



ASX & Media Release

2022 Half-Year Results Presentation

10 February 2022

Attached is AGL Energy Limited's Half-Year Results Presentation for the six months ended 31 December 2021.

John Fitzgerald
Company Secretary

Authorised for release by AGL's Board of Directors.

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About AGL

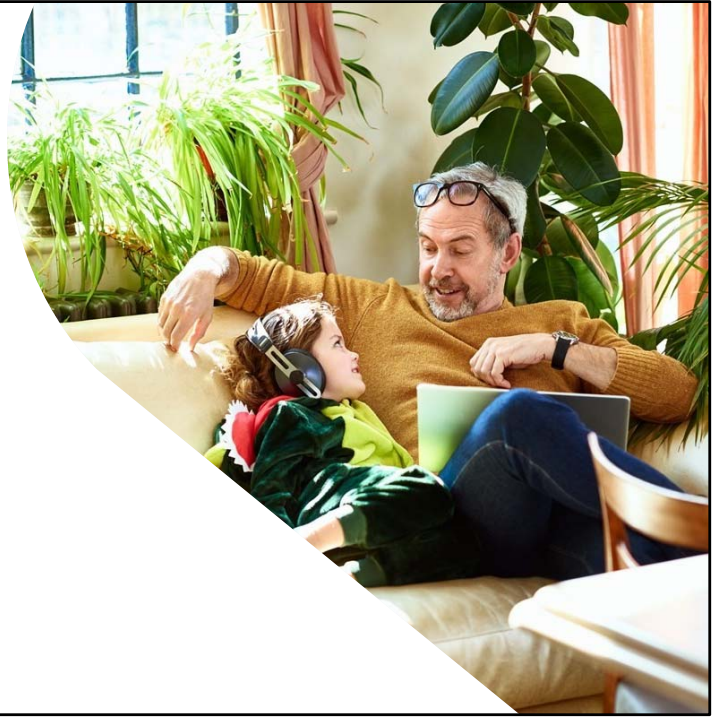
Proudly Australian for more than 180 years, AGL supplies around 4.5 million energy and telecommunications customer services¹. We're committed to becoming a leading multi-product retailer, making energy and other essential services simple, fair and transparent. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and gas production and storage assets. We are building on our history as Australia's leading private investor in renewable energy to now lead the business of transition to a low emissions, affordable and smart energy future in line with the goals of our Climate Statement. We have a passionate belief in progress and a relentless determination to make things better for our communities, customers, the Australian economy and our planet.

¹ Services to customers number is as at 31 December 2021 and includes Click Energy and 100% of approximately 300,000 services to customers of ActewAGL, in which AGL owns a 50% equity stake of the retail operations.



2022 Half-Year Result

10 February 2022



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[GRAEME HUNT]

Good morning, everyone.

Graeme Hunt speaking.

Thank you for joining us for the webcast of AGL's first half result for financial year 2022.

I would like to begin by acknowledging the traditional custodians of this land of where I am presenting from today and pay my respects to their Elders past, present and emerging.

I would also like to acknowledge the Traditional Owners of the various lands from which you are all joining from, and any people of Aboriginal and Torres Strait Islander origin on the webcast.





Today I'm joined by Damien Nicks, CFO and CFO-Elect for AGL Australia, Christine Corbett, Chief Customer Officer and CEO-Elect for AGL Australia, and Markus Brokhof, Chief Operating Officer and Chief Operating Officer-Elect, as well as Deputy CEO-Elect for Accel Energy.

I'll get us started before handing over to the team and we will have time for questions at the end.

Solid first half result with FY22 tracking to expectations; Well positioned to create a stronger future via proposed demerger



Proposed demerger on track for implementation on 30 June 2022, subject to relevant approvals

 RESULTS SUMMARY	<ul style="list-style-type: none">Operations and portfolio generation remained resilient with a strong trading performanceUnderlying EBITDA down 21% to \$723 million: Underlying NPAT down 41% to \$194 million<ul style="list-style-type: none">As anticipated, earnings primarily impacted by the non-recurrence of Loy Yang insurance proceeds (\$105 million), progressive roll-off of hedge positioning established at higher wholesale electricity pricing, partly offset by strong execution of targeted reduction in operating costsInterim ordinary dividend of 16 cents per share (unfranked), DRP fully underwritten
 BUSINESS UPDATE	<ul style="list-style-type: none">Strategic NPS reached a new record high; strong telecommunications customer services growth achievedGood progress on the repurposing of generation sites; construction of Torrens battery underway, planning approval received for Loy Yang batterySale of EIP funds and Ecobee investment completed; divestment of Newcastle Gas Storage facility and other non-core assets progressingCash preservation initiatives on track, including \$150 million operating cost reduction, to maintain balance sheet strength in lead up to proposed demerger
 OUTLOOK AND GUIDANCE	<ul style="list-style-type: none">FY22 Underlying EBITDA guidance range narrowed to between \$1,275 million to \$1,400 million (previously \$1,200 million to \$1,400 million)*FY22 Underlying NPAT guidance range narrowed to between \$260 million to \$340 million (previously \$220 million to \$340 million)*Stronger spot and forward wholesale electricity pricing observed – AGL Energy well positioned to benefit from any sustained recovery in wholesale electricity pricing from FY23 as hedge positions roll-off
 DEMERGER UPDATE	<ul style="list-style-type: none">Organisation structures completed, additional executive team and board appointments madePurpose and strategies in place for both entities, together with revised climate commitmentsDebt financing arrangements completed, with investment grade ratings expected for both entitiesScheme booklet containing detailed information on the proposed demerger expected to be released in mid-May, Scheme meeting to vote on the proposed demerger in mid-June

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* Subject to ongoing uncertainty, trading conditions

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[GRAEME HUNT]

Today's result reflects a solid first half performance, with continued resilience of our operations and generating portfolio, despite another period of pandemic-related disruption.

As anticipated, lower earnings were primarily attributable to the non-recurrence of 105 million dollars of insurance proceeds received in the first half of last year, relating to the 2019 Loy Yang outage.

Earnings were also impacted by the progressive roll-off of hedge positioning established at higher wholesale pricing, and to a smaller extent - the expiry of lower-priced legacy gas supply contacts.

Encouragingly, these impacts were partly offset by a 57-million-dollar reduction in operating costs, driven by major cost-out initiatives.

In summary, Underlying EBITDA of 723 million dollars was down 21 percent, while Underlying NPAT of 194 million dollars was down 41 percent. Adjusting for insurance proceeds, Underlying Profit after Tax was down 23 percent.

An unfranked interim ordinary dividend of 16 cents per share has been declared, and the DRP will be fully underwritten.

Pleasingly, we have narrowed the underlying earnings guidance ranges for FY22, reflecting a solid first half performance, with lower second half earnings in line with expectations. I'll elaborate further on this towards the end of the presentation.

Looking forward, AGL is well placed to benefit from the improvement in wholesale electricity prices we've seen over the last six months. And we expect this, together with any sustained improvement to wholesale pricing, to be reflected in future earnings beyond FY22, as hedge positions roll off.

Turning now to some business updates.

Our Strategic Net Promoter Score remains in record territory, and we continue to see solid growth in our telecommunication customer service numbers.

Good progress was also achieved on the re-purposing of our major generation sites, with the construction of the Torrens Battery underway and planning approval received for the 200-megawatt battery at Loy Yang.

We remain acutely focused on cost discipline and cash preservation to ensure balance sheet strength,

prior to the implementation of the proposed demerger.

As mentioned, operating costs decreased across the business in the half, and we are well on track to deliver our targeted 150 million dollars in operating cost savings by the end of FY22, compared to FY20 operating cost levels, together with our targeted reduction in sustaining capital expenditure of 100 million dollars by FY23.

We have also completed the sale of our investments in the EIP fund and Ecobee for approximately 100 million dollars, with other targeted non-core assets sales progressing.

Importantly, excellent progress has been achieved since we confirmed our intention to demerge the organisation on 30 June 2021.

Leaner organisational structures for both proposed entities have been confirmed, with additional Executive Team and Board appointments made.

The purpose and strategies for both proposed entities are now in place – and Christine and Markus will talk to these in greater detail.

And today, we are very pleased to outline the proposed climate commitments for both AGL Australia and Accel Energy, which I'll cover shortly.

Damien will talk more to the debt financing arrangements which have now been fully executed, as well as the capital structures and dividend policies of both proposed entities.

In addition, the offtake and transitional service agreements, as well the tax and regulatory processes, are all progressing well.

I can also confirm today that Accel Energy will hold a 15% minority interest in AGL Australia, enabling Accel Energy to share in the anticipated value creation in AGL Australia and strengthening balance sheet and financial flexibility.

And finally, the Scheme booklet containing additional information on the proposed demerger is expected to be released in mid-May. This will be followed by a Scheme meeting in mid-June, giving you, our valued shareholders, the opportunity to consider and vote on the proposed demerger.

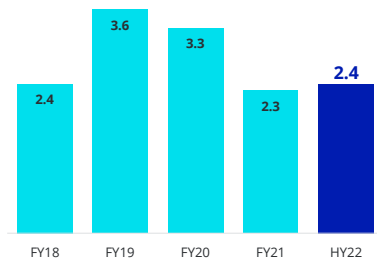
This is certainly a pivotal time in AGL's 180-year plus journey, and we look forward to this exciting new chapter which will create a stronger future for our business.

Strategic NPS reached another record high;
 Low TIFR underscored by sustained focus on safety culture and performance



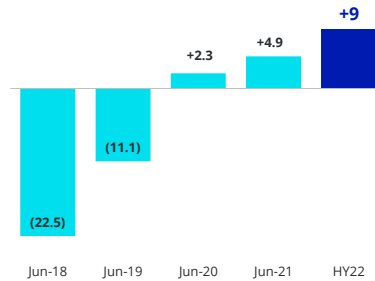
Safety

Total Injury Frequency Rate
 (per million hours worked)



Customers

Strategic NPS
 (Net Promoter Score)



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[GRAEME HUNT]

Moving now to two key operational areas - safety, and customer experience, which both continue to remain strong.

The Total Injury Frequency Rate per million hours worked increased slightly to 2.4 for the half year, however this is still a material improvement on FY19 and 20, reflecting our sustained focus on safety culture and performance.

As mentioned, Our Strategic Net Promoter Score reached another record high, reflecting our unwavering focus on customer experience and the rewards of our significant investment in digitisation coming to fruition.

Considering that we've had another period of challenging market conditions, these results are pleasing.

Improved cash flow performance despite anticipated reduction in earnings



Reduction in Underlying Profit due to non-recurrence of insurance proceeds and impact of wholesale pricing

	1H22	Change from 1H21
Statutory NPAT	\$555m	
Underlying EBITDA	\$723m	(21)% ↓
Underlying NPAT	\$194m	(41)% ↓
Net cash provided by operating activities	\$661m	9% ↑
Dividends	16 cps	(61)% ↓
Return on Equity	7.3%	(1.7pp) ↓

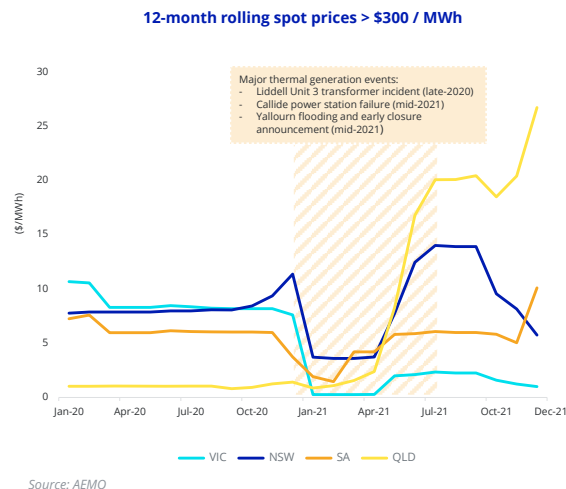
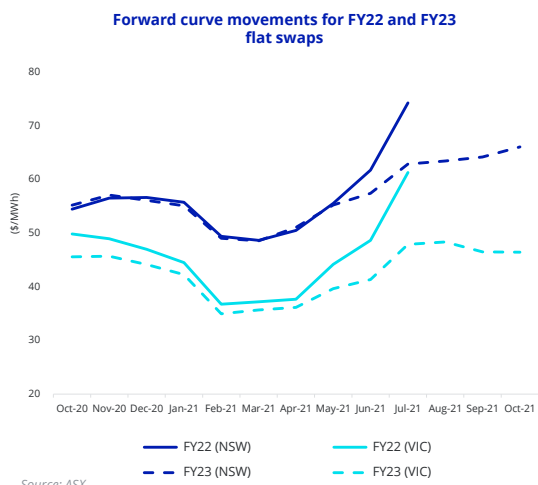
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[GRAEME HUNT]

This slide shows a further summary of our financial result, which Damien will cover in more detail later.

Generation portfolio well positioned to capture upside of stronger wholesale pricing and elevated volatility



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[GRAEME HUNT]

Now taking a closer look at electricity market conditions.

Encouragingly, we've seen a strengthening of forward pricing from late-May, initially driven by the Callide and Yallourn thermal plant incidents, and this trajectory has continued through the remainder of 2021, largely supported by higher international commodity prices.

Pleasingly, the dotted lines indicate this recovery to be sustained into FY23.

As we've previously guided, over the short term, our hedged position will limit potential earnings upside from a recovery in wholesale pricing, particularly in FY22.

Longer term, given the relative strength of our low cost generation position in the NEM, AGL Energy and the proposed Accel Energy will both be well placed to benefit from any sustained recovery in wholesale electricity pricing, as well as their focus on delivering commercial availability during volatility.

AGL Australia will also be well positioned to manage a higher wholesale pricing environment, with its flexible generation portfolio providing coverage for market volatility, suite of power purchase agreements benefiting from higher energy and LGC prices, and its ability to manage price changes through its significant retail and commercial and industrial customer base. Not to mention its extensive trading expertise.

On the right-hand side you can see the material elevation in volatility, driven by the major thermal plant incidents I mentioned earlier, coupled with higher outage levels persisting across the summer in Queensland.

The increasing penetration of new renewable generation in the NEM has also had a profound effect on the volatility in the market in recent years, as it introduces variability on the supply side for electricity.

Again, we are well positioned to manage this heightened volatility with our generation fleet and sophisticated risk management and trading expertise.

The development of our 850-megawatt grid-scale battery pipeline will also be key to firming intermittent renewable generation and smoothing price volatility in the years to come.

Creating a strong future for both parts of our business; Supporting Australia's decarbonisation



Through our **proposed demerger**, we are transforming our business in order to take a leadership role in enabling Australia's energy transition, creating long-term value and sustainable investment opportunities as we do it

- **AGL Australia** will be Australia's leading multi-service energy retailer with renewables, firming and storage assets.
- **Accel Energy** will provide secure, low cost energy while developing a renewables pipeline and supporting the energy transition.



- **AGL Australia** will lead in decentralised energy products and drive new renewable capacity. Carbon neutral for all Scope 1 and 2 emissions upon listing and net zero by 2040.
- **Accel Energy** will support the grid with low cost energy while reducing Scope 1 and 2 emissions, achieving net zero for its electricity generation portfolio by no later than FY47.

- **AGL Australia** to meet growing customer demand for distributed and low carbon or carbon neutral products and services.
- **Accel Energy** to repurpose thermal sites to low emission industrial Energy Hubs.

- Distinct value propositions, including ESG weightings, to attract investors and capital.
- Clear dividend policies tailored to each organisation.

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[GRAEME HUNT]

We have spoken before of the forces that are shaping our market and accelerating Australia's energy transition.

