranked 38th
2. Sbti target at 1.5 degrees.

This will be underpinned by three key enablers

Our ESG commitment

Create long-term value through our strong performance across a broad set of environmental, social and governance factors

Operational excellence

Use innovation to continue to improve business efficiency

Prudent management of stay-in-business CAPEX to deliver value

Capture economies of scale and further digitise our business

Transformative ways of working

Use technology to modernise our operating model

Increase employee engagement to attract and retain talent

Create value for all Contact's stakeholders by driving NZ's decarbonisation

Improve cash-flows through proven ability to execute

Set up the right operating model to deliver on our strategic priorities

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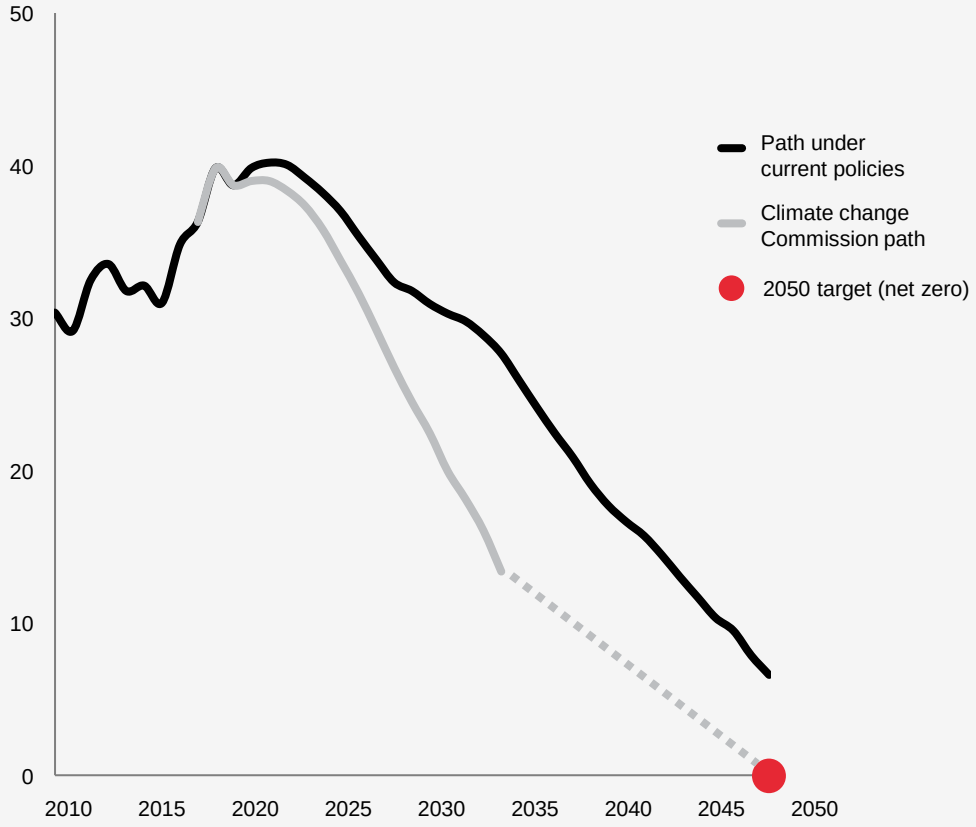
Grow demand

James Kilty
Deputy CEO

Meeting climate change commission targets
will require rapid electrification and use of new fuels like hydrogen

Climate Change Commissions emissions reductions pathway Mt CO2e



Electrification of existing industries

Sector	Emissions reduction from 2020	New demand projected to 2035
Buildings and space heat	**66%**	3 TWh
Industry and heat	**40%**	5 TWh 12 TWh addressable
Transport	**45%**	6 TWh

+

Alongside the emergence of new industries to replace NZAS

+5 TWh
H_2 Hydrogen

+2 TWh
Data centres

1. Source: Climate Change Commission February 2020, MBIE 2018, Contact Energy analysis

Contact is well positioned to facilitate NZ's decarbonisation

Our capabilities and endowments

425 MW of geothermal
784 MW of hydro capacity
to support our customers

Hydrogen capability
with recent feasibility study, and upcoming pilot and EOI process

NZ's best renewable development pipeline
of options for high-quality renewable developments

Willingness to form long-term partnerships
backed by PPAs to support customers

Electrification capability through Simply Energy
with a demand flexibility platform enabling demand response and fuel switching products to improve total cost of ownership

Grow demand

Attract new industrial demand with globally competitive renewables

What we'll do

- **A** Develop NZ's hydrogen and green chemical industry
- **B** Electrify industrial process heat
- **C** Electrify space heating
- **D** Attract data centres with clean electricity
- **E** Facilitate decarbonisation of NZ road transport

In 2026

Identified +300 MW demand in the South Island to replace NZAS

100 MW of new industrial demand supplied by Contact

Extensive electrification project pipeline

A. Hydrogen will be a critical fuel to decarbonise the global economy

Hydrogen

A light, storable and dense energy source:

- Can be used without direct emissions
- Can be made from low and no-carbon energy sources

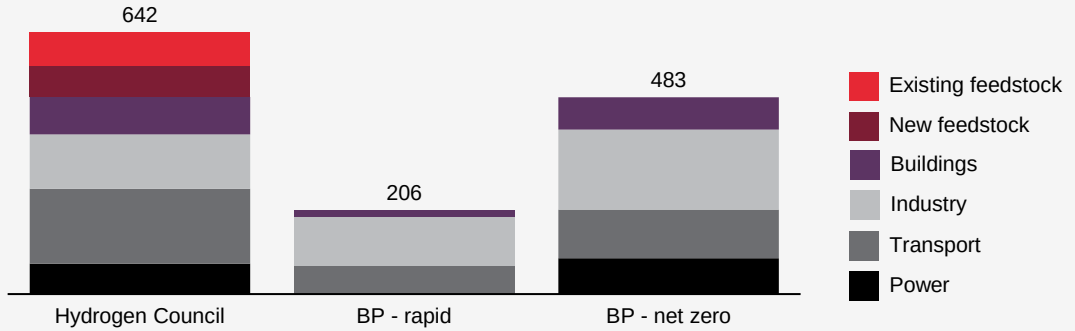
Green hydrogen

Green hydrogen can contribute to a **decarbonised energy future** in two ways:

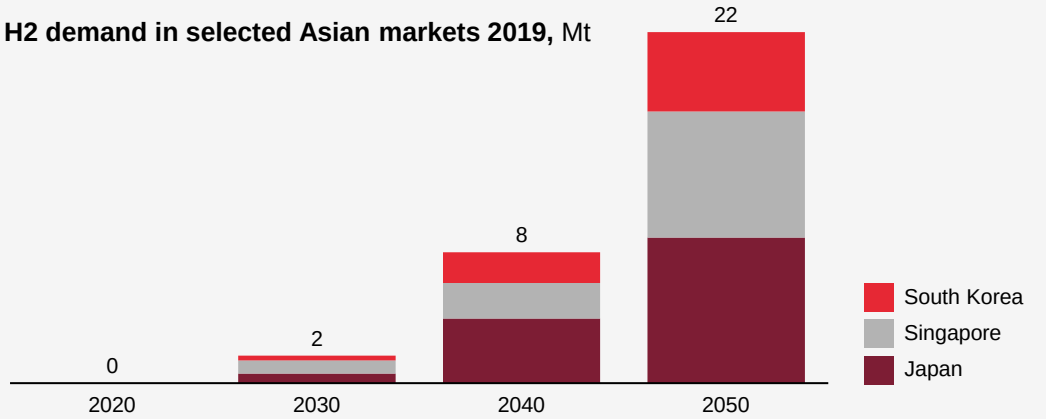
1. Decarbonising existing applications, e.g. fertilisers
2. Used in new applications as alternative to current fuels in hard to abate sectors, e.g. steel production, long-haul transport, aviation, space heating

We are seeing the emergence of a global hydrogen economy with over 50 GW of announced green hydrogen projects in anticipation of the opportunity.

Global H2 demand by subsector in 2050, Mt



H2 demand in selected Asian markets 2019, Mt



Source: McKinsey

A. We are partnering with Meridian to study the feasibility of the green hydrogen economy in New Zealand

Advisory Board
UK/USA/Australia


Andrew Murphy


Diana Raine


Joe Powell


Tim Buckley


Gary Smith

Three-part study
Completion date: August 2021

1 **Market scan**
- Products
- Transportation costs
- Domestic and international markets
- NZ's possible role
- Economics
- Carbon policies

2 **Technology & engineering assessment**
- Development costs
- Technology options
- Transportation / storage options
- Possible locations
- Health and safety implications

3 **Dry year role**
- Market requirements
- Implications for technology options
- Comparison with Onslow / NZ Battery
- Implications for downstream H_2 markets

Registration of Interest process
June 2021

Seeking responses from:

- **Participants interested in purchasing hydrogen/green chemicals**
- **Participants interested in purchasing large volumes of electricity**
- **Participants with technology solutions**
- **Participants with R&D concepts**

contact | Meridian.

A. Initial findings point to a significant opportunity for New Zealand to lead the hydrogen economy

1. Developing international markets for green hydrogen

- Global demand forecasts are high
- Japan and Korea will be key importers
- Hydrogen is the only decarbonisation solution for countries with scarce renewables and for hard-to-abate sectors

2. New Zealand can lead the world

- New Zealand has a key competitive advantage as we can produce green hydrogen with baseload renewables at an internationally competitive price
- New Zealand's abundance of low-cost renewables can support long-term growth

3. This will be a transformational economic change

- New Zealand's competitive advantage provides an opportunity to create an entirely new industry with long-term economic value
- Developing a hydrogen economy will help to decarbonise both international and domestic markets

4. Hydrogen offers a dry-year solution

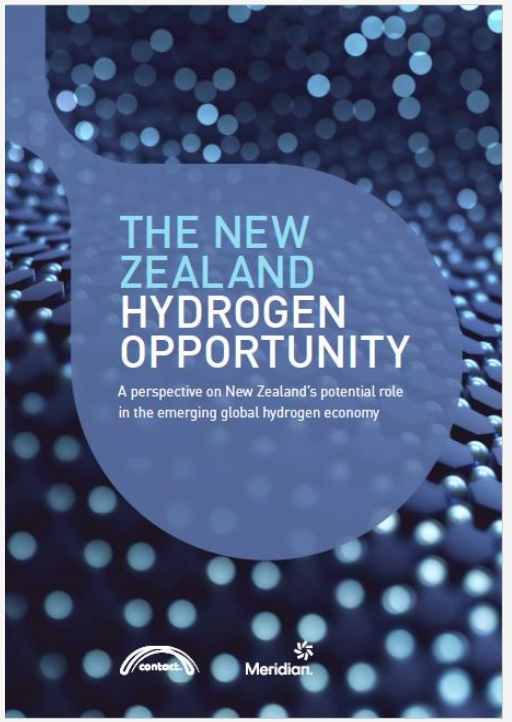
- Electrolysers can be designed to provide demand flexibility to support to New Zealand's electricity market in moving toward its 100% RE goal
- Green hydrogen could be a low-cost solution to solve a significant portion of New Zealand's dry-year problem

5. A solution focus will enable a hydrogen future

- There are several uncertainties to be resolved: government support, certification of green hydrogen, technology developments, alternative fuels, and consumer preferences
- Growing global support and capability will address these uncertainties

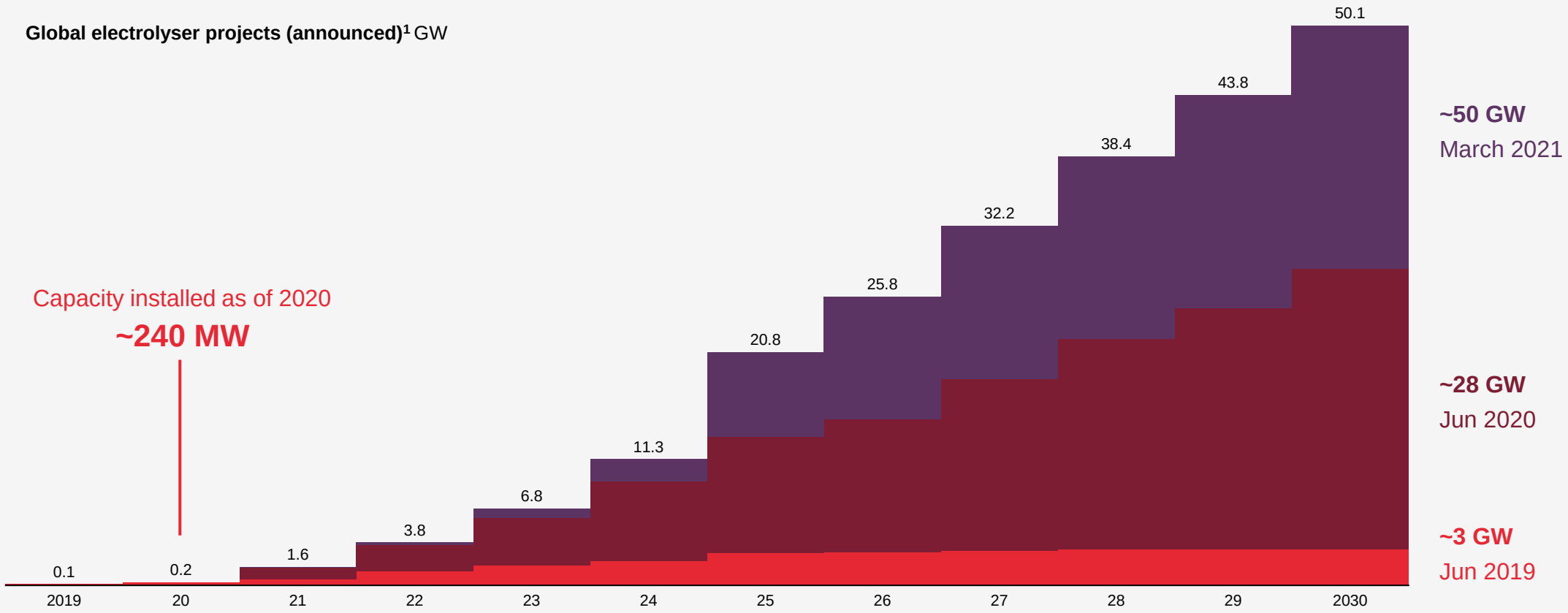
6. Government support would bridge economic gaps

