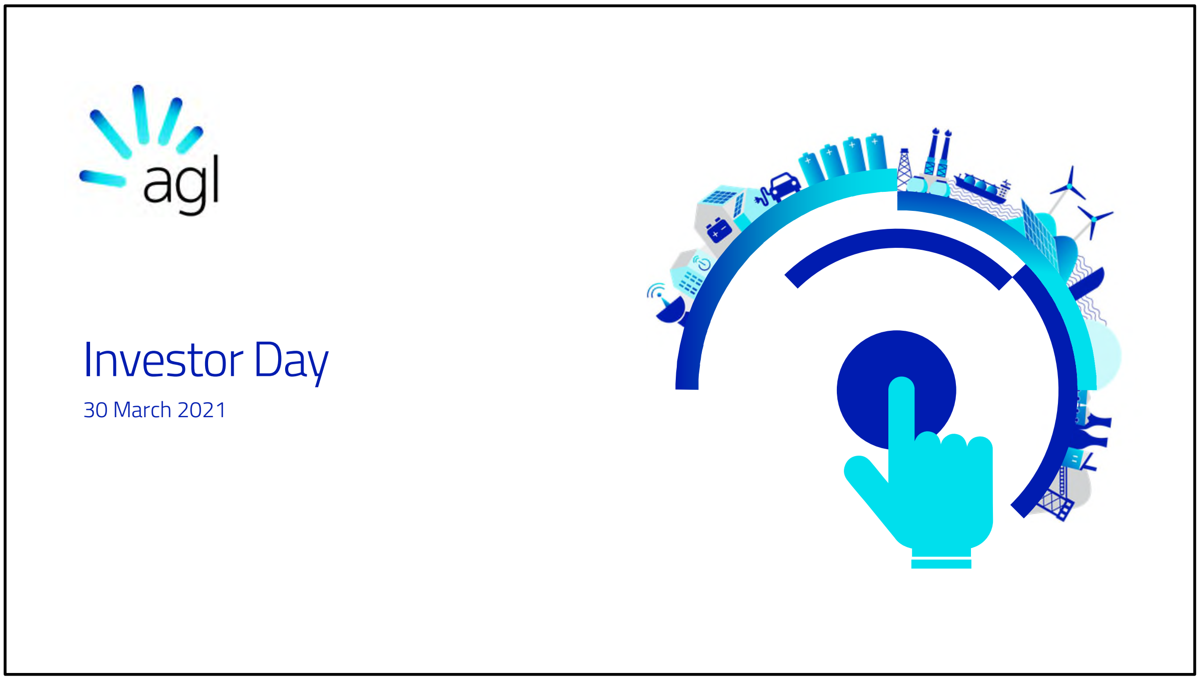
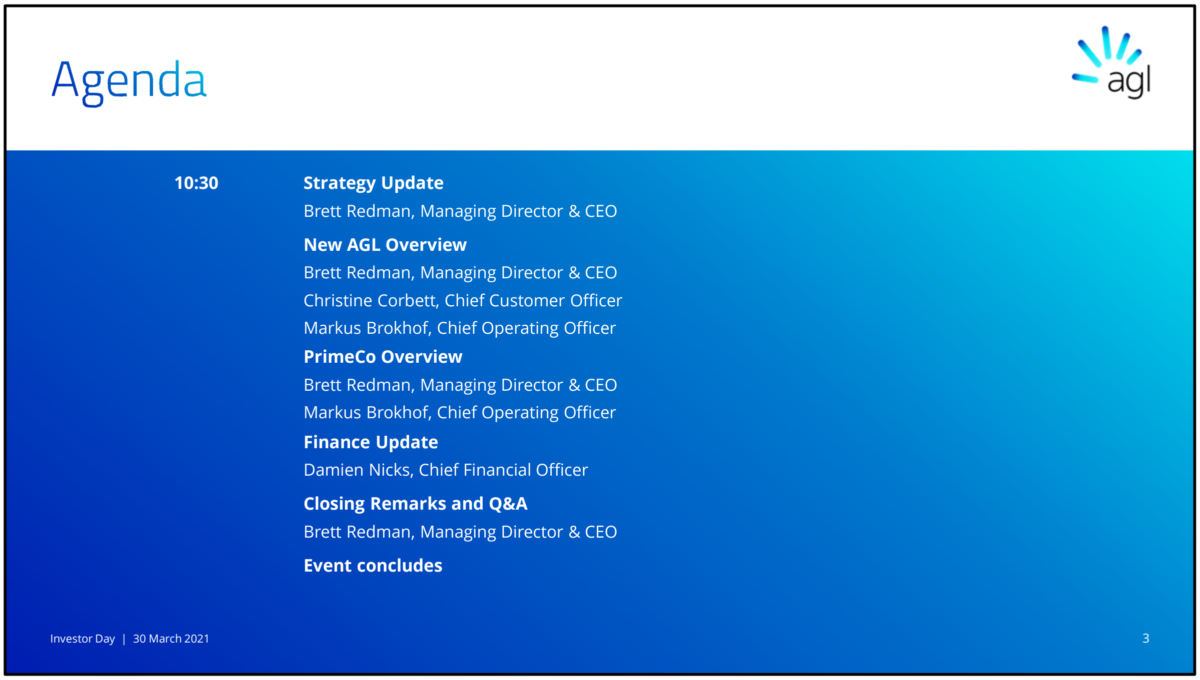


[BRETT REDMAN]
Good morning and welcome to AGL's Investor Day.
We appreciate you joining us for this event.
I would like to acknowledge the Gadigal people of the Eora Nation, who are the Traditional Owners of this place we now call Sydney, and to pay my respects to their Elders past, present and emerging.
I also acknowledge the Traditional Owners of the various lands from which you join us today and any people of Aboriginal and Torres Strait Islander origin on the webcast.
I ask everyone joining us please to take a moment to ensure your surroundings are comfortable and free from hazards or obstruction before we begin.

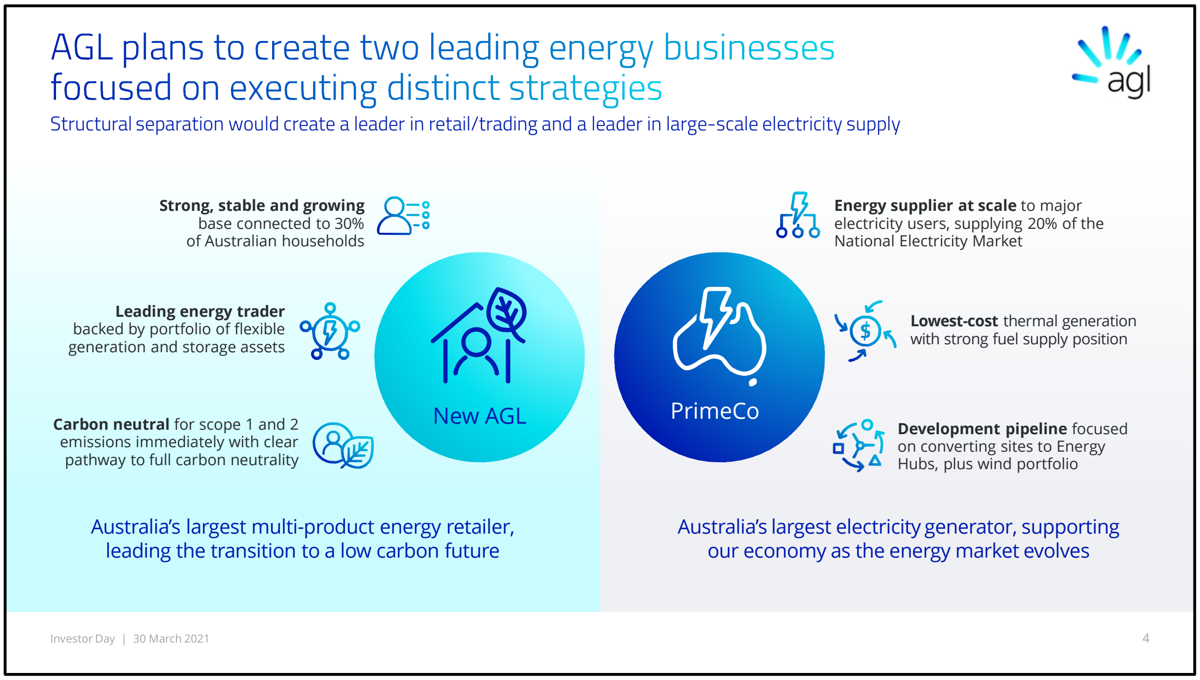
Disclaimer and important information

- 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.
- This presentation is not an offer or recommendation to purchase or subscribe for securities in AGL Energy Limited or to retain any securities currently held. It does not take into account the potential and current individual investment objectives or the financial situation of investors.
- Before making or varying any investment in securities in AGL Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.
- This presentation includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results may materially vary from any forecasts in this presentation. Future major expenditure, projects and proposals remain subject to standard Board approval processes.
- The material in this presentation provides an indicative outline of AGL's proposed separation plans. 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 provided for illustrative purposes only and are not represented as being indicative of any future financial conditions or performance. The company names "New AGL" and "PrimeCo" are project names and the icons and logos have been created for the purpose of illustration only.