For any organisation to succeed in this environment, it is not enough to simply respond to these. A consistent, clear purpose and strategy that ensures access to capital and broad stakeholder support is essential for any business that wants to not only meet the challenges of the energy transition, but also grasp the opportunities it presents.

We believe AGL's proposed demerger achieves this, creating a stronger future for both parts of our business while enabling a responsible and orderly transition towards a decarbonised energy future.

The proposed demerger will result in two industry leading companies – Australia's leading multi-service energy retailer and Australia's largest electricity generator – and each organisation will have the ability to unlock value as they each pursue strategies tailored to their individual purpose.

Each business will be able to act on their distinct value drivers, ESG weightings and investment propositions, enabling them to better attract relevant investors and capital and improve future value.

AGL Australia and Accel Energy will adopt a robust dividend policy that supports returns to shareholders while also supporting employees, suppliers, and the communities they serve by investing in skills and new opportunities.

Our aim, by transforming our business, is not only to better address our own climate-related risks, but to also take a key leading role in enabling Australia's energy transition, creating long-term value and sustainable investment opportunities as we do it.

AGL Energy has a strong legacy of innovation and development in response to the climate challenge

Moving early has meant that today we operate the largest portfolio of renewable generation and battery assets of any ASX-listed company



\$4.8
billion

Invested in renewable and firming generation in the last two decades – largest by any ASX listed company



>2,500
MW

Total renewable and battery assets – largest of any ASX listed company



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Projects in planning, development and feasibility stages across our future industrial Energy Hubs



800
ktCO₂e

Of carbon traded since 2016



>2,350
MW

New generation capacity added to the grid since 2003



>200
MW

Already orchestrated in our leading multi-asset virtual power plant operated by AGL Energy



>330k

Carbon neutral services to customers as of 31 Dec 2021, including >110k energy services



18
years

Of providing transparent disclosure in relation to carbon and sustainability, including TCFD reporting since 2018

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[GRAEME HUNT]

With this outcome as our objective, we have defined a way forward for AGL Australia and Accel Energy to manage these climate-related risks that embraces Australia's energy future and builds on AGL's legacy of innovation and development.

Energy transition and the path to net zero will be the defining challenge of our era. Companies that don't adapt, don't innovate, and don't set themselves on this path will be left behind.

When it comes to taking action on climate, the AGL Energy legacy is strong.

In the last two decades, AGL has played a leadership role in Australia's transition investing more than 4.8 billion dollars in renewable and firming generation, and delivering more than 2,350 megawatts of new generation capacity since 2003.

Moving early has meant that today we operate the largest portfolio of renewable and storage generation assets of any ASX-listed company.

And it is this legacy that will shape the DNA of AGL Australia and Accel Energy, and their response to climate.

Enabling the future of energy
Our climate commitments demonstrate decisive action to accelerate our pathway to decarbonisation

AGL AUSTRALIA WILL BE A NET ZERO ENERGY BUSINESS BY 2040

- Carbon Neutral for all Scope 1 and 2 emissions from the day of listing
- Net zero by 2040 for all emissions (Scope 1, 2 and 3) with a 50% reduction on FY19 levels by 2030
- Underwrite 3 GW renewable and flexible capacity by 2030
- Drive the evolution and transparency of voluntary carbon markets, alongside industry partners and government agencies
- Implement an internal carbon pricing mechanism to support investment decisions

ACCEL ENERGY WILL CLOSE ALL COAL GENERATION ASSETS NO LATER THAN 2045

- Responsibly transition our operations to reduce our environmental footprint, closing our coal operations in the following timeframes:
 - Liddell Power Station: **April 2023**
 - Bayswater Power Station: **2030-2033***
 - Loy Yang A Power Station: **2040-2045***
- Support our people and communities through the transition
- Advocate for responsible change driven by government, industry and the community
- Repurpose thermal sites for low carbon industrial Energy Hubs
- Invest in renewable and new generation technology
- Annual reporting and review of progress

Together these commitments will mean:

- 50% reduction by 2030**
In all emissions (Scope 1, 2 and 3) on FY19 levels by AGL Australia
- Underwrite 3 GW**
Renewable and flexible capacity by 2030 by AGL Australia
- 90 MtCO₂e reduction in expected emissions**
From Accel Energy's electricity generation assets between FY23 and FY50 compared to modelled outcomes of previous commitments**
- 55 - 60% reduction in annual Scope 1 and 2 emissions**
From Accel Energy's electricity generation portfolio from FY35 compared to FY19 baseline***

These commitments set a new baseline for both AGL Australia and Accel Energy against which they will measure their success and strive to improve as the energy market evolves

* Accel Energy asset management plans will be structured to support closure of Bayswater Power Station, which will be no later than 2033, and Loy Yang A Power Station, which will be no later than 2045
** Trajectory referenced in AGL Energy's 30 June 2021 Announcement including previously announced coal closure dates, as outlined in Slide 45
*** Emissions comprise Scope 1 and 2 greenhouse gas emissions for all electricity generation assets that will be operated by Accel Energy following demerger, as reported under the National Greenhouse and Energy Reporting Act 2007

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[GRAEME HUNT]

Today we are outlining a set of climate commitments that demonstrate decisive action to accelerate our pathway to decarbonisation for each organisation.

And importantly, they are commitments that strike a balance between Australia's current and future energy needs and the need to responsibly decarbonise.

AGL Australia will be carbon neutral for all Scope 1 and 2 emissions upon listing with credible pathways to net zero for Scope 1, 2 and 3 emissions by 2040, including a 50% emissions reduction on FY19 levels by 2030.

And in delivering this, it will underwrite three gigawatts of renewable and flexible capacity by 2030, to support its customers as a leading multi-service energy retailer.

These are milestones that would not have been contemplated by our retail business under the current 'gentailer' model.

For Accel Energy, there is no doubt that coal fired generation across the entire system will exit earlier than previously believed, enabling a faster decarbonisation pathway. However, for this to happen, AEMO's recent draft ISP estimates that approximately 70 to 90 billion dollars' worth of investment in transmission and generation will be required.

With this scale of change, these closures must not happen outside of a co-ordinated plan across governments, industry, regulators and the community. Without this we create market uncertainty and put at risk energy reliability and affordability.

It is these interdependencies that must be considered when determining the future closure dates for our coal generators.

Accel Energy will provide reliable, low cost energy with a strong focus on repurposing existing thermal generation sites as low emissions industrial Energy Hubs, as it brings forward its coal closure dates to no later than 2033 for Bayswater and 2045 for Loy Yang,

With Liddell scheduled to close by April 2023, Accel Energy's electricity generation portfolio's annual Scope 1 and 2 emissions will reduce by 18 to 27 percent between FY25 to FY34, and by 55 to 60

percent between FY35 to FY46, compared a FY19 baseline.

Overall, modelling shows an expected 90 million tonnes reduction in emissions between FY 23 and FY50 compared to the results from our previously modelled scenarios, as detailed on slide 45 of this pack.

This is a significant contribution to the Australian energy sector's decarbonisation process, with the possibility of improvement beyond this if Accel Energy is able to bring closure dates further forward within the closures ranges for Bayswater and Loy Yang.

As I said, there are many interdependencies and many of those are outside our direct control as one organisation in a highly integrated energy network. We need the entire system to be ready to operate without our critical baseload generation. We are committed to working with government, industry and the community in pursuit of this and will be reporting annually on progress towards this ambition.

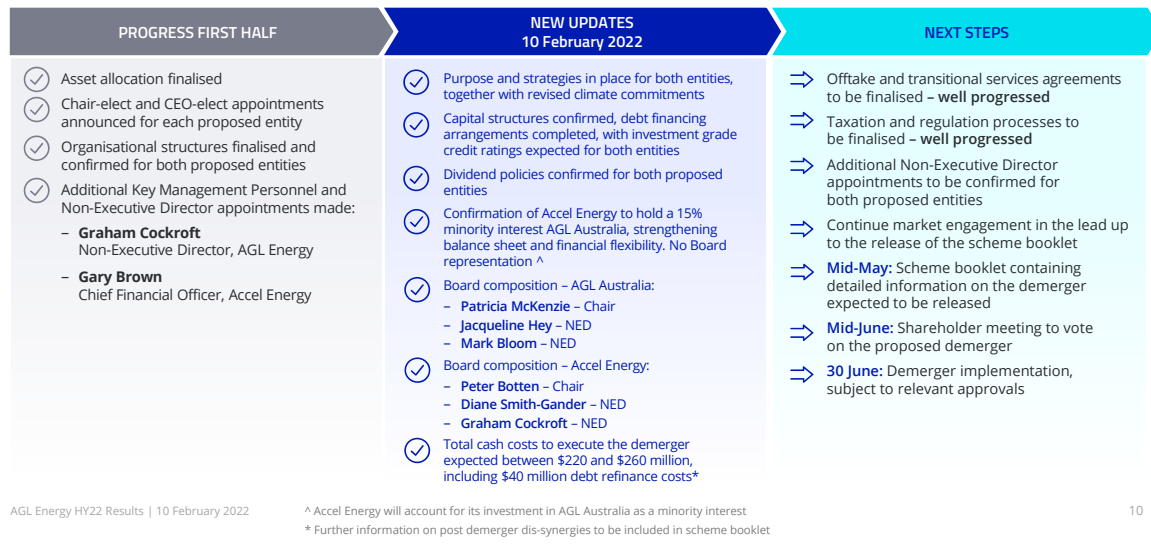
Australia's energy transition will not happen overnight – the market must continue to provide people with affordable energy while pursuing innovation and technology that will deliver decarbonisation.

By creating AGL Australia and Accel Energy, we will provide critical leadership to the Australian energy system through this transition.

The commitments we are announcing today are the beginning of the journey for these two companies, not the end. We have set a new baseline for both and it is against this that they will measure their success and strive to improve as the energy market evolves.

Creating two industry leading energy companies

Well positioned to implement the proposed demerger on 30 June 2022, subject to relevant approvals



[GRAEME HUNT]

As I touched on earlier, excellent progress has been achieved since we confirmed our intention to demerger the business mid-last year.

I've already covered most of the milestones on this slide, however I would like to highlight the appointment of Gary Brown as Chief Financial Officer-Elect of Accel Energy.

Gary joins us with more than 20 years of senior finance experience across numerous ASX-listed and multinational companies, including BHP Billiton, Shell, Viva Energy, CSG Limited, and most recently as the CFO for ENGIE Australia and New Zealand.

We also announced the appointment of Graham Cockroft to the AGL Energy Board in late-December and look forward to his considerable expertise gleaned over a 30-plus year career in the energy sector.

We've also confirmed the respective Board compositions for both proposed entities. Additional Non-Executive Director appointments for both AGL Australia and Accel Energy are well progressed and will be announced in due course.

Before I move on, I would also like to highlight that the one-off cash costs related to the demerger are expected to be between 220 and 260 million dollars. This includes debt finance costs of approximately 40 million dollars for new facilities and early repayment of certain existing facilities.

The level of cost is in line with transactions of similar complexity.

I'll now hand to Damien to take you through the financial result in more detail.



Financial Overview

Damien Nicks

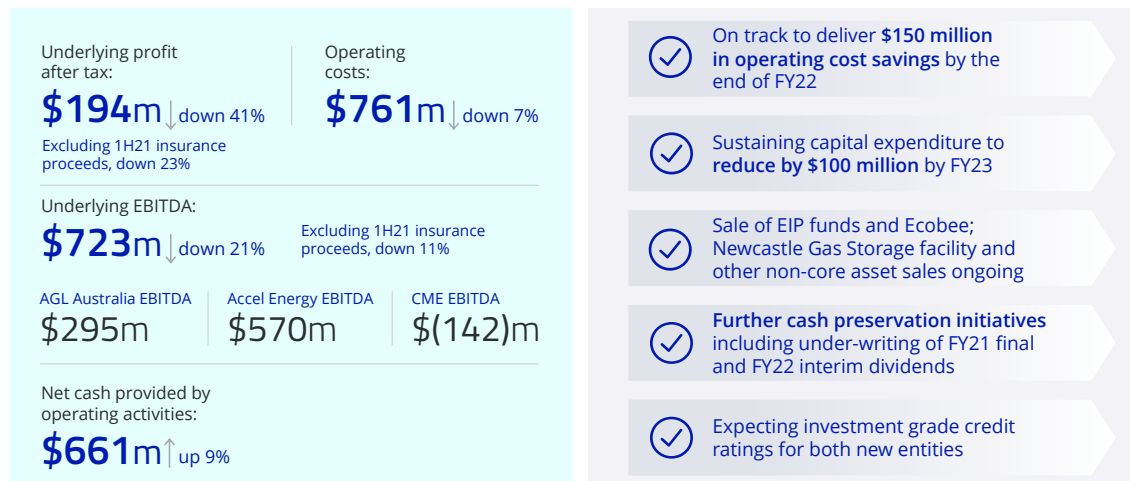
Chief Financial Officer (AGL Energy)

Chief Financial Officer-Elect (AGL Australia)

[DAMIEN NICKS]

Thanks Graeme, and good morning, everyone.

Cost discipline and capital management priorities will ensure new entities are well positioned from day one



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[DAMIEN NICKS]

I will start by providing some context to the half year results, and an update on how we are tracking towards the cash preservation targets we previously announced.

As Graeme touched on, the reduction in our headline result was not unexpected and driven by factors previously guided to market. The solid half year performance was driven by strong generation and trading performance in the second quarter.

I will go through the group Underlying Profit result in more detail on the next slide, however one thing I would like to highlight here are the segmental results – which are now reported under the AGL Australia and Accel Energy reporting segments, reflecting the proposed demerger entity structures previously provided as part of the FY21 result.

Please note that Centrally Managed Expenses have not been re-allocated and remains consistent with prior reporting periods.

Pleasingly, operating costs were down, and operating cash flow was up 6 percent, despite the decrease in earnings. I will discuss these movements in more detail later, however they are both a good reflection on how we are progressing with our cash preservation targets.

We are on track to deliver our targeted 150 million dollars in operating cost savings by the end of FY22, and a 100-million-dollar reduction in sustaining capital expenditure by FY23.

We have completed the sale of our investments in the EIP fund and Ecobee, recognising approximately 100 million dollars. The sale of other non-core assets are ongoing, with Newcastle Gas Storage Facility taking longer and being more difficult than anticipated.

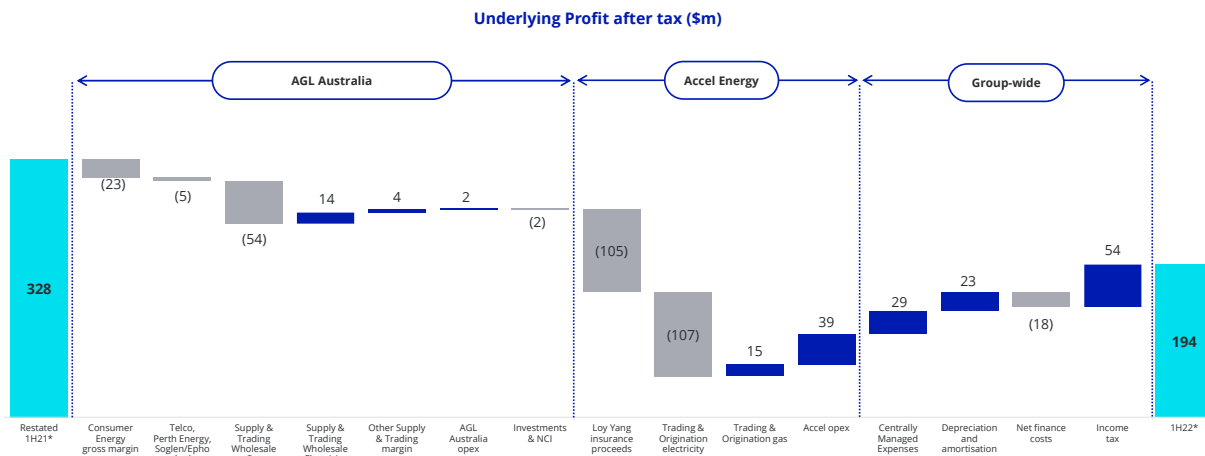
The previously announced underwriting of the FY21 final and FY22 interim dividends will save a further 300 million dollars, approximately.