- Green hydrogen is projected to remain more expensive than conventional sources of energy in the medium-term
- Bridging this cost differential will require government support, but it will be critical to meet global decarbonisation goals



Report to be published June 2021

A. Hydrogen projects are accelerating globally with >200x growth until 2030



1. For projects without known deployment timeline capacity additions were interpolated between known milestones
Source: McKinsey Hydrogen Project Database

A. Our next steps in hydrogen

This year we will

- [x] Assess New Zealand's **hydrogen opportunity**
- [x] Investigate the **feasibility of large-scale renewable energy hydrogen production** in New Zealand
- [x] Determine the benefits of using hydrogen for **dry-year energy supply management**
- [x] **Seek expressions of interest for offtake**
- [ ] Explore appropriate **incentive mechanisms** to kick-start the hydrogen economy
- [ ] Investigate potential **business models and partnerships**

B. Forward thinking NZ industrial users are already opting to decarbonise their process heat requirements

Image completements of Waterford Press

Image completements of Waterford Press

B. Electrification of food industries can bring +13 TWh of new demand, abating ~3% of NZ carbon emissions

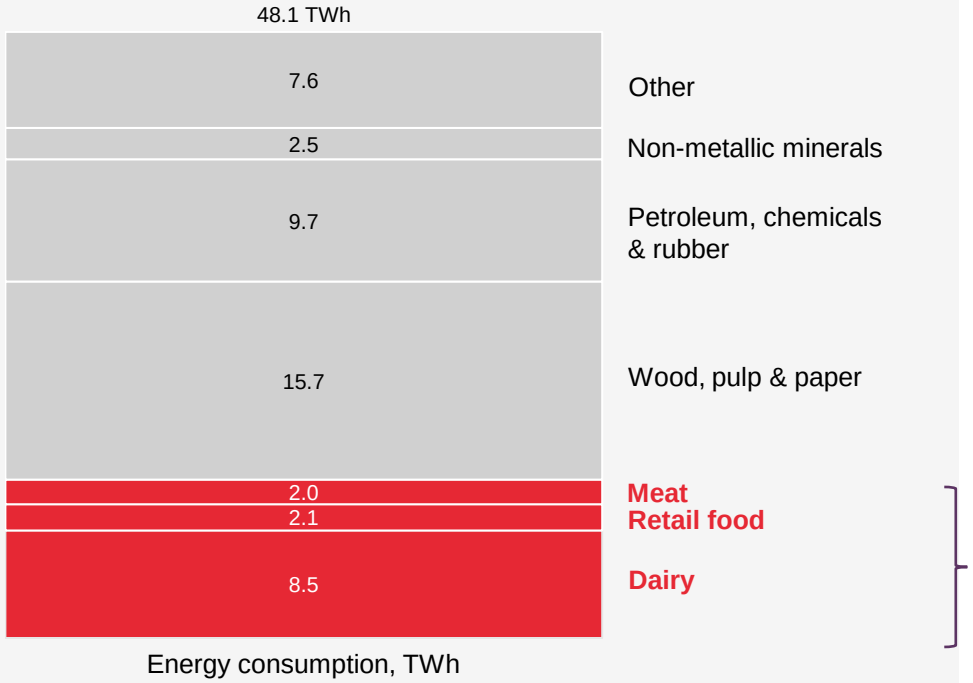
Process heat overview

35%
NZ energy emissions

55%
Supplied by burning fossil fuels

68%
Process heat comes from boiler systems

Dairy, meat, and food manufacturing can be the most readily electrified



+12.6 TWh
Total energy demand identified to decarbonise key process heat industries[1]

5 TWh
Expected additional electricity from process heat by the Climate Change Commission by 2035

1. Includes all coal and natural gas use in dairy, meat processing, and other food processing

Source: MBIE Process Heat fact-sheet

B. Process heat is a profitable source of energy as carbon costs rise

Increasing carbon prices will drive further coal boiler electrification

Break-even for 15MW coal boiler electrification

Key assumptions

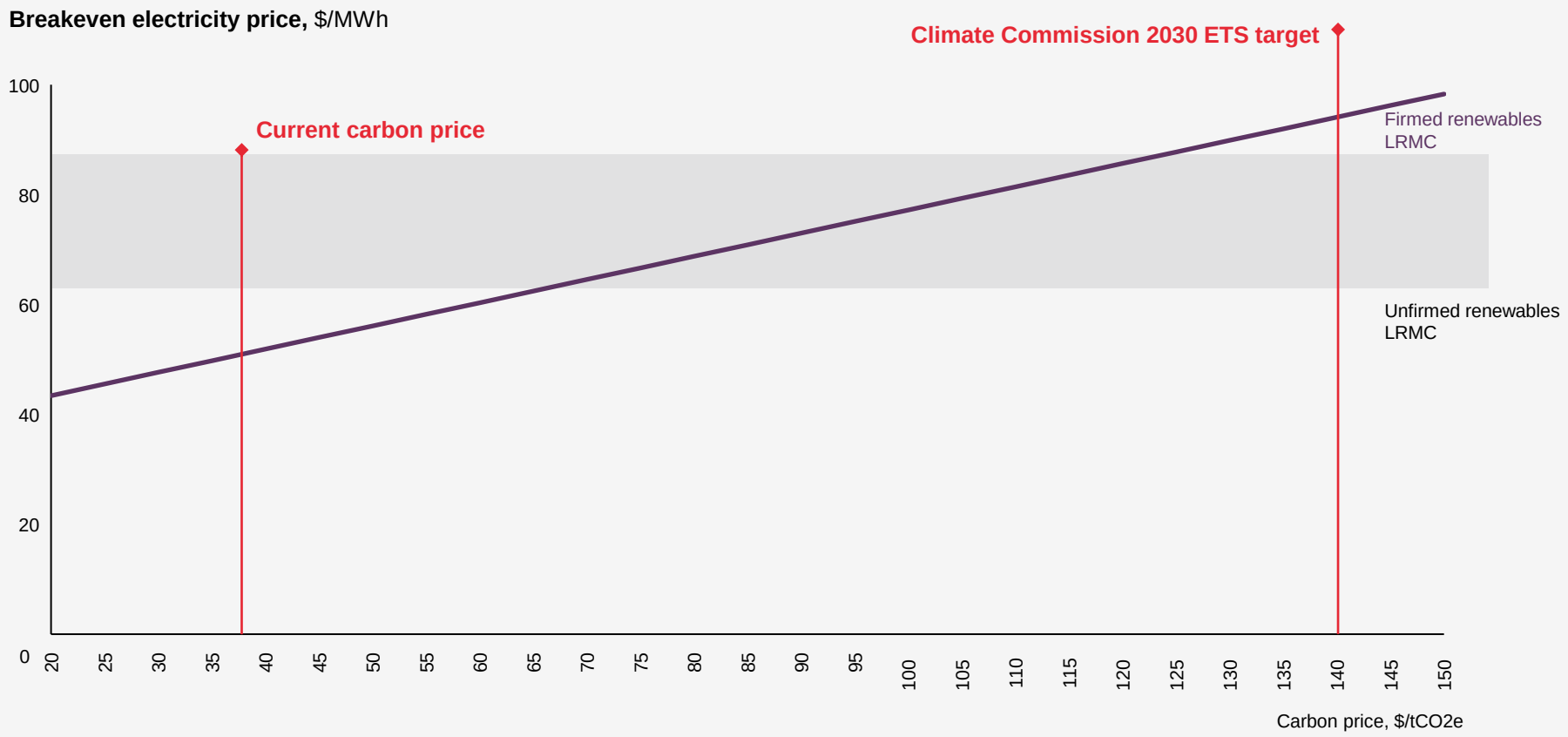
Capex:
$18/MWh for electric
$35/MWh for coal

Non-fuel Opex:
~$0/MWh for electric
$15/MWh for coal

Coal price:
$6.5/GJ

Electricity network charges:
$26/MWh

Life: 20 years
WACC: 7%

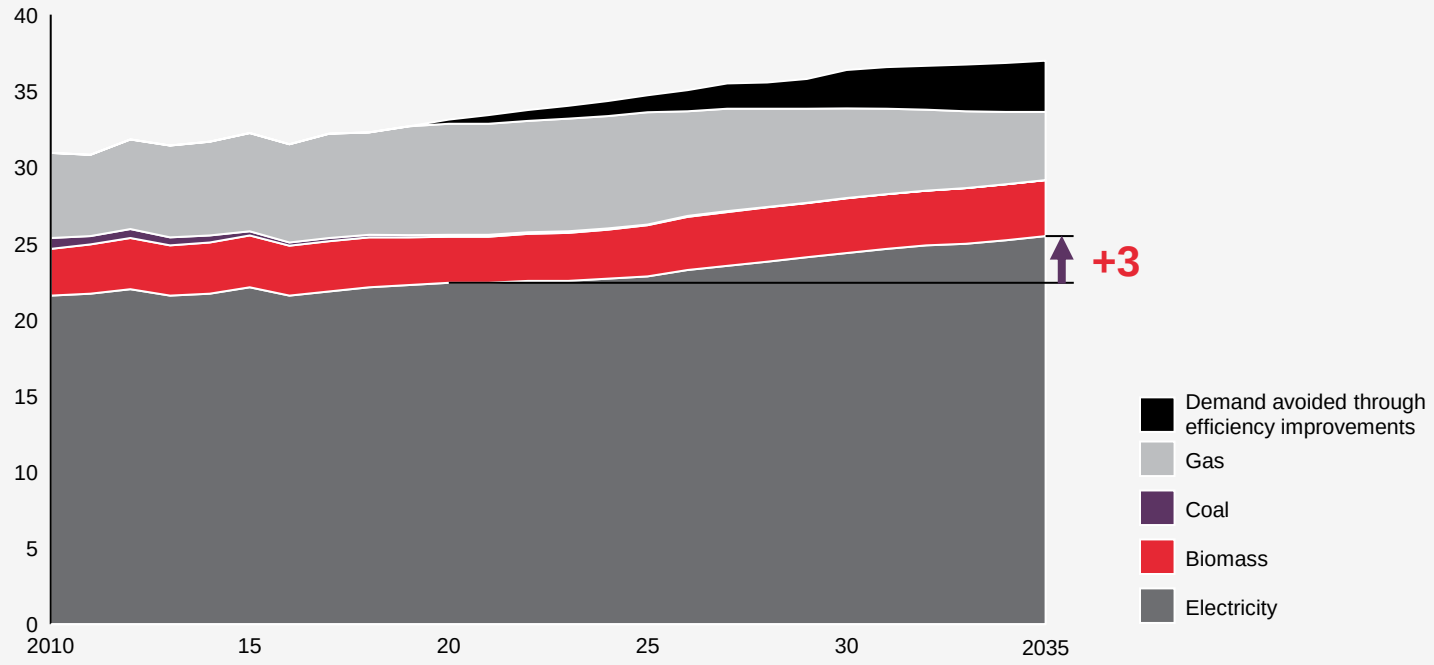


Source: Climate Change Commission 2021, Contact Energy Analysis

C. Space heating is a major part of New Zealand's energy use

The Climate Change Commission's decarbonisation pathway will see a 14% increase in electricity use for space heating