[BRETT REDMAN]
I do want to note the disclaimer and other information on this slide.
Importantly, a lot of the content we will discuss today reflects an indicative view of AGL's proposed plans.
These plans are subject to change and all the numbers we are using are approximations for illustrative purposes.
Specifically, the company names "New AGL" and "PrimeCo" are project names, not final company names.
Now: let's get going.



[BRETT REDMAN]
Today is a big day in AGL's 180-year-plus history and Christine, Markus, Damien and I are excited to share our plans with you.
We are going to run straight through our prepared presentations then leave time to take as many of your questions as we can in the time allocated.



[BRETT REDMAN]

AGL plans to create two separate businesses, which for now we are calling New AGL and PrimeCo.

They would both be leading energy businesses, each with distinct strategies.

New AGL would be Australia's largest multi-product energy retailer by number of services to customers – leading the transition to a low carbon future.

PrimeCo would be Australia's biggest electricity generator – playing a vital role in supporting our economy as the energy market evolves.

New AGL would have a strong, stable and growing customer base connected to 30 percent of Australian households.

It would continue AGL's heritage as a leading energy trader, backed by a portfolio of flexible generation and storage assets.

And, importantly, New AGL would be carbon neutral for scope one and two emissions on day one, with a clear pathway to full carbon neutrality.

PrimeCo would account for 20 per cent of the generation in the National Electricity Market and be a key direct supplier to major energy users.

It would retain AGL's leading low-cost thermal generation position and strong fuel supply position.

And, critically, PrimeCo would play its own role in the energy transition by developing its existing sites as energy hubs, operating Australia's largest wind portfolio, and developing future wind projects.

[BRETT REDMAN]

The forces that are driving the imperative to create this new path are the same ones that are calling for tangible action in the short term.

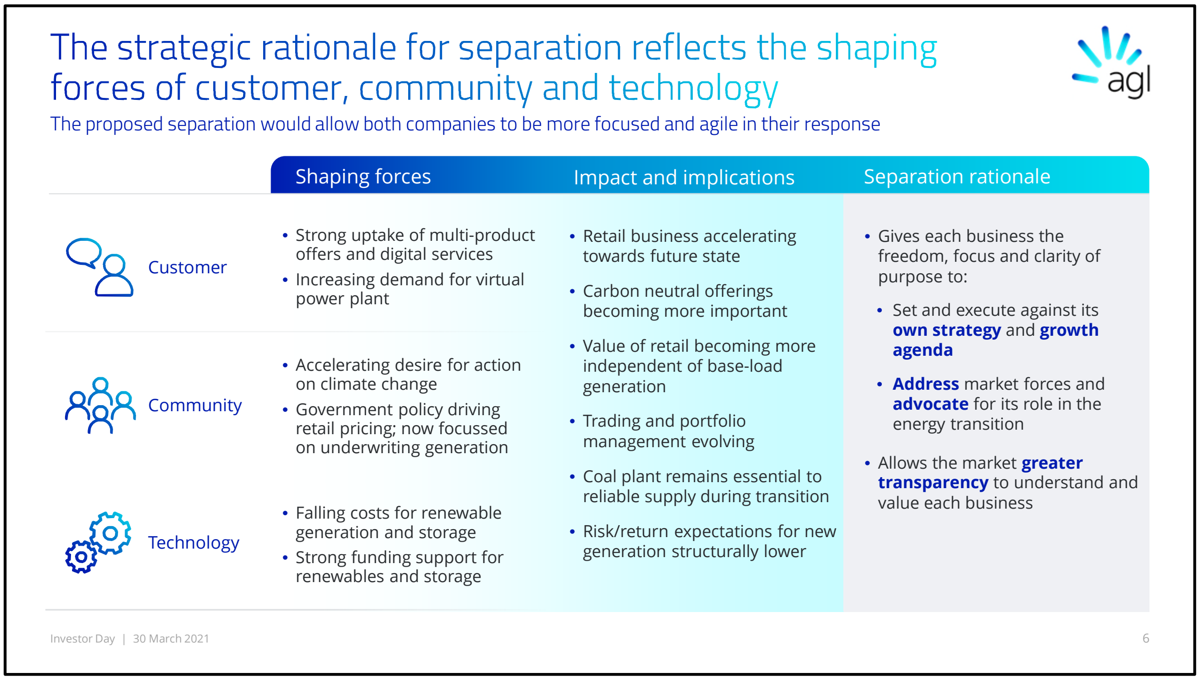
At our results in February, we talked about how those shaping forces of customer, community and technology were accelerating faster than we had anticipated.

Coupled with continuing pressure on wholesale electricity prices, if anything that pace has only picked up in the past few weeks.

In response, we are taking the following actions:

- The 150 million dollars of operating cost reduction we announced for the 2022 financial year are now fully embedded in our plans
- Our plans for 100 million dollars of sustaining capital expenditure reduction are being accelerated
- We have activated further asset optimisation planning across our generation fleet
- And we are beginning sale processes for some of the assets that are less critical to our future direction, including the Newcastle Gas Storage Facility and Silver Springs gas project.

Markus and Damien will have more detail on these actions shortly.



[BRETT REDMAN]

When we look at the strategic rationale for separation, again we see the shaping forces of customer, community and technology.

An accelerating desire for action on climate change, shifts in government policy and rapidly falling technology costs, have changed our market.

This means an acceleration of multi-product and low-carbon opportunities for our retail business, a reduced need for retail and baseload supply positions to balance each other and diverging expectations relating to risk and return.

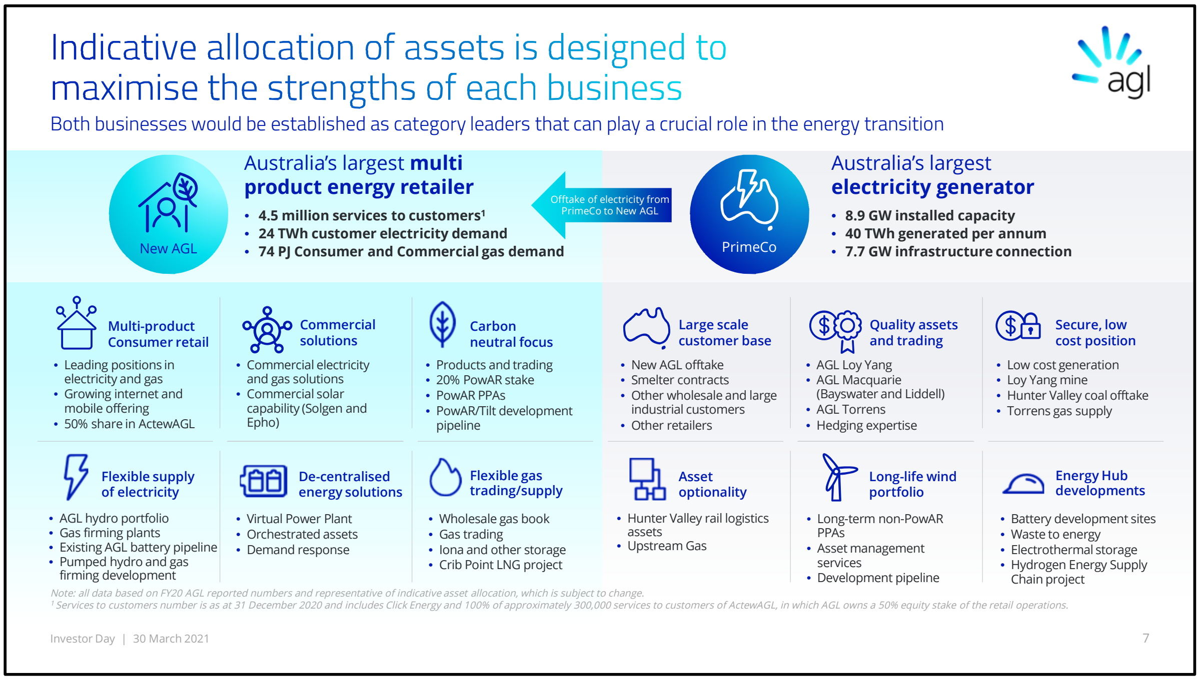
Separation would give New AGL and PrimeCo the freedom, focus and clarity to face the opportunities and challenges presented by this new world.

They would each be able to set and execute their own strategies and growth agendas.

They would each be able to address market forces in their own way and advocate for their own role in the energy transition.

The market would benefit from greater transparency in valuing each business.

And customers would benefit from more targeted products and services.



[BRETT REDMAN]

This slide provides an indicative view of how we are thinking about the allocation of assets between the two new businesses.

This allocation is designed to play to the strengths of each business.

A simple way of thinking about it is that New AGL would have a large customer base equating to a short energy position, be backed by assets and development opportunities that match that position.

PrimeCo would have a long energy supply position – and the assets and development opportunities commensurate with that position.

Part of the arrangement would be swap or equivalent arrangements between the two businesses to provide appropriate risk management for both.