These cash preservation initiatives were designed to ensure both entities will achieve investment grade credit ratings and have robust balance sheets from day one.

Underlying Profit impacted by non-recurrence of insurance proceeds and wholesale prices, partly offset by lower opex



Underlying Profit was down 41%, however excluding insurance proceeds was down 23%



*Underlying Profit after tax attributable to AGL Energy shareholders

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[DAMIEN NICKS]

Now looking at group Underlying Profit.

The 134-million-dollar step-down in Underlying NPAT was largely driven by the non-recurrence of the Loy Yang outage insurance proceeds.

Looking at the chart from left to right, starting with AGL Australia, consumer energy margin was down, largely due to the impact of milder weather on demand, higher cost of energy with increased residential solar volumes, and margin compression from customers switching to lower priced products.

Supply and Trading gas margin was lower as anticipated with the impact of lower priced legacy supply contracts rolling off, during the second half of FY21. While we have been successful in recontracting in the short-to mid-term, recent contract prices have been higher than AGL's legacy contracts.

Moving to Accel Energy, in addition to the non-recurrence of insurance proceeds, there was a further reduction in Trading and Origination electricity margin due to lower contracted electricity prices, coupled with lower offtake sales to consumer electricity resulting from increased penetration of solar.

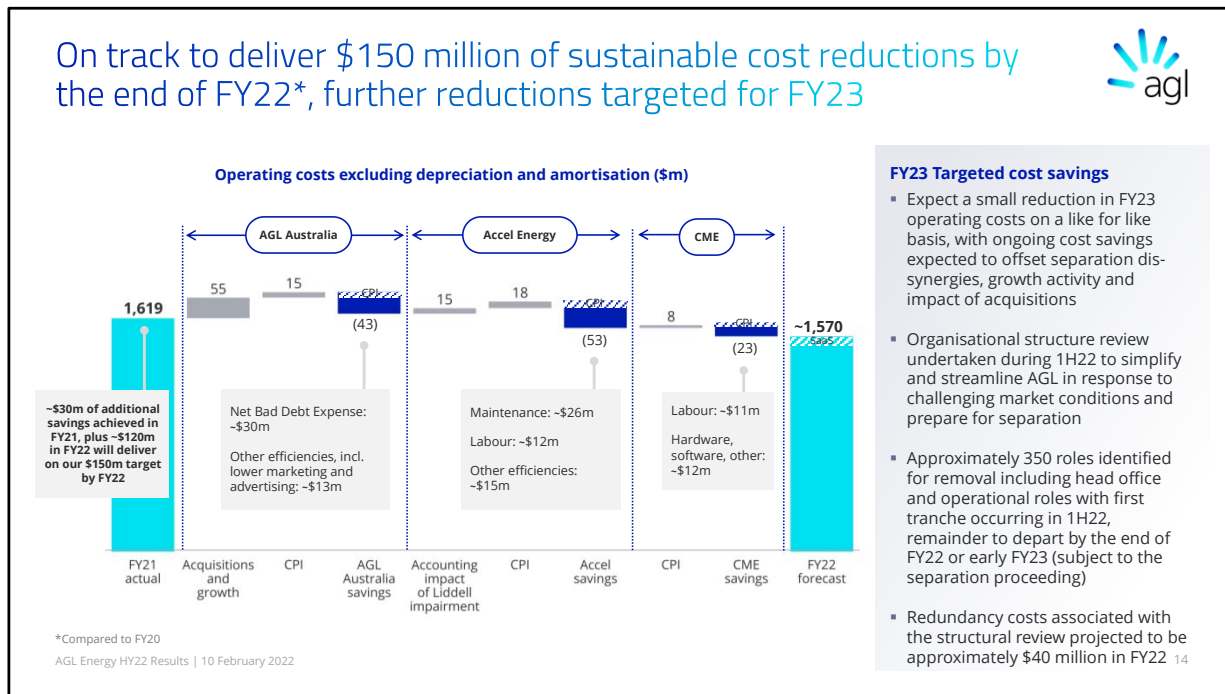
The positive movement in Centrally Managed Expenses was attributable to major cost-out initiatives implemented to achieve our targeted savings, which I will go into more detail on the next slide.

The favourable movement in depreciation was driven by the asset impairments recognised during FY21.

Higher net finance costs were largely attributable to the embedded interest cost unwinding from the onerous contracts and rehabilitation provisions, recognised in FY21.

And finally, the reduction in tax expense largely reflected the fall in profit.

On track to deliver \$150 million of sustainable cost reductions by the end of FY22*, further reductions targeted for FY23



[DAMIEN NICKS]

As mentioned, we are well on track to deliver our committed 150 million dollars of operating cost reductions in FY22.

Opex reduction initiatives in AGL Australia included reducing net bad debt expense, and lowering marketing and advertising spend.

Markus will discuss Accel's cost out initiatives in more detail later.

Further corporate cost out initiatives involved a significant reduction in IT and discretionary spend, combined with labour reductions across the corporate areas.

Post demerger, we expect a small reduction in operating costs on a like for like basis, with planned cost savings in FY23 to offset recent growth and acquisition costs, plus the dis-synergies of standing up two separate organisations.

An organisational structure review was undertaken during the half to simplify and streamline AGL Energy, and 350 roles have been identified for removal. The first tranche of departures occurred during the first half of FY22, with the remaining roles to depart prior to 30 June 2022 or early FY23, subject to the proposed demerger proceeding.

Redundancy costs associated with the review are projected to be 40 million dollars in FY22, which will not impact underlying results.

These savings reflect leaner, more focused organisations following the proposed demerger.

Cash conversion remains robust, higher margin calls received improve working capital

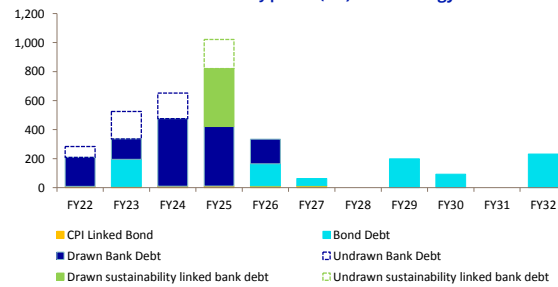


\$m	1H22	Restated 1H21
Underlying EBITDA	723	920
Equity accounted income	(3)	(2)
Accounting for onerous contracts	(67)	(15)
Other assets/liabilities and non-cash items	17	(28)
Working capital – margin receipts/(calls)	122	(68)
Working capital – other	15	(50)
Underlying operating cash flow before significant items, interest and tax	807	757
Net finance costs paid	(42)	(63)
Income taxes paid	(53)	(75)
Significant items	(51)	(11)
Net cash provided by operating activities	661	608
Sustaining capital expenditure (accruals basis)	(216)	(205)
Growth capital expenditure (accruals basis)	(62)	(80)
Other investing activities	(274)	(120)
Net cash used in investing activities	(552)	(405)
Net cash used in financing activities	(93)	(243)
Net increase/(decrease) in cash and cash equivalents	16	(40)
Cash conversion rate	112%	82%
Cash conversion rate (excl. margin calls)	95%	90%

Rating and headroom

- Baa2 rating, negative outlook, maintaining sufficient headroom
 - 26.9% FFO to net debt
- Significant headroom to debt covenants:
 - Gearing covenant, less than 50% → currently 31.5%
 - Funds from operations (FFO) / interest cover covenant, more than 2.5x → currently 14.6x

Debt maturity profile (\$m) – AGL Energy



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[DAMIEN NICKS]

I'll now cover cash and debt in more detail.

Net cash from operating activities was up 8 percent in the half, driven by cash improvement initiatives, a large inflow from margin calls compared with an outflow in the previous half and other positive working capital movements, which more than offset the decrease in EBITDA.

Lower cash tax paid in the first half was consistent with the reduction in earnings.

Investing cash flow was about 147 million dollars higher, reflecting the investment in Tilt Renewables, and offset by the non-core investment sales as previously announced.

Financing cash outflows were significantly lower than the previous year, reflecting the under-written FY21 final dividend.

Pleasingly, our cash conversion rate remains very strong at 112 percent.

Turning to debt and funding - despite a challenging year, we still retain sufficient headroom under our Baa2 credit rating and our debt covenants, and have over 700 million dollars of cash and undrawn debt facilities available at 31 December.

Dividend policies and capital structures will ensure balance sheet flexibility with appropriate returns to shareholders



	agl	Accel Energy
DIVIDEND POLICY	<ul style="list-style-type: none"> AGL Australia to adopt a dividend policy of “60% to 75% of underlying NPAT” Dividends expected to be partly franked in the short term, targeting to be fully franked over the longer term 	<ul style="list-style-type: none"> Accel Energy to adopt a dividend policy reflecting “80% to 100% of free cash flows* after servicing net finance costs” Dividends to be unfranked in the first few years following demerger as tax losses are utilised
CAPITAL STRUCTURE	<ul style="list-style-type: none"> Baa2 rating expected Bank and capital markets debt totalling approximately \$3.1 billion executed, comprising: <ul style="list-style-type: none"> Multi-option bank facilities totaling \$2,440 million US Private Placement notes totalling A\$661 million issued pursuant to a tender and exchange for AGL Energy's existing US Private Placement notes Debt covenant structure on market terms including FFO/Interest and Gearing 	<ul style="list-style-type: none"> Baa3 rating expected Debt facilities totalling approximately \$1.4 billion executed, including: <ul style="list-style-type: none"> Amortising term debt Revolving working capital and guarantee facilities Additional balance sheet flexibility provided by the 15% shareholding in AGL Australia Considering potential issuance in debt capital markets to lengthen and diversify funding Debt covenant structure on market terms including Debt Service Cover Ratio (DSCR) and Leverage covenants

* Free cash flow defined as “operating cash flow less tax, working capital requirements, sustaining capex and contributions for planned growth / investment capex”
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[DAMIEN NICKS]

Today we can confirm the proposed dividend policies and capital structures for AGL Australia and Accel Energy.

These are largely in line with what we have indicated in previous announcements.

We believe the proposed dividend policies are tailored to provide capital management flexibility for each entity, whilst at the same time providing appropriate returns for shareholders.

AGL Australia will establish multi-option bank facilities in aggregate totalling approximately 2.44 billion dollars. This will be complemented by US Private Placement notes totalling 661 million dollars, from AGL Energy's existing 910 million dollars in US Private Placement notes. It is expected AGL Australia will receive an investment credit grade rating of Baa2.

It is proposed AGL Australia will target a dividend payout ratio range of between 60 to 75% of underlying profit. Dividends are expected to be partly franked in the short term, targeting to be fully franked over the longer term.

Accel Energy will establish debt facilities of approximately 1.4 billion dollars, which will be a combination of amortising term debt and revolving working capital and guaranteed facilities.

Accel will also benefit from additional balance sheet flexibility provided by the 15 percent shareholding in AGL Australia, and it is expected to receive an investment credit grade rating of Baa3.

Accel Energy will adopt a dividend policy aligned with the expected cash profile of the business, targeting 80 to 100% of free cash flows after servicing net finance costs.

Free cash flows will effectively be Accel's operating cash flow excluding tax, working capital requirements, and capex. Capex will include sustaining and any contributions for planned growth or investment. Dividends will be unfranked in the first few years following the demerger as tax losses are utilised.



Torrens Island Power Station,
South Australia



Operational Overview

Christine Corbett

Chief Customer Officer (AGL Energy)

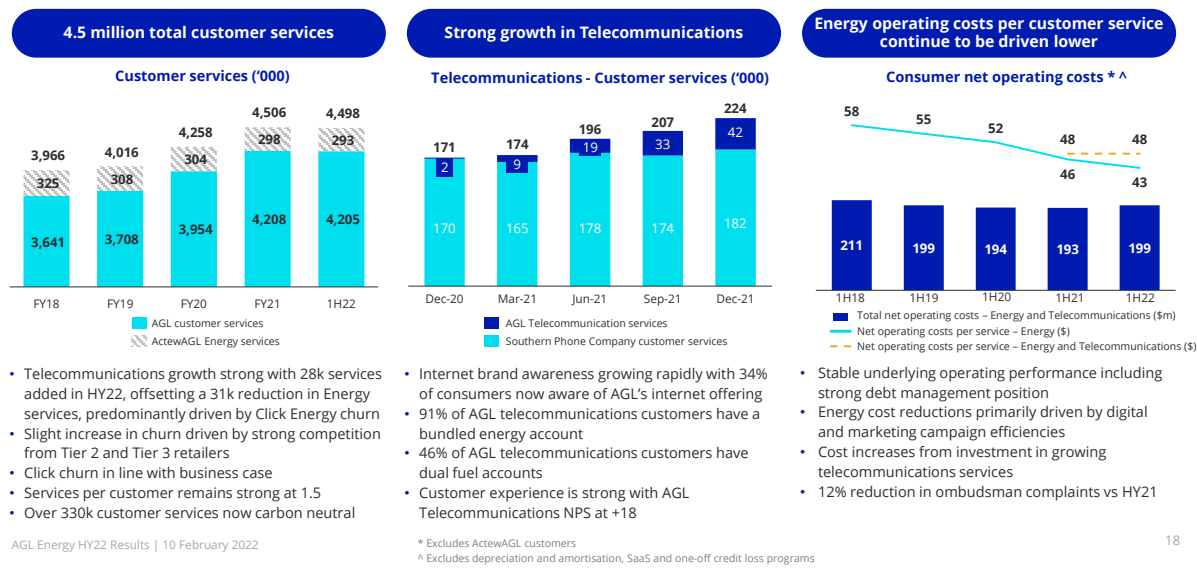
Markus Brokhof

Chief Operating Officer (AGL Energy)

[DAMIEN NICKS]

I'll now handover to Christine and Markus who will provide a first half update on customers, operations, and portfolio generation, before delving into the strategies for AGL Australia and Accel Energy.

Strong telecommunications growth and continued energy cost efficiencies driving positive results in the first half



[CHRISTINE CORBETT]

Thank you, Damien, and good morning, everyone.

Our consumer business remains strong with 4.2 million services to customers and 4.5 million when you include ActewAGL services. This has been underscored by good growth in telecommunication services and continued underlying cost efficiencies.

Over the past six months there has been increased competitive activity and we have seen a modest increase in churn, in line with the market trend. This has led to a slight reduction in overall energy services, predominantly driven by the anticipated higher churn of Click Energy customers - although pleasingly this is still in line with our business case expectations.

A highlight for the first half was the strong growth achieved in telecommunications as we scale our offering, and we now have 42,000 services under the AGL brand. Furthermore, brand awareness of AGL's internet offering has continued to grow to 34 percent, with moderate but efficient brand and marketing investment.

Net operating costs per consumer energy service continue to be driven lower, underscored by digital and marketing campaign efficiencies. Prudent investment in our growing telecommunications business resulted in an overall increase in net operating costs.

Pleasingly we have continued to deliver efficiency whilst at the same time improving our customer experience, as demonstrated by our strong NPS results. We have also seen a further 12 percent reduction in ombudsman complaints compared with the prior corresponding period.

As we enter the second half of FY22, we will continue to focus on growing the value of our customer book, improving the customer experience, and driving efficiency in our cost base.