Building emissions pathway
Energy use, TWh



~3 TWh

expected demand growth from space heat electrification by 2035

Source: Climate Change Commission February 2021

C. Heat pumps will soon be economic with gas boilers as carbon costs continue to rise

Increasing carbon prices will drive further space heating electrification

Break-even for heat pumps vs. high efficiency gas boilers

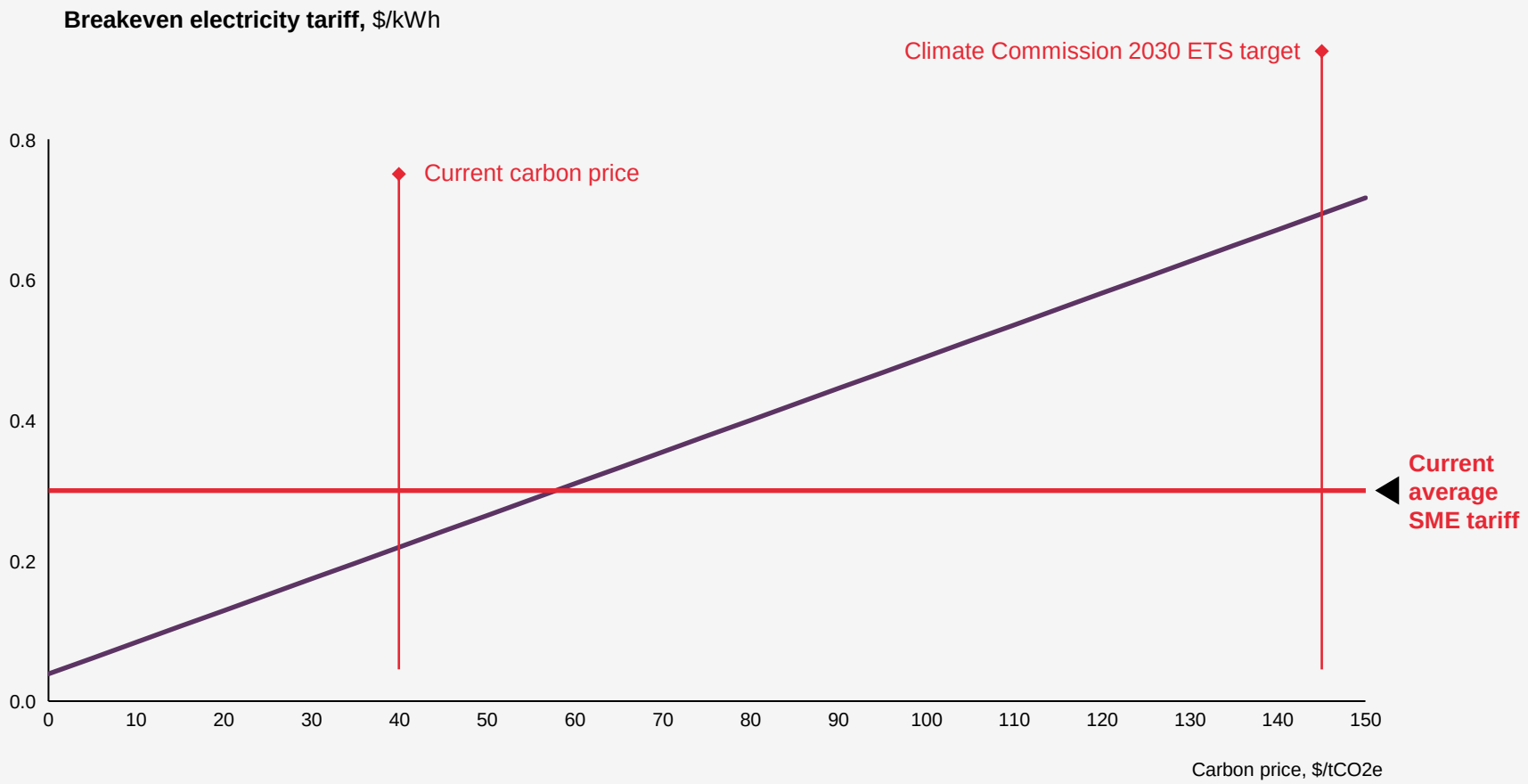
Key assumptions

Installed cost annualised:
$410 for gas
$610 for electric

Maintenance cost annualised:
$70 for gas
$105 for electric

Energy used for 225m2 space:
15 MWh of gas
10 MWh of electricity

Gas boiler properties:
Heat rate 7.5 GJ/MWh
Carbon rate 0.4 t/GJ
Life: 15 years
WACC: 7%



Note: Assumes 3 one-ton split units for heat pumps with 16 year lifespan, 15 year lifespan for gas boilers, load to heat ~225 m^2 space, current residential gas tariff of ~$0.13/kWh remains constant
Source: NREL Electrification Fuel Survey, MBIE, Climate Change Commission, Contact Energy Analysis

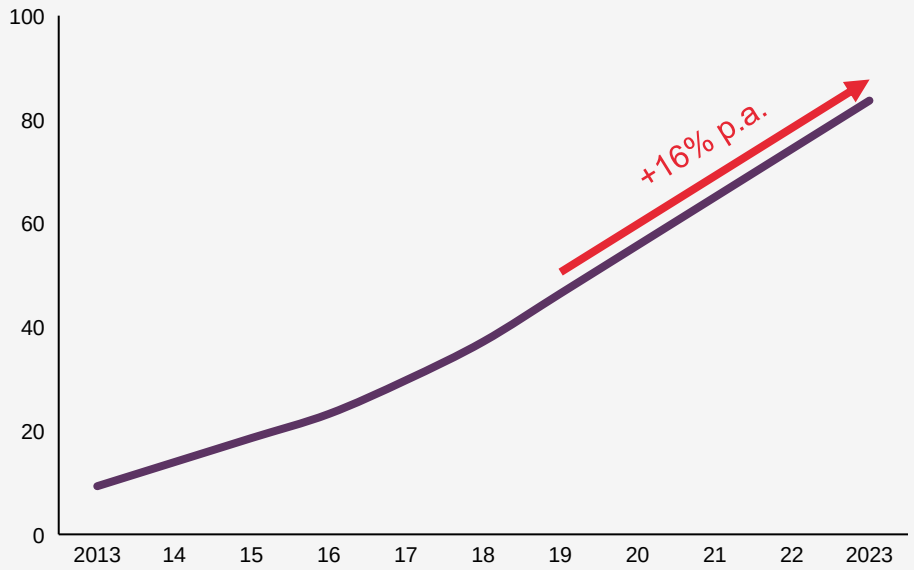
D. Contact is partnering to supply a 10MW data centre in the lower South Island

https://www.youtube.com/watch?v=nlGGFNgUwic

D. Data processing will drive increased electricity demand as the world becomes more digitised

The global cloud data centre market is growing as more processing moves to the cloud

Worldwide Installed Cloud Data Center Capacity
million m^2



Success factors for data centres

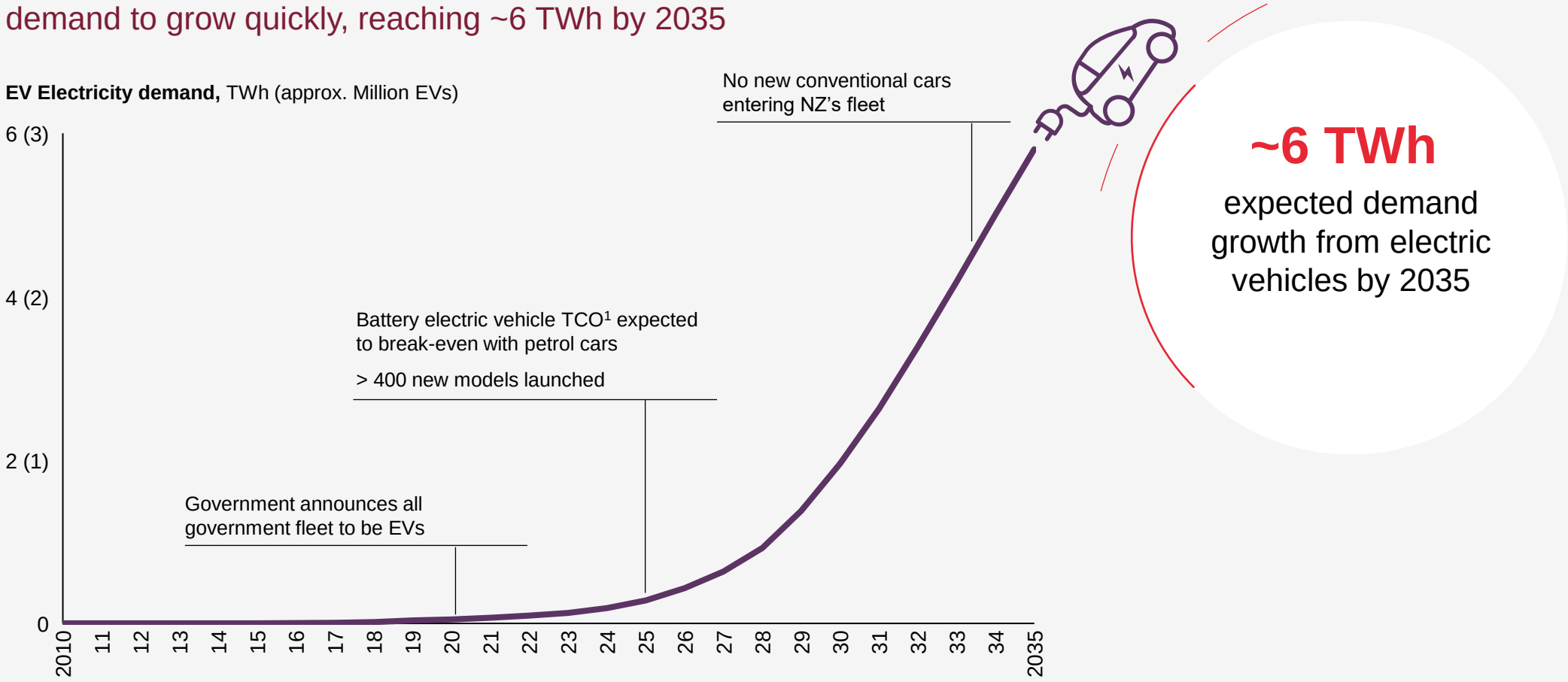
- Reliable green electricity supply
- Rigorous data sovereignty laws which promote data centre onshoring
- Access to major international data connections
- Close to centre of load to decrease latency
- Cold climate to reduce cooling costs

Data centres common in countries with large-scale hydro, with industrial electricity prices linked to aluminium markets

Source: Size of the Digital Universe (IDC/EMC, Apr 2014); Visual Networking Index (Cisco, Feb 2016); Data Center Forecast (Gartner, Q2 2014); Global Power and Cooling in the Data Center Market (Frost & Sullivan, May 2015); Worldwide Datacenter Installation Census and Construction Forecast, 2019-2023 (IDC, Apr 2019)

E. Electric vehicles use is expected to grow quickly in New Zealand once economic, driving higher electricity demand

The Climate Change Commission path expects EV electricity demand to grow quickly, reaching ~6 TWh by 2035



~6 TWh

expected demand growth from electric vehicles by 2035

1. Total cost of ownership = all costs associated with owning the vehicle, including purchase, maintenance and fuel Source: Climate Change Commission 2021, IHS Automotive, McKinsey Powertrain Model

We are actively working to capture opportunities to drive decarbonisation

The time is now: with NZAS exit in 2024, increasing carbon prices, and new technology we are at a tipping point

The scale opportunities lie in hydrogen, boiler electrification, and data centres as we can capture additional value from flexibility and demand profiles

We have built a knowledge of decarbonisation and have the capabilities to partner with industry to deliver projects

Decarbonisation panel

James Kilty
Deputy CEO

Andy Sibley
Simply Energy
Chief Business Officer

Morning tea

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New generation

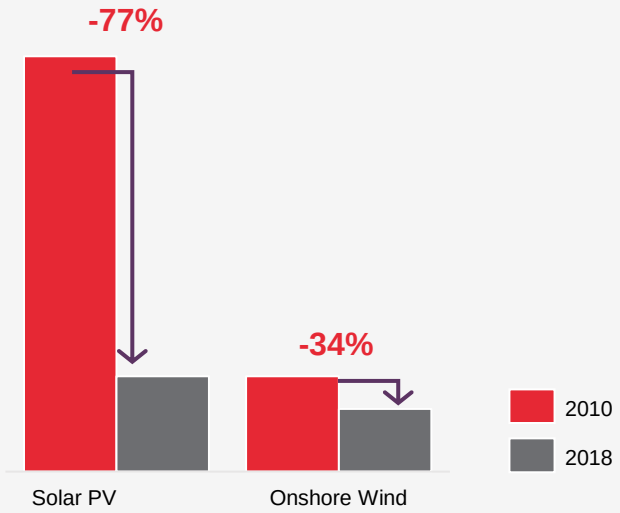
James Kilty
Deputy CEO

The renewable generation market is evolving:

The right renewables are an attractive investment

Falling renewable technology costs

Levelised cost of energy



Renewables economics have improved, potential for attractive returns against carbon based alternatives

Demand growth accelerated by decarbonisation

It is important to be ready to meet this opportunity

Renewable electricity aspirations

New renewables and low-carbon flexibility sources needed to operate highly-renewable system

Source: IRENA 2020

We have the core capabilities needed to grow renewable generation

High quality resource consents and pipeline

~3 TWh

p.a. of geothermal generation

Roaring 40s wind partnership provides access to sites

~1 GW

Long-term wind pipeline

World-class geothermal operator

30-40%

lower fixed costs than our peers

Operational excellence

37%

reduction in controllable costs in last five years

Solar partnership under development

to access international expertise and technology

Western Energy acquisition

to continue to drive geothermal efficiency gains

Grow renewable development

Build renewable generation and flexibility on the back of new demand

What we'll do

- **A** Build Tauhara to extend our geothermal capacity
- **B** Grow our generation footprint through Wairakei geothermal replacement, and/or wind and solar if they are better economics
- **C** Deploy large scale batteries
- **D** Lead the market in demand flexibility

In 2026

Tauhara is online

Wairakei replaced with most efficient combination of geothermal, wind, solar & batteries, if market conditions allow

100 MW+ demand response capacity

A. We've broken ground on Tauhara and expect to complete in mid-2023

Tauhara construction timeline

2021

Early Jan
Preparatory earthworks begin

15th Feb
Announcement of building power station

Early March
Drilling commences

March-October
Site earthworks

Mid 2021
Construction of foundations commence onsite

2022

Q3 2022
Drilling completed

Q3 2022
Turbine arrives onsite

Q4 2022
Grid connection complete

2023

Mid 2023
Power station is expected to be completed

A. Tauhara appears to be more cost effective than other recent renewable builds or acquisitions in NZ

OUTSIDE-IN ESTIMATES

Comparison to recently announced projects / acquisitions

Project name/ Owner/Location/ Technology	Waipipi/Tilt/ Taranaki/Wind	Harapaki/Meridian/ Hawkes Bay/Wind	Mercury purchase of Tilt NZ/Wind	Tauhara/ Contact/Taupo/ Geothermal
Capacity	133.3MW	176.3MW	330MW	152.5MW
Annual generation	455GWh	542GWh	1,119GWh	1,250GWh
Capacity factor	39%	35%	39%	96%
Total capital	$277m	$395m	$770m	$678m
Capex/($m/MWh p.a.)	$0.61m/MWh	$0.73m/MWh	$0.69m/MWh	$0.53m/MWh
Useful life remaining	30 years	30 years	20 years	60 years[1]
EBITDAF	$22m	$35 - 39m	$50m	$85m
Indicative IRR	**~5%**	**~6-7%**	**~2%[2]**	**~10%**

Tauhara appears to offer the best NZ generation investment returns of recent investment examples

1. Based on Contact's operation of the Wairakei geothermal power plant
2. Excludes value from development

Source: Company, Forsyth Barr estimates, Contact Energy Analysis. Note: Care needs to be taken with the comparisons above. We have taken company reported information but there are some variances including treatment of capitalised interest and how each company has assessed the forward wholesale prices