New AGL's strong customer base would include multi-product consumer retail capabilities and evolving capabilities in end-to-end energy services for commercial customers.

This would include a carbon neutral focus backed by AGL's stake in and access to the PowAR platform, which will be bolstered strongly by the acquisition of Tilt Australia.

A business with such a strong customer position needs access to flexible capacity and storage assets to manage peak demand events.

Hence, we anticipate New AGL would own the AGL hydro and gas firming portfolio and our battery development pipeline, and have the development rights over the Newcastle gas-fired power station and Bells Mountain pumped hydro project.

New AGL would be free to pursue growth in its capacity portfolio by meeting customers' demand for decentralised energy solutions and creating shared value via orchestration.

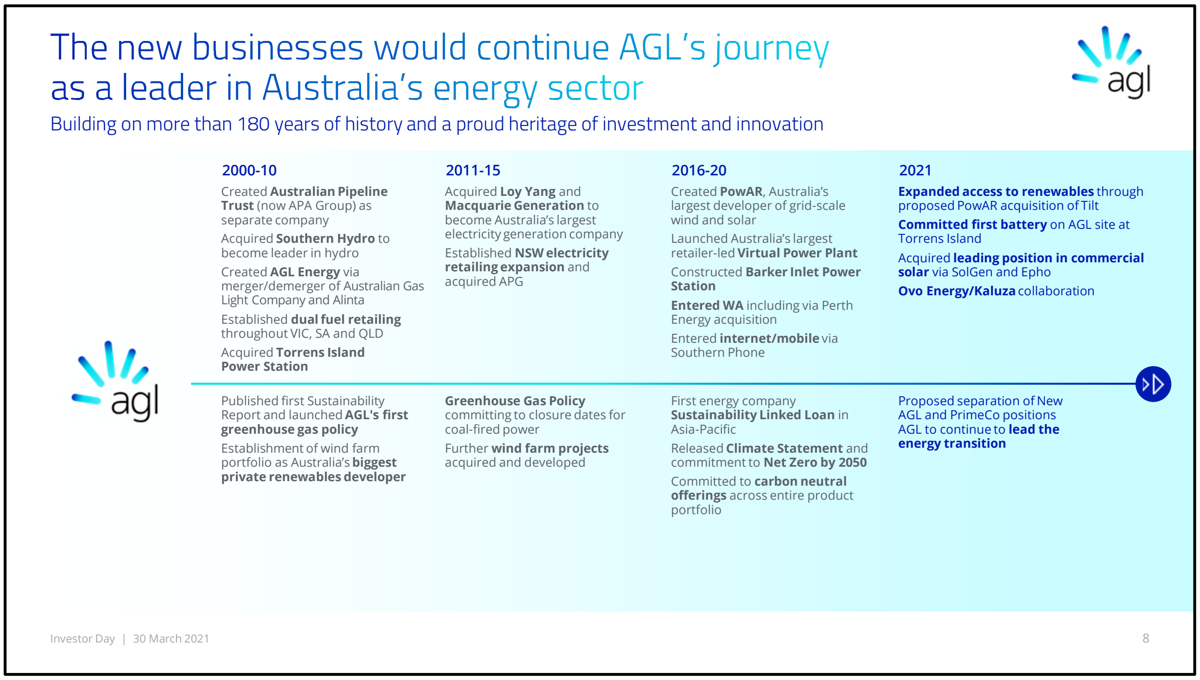
Finally, as a major retailer and trader of gas, New AGL would inherit the AGL wholesale gas book, storage rights and trading activity.

On the PrimeCo side, it too would be customer focused – as the biggest direct supplier of electricity to the NEM, to New AGL, to other retailers, to aluminium smelters and to other larger wholesale and large industrial power users.

It would have Australia's highest quality, lowest cost thermal generation portfolio backed by decades of asset management and hedging expertise and a low cost fuel supply position.

It would also have considerable optionality as it looks to the future relating to AGL's legacy Upstream Gas assets and the rail logistics assets in the Hunter Valley.

In wind, PrimeCo would continue to operate the wind farms at Macarthur, Hallet, Oaklands Hill and Wattle Point – and be a party to the offtake agreements, while taking on the pipeline of new wind development sites AGL owns today.
There is an important distinction between PrimeCo's long-term wind portfolio and New AGL's position via PowAR.
The PrimeCo wind sites are whole of life offtakes reflective of PrimeCo's major energy supply position while the development pipeline provides options for renewal.
New AGL's wind position reflects much shorter-term offtakes, consistent with the flexibility and optionality to manage a shorter energy position.
Most exciting of all for PrimeCo, it would focus on the redevelopment of the Macquarie Generation, Torrens Island and Loy Yang sites as energy hubs.
This will include multiple battery sites at each hub.
Some will be leased to others like the first Torrens Island battery announced last week, which would be owned by New AGL.
For other battery opportunities over time, PrimeCo might build the battery and sell the service.
We are also looking, first at Liddell but potentially on other sites, at the potential for waste to energy developments as well as a pilot plant using electrothermal energy storage technology.
At Loy Yang, it will include the Hydrogen Energy Supply Chain project.



[BRETT REDMAN]

We see this separation as a natural step in a longstanding heritage of innovation, investment and structural adaptation to meet the needs of a dynamic industry.

The company's 180-year history pre-dates us all – but many of you, like me, have been around long enough to remember some of the major steps we have taken over the past 20 years.

Highlights have included the separation of Australian Pipeline Trust – now a major ASX-listed company in its own right APA Group – and the merger/demerger with Alinta, following each of which, AGL embarked on new periods of growth and value creation.

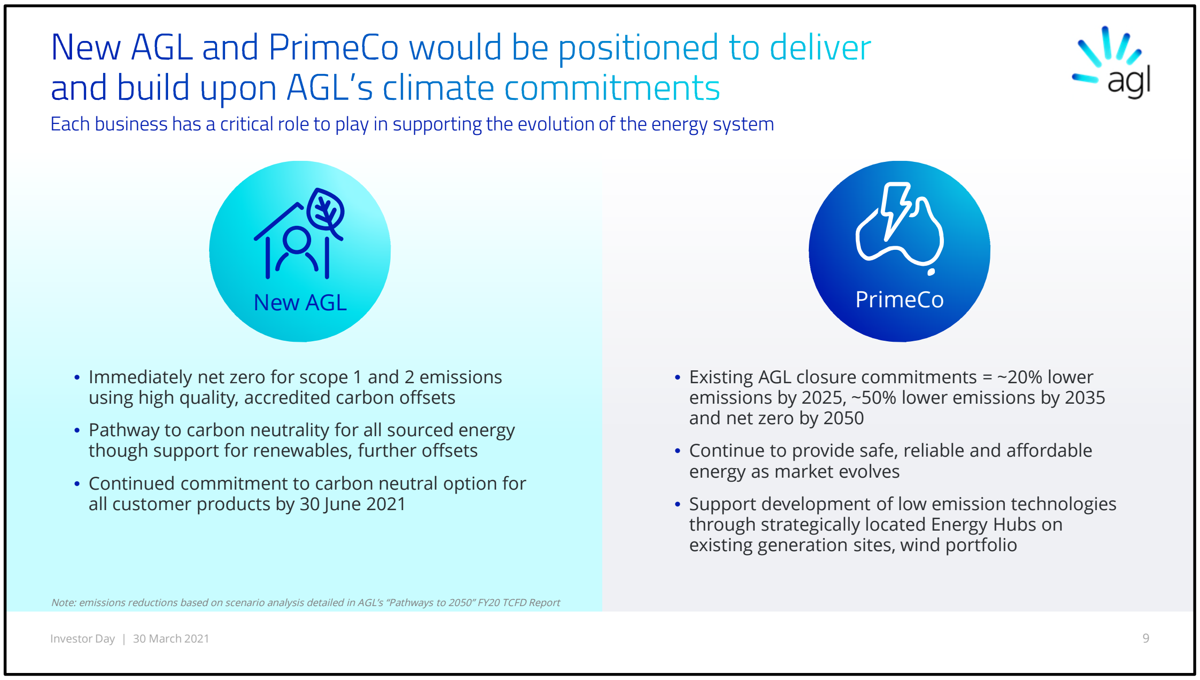
Personally, I am proud of the acquisitions we made of Loy Yang and Macquarie Generation last decade, providing stability and investment to two of the most critical generation businesses in the NEM, and of the creation of what we now call PowAR, to carry on AGL's heritage as Australia's biggest renewables developer.

And I believe what we are doing today is equally as important.