Commercial and Industrial customer performance driven by growth in sustainable business energy solutions



Market leading behind the meter technology solutions for business



- ✓ Integration of Epho and Solgen successfully completed
- ✓ First half SBES gross margin was \$6 million (up 100% compared to prior corresponding period), driven by strong sales growth
- ✓ AGL now the leading commercial solar provider in Australia - Ranked #1*
- ✓ Acquisition of proprietary behind-the-meter ('BTM') renewables technology
- ✓ Increases flexibility of offering to meet customer needs
- ✓ Expanded Supply Chain and Contractor capability

Decarbonisation partnerships

We continue to innovate and support customers on their decarbonisation journey



Australia's largest multisite renewable behind the meter power purchase agreements, supporting The Salvation Army with up to ~18 MW roll out of solar across up to 850 sites.



AGL's first Micro Grid network spanning 6km connecting 13 unique supply locations in the Cooper Basin that combines 437 KWh of energy storage, 130 kW of PV and 2 generators. AGL also recently completed stand alone power systems (SAPS) roll out displacing diesel generators across 55 sites totalling 4,278 KWh of energy storage and 8.8 MW of solar PV.



Preferred energy solutions partner for Goodman across a growing portfolio of 76 sites totalling 10.6 MW with an outlook to deliver up to 100 MW over the next five years. AGL delivering first 500 KWh energy storage trial for Goodman in 2022

Underpinned by large customer base



~5 TWh
Commercial elec. demand across ~16,000 locations



~9 PJ
Commercial gas demand across 1,300 locations



>130 MW
Of solar under operating management

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*SunWiz Executive Insights January 2022 report - Sub 100 kW Top 5 Commercial 2021

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[CHRISTINE CORBETT]

Our Commercial and Industrial customer performance has remained strong, primarily attributable to growth in 'Sustainable Business Energy Solutions.' The integration of the Epho and Solgen businesses has been highly successful. As expected, these businesses have complemented and bolstered our existing solar capabilities, enabling AGL to deliver more tailored and innovative energy solutions for businesses, as we partner with them through the energy transition.

AGL is now the leading commercial solar provider in Australia and is uniquely positioned to deliver Energy-as-a-Service through our Behind-The-Meter technology solutions.

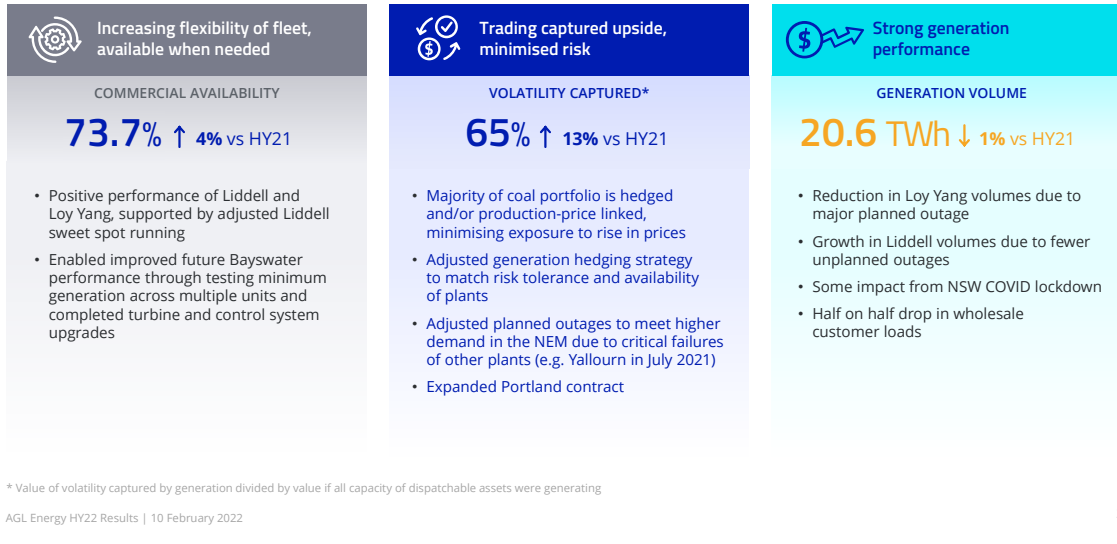
Energy solutions gross margin has doubled to 6 million dollars, driven by strong sales growth, with average electricity supply contracting tenure rising significantly. We have also grown our distribution revenue notably, albeit off a smaller base. This is despite the disruption to global supply chains and the impact of COVID-related shutdowns on solar construction.

We continue to innovate and support customers on their decarbonisation journey, including microgrids with Santos, deploying solar across nearly 850 sites with The Salvation Army and a five-year partnership with Goodman Group, deploying up to 100 megawatts of solar.

Our strong customer focus as evidenced by service performance, customer advocacy and scaling our multi service offering has delivered value today whilst providing a solid foundation for growth.

And now over to Markus.

Operational and trading performance remained strong in the first half



[MARKUS BROKHOF]

Thank you, Christine, and good morning, everyone.

I am pleased to say that we have had a very strong performance to the year so far.

We have been able to capture opportunities in the market through commercial fleet availability, effective trading and risk management, and complemented this with our resilient generation portfolio.

This slide shows a few of our key metrics for our operational performance.

Starting on the left-hand side, the commercial availability of the entire thermal generation fleet, which is higher compared to the first half of last year, mostly reflecting the good performance of Loy Yang and Liddell. I will discuss this in greater detail on the next slide.

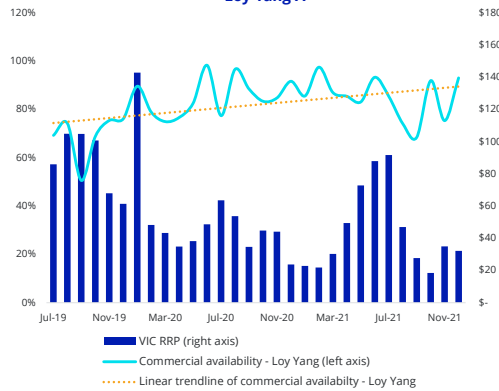
In the middle, you can see a metric that demonstrates how we are positioning the portfolio in the traded markets. We have improved year on year our capture of volatility and have extracted more extrinsic value of our assets. Our effective trading, origination and risk management has come to bear in the half, as our portfolio hasn't been hit by the coal and gas price increases seen in the global commodity markets on the supply side. Again, I'll touch on this in more detail on an upcoming slide.

Finally, we had a very slight reduction in generation volumes over the half: mainly influenced by a major planned outage in Loy Yang reducing volumes from that plant, and some demand impact from sustained lockdowns in Victoria and New South Wales.

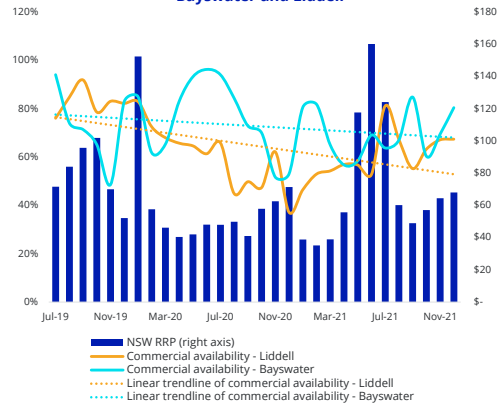
Continued focus on flexible operations to enable plant to match demand and commerciality of the market



Commercial availability and regional pricing
- Loy Yang A



Commercial availability and regional pricing
- Bayswater and Liddell



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[MARKUS BROKHOF]

We have previously highlighted the focus on commercial availability over technical availability for our thermal fleet. This is an important shift in mindset from being available as much as possible, to maximising availability when the market needs our units to be on and compensates for them.

You can see the trend of Loy Yang has been really beneficial, with a big step up in availability during times when the price is above our short run marginal cost. As we continue to undertake disciplined investments on the station and mine, we believe this can be sustained.

On the right-hand side, you'll see Liddell and Bayswater.

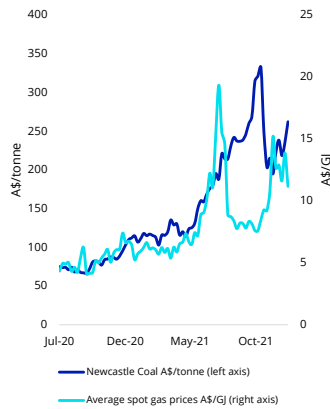
Liddell's availability is trending down over time, which is natural for an aged plant. That said, it has had an uptick relative to a poor performance in the first half of 2021. Liddell's performance reflects a changed sweet spot operation, in other words - lowering the operational capacity to 320 to 350 megawatts, which helps us keep the units running reliably through to end of life.

Bayswater is an area we are applying increasing focus, with some recent challenges arising out of derates, particularly from our coal mills. We have invested into greater flexibility, lowered minimum load running and upgraded the Digital Control System which will improve performance in future years.

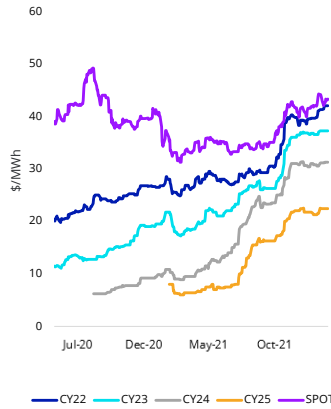
Commodity markets have rallied in the first half, with AGL Energy well positioned due to asset base, hedging and risk management strategies



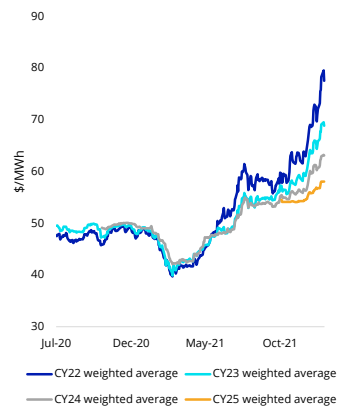
Coal and gas prices



LGC Forward and Spot Price



Flat Calendar Year Swap*



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 * Average pricing across the mainland states in the NEM

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[MARKUS BROKHOF]

The commodity markets were very much dominated by a recovery of the global economy, after COVID-19 impacted most of the manufacturing industries and trade flows.

Gas storage levels were below average in most of the countries in the Northern Hemisphere, and China has become the largest importer of LNG after decades of Japan being the largest offtaker. The diversion of LNG cargoes has caused an uplift in prices in Europe and the Asian Pacific region.

Gas to coal switching has also caused higher demand in thermal coal.

Nevertheless, our coal supply portfolio and gas portfolio has not been majorly impacted by these price rallies, due to a very well managed procurement strategy and risk management.

In addition, market participants with short positions on green certificates such as LGCs have substantially driven up the forward curve for LGCs, benefitting our renewable portfolio in the short and mid-term.

Power prices in the forward markets in the NEM have followed the same trend and been more pronounced in the northern states, than in South Australia and Victoria.

Now, back to Christine.



AGL Australia

Christine Corbett
Chief Executive Officer-Elect (AGL Australia)



[CHRISTINE CORBETT]

Thankyou Markus.

AGL Australia will leverage deep energy expertise and scale to create value in a low carbon world



MARKET DYNAMICS

23% Increase in Electricity Consumption from 2020 to 2030¹

20% of consumption or 45 TWh from decentralised energy in 2030¹

2.9x Increase in renewables in the NEM from 2020 to 2030²

FUTURE SUCCESS FACTORS



Delivering to the step change in customers' energy needs



Connecting and innovating via a digital ecosystem



Empowering customers to have control



Creating value through the energy transition



Our roots are in Energy Retailing at scale. As Australia's most recognisable and established energy brand, we have the expertise to **lead the transition with our customers**



Trading is in our DNA. We are experts at managing energy market risk and creating value, with a foundational near-term hedge book and opportunity to expand our flexible and green portfolio over time



We are distinctively positioned to **lead in sustainability driving growth through decarbonisation at scale**

1. Based on underlying energy consumption as defined by AEMO
2. Based on Variable Renewable Energy as defined by AEMO
Source: AEMO 2022 Draft ISP (Step Change Scenario)
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[CHRISTINE CORBETT]

As the CEO-Elect for AGL Australia, I am pleased to share the growing market opportunities for the new company and our distinct advantage, our strategy, where we see value, the capabilities we need to capture value and importantly, the strong position we are taking on our climate commitments. We have a strong growth future.

The NEM itself is changing, after growing by less than five percent in the last two decades, electricity consumption is forecast to grow by 23 percent between now and the end of the decade. This transformation is being driven by the electrification of industry, transportation and residential demand.

The shift is being enabled by technologies such as smart and connected devices, electric vehicles, competitive and reliable renewable power, decentralised energy, and the rise of the prosumer. We are in the midst of this transition already as rooftop solar is now the second largest generator in the NEM with almost 15 gigawatts of capacity.

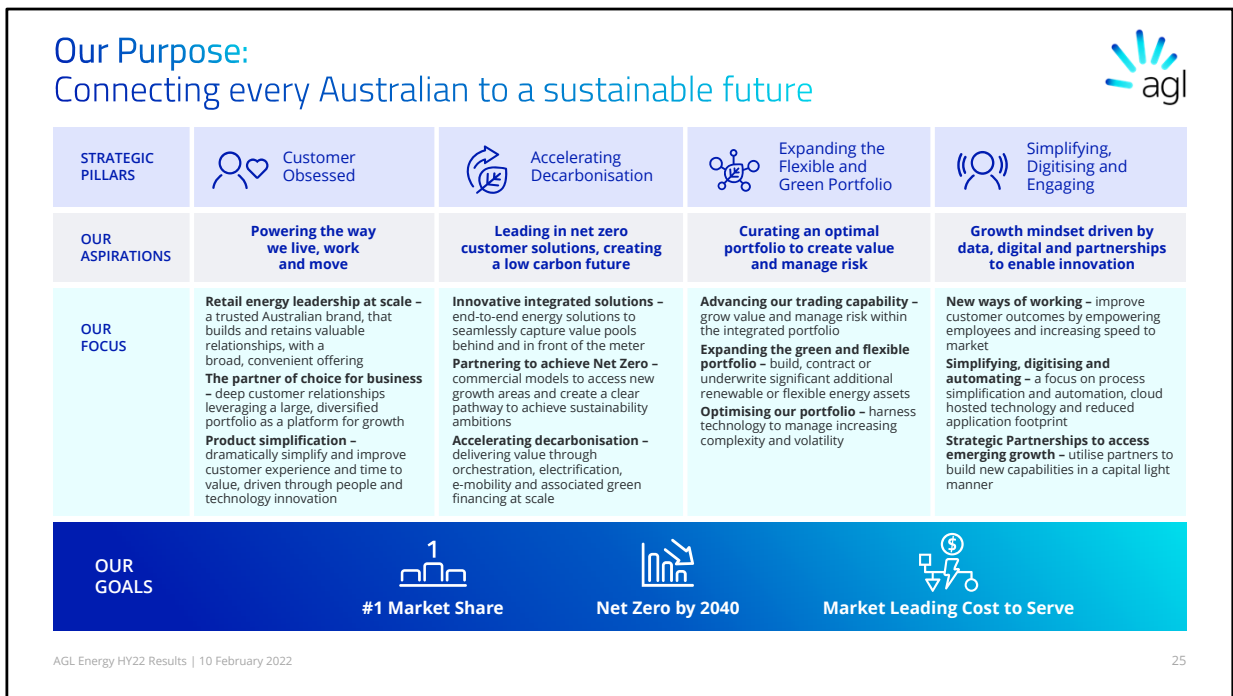
To succeed in this growth market, we have the compelling combination of scale, energy trading and sustainability to drive growth and generate incremental value.