A. We have world-class geothermal capability

Operational experience on the world's second longest electricity producing geothermal field (Wairakei, since 1958)

Capability in construction management, consenting and stakeholder engagement

We have maintained a dedicated, internationally-recognised, subsurface team and continued R&D to lower the cost of operations

We believe we are New Zealand's lowest cost geothermal operator[1]

Our recent geothermal developments

Te Huka
(2010) 28MW

Bioreactor
(2012)

Te Mihi
(2014) 166MW

1. Of the large scale geothermal operators in New Zealand: Mercury and Contact.

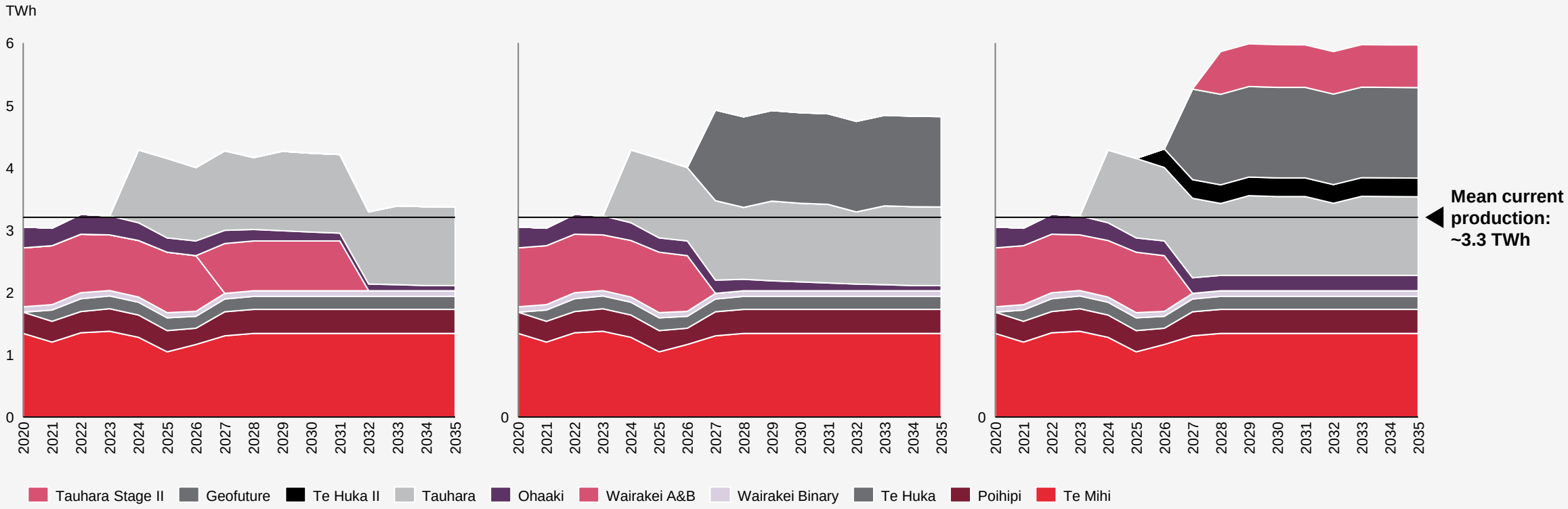
B. Geothermal: we will tailor investment to meet market conditions, backed by a strong pipeline of development options

Investment decisions will be based on market conditions and relative economics against other options

Low demand growth scenario
$580m investment in new geothermal development

Moderate demand growth scenario (base case)
$1.3b investment in new geothermal development

High demand growth scenario
$1.8b investment in new geothermal development

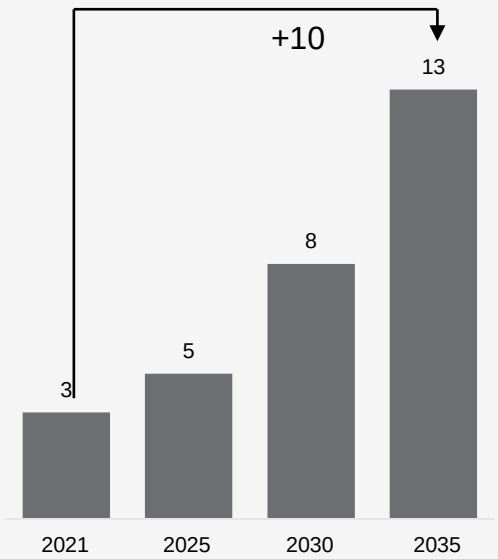


B. Wind: We are assessing new wind options

Build a portfolio of attractive, low-cost development options to assess for the next generation build after Tauhara

Up to 10 TWh wind generation growth is expected by 2035

Wind generation forecast: TWh
Climate Change Commission (2021)



Current additional consents total ~6 TWh

Wind can play a key role in our future renewable portfolio

Hedge against technology improvements that risk our geothermal LRMC

Secure options, in addition to current geothermal consents, for upside demand scenarios

Roaring40s adds wind development capability

Assessment and consenting of low-cost wind sites in an exclusive partnership

Experience supporting development of 70% NZ wind projects

200 MW wind options expected to be consented by **mid-2024**

6 sites currently in pre-consent consideration

Roaring40s Wind Power

Source: Climate Change Commission, NZ Wind Energy Association, Roaring40s

C. Green flexibility will be valuable as NZ's energy market becomes more volatile

Pursuit of 100% renewables target will see thermals exit the market

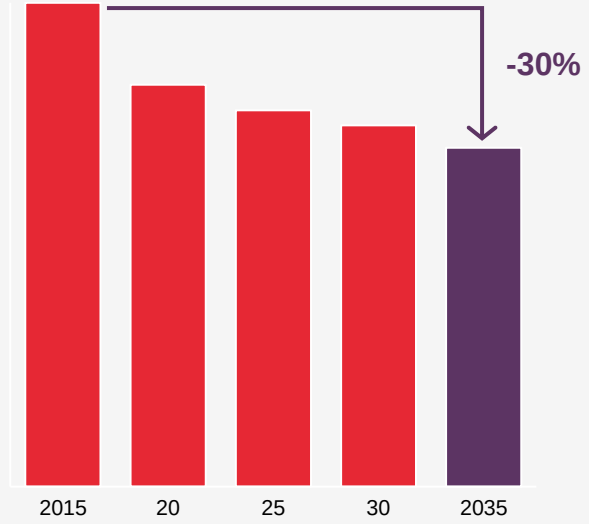
Green flexibility will be required as thermal exits and capacity margins reduce

Volatile wind and solar capacity will only continue to grow

Increasing volatility in hour-to-hour wholesale prices

Falling technology costs

Battery LCOE, $/MWh



More economic to invest in green flexible technologies than ever before

C. Battery technology will provide attractive returns to firm electricity

Difference between maximum and minimum half hourly prices by day
$/MWh, 12 month moving average

High intra-day price volatility makes grid-scale batteries economically feasible

Estimated battery LCOE

Our battery feasibility study

50 MW battery in the North Island

Importance of batteries will increase as wind penetration increases

Contact Energy is exploring battery OEM partnerships

Key NZAS mitigation

Potential CAPEX: ~$50M

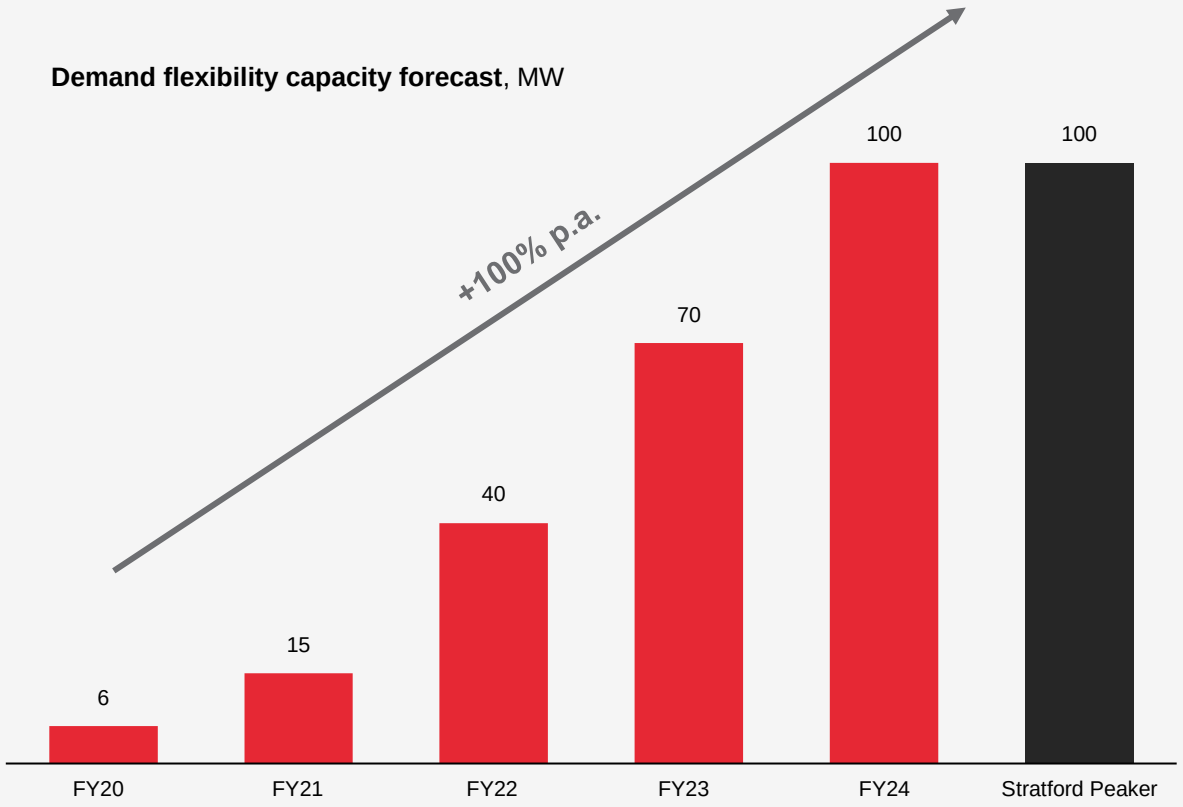
FID decision due: 2023

Source: EMI, Energy Link

D. Leading the market in demand flexibility

https://www.youtube.com/watch?v=zDh42R2Uf-8

D. Simply Energy is the leading provider of demand flexibility in New Zealand; we plan to grow this 10x by 2025



Our demand flexibility technology allows customers to **reduce their demand when wholesale prices are high,** and sell this capacity to market operators

10 MW capacity across 40 sites online, with potential for 400 MW identified

We are the largest provider of demand flexibility in NZ, through Simply Energy, with sales growing rapidly

Demand flexibility will assist in meeting the market's needs in peak periods at the lowest cost

2021 Highlights
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Theme 1: Grow Demand
Theme 2: Grow Renewable Development
Theme 3: Decarbonise Our Portfolio
Theme 4: Create Outstanding Customer Experiences
Enabling our strategy
Our investor value proposition

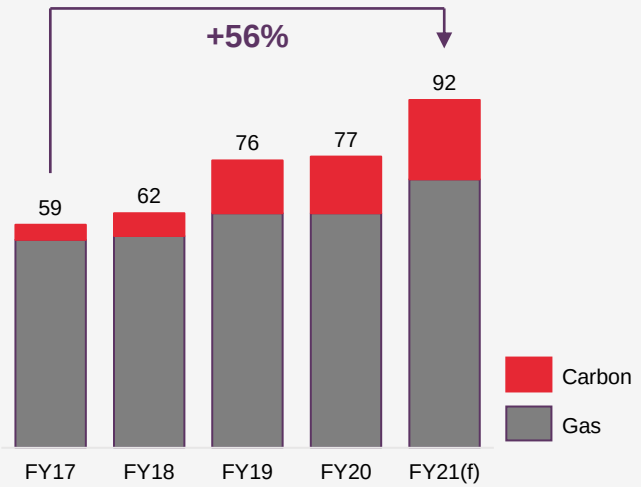
Decarbonise our portfolio

Jacqui Nelson
Chief Generation Officer

The role of thermal generation is changing in New Zealand; an orderly transition is in the interests of all stakeholders

Increasing thermal costs struggle to compete with renewables

Contact gas plant fuel cost ($/MWh)