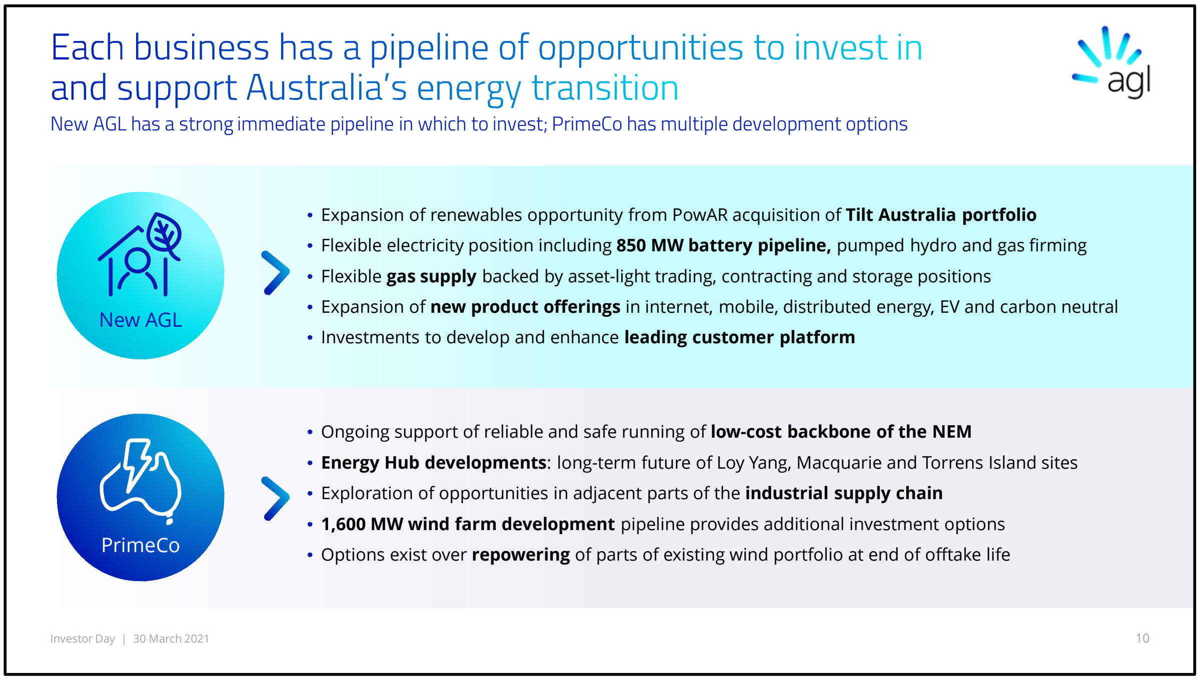
The last few weeks has witnessed a high level of activity, with the Tilt acquisition, Torrens battery, SolGen and Epho acquisitions and the Ovo/Kaluza collaboration.

This has shown that even while times have been tough, we are focusing on growth and investing for the future.

The proposed separation we are talking about today positions AGL to continue to lead the energy transition as two distinct businesses.



[BRETT REDMAN]
Importantly, supporting the energy transition will continue to be vital for both businesses.
New AGL would be carbon neutral for scope one and two emissions on day one, offsetting the small volume of emissions it generates directly with high quality accredited instruments.
It would have a clear pathway to carbon neutrality for its sourced energy over time via its support for renewables development and further offsets.
It would build on our commitment to provide a carbon neutral option for all customer products by the end of 30 June 2021.
PrimeCo's assets are required for network stability and capacity for many years to come, while supporting reliability, affordability and the livelihoods of our people and the communities in which they work.
It would continue to operate these assets safely and efficiently until they are no longer needed or commercially viable, retaining AGL's commitments not to extend their life or invest in new coal power.
As assets close, these commitments will deliver a step change in carbon emissions reduction.
This will be approximately 20 percent with the closure of Liddell in 2023, 50 percent no later than Bayswater's backstop closure date of 2035, and fully net zero in 2050 following the closure of Loy Yang no later than 2048.
In the nearer term, PrimeCo would then support the development of low emissions technologies through the development of its energy hubs and continued operation and development of its wind portfolio.



[BRETT REDMAN]

I will wrap up my opening remarks by talking about growth and investment – which would be a clear focus for both New AGL and Prime Co.

New AGL has a strong pipeline in which to invest.

A priority would be supporting large-scale renewables as an off-taker and equity holder in the Tilt development portfolio being acquired by PowAR.

We expect New AGL will also own and operate our 850-megawatt pipeline of battery projects, including those on the PrimeCo energy hub sites, as well as our pumped hydro and gas firming projects.

It would carry forward AGL's longstanding heritage as a major trader of gas, continuing to seek out opportunities to invest in positions that support flexibility of supply to our customers.

New AGL would be well positioned to expand as a provider of choice in essential services and decentralised energy and to continue to invest in developing and enhancing its leading customer platform.

PrimeCo's first focus would be the safe and reliable running of its generation portfolio, the low-cost backbone of the NEM.

It would accelerate work to convert its three core sites, Macquarie, Torrens Island and Loy Yang, into industrial energy hubs with a future long beyond the eventual retirement of coal-fired power.

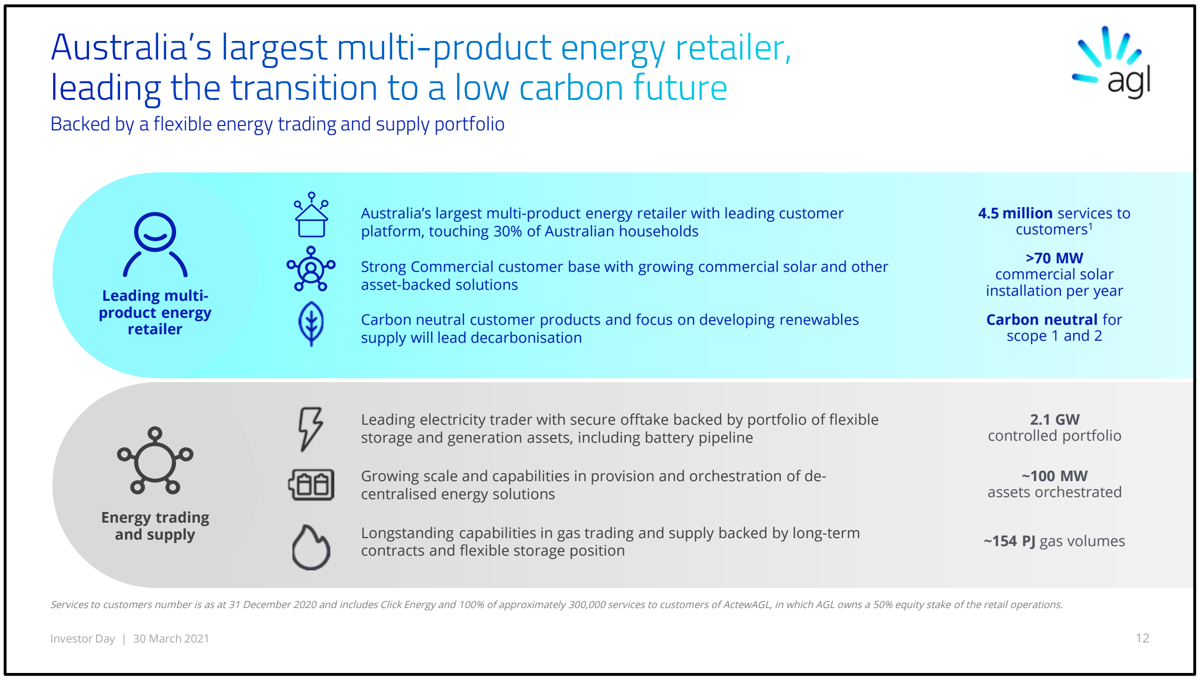
PrimeCo would also be well positioned to explore opportunities in adjacent parts of the industrial supply chain as an expert operator of complex industrial assets.

It would look to develop its portfolio of wind farm assets, including 1,600 megawatts of new development options and repowering options over some of its existing sites.

As a priority, PrimeCo would be able to focus on the Bowman's Creek wind farm in the Hunter region, which has the advantage of being located just a few kilometres away from the valuable interconnection points at the Macquarie site.

These are two truly strong businesses with compelling growth and investment opportunities ahead of them as independent companies.

[BRETT REDMAN]
Our next section will focus on the proposed New AGL business, on which you'll also hear from both Christine and Markus.



[BRETT REDMAN]

New AGL would be Australia's largest multi-product energy retailer, leading the transition to a low carbon future and backed by a flexible energy trading and supply portfolio.

As of today, it provides more than 4.5 million services to customers, including about 300,000 services via ActewAGL, of which we own 50 percent.

Our Commercial presence recently grew to become Australia's largest commercial solar business – and we are also becoming a leader in providing carbon neutral products and decarbonisation solutions for our customers.

New AGL's secure offtake position would be backed by a leading energy trading capability and a 2.1 gigawatt portfolio of flexible generation assets, with a growing ability to realise the opportunities in decentralised energy and strong gas trading and supply capabilities.

I will now hand to Christine and Markus to discuss more of this in detail.

[CHRISTINE CORBETT]

Thanks Brett, and good morning everyone.

This is an important moment for AGL, and I'm excited to share with you how we see our Consumer and Commercial customer positions delivering value as part of New AGL.

New AGL would continue to build on our position as Australia's leading multi-product energy retailer, but as a leaner, greener organisation.

The New AGL strategy would be anchored in customer needs, today and into the future.