Scale - Our roots have been in Australian energy retailing at scale. We have over four million customer services, we are recognised for energy and have a strong established brand which our customers trust as we move to a sustainable future.

Trading is in our DNA and will be pivotal to manage volatility during the energy transition. Our trading capabilities are well respected and known, we will continue to manage risk and create value at the same time. At the heart of this is our hedging strategy and flexibility to expand and adjust our green portfolio over time to meet the energy and decarbonisation needs of our customers.

Sustainability - With our large customer base, a flexible and green supply portfolio, and the goal of underwriting three gigawatts of renewable and flexible capacity by 2030, we have a unique opportunity to provide leadership for both our residential and commercial customers as we progress to net zero.

Despite market convergence and adjacent players entering the energy sector, it is the compelling combination of these three attributes that uniquely positions AGL Australia for a strong growth future.



[CHRISTINE CORBETT]

We are a leading Australian brand, providing more than four million services nationally. This scale renders AGL Australia a powerful change agent, and our actions can truly shape the future of energy in this country.

Being Australia’s leading custodian of energy relationships brings responsibility, and we take ours seriously. We know that Australians expect us to act on climate change, and meeting and exceeding these expectations is paramount to everything we do.

Our Purpose sits at the centre of our strategy - Connecting every Australian to a sustainable future.

What underpins our purpose are our four strategic pillars and aspirations.

Customer Obsessed – As Australia’s leading multi-service energy retailer, AGL Australia holds a privileged position, uniquely placed to provide the specialist energy advice and services that our customers’ needs. With an unwavering focus on the needs of our customers, we will capture rising demand. In this new environment, engaged customers are central to long term growth.

We have established a trusted position leading the category as Australia’s most recognised energy brand and building scale in telecommunications. We have a strong history of innovation, retailing and customer centricity which provides an incredible platform for growth. This approach will be tailored for our business and commercial customers to meet their evolving needs. Dramatic simplification of our products will reduce complexity for customers and our people. We will improve customer experience and time to value through our investments in digital and technology platform including both Kaluza, a new energy core system, and the Retail Next transformation program.

Accelerating decarbonisation – Electrification and decarbonisation are the most significant forces

impacting the energy transition over the next two decades. We will guide customers through the decarbonisation journey, providing innovative offerings in e-mobility, decentralised energy resources and green financing. Our partnership model with business customers will drive electrification and support net zero targets through our market leading commercial energy solutions position, achieving our sustainability ambitions together.

Expanding the Flexible and Green portfolio – to enable us to meet the energy needs of our customers and achieve our 2030 goal of underwriting three gigawatts of renewable and flexible capacity, we will carefully curate an optimal portfolio to manage both our financial risk and generating value for our customers. In delivering this, we have the flexibility to build, contract or underwrite renewable and flexible energy assets expanding on more than two gigawatts of flexible and renewable generation to meet the needs of our customers.

Our last pillar, Simplifying, Digitising and Engaging is about transforming our business, operational model and ways of working. This is being delivered through digitisation, simplification and partnerships, including our partnership with Kaluza which is reducing cost to serve, improving speed to market whilst increasing employee engagement and performance. Our Retail Next program will also enable AGL Australia to grow beyond core energy and expand into emerging areas such as EVs, batteries, orchestration and other adjacencies.

All of this leads us to our goals which is to have number one market share, be net zero by 2040 and have the market leading cost to serve.

Building from our core, we position ourselves for growth in emerging markets








DRIVING VALUE IN OUR CORE BUSINESS

- **Scale and Proven Growth** – Trusted brand, with proven growth engine; #1 commercial solar position and track record of successful acquisition and integrations
- **Low-Cost Operator** – Established low-cost position with our transformation program to deliver continued efficiency
- **Value Management** – Sophisticated analytics capability to deliver disciplined margin management in a highly competitive market
- **Digital, Data and Technology** – Advanced capability underpinned by our evolving digital eco-system and technology partnerships including the Kaluza platform
- **Flexible and renewable assets and contract book** – Integrated portfolio of diverse assets and contracts across electricity, gas and green products
- **Energy market and trading expertise** – Proven ability to create value and manage market risk through our trading book



ACCESSING LONGER TERM VALUE POOLS

- 
Renewable and Flexible capacity development
 ~78 GW of renewable energy by 2030 in the NEM¹
 ~31 GW of flexible and storage assets by 2030 in the NEM¹
- 
Driving the Electrification Transition
 ~\$40 bn invested in solar and battery by 2030²
 ~27 TWh of industrial electrification by 2030³
- 
Originating carbon offsets
 ~\$0.8 bn market for carbon offsets by 2035⁴
- 
Powering mobility through electric vehicles
 ~4.2 GWh of consumption from EVs by 2030⁵
 ~\$1.5b domestic charging infrastructure in the next decade⁵
- 
Access to Green financing via partnerships
 ~\$1.5 bn market size of green home finance services by 2030⁶

Our role at AGL Australia

Expand our green and flexible portfolio to meet our customers' needs and decarbonise our supply

Provide products and services to our customers to decarbonise their homes and businesses

Support achieving net zero where emissions are hard to abate

Expand our core energy offering to be at the centre of the EV ecosystem

Make participation in decarbonisation affordable by partnering to support upfront capital needs

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1. 2022 Draft ISP Results Workbook, Steady Progress (CDP1)
 2. BloombergNEF - Australia Behind the Meter Update 2020
 3. ISP 2022 - Step Change

4. MAG Carbon Monthly, December 2021
 5. AEMO ESOO 2021 - Steady Progress
 6. BloombergNEF - Australia Behind the Meter Update 2020

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[CHRISTINE CORBETT]

AGL Australia is strategically well positioned to benefit from the energy transition.

Value in our core business is driven by scale, efficiency, a trusted brand and value maximisation through leveraging our trading book.

Our immediate focus will be driving incremental value through efficiency gains, by leveraging our technology platforms, our flexible and renewable asset base and our trading expertise in a more focused and nimbler environment.

Over the medium term, as electricity consumption rises via the transition to electric vehicles, the demand for domestic charging infrastructure is expected to grow to 1.5 billion dollars in the next decade, and we want to help our customers connect both in the home and on the road.


We want to drive the electrification transition by using our position as a trusted brand and go-to energy specialist, including tapping into the growing solar and battery market.

Through strategic partnerships, we want to make participation in the decarbonisation journey affordable by supporting our customers with green financing to reduce the burden of upfront capital needs.

On the supply side, the NEM could play host to over 78 gigawatts of renewable energy assets and 31 gigawatts of flexible generation and storage by 2030. We will play an active role in this market transformation and we have the customer demand to stimulate growth and investment, expanding our green and flexible portfolio to meet our customers' needs.

Lastly, we aim to drive the evolution, growth and transparency of voluntary carbon markets, alongside industry partners and government agencies.

We are more than just an energy retailer
 Creating value by curating an optimal portfolio of assets and contracts for energy and carbon relative to our customer' needs



1 Leading multi-service energy retailer

- 4.5 million customer services*
- 24 TWh customer electricity demand
- 74 PJ Consumer and Commercial gas demand
- Leader in business energy solutions

Flexible and green portfolio


- Gas peakers: Barker Inlet, Somerton and Kwinana Swift
- 780 MW of owned hydro capacity
- Approved 250 MW Torrens battery (anticipated to be operational in April 2023)
- Wandoan and Maoneng battery contracts

Foundational offtakes, rolling off over time

- Accel Energy offtake
- Existing wind and solar offtakes with Tilt Renewables
- Access to 3.5 GW Tilt Renewables development pipeline

Decentralised energy and trading expertise

- Deep expertise in energy trading to create value
- A leading virtual power plant (VPP) including batteries, solar inverters, EV chargers, flexible and commercial industrial loads



* Projects funded by third parties.
 † Currently under construction.
 Generation assets operated or controlled by AGL which have an installed capacity of less than 50 MW are not shown on this map.

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[CHRISTINE CORBETT]

We are creating value by curating an optimal portfolio of assets and contracts for energy and carbon relative to our customers' needs.

While AGL Australia will be Australia's leading multi-service energy retailer with over four million customer services, we come out of the blocks as much more than that.

We have flexible generation assets, with our gas peakers and batteries under construction, contracts for the output of renewable assets, like our wind and solar offtakes with Tilt Renewables, and the largest private fleet of flexible and renewable assets, including 780-megawatt hydro-asset fleet.

These assets span our customer footprint in five states of Australia. But we aren't just thinking about supply in the traditional large-scale generator sense; our customers are increasingly prosumers, participating in the energy mix through their orchestratable assets.

Today we run a leading retailer-led Virtual Power Plant in Australia and we see our customers as an intrinsic part of our supply portfolio in the future. We have a complementary gas contract book to supply our gas customers across the east and west coasts, linked to our electricity portfolio via the leverage of our gas generators on both sides of the country.

Alongside our electricity and gas books, we have an established green trading capability, managing national and state-level renewable energy schemes and carbon offsets for our customers, prepared and poised for our growth in these markets. Taken together, AGL Australia will list as a large-scale, fully formed energy and retail market player, equipped with the people, portfolio and passion to connect our customers to a sustainable future.

AGL Australia Climate Commitments
 AGL Australia will be a leader in sustainability and will impact at scale as a net zero energy business by 2040. From listing, AGL Australia will be carbon neutral for all Scope 1 and 2 emissions.

Our net zero target includes all emissions – energy we produce, procure and our customers use.
 As we connect Australians to a sustainable future, we have identified five commitments.

WHAT WE ARE ALREADY DOING

- Leading flexible and renewable generation and storage with 2 GW of capacity,** access to Australia's largest renewable pipeline 3.5 GW via our investment in Tilt Renewables, 250 MW of grid scale batteries under development, and 500 MW of flexible gas generation.
- Driving customer decarbonisation** with carbon neutral offerings available on all products, a leading VPP at >200 MW and more than 100k households signed up, and accelerating electric vehicle adoption through subscription services and partnerships.
- Partnering with business and commercial customers to decarbonise** as Australia's leading commercial solar provider with over 250 MW of installed capacity in the last five years.

2040
 Net zero on Scope 1, 2 and 3 emissions

2030
 50% emissions reduction on FY19 levels and underwrite 3 GW renewable and flexible capacity by 2030

2023 - 2030
 Drive the evolution and transparency of voluntary carbon markets, alongside industry partners and government agencies

2022
 Implement an internal carbon pricing mechanism to support investment decisions

FROM LISTING
 Carbon Neutral post demerger for all Scope 1 and 2 emissions

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[CHRISTINE CORBETT]

AGL Australia will be a leader in sustainability and impact at scale as a net zero energy business by 2040. Our decarbonisation roadmap lists out key milestones towards our net zero target. From the first day of listing, AGL Australia will be carbon neutral for all Scope 1 and 2 emissions.

In addition, we will implement a carbon pricing mechanism to underpin our investment decisions. We will work collectively with our industry partners and government agencies to drive the evolution of the carbon trading market in Australia.

By 2030, we aim to reduce emissions by 50 percent based on FY19 levels and underwrite three gigawatts of renewable and flexible capacity. We have laid down the foundations by being a leader in renewable and flexible assets, with our carbon neutral offerings on all products, our partnerships with business and commercial customers and our trading positions within the existing carbon markets.

As we connect Australians to a sustainable future, we have committed ourselves to a sustainable transformation alongside our customers.

We are excited about our commitment to our decarbonisation journey and will come back with a detailed climate roadmap later in the year in line with our strategic scorecard and metrics.

AGL Australia is poised for growth, and uniquely placed to transition as the provider of choice in a generation shift towards electrification.

Enabled by our unique blend of scale, trading DNA and sustainability credentials, we have a strong growth future.

Now, back to Marcus.

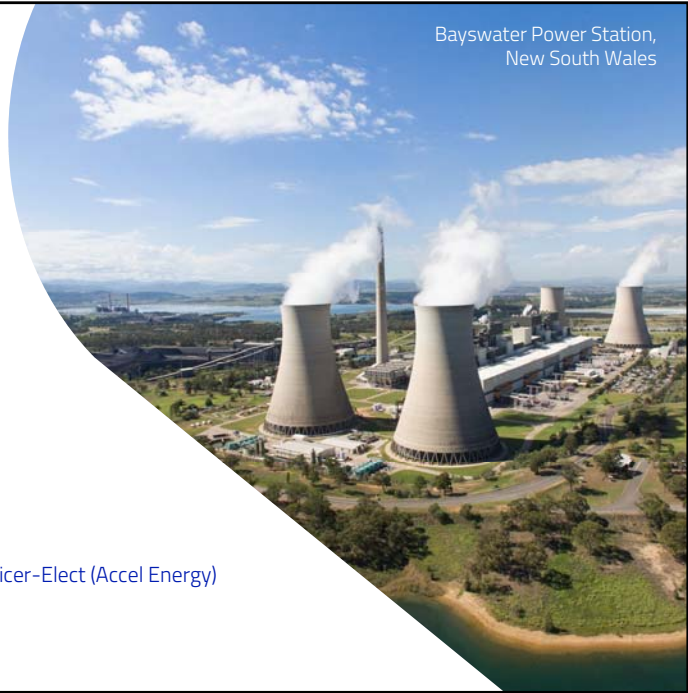


Bayswater Power Station,
New South Wales

Accel Energy


Markus Brokhof

Chief Operating Officer and Deputy Chief Executive Officer-Elect (Accel Energy)







[MARKUS BROKHOF]

Thanks Christine.











Accel Energy – Advancing a new energy future, together

In a changing energy future...

	DECARBONISATION ESG pressure in debt, equity and insurance Opportunities for low carbon energy		DECENTRALISATION Smaller assets New forms of capacity		DIGITISATION Ability to optimise Aggregate and orchestrate		GOVERNMENTS Increasing direct involvement Opportunities to partner
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... Accel Energy will deliver:

	PROMISE	Supply competitive energy	Protect and enhance value	Deliver new opportunities
	PRECONDITIONS	Maintain investment grade rating and protect balance sheet		
		Transition to a lower carbon, flexible portfolio		
		Diversify sources of revenue		
	PILLARS	Operating with care for our people and environment Operational excellence	Creating value Trading excellence	Innovating and transitioning Portfolio excellence
	PEOPLE	Talented workforce, qualified and committed to driving a new role for Accel Energy		
	PARTNERS	 Embed alliance with local communities and First Nations	 Enter cross-industry partnerships to broaden opportunities	 Partner with Government to reduce risk in accelerating the energy future

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[MARKUS BROKHOF]

As you would remember from previous announcements on the proposed demerger, Accel Energy will be characterised by its large, low-cost thermal and wind fleet, backed by a large customer book. Its primary route for growth will be the Energy Hubs.

Since these announcements, we have been forming a holistic strategy to sit around this company architecture, which I will talk to at a high level before going into some more detail on key areas on subsequent slides.

For Accel Energy, our purpose will be “advancing a new energy future, together,” and I’ll come to what that means as I step through this slide.

Firstly, it means meeting the challenges and opportunities that the changing energy world presents. Decarbonisation, decentralisation, digitisation, and the changing policies of governments, will all shape the pressures and opportunities that Accel can explore.

To address these challenges and opportunities, Accel’s strategy will be to deliver three core promises; To supply competitive energy, to protect and enhance value and to deliver new opportunities.

These promises indicate that Accel will keep efficient delivery of energy at the heart of its operations, while growing into new segments that reflect the changing energy landscape in Australia, with its increasing shift to lower-carbon sources. These promises will leverage Accel’s existing strengths, while providing growth and continuity past the closure dates of its existing assets.

As preconditions to success in this strategy, Accel Energy must maintain its investment grade rating and protect its balance sheet, transition to a low-carbon and flexible portfolio, and diversify its sources of revenue to provide the company with longevity and resilience.