Our costs are rising, and we're at risk of being pushed off the cost curve

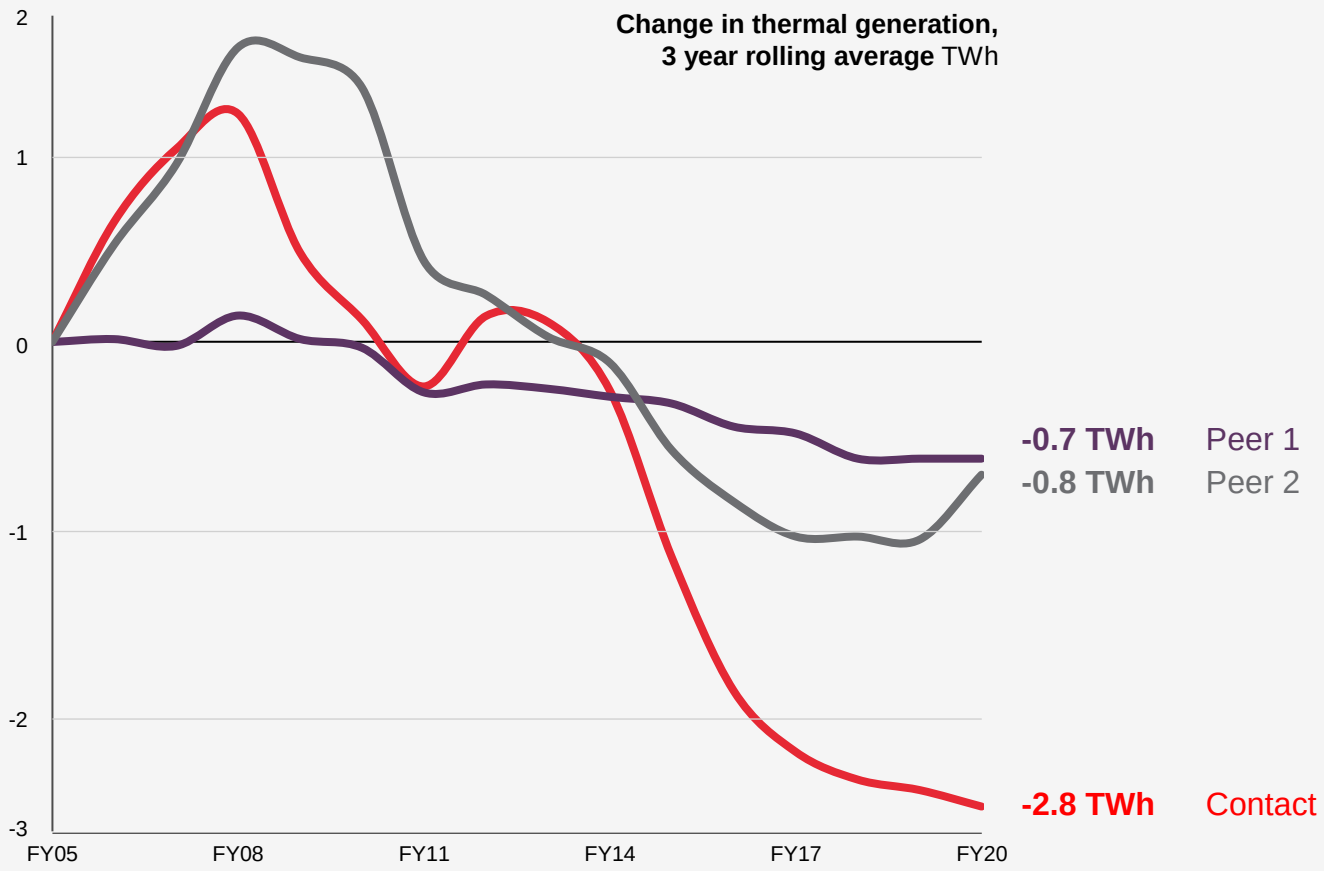
Intermittent renewables will require firming

Thermal firming assets will be required over the next decade, hydro firming is not costless

Renewable electricity aspirations

New renewables and low-carbon flexibility sources will be needed to successfully operate a highly-renewable system

Decarbonise our portfolio



-0.7 TWh Peer 1

-0.8 TWh Peer 2

-2.8 TWh Contact

We have been leading the decarbonisation of NZ's electricity sector

3. Decarbonise our portfolio:
Facilitate an orderly transition to renewables

A Decommission TCC

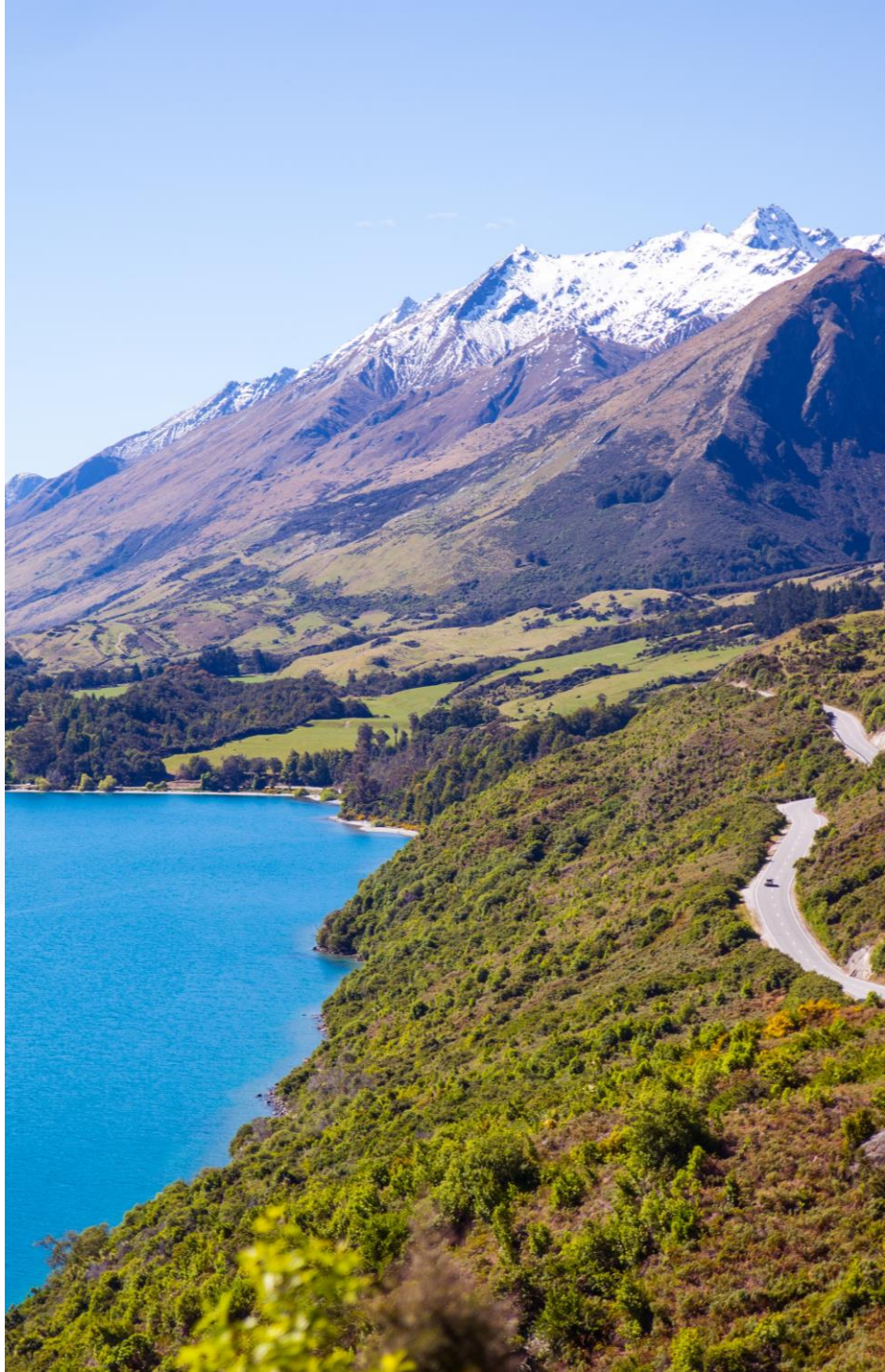
B Lead NZ's' thermal portfolio structure to ensure it can support security of electricity supply through the energy transition at the lowest possible cost to consumers

In 2026

TCC is decommissioned

Reduced GHG emissions by 45%[1]

Thermal assets moved to aligned ownership model

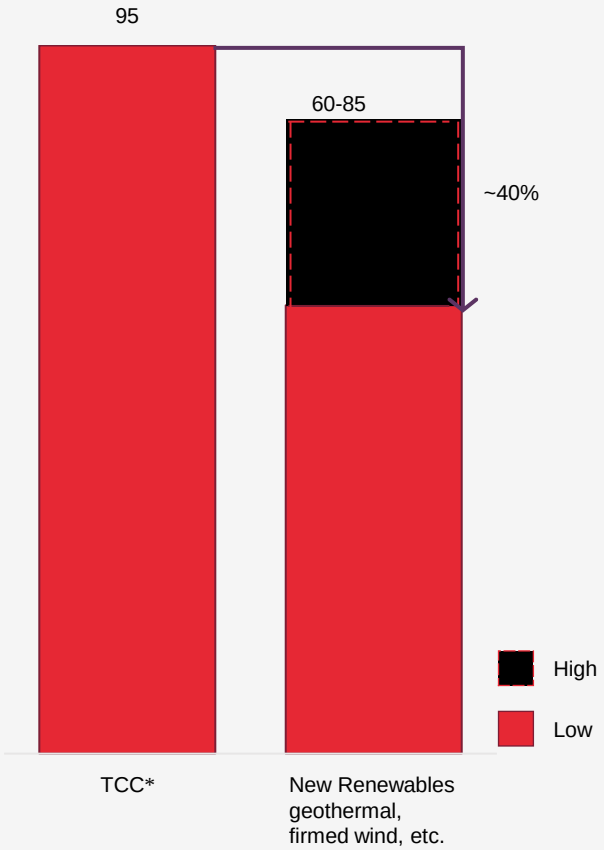


1. Scope 1 and scope 2 emissions compared to 2018 baseline year

A. We expect to decommission TCC as Tauhara comes online in 2023, creating shareholder value

Investment in Tauhara is lower cost to Contact in the long-term than continued investment in TCC

Approximate LRMC, $/MWh



TCC is approaching end of life: $80 million investment is required to sustain operations (C6)

We are exposed to fuel price and fuel security risk, as we are not integrated with upstream operations to effectively mitigate these risks

Investment in Tauhara is a lower LRMC alternative

We will not undertake C6 investment to extend TCC's life

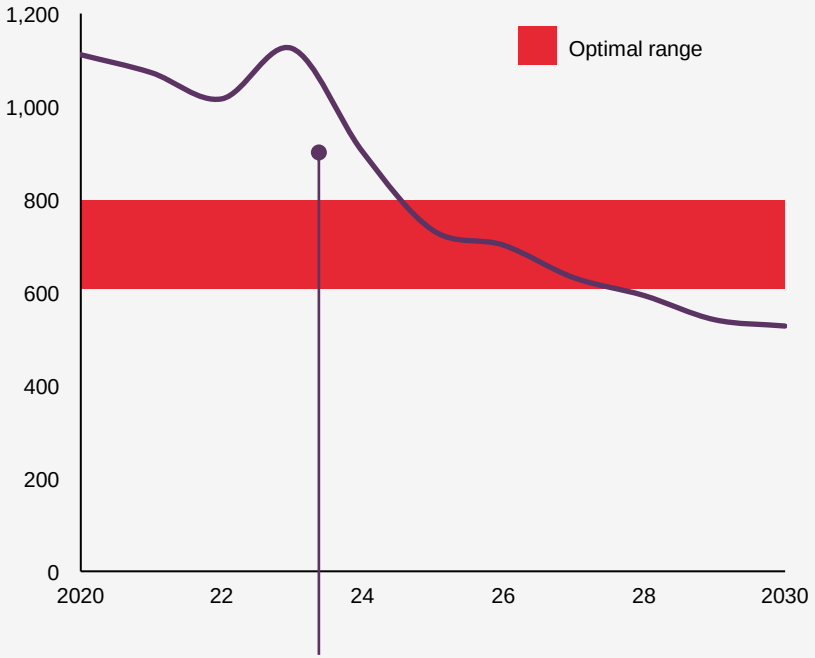
We expect TCC to **be decommissioned in 2023**

1. Not time weighted, gas at $10/GJ and carbon at $40/T

B. Flexible thermal generation still has an important role in providing Kiwis with reliable and affordable electricity

As demand grows and renewable penetration increases, the winter capacity margin will fall below optimal range, while thermal asset utilisation falls

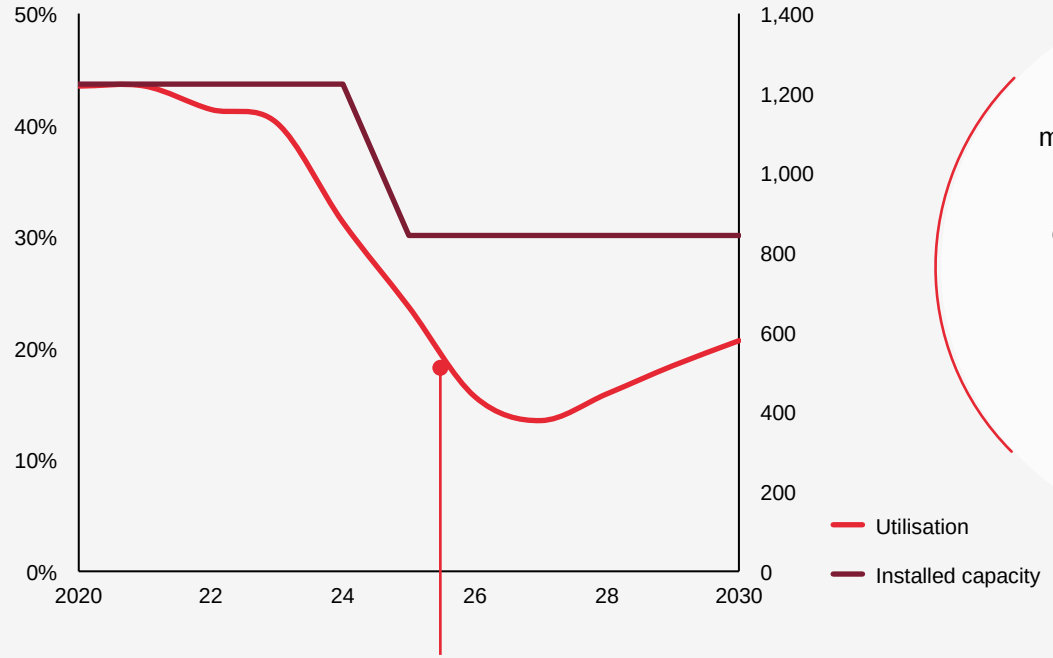
NZ winter capacity margin (NI), MW



TCC & Huntly Rankines retired, Tiwai exit

Gas asset utilisation, %

Installed gas capacity, MW



Low gas asset utilisation unlikely to be economic

Capacity margin to meet peak winter demand likely to decrease below optimal range after Huntly and TCC exit, dispatchable thermal will still be required.

Low utilisation for thermal plants jeopardising its profitability, with the risk of extreme price volatility.