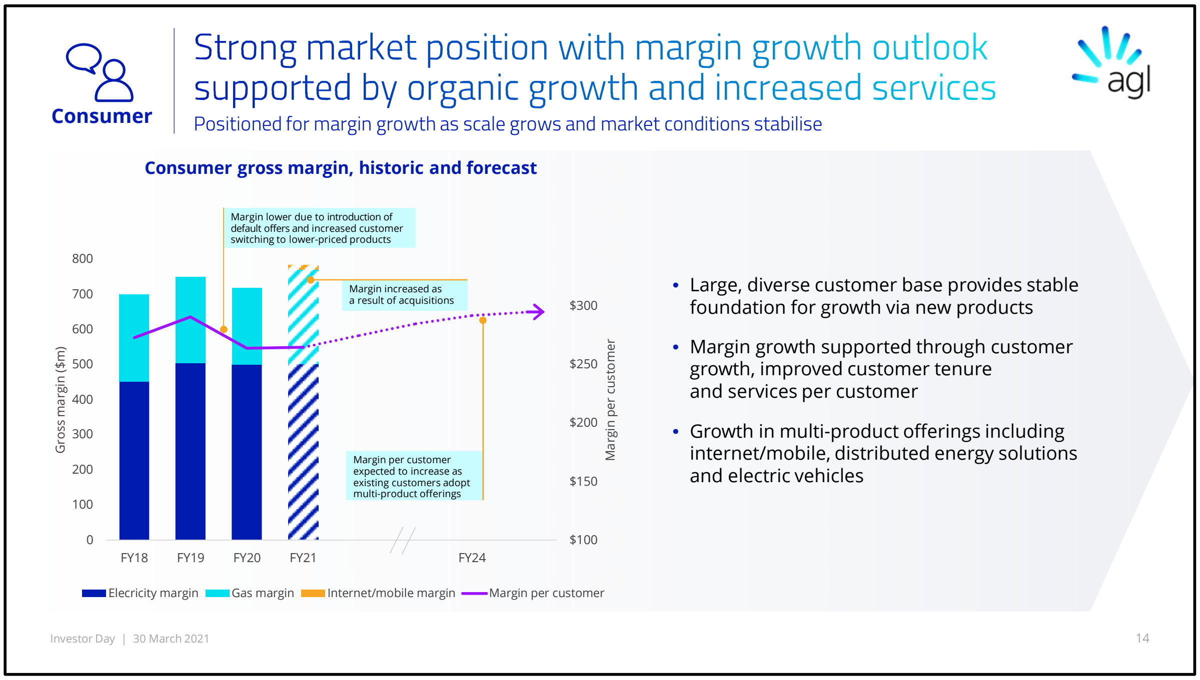
We will continue to focus on delivering great value and an effortless experience while our brand position would be significantly enhanced by New AGL's green energy supply and low carbon credentials.

In the near term, we see New AGL as strongly focused on scaling our energy, internet and mobile services under the banner of connected essentials.

We then expect to see take-up of residential batteries and electric vehicles accelerate over the next three to seven years, for which we are already strongly positioned.

Our low-carbon advantage will play strongly in the commercial segment, where our leading position in renewables development and commercial solar will help us deliver to customers' needs for asset-backed low carbon supply.

The technology choices we are making are critical to our success, striking a balance between investing in proven technology today and creating optionality for tomorrow.



[CHRISTINE CORBETT]

I am now going to touch in more detail on consumer margin and costs, as these will be foundational to the value of New AGL.

The business would be well positioned to deliver margin growth as it continues to grow scale and market conditions stabilise.

Historically, consumer margin has moved broadly in line with growth in services, with ups and downs for periods of investment and regulatory change.

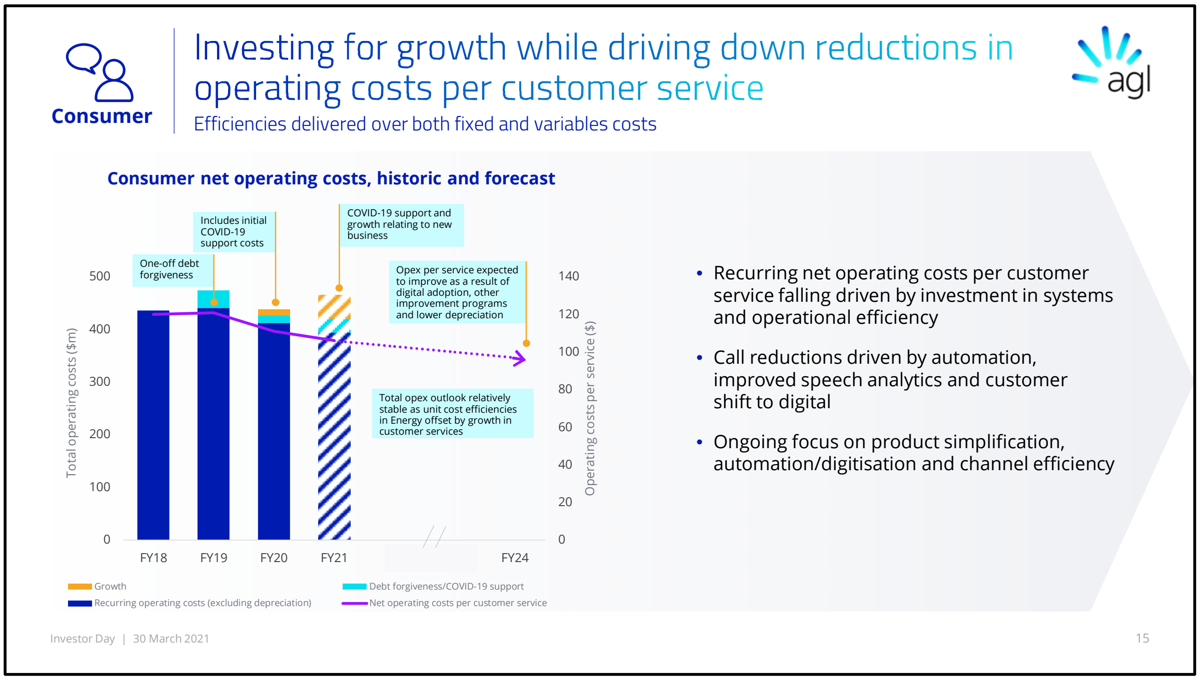
However, in recent years, we have seen more downward pressure on margin as a result of price re-regulation and customers switching to simpler, lower margin products.

In FY21, we have additionally seen the demand impacts of the COVID-19 pandemic and mild temperatures – albeit these have been offset by the contribution of the Click Energy and Southern Phone acquisitions.

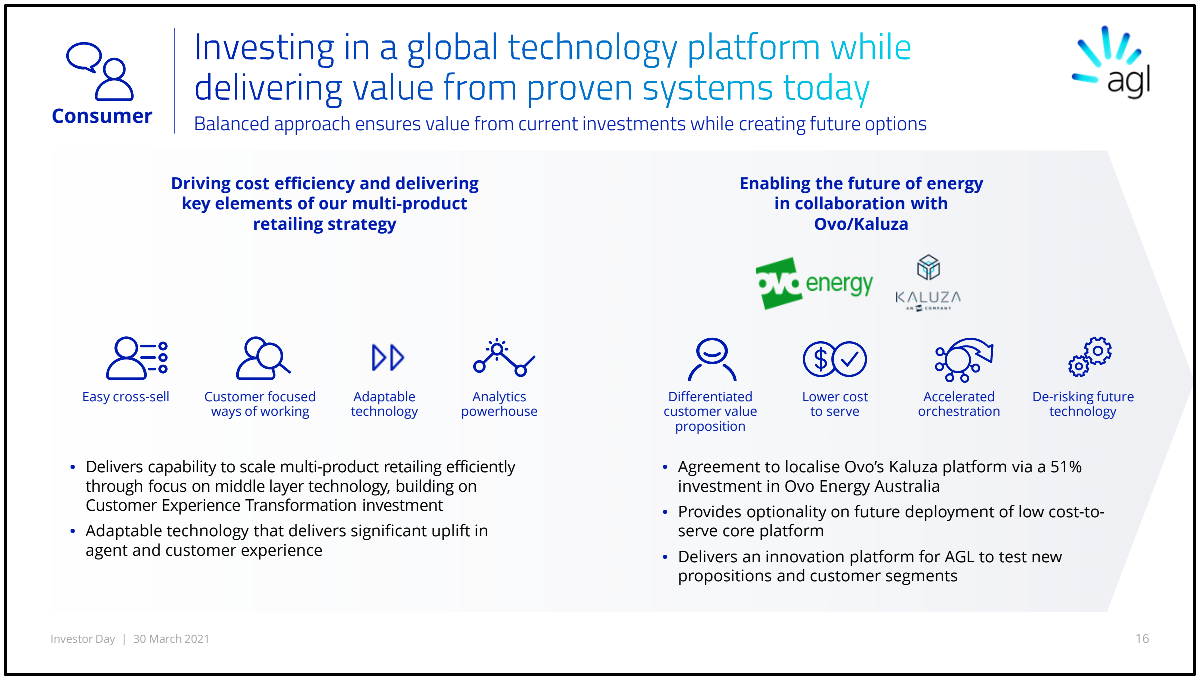
As we look forward, we expect more normal market conditions and for our multi-product strategy to deliver growth in customer numbers and, importantly, services per customer.