To deliver against our promises and preconditions, are our three strategic pillars.

At its core, Accel is an energy business with large scale operations, so we must operate safely and

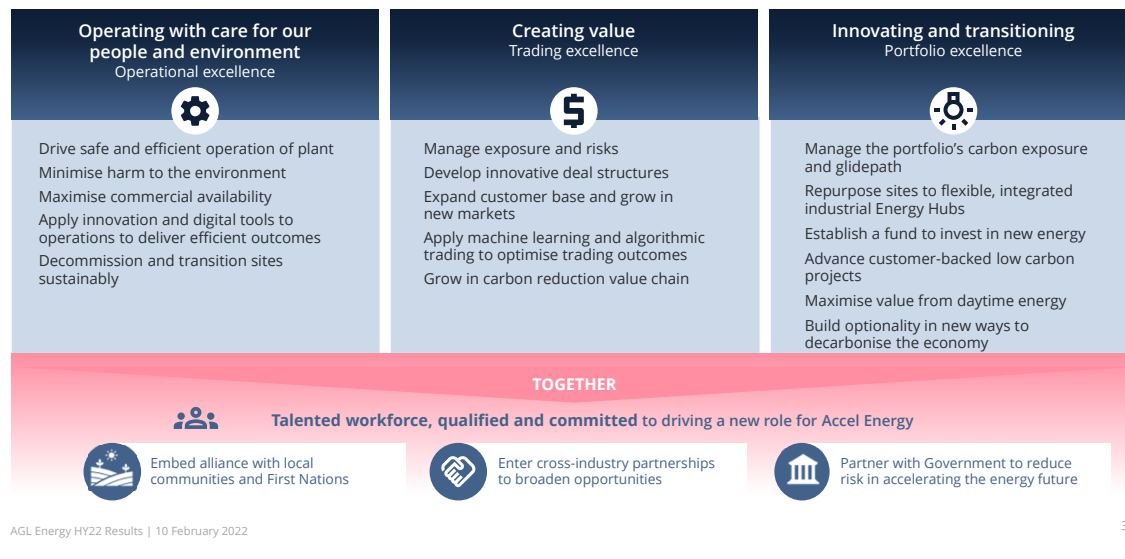
efficiently, which is what we term operational excellence.

Then, to monetise and create value from our generation, we need trading excellence.

Finally, to innovate and transition from today, we need portfolio excellence with the ability to grow in the decarbonised, decentralised, and digitised energy future.

While all this gives a sense as to what Accel will pursue, it is important to know that we will not be doing this alone. We must partner with others who have a similar interest in driving the energy future. Whether it be our talented workforce, or the communities in which we operate and the First Nations people, or other industries partaking at our energy hubs, or governments – we have a shared interest and will achieve our objectives quicker and more effectively by working together.

Accel Energy – Advancing a new energy future, together



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[MARKUS BROKHOF]

On this slide, we have some more detail on each of these strategic priority areas to give a sense as to what we will be pursuing in these. I won't go into each individually here but will characterise what I see to be some of the key aspects.

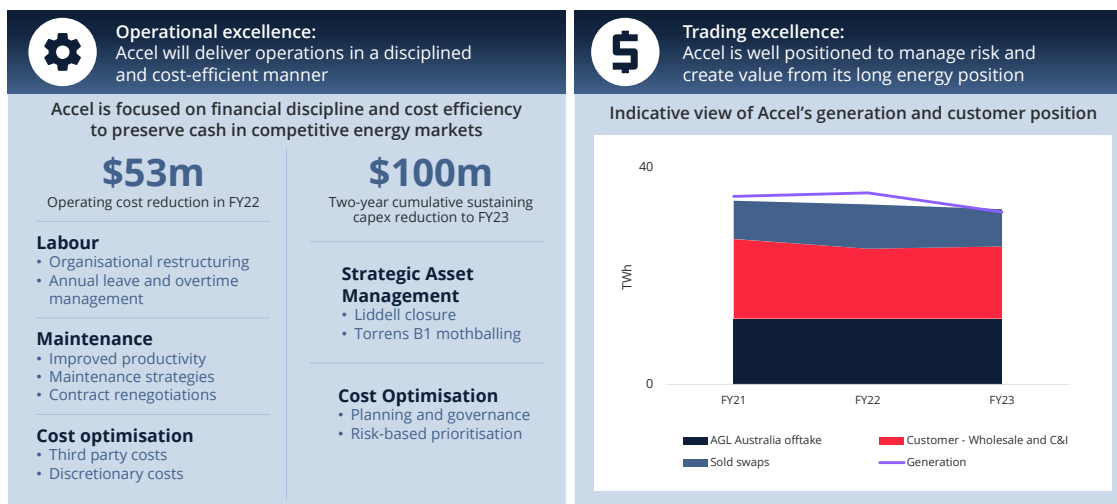
Starting on the left, you see that our core business remains our asset fleet. The key focus running through is our people and environment staying safe, while our operations remain commercially competitive. This includes building on our lowest-cost position in the NEM, and continuous improvement is at the heart of operational excellence.

In trading excellence, you'll see that managing the long generation position through customer origination and trading remains a focus for us, but there are also new areas of growth and value such as carbon products, algo-trading and building up a wider customer base to enable us to advance renewable developments and risk manage our portfolio.

Finally, our portfolio excellence is where you'll see the most growth. The two previous mentioned strategic pillars are the ingredients for success in portfolio excellence. At the heart, the Energy Hubs and the investment vehicle of the low-carbon fund that we will seek to establish, and on which I'll go into more detail shortly.

Stacking around this are other avenues to growth, such as building optionality in new ways to decarbonise the economy, and maximising value from daytime energy when the duck curve is increasingly pronounced.

Operational and trading excellence – Accel will supply competitive energy and use its trading expertise to create value and manage risk



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[MARKUS BROKHOF]

As we look to our first pillar of our strategy, which is operational excellence, there is a broad spectrum of activities this covers, but underpinning all of these activities must be a disciplined approach to costs.

Damien covered earlier that AGL has had good traction toward its cost targets, and Accel will continue this momentum, focusing on labour, maintenance and efficiency to keep its opex low.

Strategic asset management and ensuring we have a disciplined approach to capital spend on our assets in their remaining life will be important to achieving our capex targets.

Looking now at the right-hand side and what our trading team will be managing. Accel will have a naturally long energy position, but will start well positioned in the market upon demerger. The existing large customer book and offtakes with AGL Australia will provide effective risk management, while leaving some uncontracted position to capture further value.

Over time, as the AGL Australia offtake steps down, Accel will grow and diversify its customer book, and this will be a key area for the trading, origination, and portfolio teams.

This will be a primary focus area for myself and my team at Accel, as growing our customer book and offering new contracts and products will allow us to manage risk while bringing our pipeline of renewables and low-carbon firming online. This customer growth will be achieved through our Energy Hubs, and more broadly looking to grow in large customer segments.

Portfolio excellence – Industrial Integrated Energy Hubs will be a cornerstone of Accel’s strategy to grow beyond its core



ENERGY HUBS:
 Transition thermal sites into hubs, to provide low carbon energy demand, expand products, and orchestrate energy and waste flows

Why Energy Hubs?	Hunter Hub	Discussions underway with energy-intensive industry and logistical support, focussed on:
<div style="display: flex; align-items: center;"> <div> <p>Repurpose existing infrastructure and capabilities</p> <ul style="list-style-type: none"> Maximise returns by reusing existing infrastructure / assets Ensure productive future use of land and existing electrical infrastructure post closure Provide opportunities for workforce and communities to participate in energy future </div> </div>	<ul style="list-style-type: none"> • Significant development of land with relatively unconstrained transmission infrastructure • Proximity to rail and international port • Focus on hydrogen, low carbon metals and chemicals, firming, data centres, bioenergy, advanced manufacturing and agriculture 	<div style="display: flex; align-items: center;"> <div> <p>Hydrogen and derived products e.g. ammonia, synthetic green methane, e-fuels</p> </div> </div>
<div style="display: flex; align-items: center;"> <div> <p>Create synergistic intrahub flows</p> <ul style="list-style-type: none"> Extend energy, carbon and logistics synergies to lower operating cost for hub participants Enable industries to decarbonise and monetise latent capacity Diversify Accel's revenues into new energy products and new industries </div> </div>	<div style="background-color: #1a2b3d; color: white; padding: 5px; text-align: center;"> Latrobe Valley Hub </div> <ul style="list-style-type: none"> • Significant development of land with access to existing transmission infrastructure • Focus on hydrogen, low carbon metals and chemicals, firming and data centres 	<div style="display: flex; align-items: center;"> <div> <p>Data centres</p> </div> </div>
<div style="display: flex; align-items: center;"> <div> <p>Align customer demand to supply</p> <ul style="list-style-type: none"> Lower risk and accelerate Accel's new renewable development pipeline </div> </div>	<div style="background-color: #1a2b3d; color: white; padding: 5px; text-align: center;"> Torrens Hub </div> <ul style="list-style-type: none"> • Proximity to port, CBD and industry • Focus on hydrogen, low carbon chemicals, firming and data centres 	<div style="display: flex; align-items: center;"> <div> <p>Energy from waste including biomethane</p> </div> </div>
		<div style="display: flex; align-items: center;"> <div> <p>Heat-intensive industrials</p> </div> </div>
		<div style="display: flex; align-items: center;"> <div> <p>Transportation logistics including rail, port and gas infrastructure</p> </div> </div>

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[MARKUS BROKHOF]

The Energy Hubs will be key to our portfolio excellence priority and enable us to grow beyond the core that exists today. When executed, the Energy Hubs will see us transition our thermal sites to hubs that provide low-carbon energy demand, expand services, and have Accel take a hub orchestration role of synergistic energy and waste flows.

We believe that the Energy Hubs at Latrobe Valley, Hunter and Torrens, are a compelling proposition for three core reasons.

They will repurpose existing infrastructure and capabilities which provides a competitive edge in return on investment and execution capabilities.

They will create synergistic intrahub flows such as carbon dioxide, water, or heat – similar to a circular economy. The real value here is that these unlock new ways to decarbonise and lower costs for Accel and industry partners.

They are an effective mechanism to align customer demand for low-carbon energy to our extensive renewables pipeline. This will allow Accel to accelerate bringing these low-carbon projects online and lower the market risk for Accel.

We need to work in partnerships to create the opportunity and value that the Energy Hubs may afford. On the right-hand side of the slide, you can see some of the industries clusters who are interested in the Energy Hubs and with whom we have engaged in recent months.

Energy Hubs will introduce new value streams beyond existing energy products and de-risk firming renewable development



The Hubs will provide financial value to Accel through the sale of **existing electricity products** and **new Hub products**, coupled with **broader portfolio benefits of energy management** and **opportunities for new industry engagement**

		EXPECTED VALUE	CAPITAL REQUIREMENT	
Firmed Renewable Electricity	<ul style="list-style-type: none"> Firmed renewable electricity to meet Hub participants' needs Strong customer demand de-risks and accelerates project development Leverages high quality renewable projects and existing electricity infrastructure at hubs to deliver a lower-cost 'BTM' product 	Med. - High	High	<p>High</p> <p>Value: Over \$100m Gross Margin contribution by 2030 Capital: Over \$1bn investment required by 2030</p>
New Hub Products	<ul style="list-style-type: none"> Products that leverage hub assets / infrastructure: land, direct industrial heating and cooling, emerging energies including hydrogen and eFuels Extends energy, carbon and logistics synergies across Hub 	Medium	Low - Medium	<p>Medium</p> <p>Value: \$30 - \$100m Gross Margin contribution by 2030 Capital: \$100m - \$1bn investment required by 2030</p>
Portfolio Value	<ul style="list-style-type: none"> Creates value through the orchestration of flexible industrial load Supports grid stability and enables lowest-cost energy to Hub participants 	Medium	To be explored	<p>Medium</p> <p>Value: \$30 - \$100m Gross Margin contribution by 2030 Capital: \$100m - \$1bn investment required by 2030</p>
New Industry Exposure	<ul style="list-style-type: none"> Accel Energy engages with new industries in Hub opening partnerships and investment in major players' decarbonisation journeys and / or emerging technologies 	To be explored	High	<p>Low</p> <p>Value: Under \$30m Gross Margin contribution by 2030 Capital: Under \$100m investment required by 2030</p>
Iterate	<ul style="list-style-type: none"> Additional opportunities at site to be identified that contribute value to Accel Energy 			

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All figures represent current understanding of the Energy Hub value opportunity. This indication should be considered 'live' and be expected to change as opportunities are better understood at Energy Hub sites and business model for new products are determined.

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[MARKUS BROKHOF]

It is critical that these Energy Hubs unlock incremental revenue for Accel and build a solid base of earnings to diversify Accel's income. The aim is not to simply replace kilowatt hours generated by our thermal portfolio with kilowatt hours of low-carbon generation. To help illustrate how we see this occurring, this slide highlights some of the value streams we are exploring.

First, and closest to our existing core business, is firmed renewable energy. As I touched on earlier – partnering in the hubs allows us to direct link customer demand for renewable energy to bringing online new capacity at a lower risk for Accel and for the customer. We believe this may represent five to ten percent of new NEM capacity through to 2030.

Second, we see new hub products emerge. One very simple example of this is where excess heat is generated by one hub participant, such as a data centre, then another participant, such as a greenhouse, can then use it as an input with minimal cost and it is no longer emitted as waste. The opportunities extend far beyond this as land, rail, and emerging energies such as hydrogen can all be explored and leveraged at lower cost, when you bring the right partners together in a hub.

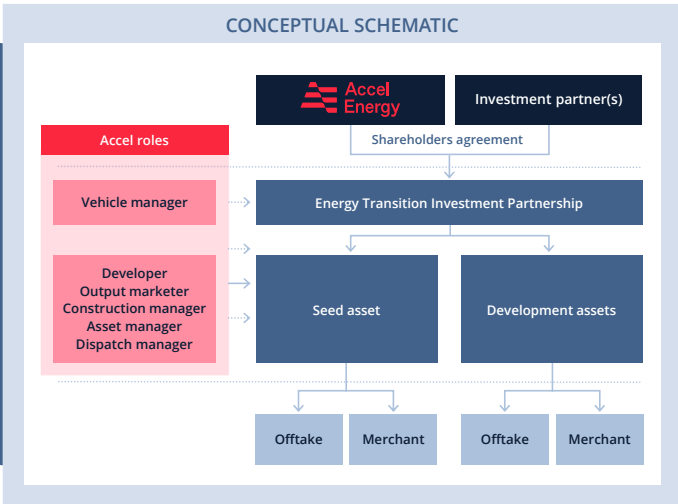
Third, and this is where we are quite uniquely positioned in developing Energy Hubs, is the portfolio value. As an energy company, we can create value through load orchestration for hub partners to enable lower cost electricity. As AGL Energy today, we are already running one of the largest VPP in Australia.

Finally, and this is our least explored area, is the opportunity for Accel to gain exposure and invest in new industries where they align to our strategy and portfolio.

An investment vehicle can back the development of Accel's key renewable and low carbon firming assets



- External funding will support the Energy Hubs developments
- Accel is exploring the establishment of an investment vehicle, Energy Transition Investment Partnership (ETIP)
- Initial market soundings have been positive
- ETIP proposition is a win-win for both Accel and investors
- Expression of interests sent out in January 2022 - partner selection process underway with intent to select preferred partners by April 2022



[MARKUS BROKHOF]

The Energy Hubs and associated pipeline of renewable development will require significant investment and cannot be funded by Accel alone. We will use Tilt Renewables as a blueprint to set-up the investment vehicle.