Source: Climate Change Commission demand and supply assumptions, Transpower Security of Supply method

B. Our thermal review will identify an operating model to optimise the value of our flexible thermal assets add to security of supply and benefit our shareholders

Act on our commitment to ESG, contributing to better outcomes for our communities and the environment

Ensure secure 24x7 electricity supply for Contact's customers and all other market participants

Capture the value flexibility offers to the electricity market

Provide an integrated system to support the transition to renewables by providing risk-coverage to the market and reducing price volatility

Reduce fixed costs by finding cost reductions, synergies and highest-value ownership

Design principles for targeted thermal portfolio structure

B. We are engaging with key stakeholders to explore establishment of ‘ThermalCo’ to achieve a return on assets and facilitate the energy transition

Structure

Ownership

Optimise ownership structure

Assets

- Peakers
- Reserve
- Co-generation
- Fuel storage
- Fuel supply agreements
- Upstream fuel assets

Mandate

- Provide risk management to the market
- Operate to fill risk management contracts
- Find synergies and return on assets

Process

1. Create high level design principles for new thermal structure
2. Agree high level design principles with existing holders of thermal assets
3. Engage 3rd party to undertake and structure detailed ThermalCo structure through engagement with thermal holders and wider industry
4. Structure agreed by owners and regulators
5. Spin assets off into ThermalCo and buy back PPAs to manage risk

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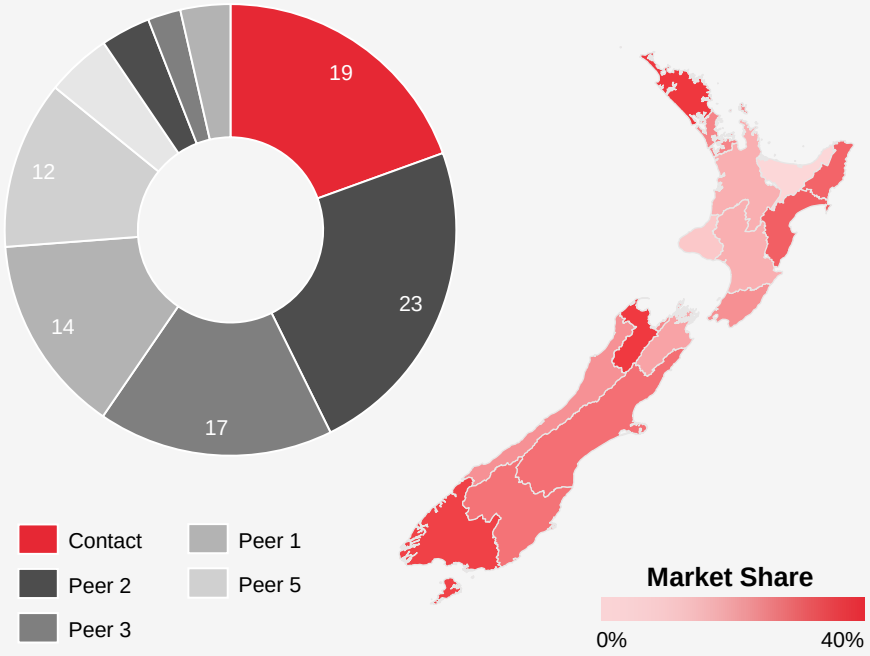
Our investor value proposition

Create Outstanding Customer Experiences

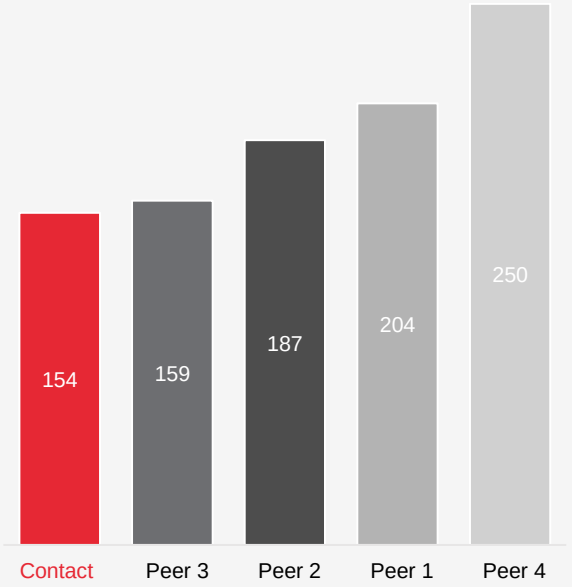
Matt Bolton
Acting Chief
Customer Officer

Our scale, presence in adjacencies, lowest cost-to-serve and strong brand position us well against our peers to add value to shareholders

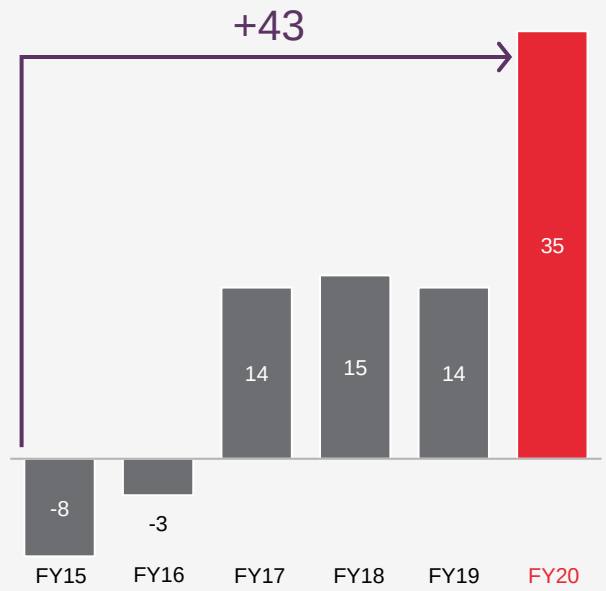
Large market share
Electricity mass market share; Percent Leader by region



Lowest cost-to-serve
$/connection against peers



Strong and trusted brand
NPS



The market is becoming more competitive as customer expectations continue to change

Retail energy market is competitive

Digital attackers and platforms are emerging with low cost-to-serve business models putting further pressure on profit margins, scale will be critical for incumbents to win

Customers are becoming more environmentally conscious

Consumers are more conscious of the environment and are looking to minimise their carbon footprints and relate with sustainable brands

Digital experiences are shaping customer expectations

Consumers are connecting with the world digitally and looking for new digital services

4. Create Outstanding Customer Experiences

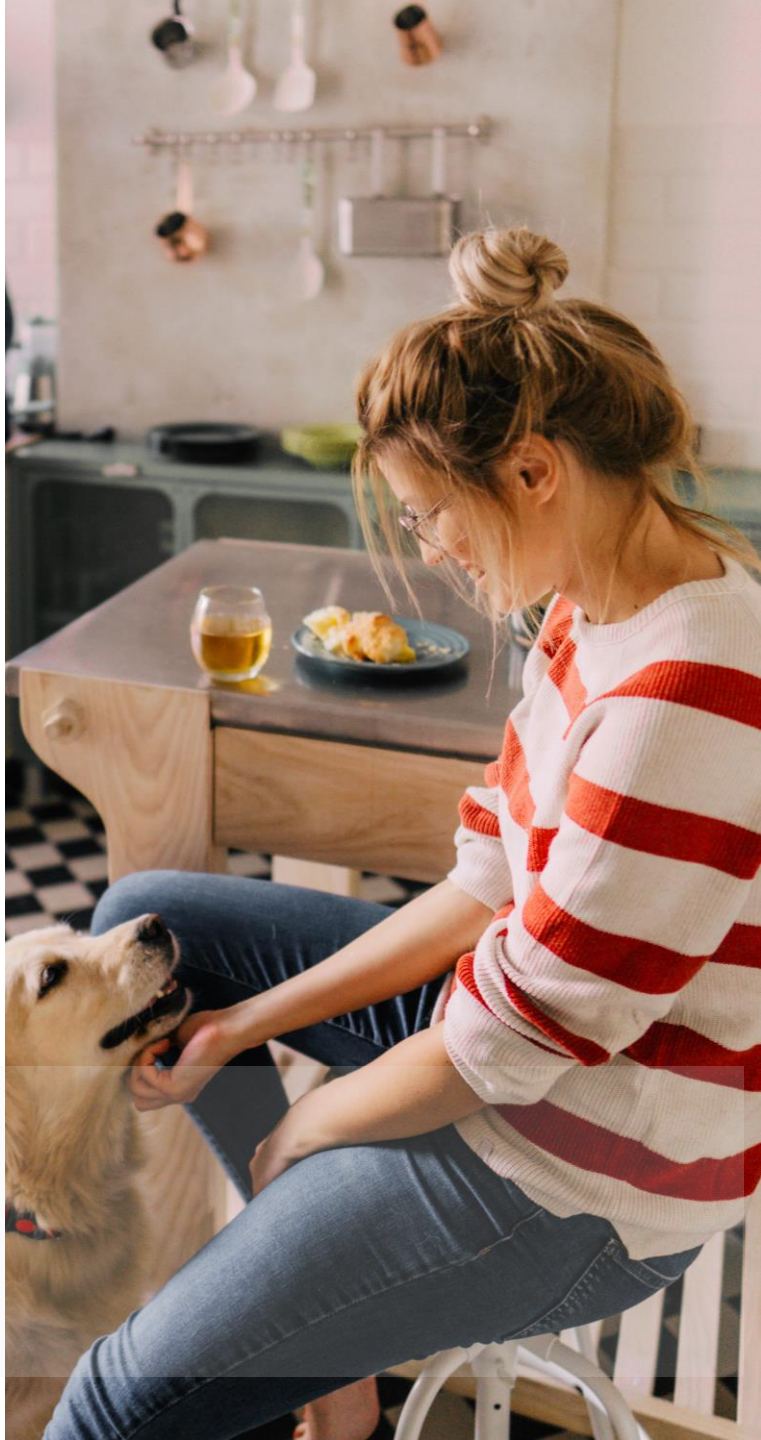
Create NZ's leading energy sustainability brand that will support renewable development ambitions

What we'll do

A Continue to improve our customer experience

B Add decarbonisation and adjacent products

C Decrease our cost to serve through simplification, growing connections and developing a strong digital platform



In 2026

Top 10 'most trusted brand' by 2026[1]

+650,000 customer connections by 2026

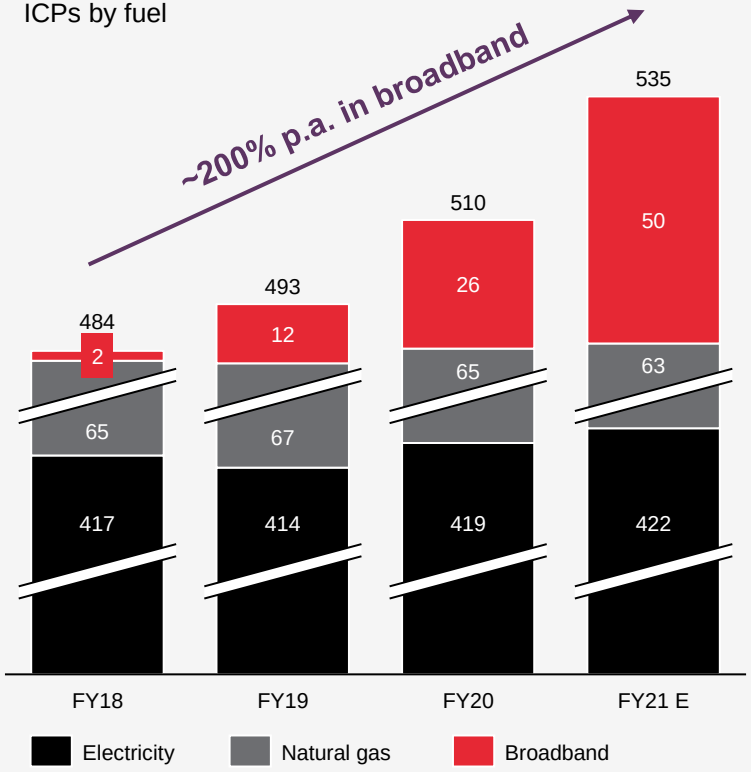
Lowest cost to serve energy retailer, CTS < $120 per connection

1. As per Colmar Brunton Rep Track report, 2020 ranked 38th

A-B. We are gearing up to grow in new and existing verticals, building on our strong growth in broadband, targeting 650,000 connections by 2026