This should translate to higher margin per customer even as margin per individual service remains flat or declines amid a competitive market.

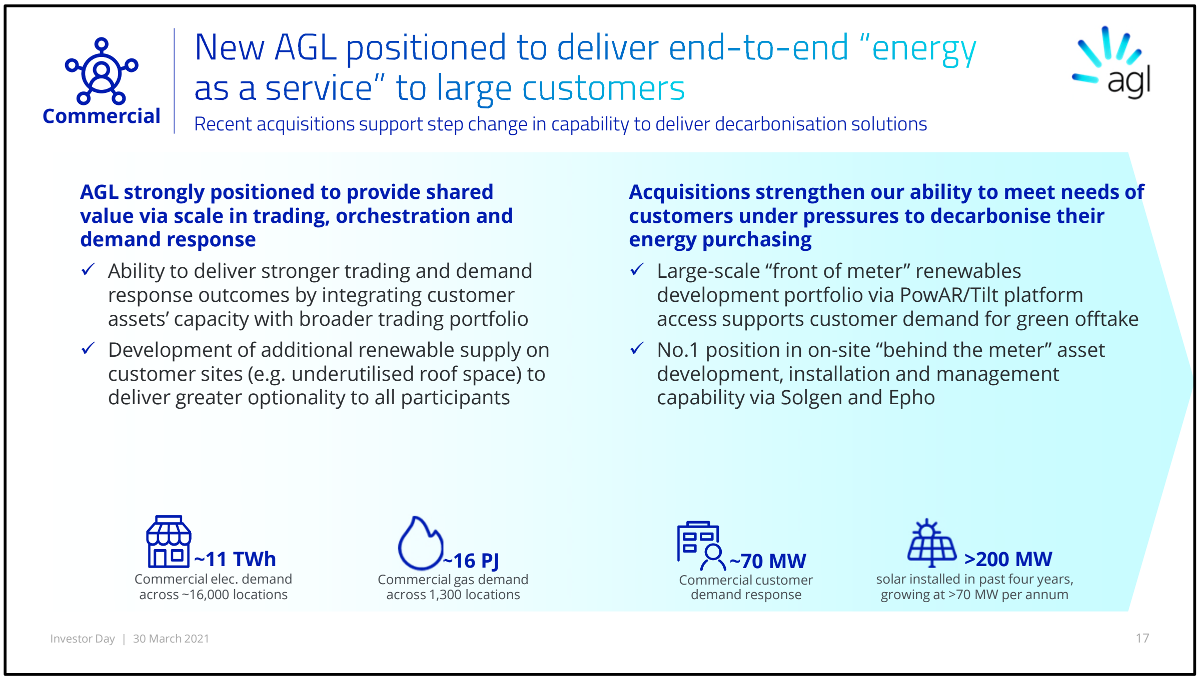
In the short term, multi-product growth will be driven predominantly by internet and mobile but, over time, we expect a greater contribution from services associated with solar, batteries and electric vehicles.



[CHRISTINE CORBETT]
On the expense side, we are confident that the investments we are making will continue to drive down recurring costs.
In the last three years, operating costs have risen, and we expect them to peak in FY21, as a result of a combination of debt forgiveness, COVID-19 impacts and business acquisitions.
Stripping out these impacts, recurring operating costs excluding depreciation are down more than 40 million dollars since FY18 as a result of labour, marketing and channel efficiencies from the Customer Experience Transformation program and reduced churn.
As New AGL would remain focused on growth, we would expect its recurring cost outlook to be relatively flat as it builds further scale.
However, at the cost per customer service level, we expect further efficiencies as a result of labour efficiencies through automation, an increase in digitally active customers, net bad debt expense reductions and synergies from providing multiple services over an integrated cost base.
These synergies will largely be realised through lower agent handling time and technology stack reductions, which I’ll touch on in the next slide.



[CHRISTINE CORBETT]
Our approach to technology is enabling the business to meet the evolving needs of our customers in a sustainable manner.
Over FY17 to FY19 we invested 300 million dollars of capex on the Customer Experience Transformation program.
This built strong core systems and front-end capability that has powered efficiency gains and improved the overall customer experience.
By 2025, that investment will be fully depreciated.
We are now focused on the next phase of investment to maintain our leading technology position.
Our phased approach will keep driving value today while providing real options for tomorrow.
The short-term horizon will use proven technology to help scale our multi-product proposition while delivering further cost efficiencies over coming years.
It will focus on updating the middle layer of our technology stack, such as our customer relationship management systems, making it easier for our agents to find solutions for our customers.
The next horizon is centred on collaboration with Ovo Energy, announced yesterday.
Ovo owns Kaluza, a highly modular cloud-based digital technology platform currently delivering a cost to serve of 43 pounds per account in the UK, 7 pounds lower than comparable platforms.
Our collaboration involves an agreement for AGL to localise Kaluza for Australia via a 51 percent investment in Ovo Energy Australia.
Importantly, it serves several purposes.
It provides optionality to de-risk AGL's future technology investment.
It also delivers an innovation platform to test new propositions and customer segments and a low-risk option for New AGL to outsource development costs and localise and test a new platform extensively before any decision to migrate customers at scale.
This is an exciting opportunity that positions New AGL strongly to maintain the position as a technology leader that our competitors are trying to match.



[CHRISTINE CORBETT]

Let's now look at another large growth area for New AGL, the Commercial business.

AGL today has a strong platform in Commercial from which to grow.

We have a large customer base supported by recent acquisitions that step-change our capability to deliver to the evolving needs of customers looking for asset-backed renewables supply to meet their decarbonisation goals.

New AGL would have a significantly more flexible position to respond to these customer needs without a baseload generation position long to energy supply.

As a result, New AGL would be able to offer more competitive and targeted products that deliver to large customers' needs and be uniquely positioned to support the energy transition for corporate Australia and deliver energy "as a service" at scale.

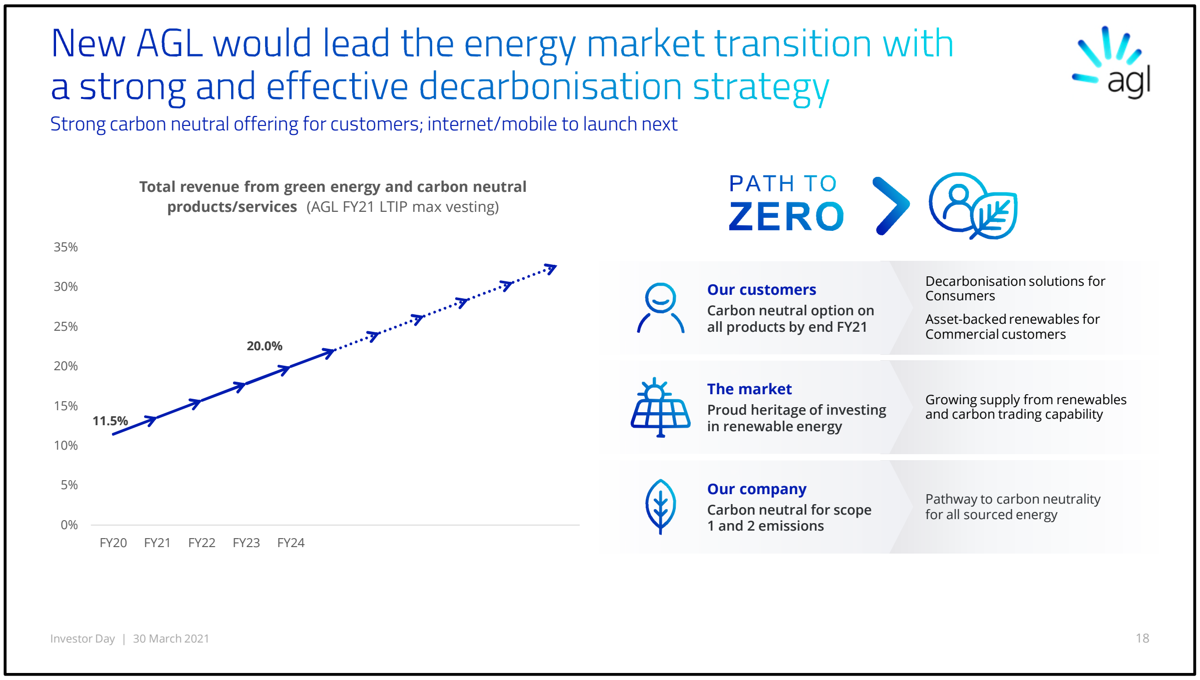
Our vision is to bring together renewables supply in front of the meter via the PowAR renewables development pipeline with on the ground asset management and on-site renewables at scale, which is greatly enhanced by the acquisitions of Solgen and Epho.

These acquisitions combined with our existing business energy solutions capability, make AGL the largest commercial solar provider in Australia.