We are currently in the market to establish a fund, which we are calling the Energy Transition Investment Partnership, or "ETIP." It will support Accel in funding low-carbon developments and provide partners with access to a portfolio of investments, with the pipeline already up to 2.7 gigawatts across Australia. All projects are already at different stages of development and at approval stages.

Accel would fulfil a role as vehicle manager in addition to managing development, output marketing, construction, asset and dispatch.

We are working on the assumption that the ETIP will be established by the point of demerger.

Accel will hold ~2.7 GW of quality renewables and low carbon firming development in the pipeline in the NEM



Project	Capacity	Est. capex	Target investment decision*
Liddell Battery (NSW)	250 MW / up to 2 hours	~\$180 million	2H-2022
Loy Yang Battery (VIC)	200 MW / 1 hour	~\$150 million	2H-2022
Bowmans Creek Wind Farm (NSW)	350 - 450 MW	~\$600 - 800 million	Late 2022
Barn Hill Wind Farm (SA)	250 MW	~\$450 million	Mid 2023
Wind Project 1 (VIC)	Up to 600 MW	~\$1,100 million	Mid 2023
Wind Project 2 (NSW)	450 - 650 MW	~\$800 - 1,200 million	Late 2023
Bells Mt Pumped Hydro (NSW)	250 MW / 8 hours	~\$800 million	2023 - 2024
Total	2.4 - 2.7 GW	\$4.1 - 4.7 billion	



Additional project(s) in pipeline outside of investment vehicle: Broken Hill Battery

*All investment dates are subject to establishing investment vehicle funding, identifying potential PPAs or partial offtakes, and other project variables. Excludes projects for which investment decision has already been taken.
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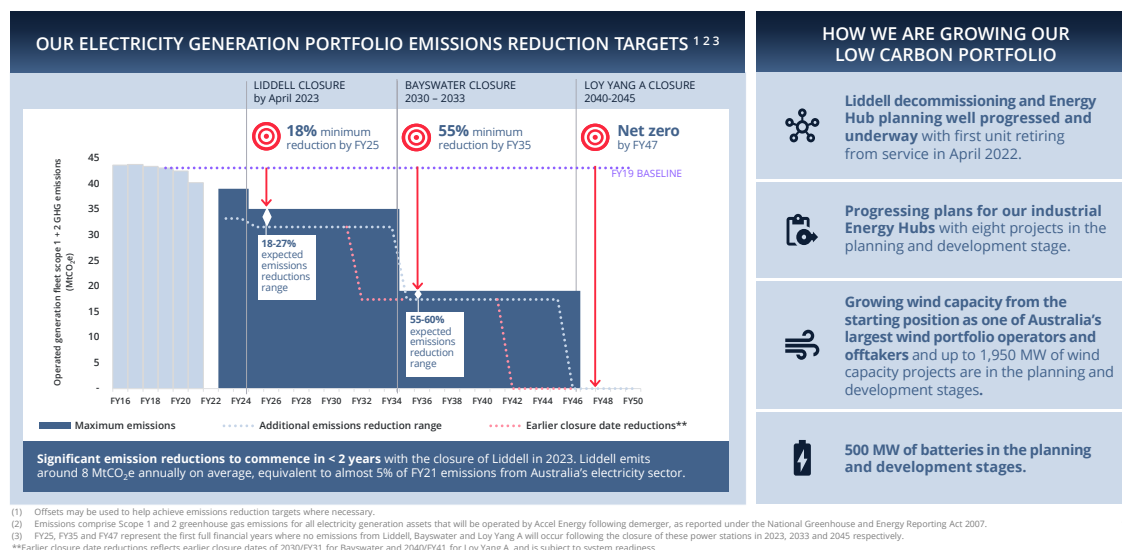
[MARKUS BROKHOF]

Establishing the fund will support the accelerated development of up to 2.7 gigawatts of quality renewables and low carbon firming that Accel will hold. This includes highly valuable wind, pumped hydro and battery projects across New South Wales, Victoria, and South Australia.

Developing this pipeline will support Accel in maintaining its position as one of the largest wind operators in Australia and grow the low-carbon firming to support renewables being integrated into the grid.

Accel Energy Climate Commitments

Responsibly reducing emissions and developing low carbon industrial Energy Hubs provides the foundation for Accel Energy's transition.



[MARKUS BROKHOF]

Before handing back to Graeme, I would like to highlight some further detail in relation to the climate commitments we have announced today for Accel Energy.

As you can see in this slide, the new closure windows that we have announced today result in emissions reduction targets that will enable a reduction in the total greenhouse gas emissions for our thermal fleet.

With asset management plans structured to the end dates of 2033 for Bayswater and 2045 for Loy Yang, total emissions during the period FY23 to FY50 will be reduced by at least an additional 12 percent compared to the trajectory previously referenced in our TCFD reporting.

This is a significant step forward for Accel

Through our five-year planning process and annual reporting, Accel Energy will report against our ambition of earlier closure beyond 2033 and 2045 in the context of changes in government policy, market settings, and advances in technology.

Overall, as I look across our strategy that I have presented to you today, I am excited for the unique role that Accel Energy will play in the future of energy in Australia and the opportunities for growth that it will have.

I'll now hand back to Graeme.



Hallett Wind Farm,
South Australia

Outlook

Graeme Hunt
Managing Director and Chief Executive Officer (AGL Energy)
Chief Executive Officer-Elect (Accel Energy)



[GRAEME HUNT]

Guidance range narrowed in line with solid first half performance



FY22 guidance range narrowed:

- Underlying EBITDA between \$1,275 and \$1,400 million (previously between \$1,200 and \$1,400 million)
- Underlying NPAT between \$260 and \$340 million (previously between \$220 and \$340 million)
- Strong generation and trading performance during Q2

FY22 guidance reflects a lower second half, in line with expectations, with the following drivers:

- Increased capacity costs to cover peak electricity demand, driven by higher wholesale electricity prices
- Lower wholesale gas consumption with seasonally warmer months in the second half, combined with flat haulage and storage costs
- Customer margin to improve due to a reduction in consumer solar feed-in tariffs, disciplined margin management, and ramp up of commercial solar projects commissioned that were delayed by COVID
- Operating costs (including depreciation and amortisation) to remain broadly flat half-on-half and on track to achieve \$150 million savings target by the end of FY22

Market outlook beyond FY22:

- The forward wholesale prices of our key commodities have improved and AGL Energy produces some of the lowest cost generation in the NEM. As a result, AGL Energy is well positioned to benefit from any sustained recovery in wholesale electricity prices, which will be reflected in earnings as hedge positions from prior periods roll off.

All guidance is subject to ongoing uncertainty in relation to the economic impacts of the COVID-19 pandemic as well as normal variability in trading conditions and plant availability.

[GRAEME HUNT]

As mentioned at the beginning, we've narrowed the underlying earnings guidance ranges for FY22, following a solid first half performance.

The expected reduction in second half earnings will be largely driven by increased capacity costs during periods of peak electricity demand, particularly in the summer months, which have risen as wholesale electricity prices have lifted.

Additionally, wholesale gas consumption is expected to be lower due to seasonally warmer months in the second half, with haulage and storage costs remaining flat.

Customer margin is expected to improve in the second half, reflecting a reduction in commercial solar feed-in tariffs, disciplined margin management and a ramp up of commercial solar projects that were delayed by COVID-19.

And, as Damien has discussed, we are well on track to deliver on our targeted operating cost and sustaining capital reductions in FY22 and FY23, respectively.

Importantly, we are well positioned to benefit over the longer term from any sustained recovery in wholesale electricity prices, which will be reflected in earnings as hedge positions from prior periods roll off.

Thank you for your time today and we'll now open to any questions.



Supplementary
Information
(Climate Commitments)

We have defined a way forward for AGL Australia and Accel Energy that embraces Australia's energy future and builds on AGL Energy's legacy of innovation and development.

AGL Australia will drive the development of a renewable generation portfolio that supports Australia's largest energy retail base.

Accel Energy's generation fleet will maintain its position as an important part of the NEM, supplying reliable and low cost energy to the market as Accel Energy and Australia transition to a low carbon future.

Since our beginning in 1837, we have been inextricably linked to the Australian economy – its business and industry, employment and prosperity, and development and innovation. In the last two decades this passion for innovation has seen AGL Energy lead by investing more than \$4.8 billion in renewable and firming generation, and delivering more than 2,350 MW of new generation capacity - more than any other ASX-listed company.

Moving early has meant that today we operate the largest portfolio of renewable generation and battery assets of any ASX-listed company.

We know there is much more to do.

As Australia's largest generator of electricity and largest retailer of energy services, we believe it is not enough for AGL Australia and Accel Energy to play a part, they must lead. This is essential for our business, our customers, our communities, and our shareholders.

There is no doubt that coal-fired generation will exit the system earlier than previously believed, enabling a faster decarbonisation pathway. However these closures must not happen outside of a coordinated plan across governments, industry, regulators and the community. Without this we create market uncertainty and put at risk energy reliability and, critically for customers, affordability.

AGL Australia and Accel Energy's new climate commitments strike a balance between our country's current and future energy needs and the need to responsibly decarbonise. Our commitments are designed to challenge us to always strive for better as we forge new paths for our own sustainability as Australia's energy industry leaders.

We know we will be judged on our actions. Both AGL Australia and Accel Energy will hold themselves accountable to these commitments.



For our customers,
 we will provide simple and affordable ways for them to decarbonise their businesses and homes as part of a shared commitment to net zero.



For our communities,
 in which we have lived, worked and operated in for many decades, we will repurpose our energy infrastructure to drive the next generation of industry, unlocking jobs and future prosperity.



For our own people,
 we will provide retraining opportunities, and support to access the jobs of the future, while continuing to play vital roles delivering essential services.



For our environment,
 we will pursue our ambition of an accelerated reduction in emissions and the introduction and expansion of new technologies across our operations and for our customers.



For our shareholders,
 we will deliver opportunities to directly invest and participate in distinct aspects of Australia's energy transition and future industries.

Highlights of our transition journey

2005-2014

- 2005 - Acquires **Southern Hydro**.
- 2008 - Develops **Hallett Wind Farms** (SA).
- 2009 - Opens **Bogong Hydroelectric** Power Station (Vic).
- 2012 - Opens **Macarthur Wind Farm** (Vic) - the largest wind farm in the Southern Hemisphere.
- 2012 - Acquires **Loy Yang A power station** and adjacent coal mine.
- 2014 - Acquires **Macquarie Generation** including Bayswater and Liddell power stations.

2016

- Offers customers **EV charging**; and launches world's largest **solar Virtual Power Plant**.
- Releases **Carbon Constrained Future** Report.
- Launches the Powering Australian Renewables Fund.

2018

- Releases **Powering a Climate Resilient Economy** report aligned to TCFD recommendations.
- Completes major **energy efficiency projects** with an annual total emissions reduction of 68,000 tCO₂e.

2020

- Launches new **Carbon Neutral product**.
- Announces and commences planning for **850 MW grid-scale battery network**; signs a **grid-scale battery** with Vena in Qld.
- Releases **Climate Statement**.
- Incorporates **emissions reduction metrics into remuneration framework**.
- Expands TCFD **scenario analysis**.
- Launches **solar battery sales** and installations for customers in Queensland, NSW and Victoria.

Towards two independent climate pathways

2015

- Launches its **first residential battery storage device** into the Australian market.
- Releases **Greenhouse Gas Policy**, providing a pathway for decarbonisation.
- Nyngan and Broken Hill solar plants** achieve full generation of 155 MW.

2017

- Virtual Solar** pilot gives renters access to solar savings.
- Releases **Rehabilitation Report**.
- Launches **Liddell Innovation Project**.
- 200 MW **Silverton Wind Farm** construction begins
- Financial close on **Coopers Gap Wind Farm**.


2019

- Expands **Virtual Power Plant** to allow more customers to enter program.
- Closes first **Sustainability Linked Loan (SLL)**, becoming first energy company to issue an SLL in the Asia Pacific region.
- Generation commences at **Barker Inlet Power Station** (SA), the first major dispatchable power station since 2012.
- Completes **large-scale battery deal** with Maoneng in NSW and **Dalrymple 30 MW ESCRI battery** in SA with Electranet.

2021

- Carbon neutral options** available across all AGL products
- Becomes **Australia's leading commercial solar provider** through acquisition of Epha and Solgen.
- Contributes \$357.6 million to fund the acquisition of **Tilt Renewables'** Australian business by PowAR.
- Commences construction of **250 MW Torrens Battery**.
- Signs first **carbon neutral commercial customer**.

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Carbon Neutral for Scope 1 and 2 emissions from listing

50% reduction on all emissions (Scope 1, 2 and 3) on FY19 levels by 2030

Net zero on all emissions by 2040

3 GW renewable and flexible capacity underwritten by 2030



Repurposing thermal generation sites into low carbon **Integrated Industrial Energy Hubs**

Closure of Liddell in 2023 which emits around 8 MtCO₂e annually on average.

Responsibly close **Bayswater** no later than 2033 and **Loy Yang A** no later than 2045

AGL Australia will be a leader in sustainability – impacting at scale



AGL AUSTRALIA WILL BE A NET ZERO ENERGY BUSINESS BY 2040.

Our net zero target includes all emissions – energy we produce, procure and our customers use.

Our own operations will be carbon neutral on the day of listing. The challenge is to take this further, to work with customers and governments across the lifecycle of energy use to achieve net zero emissions by 2040 (Scope 1, 2 and 3). This will take investment in clean energy and storage as well as strong partnerships to help industry and customers decarbonise.

As we connect Australians to a sustainable future, we have identified five commitments:



AGL AUSTRALIA'S FIVE COMMITMENTS



Carbon Neutral for all Scope 1 and 2 emissions from the day of listing.



Net zero by 2040 for all emissions (Scope 1, 2 and 3) with a 50% reduction on FY19 levels by 2030.



Underwrite 3 GW renewable and flexible capacity by 2030.



Drive the evolution and transparency of voluntary carbon markets, alongside industry partners and government agencies.



Implement an internal carbon pricing mechanism to support investment decisions.

WHAT WE ARE ALREADY DOING

Leading flexible and renewable generation and storage with 2 GW of capacity, access to Australia's largest renewable pipeline of 3.5 GW via our investment in Tilt Renewables, 250 MW of grid scale batteries under development, and 500 MW of flexible gas generation.

Driving customer decarbonisation with carbon neutral offerings available on all products, a leading VPP at >200 MW and more than 100k households signed up, and accelerating electric vehicle adoption through subscription services and partnerships.

Partnering with business and commercial customers to decarbonise as Australia's leading commercial solar provider with over 250 MW of installed capacity in the last five years.

The development of low carbon industrial Energy Hubs provides the foundation for Accel Energy's transition.



ACCEL ENERGY WILL CLOSE ALL COAL GENERATION ASSETS NO LATER THAN 2045

We are repurposing our existing sites as industrial Energy Hubs starting with our Liddell Power Station site that will close in 2023. This work will extend across all thermal sites as we pursue our ambition to bring forward the safe and responsible closure of our coal operations.

By doing this we will achieve net zero emissions (Scope 1 and 2) from our electricity generation portfolio by FY47.¹

Achieving our ambition depends on the readiness of the entire energy system to operate without our critical baseload generation. We are committed to working with government, industry and the community in pursuit of our ambition and will report annually on progress towards this ambition. We will make our assets available in the market until they are no longer required.

The development of industrial Energy Hubs will extend and change the life of our sites beyond the closure of coal-fired generation, providing opportunities to diversify revenue streams, invest in our communities and support the acceleration towards our energy future.



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1. Offsets may be used to help achieve emission reduction targets.
2. Refer to slide 45 for additional details.