We've proven that we can grow into new markets and products

ICPs by fuel



We will build on our success in broadband to grow across four verticals

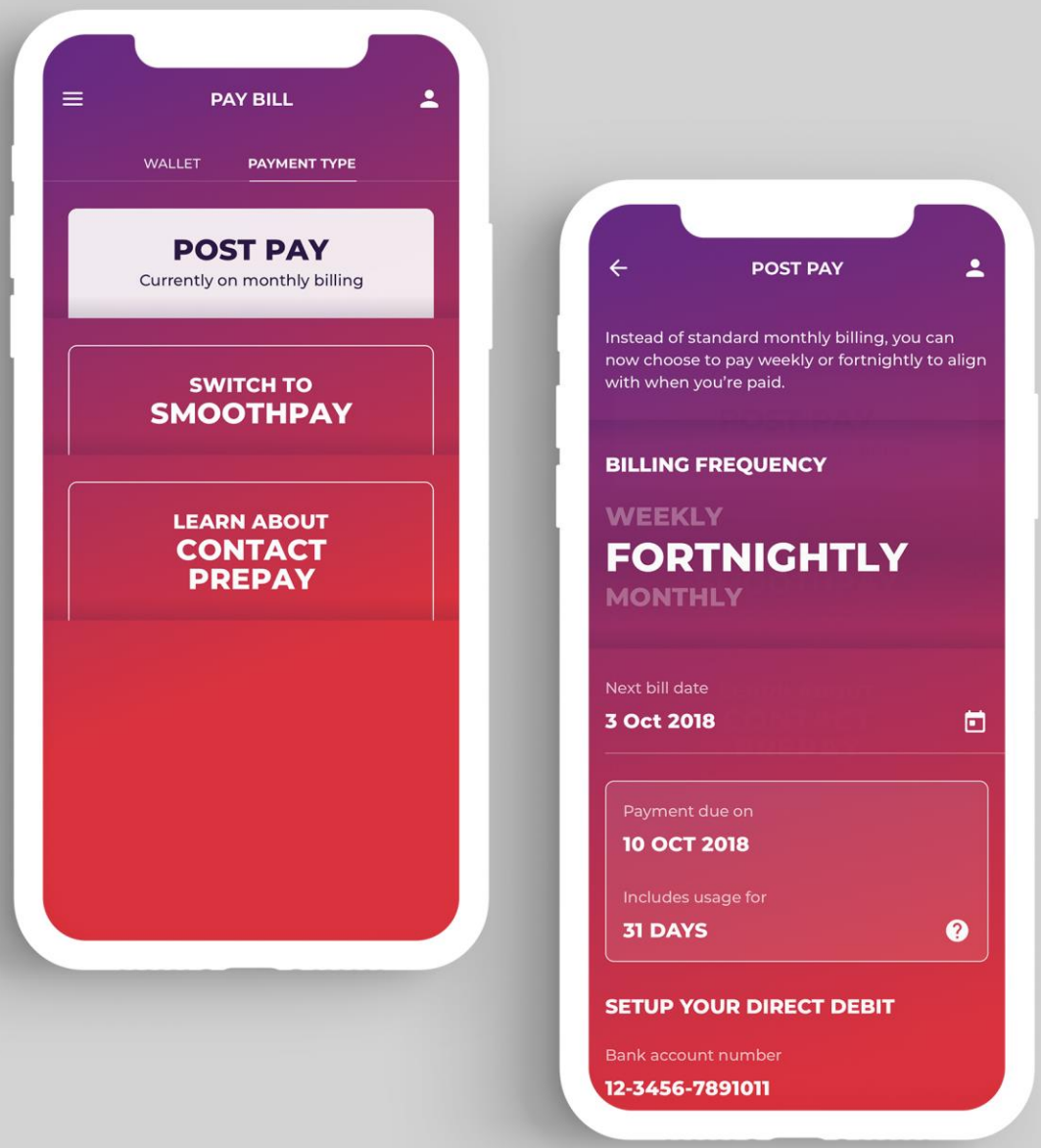
	Energy	Telco	Green homes	Green transport
Today	Electricity Gas	Broadband	N/A	N/A
Future options	Solar Batteries	Mobile Wireless internet	Insultation Heat pumps Energy mngt.	EV charging Carbon click
Market size by revenue	$6.8 billion[1]	$5.3 billion[1]	$2 billion	$500 million[2]

Enablers of success

- Scale and cost-to-serve advantage
- Trusted brand
- Strong culture and an execution track record

1. Aggregation of revenue of NZ majors
2. Energy provision to forecast EV load

We’re reimagining digital experience for our customers



We will digitise to simplify our business and improve the customer experience

A track record of delivery

The End to End Customer Journeys program has directed our digitisation efforts toward improving customer experience, therefore satisfying customers, lowering costs, and delivering key enablers, including:

- Reimagining Billing
- CSR Experience
- A-Sync messaging
- AI-Driven Voice-to-Text and Smart IVR
- Broadband experience

Our priorities going forward

In FY22 we will continue optimisation efforts but shift focus toward growth opportunities, including:

- Product architecture and customer choice
- Automating customer communications, roll-offs and price changes
- Smart meter data disaggregation

Our success so far

Lowest cost to serve of Tier 1 energy retailers in New Zealand.

59% of all customer interactions are completed via digital channels, up from 10% in 2019.

Contact's mobile app is top-rated energy app in New Zealand.

Enterprise Digital strategy completed, outlining roadmap to scale digital efforts

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Enabling our strategy

ESG, Operational Excellence, and Transformative Ways of Working

Catherine Thompson
Chief Corporate Affairs Officer and General Counsel

Jacqui Nelson
Chief Generation Officer

Jan Bibby
Chief People Experience Officer

Our strategy to lead NZ's decarbonisation

	Grow demand	Grow renewable development	Decarbonise our portfolio	Create outstanding customer experiences
Strategic theme				
Objective	Attract new industrial demand with globally competitive renewables	Build renewable generation and flexibility on the back of new demand	Lead an orderly transition to renewables	Create NZ leading sustainable energy brand that will support renewable development ambitions

Enablers

ESG: create long-term value through our strong performance across a broad set of environmental, social and governance factors

Operational excellence: continuously improving our operations through innovation and digitisation

Transformative ways of working: create a flexible and high-performing environment for New Zealand's top talent

Outcomes

Growth
Pivot our business to a new growth era that captures the value unlocked by decarbonisation

Resilience
Deliver sustainable shareholder returns, aligned with our ESG commitment

Performance
Realise a step-change in performance, materially growing EBITDAF through strategic investments

We have a deep commitment to ESG, which will enable us to drive New Zealand's decarbonisation

We are taking care of our environment and communities to deliver value to all our stakeholders

New Zealand

Acting as good stewards to conserve our environment and help communities thrive

Customers

Providing affordable access to clean and reliable electricity to power their energy needs

Employees

Being a fair and equitable workplace where our people can help drive positive change

Shareholders

Align with shifts to grow shareholder value and manage climate risk across five dimensions

1. Grow our revenues
2. Reduce our costs
3. Maintain our licence to operate
4. Engage our employees
5. Optimise our capital allocation

Build on our strong ESG commitments

Environment

- Reduce Scope 1 & 2 emissions by 45% by 2026, compared to 2018
  (Science-based targets)
- 95% renewable generation by 2025
- Displace 1 PJ industrial heat by 2024
- We will reduce our impact on the Waikato river system
- 100% of passenger fleet electric by 2023; 100% of total vehicle fleet to be zero emissions by 2030

Social

- Support 100 community initiatives and organisations annually
- Families in energy hardship supported
- Committed to understanding and removing modern slavery from our supply chains
- Ensure all Contact employees and contractors are paid a fair and equitable wage

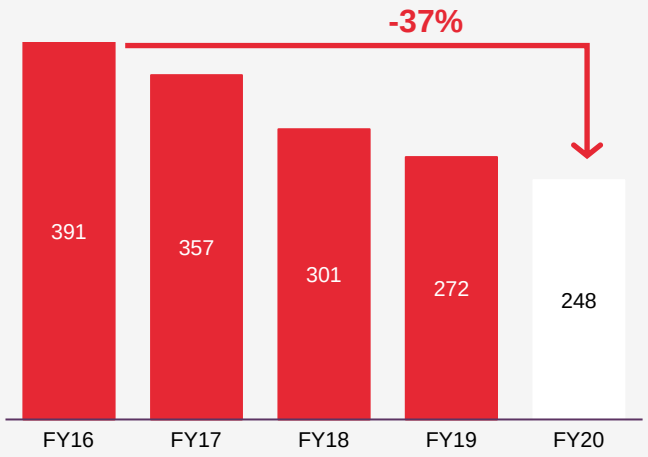
Governance

- 40-60% gender balance throughout Contact's board, management and workforce
- Ensure no bias from our recruiting procedures
- Maintain our rainbow tick accreditation
- Convert all bi-lateral bank facilities to sustainability-linked loans and certify all eligible debt as 'green'

Our operational improvement priorities moving forward

We've been successful at reducing our cost base

Other operating costs and SIB capex, $M



In the next horizon, we will innovate to continue to optimise our operations

Use digitisation and analytics to improve our generation, trading and customer businesses

Improve generation operations, leveraging Western Energy, a team-of-teams approach, and best-in-class reservoir management

Reduce fugitive emissions costs with cutting edge carbon capture and storage technology for geothermal

Transformative Ways of Working will enable Contact to attract and retain the right talent to execute on the strategy, while delivering financial benefits

A deliberate program to redesign and reimagine the ways in which we work, enabled by technology to create a great experience for our people

TWOW has 3 objectives

1. Good for our employees: attract and retain engaged and productive employees
2. Good for our stakeholders: sustainable and responsible operations
3. Good for Contact: improve our financial health

Examples of TWOW initiatives

- Substituting business travel with virtual meetings to increase flexibility, reduce emissions, and reducing operating expenses
- Consolidating our property footprint in Auckland and Wellington, subletting space to realise financial benefits, reducing from 4 floors to 1 in Wellington
- Establishing Contact ‘villages’ to support our distributed working model and ensuring continued connectivity
- A new leadership framework – Shaping our Contact Community
- Upskill our people to effectively lead distributed teams
- Supported teams to connect and thrive through COVID-19

Our success so far

30 initiatives identified delivering $4.9M in recurring benefits

72% reduction in travel emissions

203 tonnes of Co2 saved through reduction in commuting

+29 eNPS

7.7 engagement

100% of our people on a new Windows 10 platform

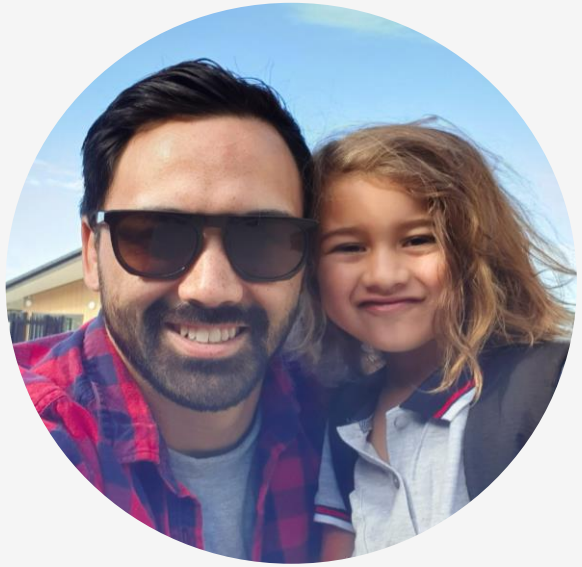
+51 NPS

Our stories

The empowerment our people have gotten from being able to work from home has increased productivity. I'm a complete convert to a fully flexible work location.

Now with the awesome technology we have, I regularly join team meetings and connect with my people more often. I think I am a better leader and far more connected to the wider business.

P.S. the dog also loves the fact I get up every morning and take him for a walk during my old commuting time.



By redesigning my ways of working my mornings have gone from leaving the house before my kids woke up 😴, to being able to walk my son to his first day of school 😸😸.

5/5 stars Contact.

Allie decided to trade in living in Wellington and relocated 700kms to Waihi with her three-year-old son.

"Being able to work remotely from anywhere makes me feel trusted and respected as an employee to get my work done.

The hours I choose to work may not be the society acceptable, but it works for me and gives me a better quality of life.

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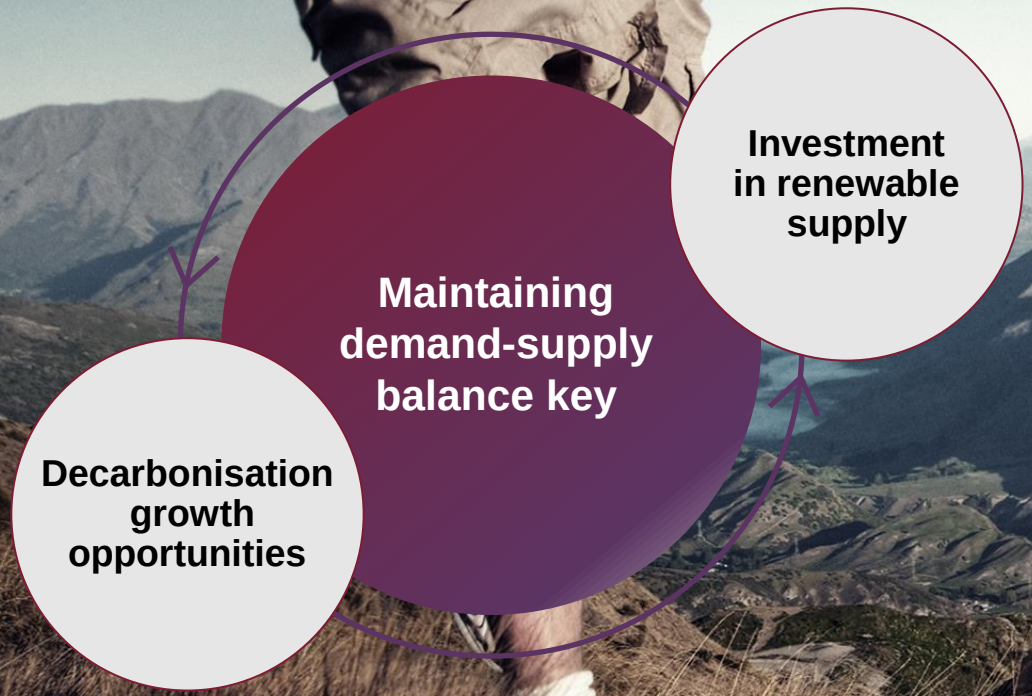
Our investor value proposition

Our investor value proposition

Dorian Devers
CFO

Contact has a clear pathway to long-term value creation

Disciplined capital allocation will continue to be important



We will transform to support demand growth, new renewable development across technologies, and new customer products

Strategic theme	Today	Contact26	Outcomes
Grow Demand	Reactive to decarbonisation Providing commoditised electricity to C&I customers	**Proactively forming partnerships with industry** to electricify their energy use through long-term PPAs, gaining market share from fossil fuel providers	Provide a platform for renewable generation growth
Grow renewable development	Focus on improving operational performance, with Contact's last power station commissioned in 2014	**Invest in generation and green flexibility,** starting with Tauhara followed by a pipeline of future growth options across generation technologies	Deliver ROI >3% above the cost of capital on geothermal
Decarbonise our portfolio	Generation across baseload and peaking plants, with escalating thermal fuel costs	**Support NZ's security of supply** with access to generation and firming assets to meet the market's needs with the most cost- and carbon-efficient assets	Maximise shareholder value by changing portfolio structure and reduce asset stratding risk
Create outstanding customer experiences	Retain customers and improve profitability by digitising and improving customer experience	**Achieve economies of scale** by growing connections in new and existing products, supported by further simplification	Improve profitability per customer