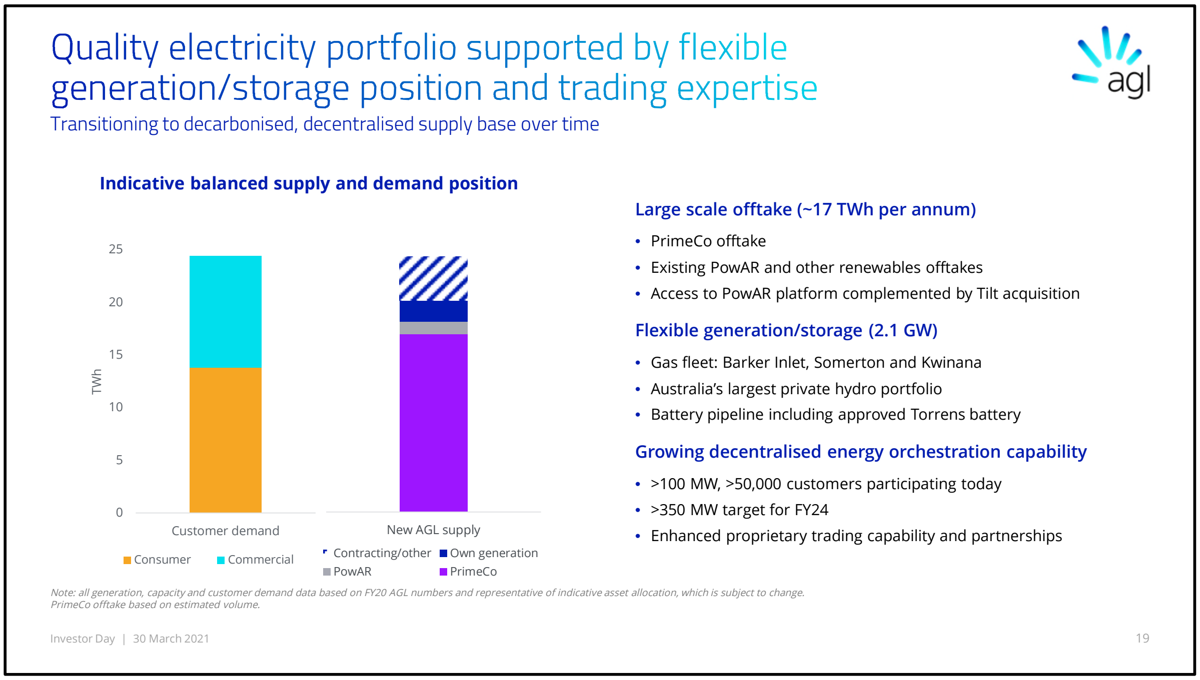
This gives New AGL the ability to deliver further shared value with customers via additional renewable supply – such as leveraging the underutilised roof space across Australia and allowing customers to access decentralised renewable energy from each other or for their other locations.

Additionally we have the ability to deliver stronger trading and demand response outcomes for our customers, via our proprietary orchestration capabilities.

All of this will enable us to grow our Commercial market share in electricity from levels today that do not reflect the size of the AGL business.



[CHRISTINE CORBETT]
Briefly before I hand to Markus, I want to reiterate carbon neutral as it is so important to the New AGL customer value proposition.
New AGL would deliver this directly for customers via carbon neutral products, to the market more broadly via backing development of renewables supply, and for the company holistically by being carbon neutral for scope 1 and 2 emissions and having a clear pathway to carbon neutrality for all sourced energy.
I'll now hand to Markus to cover the supply and trading side of things for New AGL.



[MARKUS BROKHOF]

Thank you, Christine, and good morning everyone.

It is great to be talking to you about the future of AGL this morning.

I will provide a sense of the energy trading and supply position and capabilities, which will enable a more flexible, lower carbon, competitive future for New AGL and its customers.

In AGL's recent history, we have been meeting customer energy demand via largely our own asset portfolio and balancing in the market.

New AGL would have a shorter position that sources electricity through some large offtakes, while remaining well positioned to meet customers' combined needs of low carbon and low prices.

Initially, New AGL is likely to source more than half its electricity from Prime Co.

This would provide near-term access to the lowest cost baseload in the NEM.

New AGL would immediately have a higher proportion of renewable offtakes and low-carbon firming.

The recent announcement of the proposed acquisition of Tilt Australia by PowAR reinforces this vision and positions New AGL to be competitive in a market where prices are increasingly being set by renewable generation.

Complementary to the renewables portfolio is the 2.1 gigawatts of flexible generation and storage that New AGL would own or operate, including our battery pipeline of 850 megawatts.

This will firm intermittent generation and capture value in peak demand periods that will increasingly define the market going forward.

The latest step in establishing and strengthening this portfolio of the future is the 250 megawatt battery project at Torrens Island on which we took a financial investment decision last week.

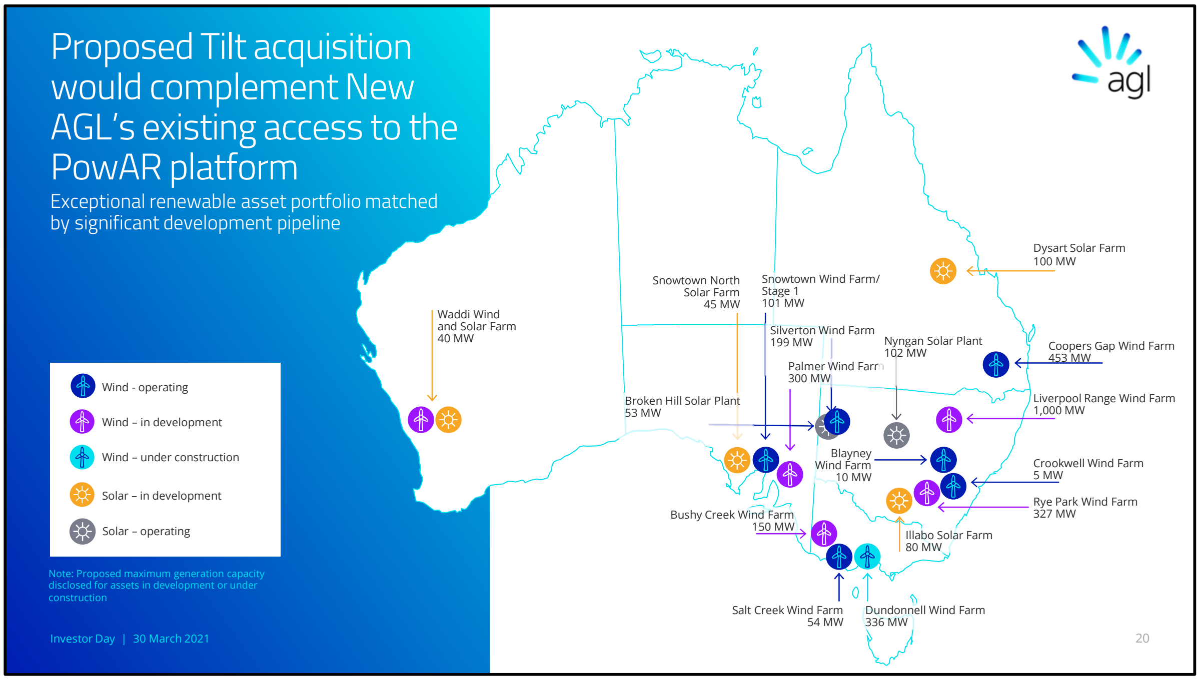
It will be the first of a series of investments around the NEM that will complement the hydro and gas fleet outlined on this slide.

We have already identified and secured additional sites across NSW, Victoria and Queensland including those at PrimeCo energy hubs.

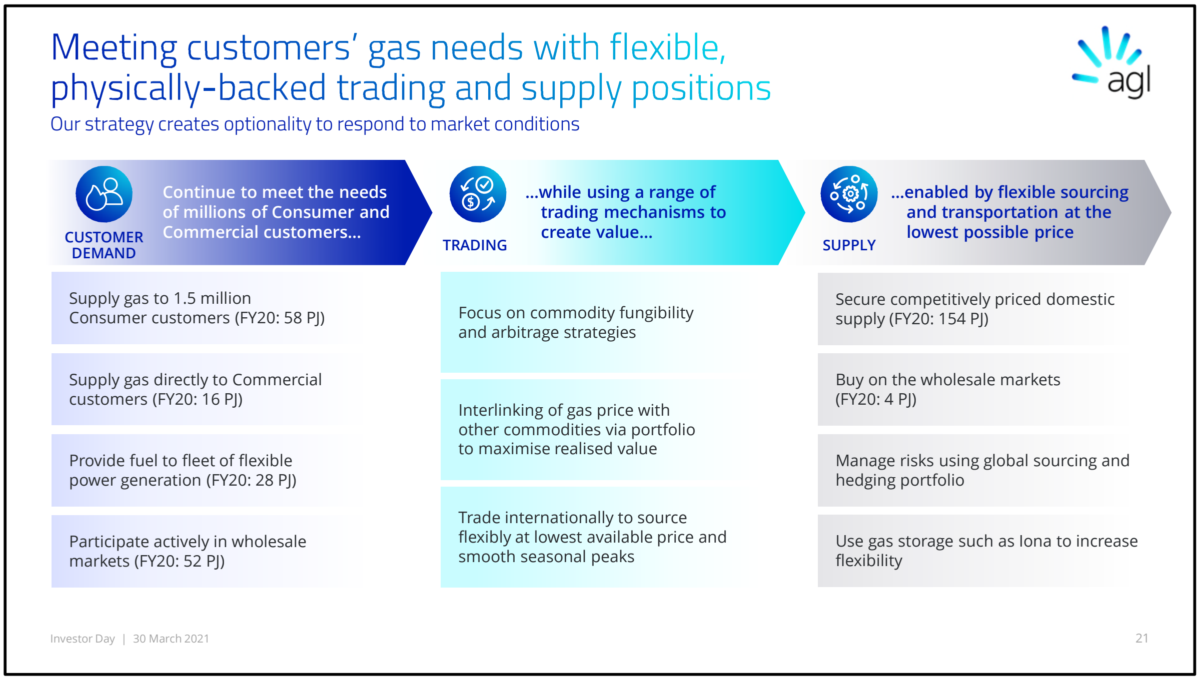
Beyond its large assets, New AGL would be empowered to accelerate rapidly toward its ambitions in decentralised energy and better meet market and customer needs as central baseload comes out of the system over time.