ACCEL ENERGY'S COMMITMENTS



Responsibly transition our operations to reduce our environmental footprint.

Accel Energy asset management plans will be structured to support the outer dates in the following closure timeframes:

- Liddell Power Station by April 2023 (confirmed and underway)
- Bayswater Power Station between 2030-2033 (no later than 2033)
- Loy Yang A Power Station between 2040-2045 (no later than 2045).
- Torrens Island Power Station no later than 2035.

This will deliver a reduction in Scope 1 and 2 emissions from our operated electricity generation fleet between 18-27% during FY25-FY34 and between 55-60% during FY35-FY46 compared to a FY19 baseline, after which Accel Energy will achieve net zero for all its electricity generation portfolio.²



Support our people and communities in the transition.

Our people and the communities where we operate will be part of the energy industry of the future through the local jobs, retraining, growth opportunities and prosperity created through the development of our industrial Energy Hubs and the industries they support.



Advocate for responsible change driven by government, industry and the community.

Accel Energy will take action to deliver, and speak up for, a responsible transition. We will work to ensure transition is achieved via a co-ordinated plan that balances energy reliability and affordability with the need to decarbonise.



Repurpose thermal sites for low carbon industrial Energy Hubs.

Our industrial Energy Hubs will bring together energy production and storage with energy-intensive industries, centred around a shared infrastructure backbone. The Energy Hubs will benefit from the excellent resources and infrastructure these sites feature and create energy jobs of the future.

Accel Energy will continue to progress rehabilitation plans for our thermal generation sites, drawing on our expertise and financial strength.



Invest in renewable and new generation technology.

Accel Energy will invest directly in renewable capacity building on our existing portfolio of renewable generation that includes one of Australia's largest privately operated wind portfolio.

Through the establishment of an Energy Transition Investment Partnership (ETIP), Accel Energy and our investment partners will support new investment in our industrial Energy Hubs.



Annual reporting and review of progress.

Through our five-year planning process and annual reporting, Accel Energy will report against our ambition of earlier closure in the context of changes in government policy, market settings, and advances in technology.

We will include climate metrics in Long Term Incentive Plan for Accel Energy's executive team and utilise an internal cost of carbon to influence decisions and business cases.



TARGETS

Accel Energy has set the following emissions reduction targets for its operated electricity generation fleet¹:

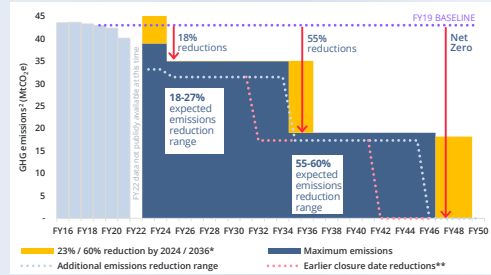
Achieve a reduction of at least 18% in annual Scope 1 + 2 emissions against FY19 baseline² by FY25³, with emission reductions during the period FY25-FY34 expected to range between 18%-27% compared to FY19.

Achieve a reduction of at least 55% in annual Scope 1 + 2 emissions against FY19 baseline² by FY35³, with emission reductions during the period FY35-FY46 expected to range between 55%-60% compared to FY19.

Achieve net zero emissions² by FY47³.

OVERALL EMISSIONS REDUCTION

Accel Energy's emissions reduction targets will enable a reduction in the total greenhouse gas emissions from its generation fleet during the period FY23 to FY50, of at least an additional 12% compared to the trajectory referenced in AGL Energy's 30 June 2021 Announcement⁴ and the previously announced coal closure dates. This equates to a reduction of over 90 MtCO₂e over the period, which is approximately the equivalent of Australia's transport sector's total emissions in FY21.



Notes
 1. Offsets may be used to help achieve emission reduction targets where necessary.
 2. Emissions comprise Scope 1 and 2 greenhouse gas emissions for all electricity generation assets that will be operated by Accel Energy following demerger, as reported under the National Greenhouse and Energy Reporting Act 2007. FY19 was selected as the baseline year as it provides a better reflection of representative output from thermal assets compared to FY20 and FY21. FY22 emissions data will be provided when the year is finalised.
 3. FY25, FY35 and FY47 represent the first full financial years where no emissions from Liddell, Bayswater and Loy Yang A will occur following the closure of these power stations in 2023, 2033 and 2045 respectively.
 4. Progress relative to our previously referenced emissions reduction trajectory* (23% reduction in CO₂-e emissions by 2024, 60% reduction by 2036 and 100% by 2050, on FY20 levels).
 * Baseline emissions reduction trajectory reflects 'Scenario A' of AGL Energy's FY20 Taskforce for Climate Related Financial Disclosures report, Pathways to 2050.
 ** Earlier closure date reductions trajectory reflects earlier closure dates of 2030/FY31 for Bayswater and 2040/FY41 for Loy Yang A, and is subject to system readiness.

WHAT WE ARE ALREADY DOING

Liddell decommissioning and Energy Hub planning well progressed with first unit retiring from service in April 2022.

Significant emission reductions to commence in < 2 years with the closure of Liddell in 2023. Liddell emits around 8 MtCO₂e annually on average, equivalent to almost 5% of FY21 emissions from Australia's electricity sector.

Progressing plans for our industrial Energy Hubs with eight projects in the planning and development stage, including Bowmans Creek Wind Farm and the Liddell, Loy Yang and Broken Hill batteries. An additional five projects are in the feasibility stage.

Growing wind capacity from the starting position as one of Australia's largest wind portfolio operator and offtaker via the Macarthur, Hallett, Wattle Point and Oaklands Hill wind farms. The 350-450 MW Bowmans Creek Wind Farm is under development, and up to 1,500 MW of wind capacity projects are also in the planning stage.

500 MW of batteries in the planning and development stages.

Supplementary
Information

Reconciliation of Statutory Profit to Underlying Profit



\$m	1H22	Restated 1H21	Change
Statutory NPAT	555	(2,276)	2,831
Adjust for:			
Onerous contracts	(316)	1,344	(1,660)
Impairment losses	4	1,342	(1,338)
Separation costs	24	-	24
Restructuring and integration costs	12	11	1
(Profit)/Loss on fair value of financial instruments after tax	(85)	(93)	8
Underlying NPAT	194	328	(134)

Pool Generation volume



GWh	1H22	1H21	Change
Asset			
AGL Macquarie – Bayswater	6,781	6,664	2%
AGL Macquarie – Liddell	4,087	3,285	24%
AGL Loy Yang	6,498	7,263	(11)%
AGL Torrens	523	806	(35)%
Barker Inlet	124	203	(39)%
Kwinana Swift	0	19	(100)%
SA wind	621	653	(5)%
VIC hydro	287	243	18%
VIC wind	551	455	21%
NSW solar	141	153	(8)%
Other gas	55	98	(44)%
NSW wind	278	331	(16)%
NSW hydro	20	23	(13)%
QLD wind	653	620	5%
Total	20,619	20,816	(1)%
Generation type			
Coal	17,366	17,212	1%
Gas	702	1,126	(38)%
Wind	2,103	2,059	2%
Hydro	307	266	15%
Solar	141	153	(8)%
Total	20,619	20,816	(1)%

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Customer services



	31 December 2021 ('000)	30 June 2021 ('000)	Change
Consumer Electricity	2,447	2,465	(1)%
New South Wales	912	916	0%
Victoria	743	759	(2)%
South Australia	367	369	(1)%
Queensland	425	421	1%
Consumer Gas	1,518	1,530	(1)%
New South Wales	627	634	(1)%
Victoria	590	601	(2)%
South Australia	136	136	0%
Queensland	87	86	1%
Western Australia	78	73	7%
Total Consumer energy services	3,965	3,995	(1)%
Dual fuel services	2,315	2,249	3%
Average consumer energy services	3,980	3,947	1%
Total Large Business energy services	16	17	(6)%
Total energy services	3,981	4,012	(1)%
Total Telecommunication services	224	196	14%
Total AGL customer services	4,205	4,208	0%



Electricity sales volumes

GWh	1H22	1H21	Change
Consumer			
New South Wales	2,982	2,965	1%
Victoria	2,061	2,193	(6)%
South Australia	1,012	1,074	(6)%
Queensland	1,341	1,229	9%
Consumer total	7,396	7,461	(1)%
Large Business			
New South Wales	1,992	2,133	(7)%
Victoria	849	889	(4)%
South Australia	610	535	14%
Queensland	827	876	(6)%
Western Australia	778	603	29%
Large Business total	5,056	5,036	0%
Wholesale total*	7,289	8,045	(9)%
Electricity sales volume total	19,741	20,542	(4)%

*Includes purchased volumes sold to ActewAGL during 1H22 of 1,200 GWh (1H21 1,267 GWh)
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Gas sales volumes



PJ	1H22	1H21	Change
Consumer			
New South Wales	8.7	9.1	(4)%
Victoria	19.1	18.3	4%
South Australia	1.6	1.6	0%
Queensland	1.1	1.2	(8)%
Western Australia	0.7	0.5	40%
Consumer total	31.2	30.7	2%
Large Business			
New South Wales	0.4	0.3	33%
Victoria	2.6	4.5	(42)%
South Australia	0.2	0.2	0%
Queensland	2.2	2.1	5%
Western Australia	3.3	2.2	50%
Large Business total	8.7	9.3	(6)%
Wholesale customers and Generation*	41.6	42.5	(2)%
Gas sales volume total	81.5	82.5	(1)%

*Includes volumes sold to AGL owned generation assets during 1H22 of 8.0 PJ (1H21 12.4 PJ)
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Generation portfolio performance

Asset	State	Type	Status	Capacity* (MW)	Carbon intensity (tCO ₂ e/MWh)	1H22 sent out generation (GWh)
AGL Macquarie - Bayswater	NSW	Black coal	Owned	2,665	0.94	7,004
AGL Macquarie - Liddell	NSW	Black coal	Owned	2,000	1.00	4,294
AGL Loy Yang	VIC	Brown coal	Owned	2,210	1.30	6,744
Total coal				6,875		18,042
AGL Torrens	SA	Gas steam turbine	Owned	1,040	0.65	528
Barker Inlet	SA	Gas reciprocating engine	Owned	211	0.48	128
Yabulu	QLD	CCGT	Control dispatch	121	0.60	31
Somerton	VIC	CCGT	Owned	170	0.73	26
Kwinana Swift	WA	CCGT	Owned	116	0.54	1
AGL Macquarie - HVGT	NSW	Diesel	Owned	50	-	-
Total oil and gas				1,708		714
Macarthur	VIC	Wind	Control dispatch	420	0.01	481
Hallett	SA	Wind	Control dispatch	351	0.00	530
Wattle Point	SA	Wind	Control dispatch	91	0.00	142
Oaklands Hill	VIC	Wind	Control dispatch	67	0.00	93
Silverton	NSW	Wind	Control dispatch (Tilt Renewables)	199	0.00	332
Coopers Gap	QLD	Wind	Control dispatch (Tilt Renewables)	452	0.00	686
VIC hydro	VIC	Hydro	Owned	733	0.01	364
NSW hydro	NSW	Hydro	Owned	54	0.00	4
NSW solar	NSW	Solar	Control dispatch (Tilt Renewables)	156	0.00	152
Total renewables				2,522		2,784
Generation portfolio at 31 December 2021				11,105	0.93	21,540
NEM industry average					0.66	

Note: The difference between sent out generation and pool generation volume is due to marginal loss factors, non-scheduled generation and auxiliary usage.

*Capacity listed is the AEMO Registered capacity. Bayswater Power Station capacity includes the 25 MW capacity upgrade.

Carbon intensity includes Scope 1 and 2 emissions. Scope 1 emissions associated with material fuels at material sites are actuals; other emissions data is estimated based on FY21 intensity and 1H22 generation output.

Capacity and performance reflects AGL's 50% interest in the output of Yabulu Power Station.

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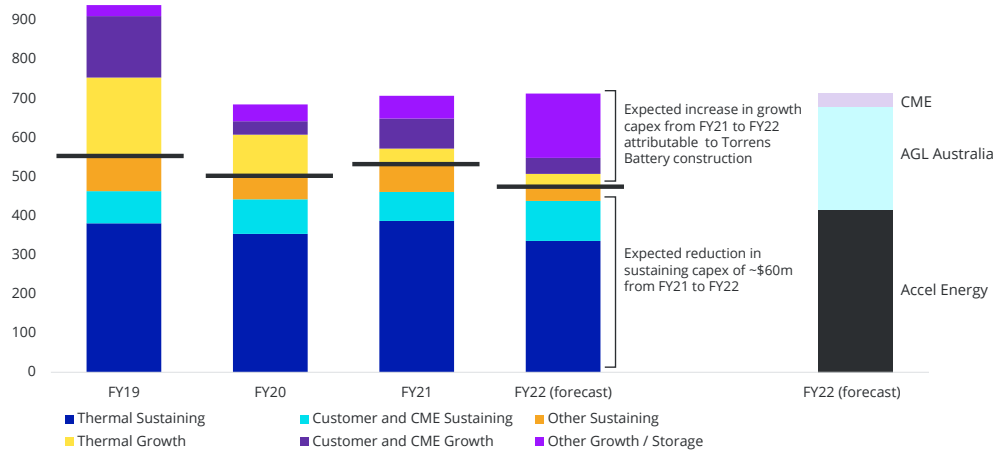
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Sustaining capex to reduce \$100m by FY23; Torrens Island Battery construction commenced

Approximately \$600 million total capital expenditure forecast for FY23



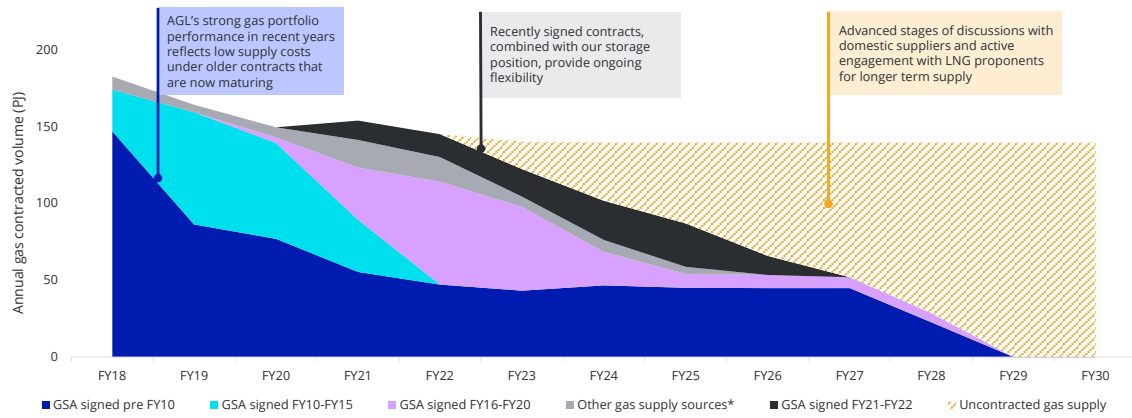
Historic and forecast capital expenditure (\$m)



We continue to explore a diverse set of supply opportunities to underpin our gas book



AGL's East Coast gas position



GSA - Gas Supply Agreement
 Other gas supply sources includes gas supply from AGL's storage and upstream assets
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- The material in this presentation is general information about AGL's activities as at the date of this presentation. It is provided in summary form and does not purport to be complete. It should be read in conjunction with AGL's periodic reporting and other announcements lodged with the Australian Securities Exchange.
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- The material in this presentation provides indicative information about AGL's plans to undertake a demerger. These plans are subject to a number of conditions and requirements and therefore are subject to change. The numerical estimates set out in this presentation are estimates, unaudited and may not add due to rounding. In addition, they are not represented as being indicative of any future financial conditions or performance.

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