Our financial strategy grows shareholder value by generating cash flows from strategic investments, backed by new demand

Grow our business

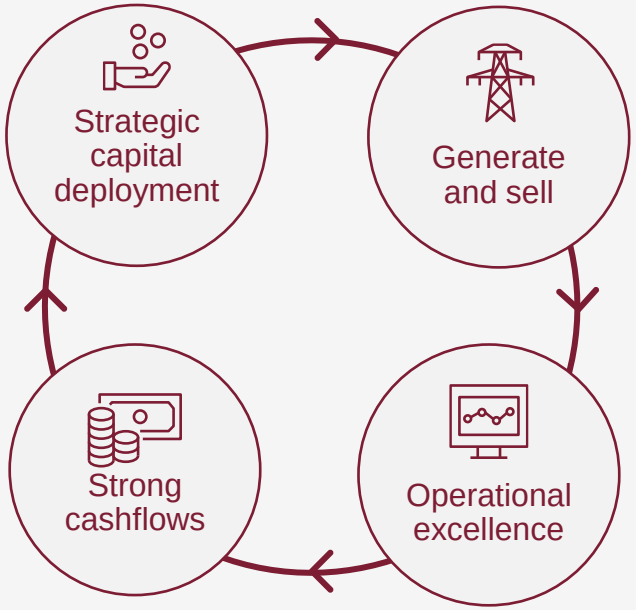
Build a pipeline of demand

Capabilities and endowments

Collaborate with customers across industry to generate new demand opportunities

Use our high-quality renewable resources and distinctive capabilities to capture value from new projects

Generate returns on our capital investments



Operate our assets to meet NZ's evolving energy needs

Actively manage channels to balance fuel risk and returns

Continue to operate efficiently through our operational excellence program

Invest in a portfolio of projects with returns above the cost of capital

Fiscal discipline to maximise returns

Return capital to shareholders

Pay out **stable and predictable dividends to shareholders** with dividends between 80—100% of operating free cash flows over the preceding 4 years

$309m

4-year average operating free cash flows (FY17 – 20)

$272m

Expected FY21 ordinary dividend (35 cps)

Current payout of 88% at DPS of 35 cps

Capital allocation framework to deliver Contact 26

Guiding principles

Continue to attract capital

- Deliver competitive shareholder returns including dividend commitment
- Balance sheet strength

Optimise existing operations and manage risk

- Reduce carbon exposure
- Manage market volatility during the thermal transition
- Disciplined approach to sustaining capital spend
- Strong operating cash flow

Invest to deliver value accretive growth

- Decarbonised customer solutions
- Geothermal development (IRR) **>10%**

Our commitments

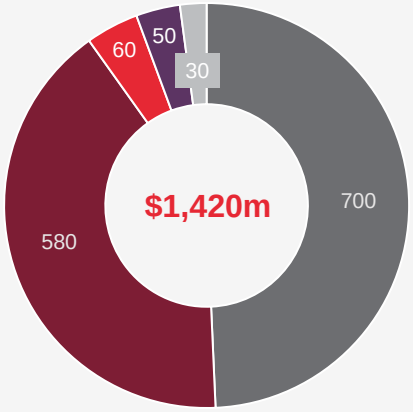
	Our commitments	What this means
1	**Efficient deployment of stay-in-business Capex**	Invest early to reduce risk around platform and station availability in a fuel scarce market - ~$100m over 5 years above normal levels
2	**Reliable ordinary dividends that grow in line with cash flow delivery**	Pay-out ratio of 80-100% of average operating free cash-flow over the preceding 4 years (currently target FY21:35cps)
3	**Allocate capital to strategic priorities, with an ability to scale down in downside scenarios**	Average growth cash Capex of around $280m p.a. over the next 5 years dependent on market conditions
4	**Investment grade credit metrics through the cycle**	Growth ambitions funded off balance sheet

Contact's policy is to distribute ordinary dividends targeting a pay-out ratio of between 80 and 100% of the average Operating Free Cash Flow of the preceding four financial years. This includes Board consideration of the sustainable financial structure of Contact including the targeting of a long-term investment grade credit rating. Dividend payments are expected to be split into an interim dividend paid in March, targeting around 40% of the total expected dividend for the financial year, and a final dividend to be paid in September. It is the intention of the Board to attach imputation credits to dividends to the extent they are available.

Growth investment funding strategy

Complementing conventional debt funding and potential hybrid debt instruments,
Contact has already accessed equity funding to support our base case investment programme

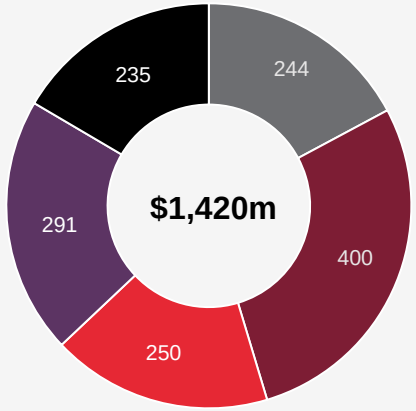
Medium-term capital investment programme
(uncommitted)



Investments will be sized to meet the market

- Wairakei
- Tauhara (committed)
- Battery
- Decarbonisation spend
- Hydro refurbishment

Potential sources of funding



- Debt capacity pre-equity
- Equity raise
- Hybrid credits
- Capacity through EBITDAF growth (FY24)
- Balance

Long-life renewable generation assets are capital intensive and require equity support

Wairakei investment decision provides balance sheet flexibility

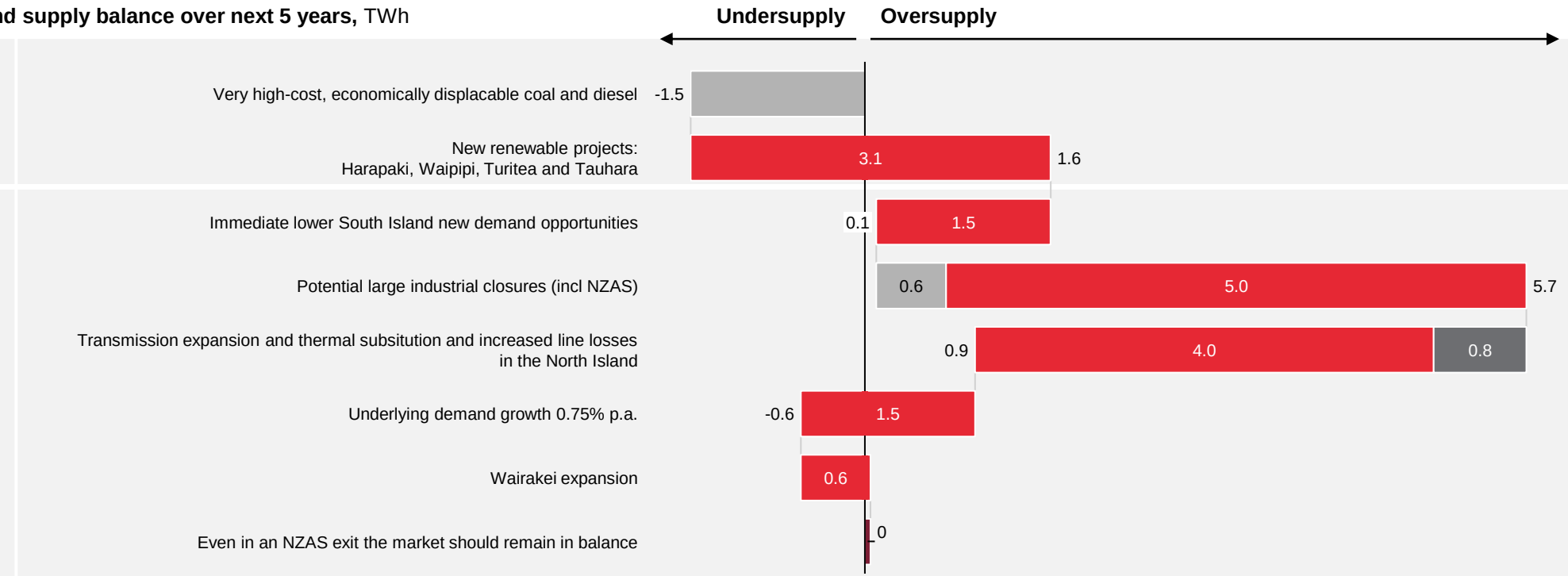
Balance includes dividend reinvestment plan take-up, which can be increased to support upside demand growth, and retained operating free cash flow in excess of the ordinary dividend.

Commitment to maintaining S&P investment grade credit rating continued.

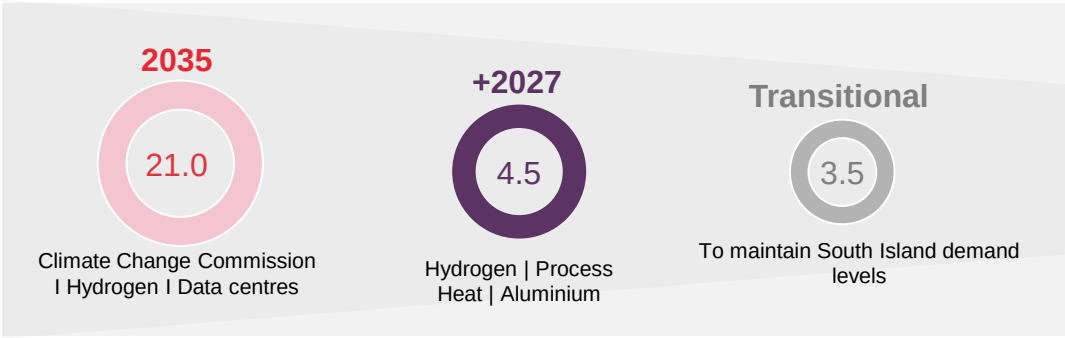
The market will react to changes in supply and demand

While the market will balance post NZAS, our ambition is to maintain South Island demand at current levels to enable new renewable build to displace baseload thermal generation

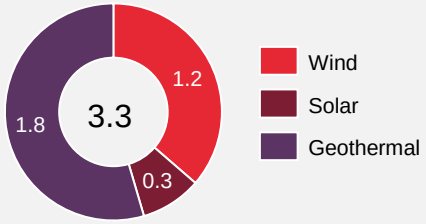
Potential changes in demand and supply balance over next 5 years, TWh



Additional decarbonisation related opportunities supplied post 2025 (TWh p.a)



Supplied by Contact's high quality renewable prospects



Delivering on strategic capital deployment

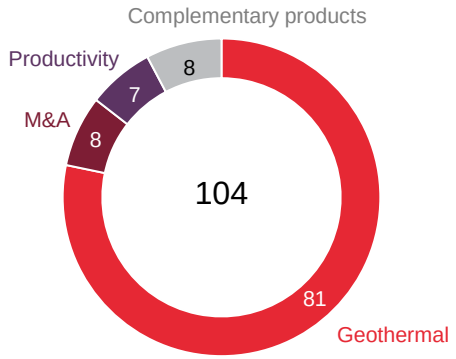
The base business earnings in the short-term are leveraged to fuel uncertainty. Longer term the effective deployment of strategic capital should drive earnings growth

Assumptions

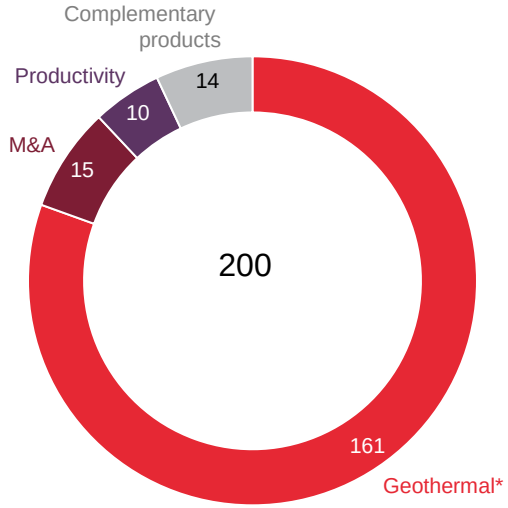
- NZAS load has not been fully replaced. FY26 is a recovery phase (per previous slide)
- Ambition to maintain South Island demand at current levels provides the upside of firmer prices and a further 3.5TWh of renewable development opportunities
- Value from thermal strategic review will be additive
- Will require growth opex

EBITDAF $m

FY24



FY26 run rate



*Includes full value from WRK investment but only 0.6 GWh of the 1.4 TWh is incremental to current Wairakei generation .

Our operational plan: What you can expect in the next 18 months

Strategic theme	H1-FY22	H2-FY22	H1-FY23
Grow Demand	Hydrogen expression of interest Finalise data centre partnerships Engage on boiler electrification	Select hydrogen position Build data centres Lock in major boiler electrification	Develop hydrogen option Build data centres Commence boiler electrification
Grow renewable development	Build Tauhara Prepare further geothermal consents Secure solar partnership	Build Tauhara Further geothermal consenting Secure and consent wind sites Complete battery feasibility	Complete Tauhara Tauhara phase II consent Secure solar consents Battery FID
Decarbonise our portfolio	Complete thermal review and design principles for structure Engage 3rd party to structure 'ThermalCo'	Align future-state thermal structure Agree structure with owners and regulators Execute 'ThermalCo' and buy back PPAs	Prepare for end of TCC scheduled hours
Create outstanding customer experiences	Launch wireless broadband Launch time of use offer, with extension into EVs AI-driven optimised service channels Implications of Trustpower strategic review	Launch data driven energy monitoring Customer technology upgrade	Review and refresh loyalty offers Customer technology upgrade (cont.)

Questions

Thank you

contact