We have clear targets for growth in this space to achieve more than 350 megawatts by FY24 and I see that number doubling again by FY30.

In addition to Consumer and Commercial customer battery loads, we have reached an agreement to expand services in the ACT and Capital region with ActewAGL, and are on target to have recruited 300 customers to our electric vehicle smart-charging trial with ARENA, this year.
Beyond our customer arrangements, we are also using our virtual power plant to incorporate our own latent capacity (such as back-up diesel generation sets) to add flexible megawatts.
New AGL's ability to combine wholesale market trading with a strong customer relationship would be a differentiator.



[MARKUS BROKHOF]
The renewables development platform would be a cornerstone of New AGL, building on AGL's heritage as Australia's largest private renewables developer and creator of PowAR.
New AGL would have access to the PowAR platform, which will pick up now that mantle as the leading private Australian renewables developer via the proposed acquisition of Tilt.
The acquisition will lead to a portfolio for PowAR of 1.3 gigawatts of operating solar and wind assets, and a further 3.5 gigawatts of development and construction projects.
This positions New AGL with access to new developments across all states in which it operates.
This diversified set of assets and options in development would position New AGL to increase large-scale front of meter renewables that complements the commercial and consumer expectations that Christine shared with you and would expose New AGL to low marginal cost generation with a carbon neutral profile.
Importantly, the firming nature of our flexible capacity and storage assets I spoke about on the previous slide, in addition to our trading capability, would enable New AGL to manage the intermittent generation risk from renewables.



[MARKUS BROKHOF]

Finally, gas will continue to be a critical source of value and a transition fuel, underpinned by AGL's longstanding capabilities in trading and supply.

AGL's customer relationships will sit at the heart of how New AGL would meet diverse sources of demand.

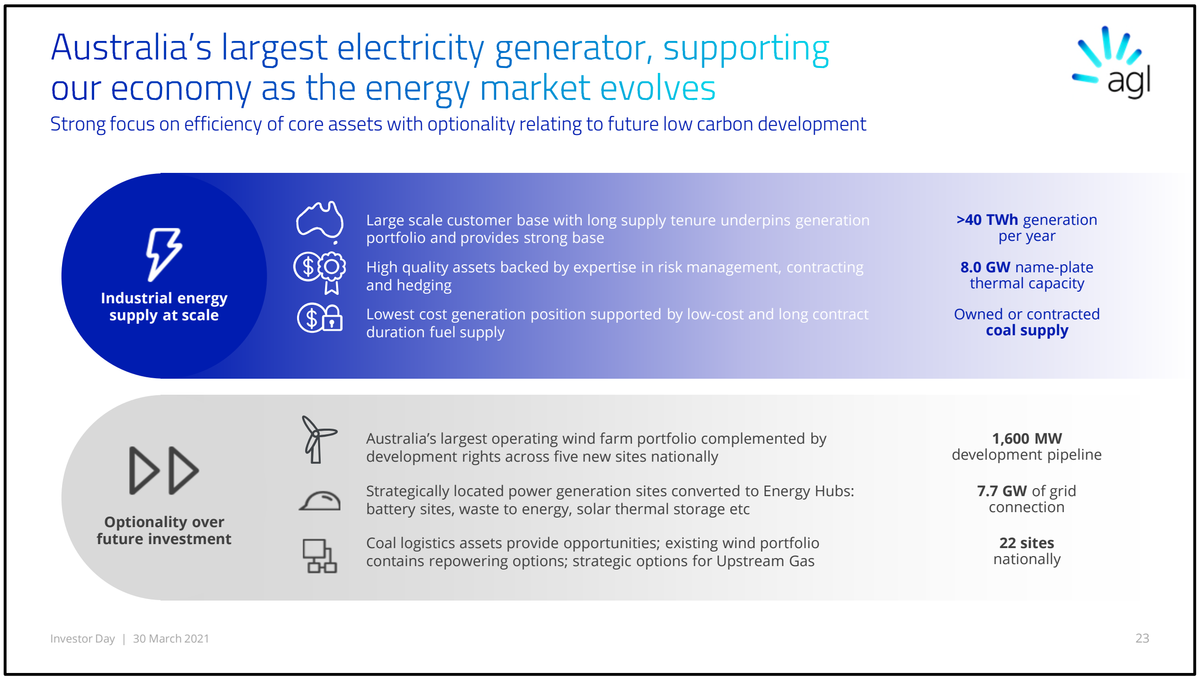
The greatest value will come from the trading and supply opportunities.

Existing and new domestic supply agreements would maximise value for New AGL while we would continue to look for opportunities to increase competitive gas supply to Australians via new imported sources of gas.

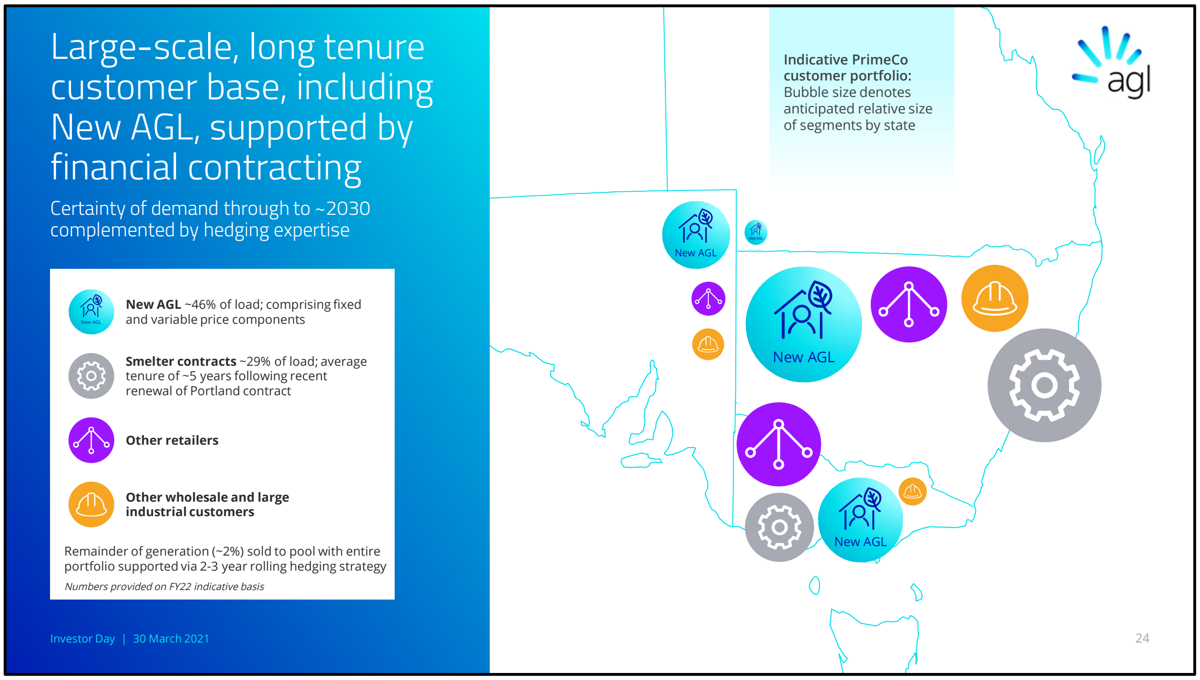
Overall, I am very excited about the flexible, low-carbon future that New AGL has ahead of it and the role it would play in the energy transition for Australia.

Now I will hand over to Brett to introduce us to PrimeCo.

[BRETT REDMAN]
Thank you Markus.



[BRETT REDMAN]
PrimeCo would be Australia's largest energy generator, supporting our economy as the energy market evolves.
It would have a strong focus on the efficiency of its core assets with optionality relating to future low carbon development.
Its generation base would be 40 terawatt hours per year, from 8 gigawatts of low cost thermal capacity with secure fuel supply contracts.
It's development options are really fascinating.
Not only is there the opportunity of a 1,600 megawatt wind development pipeline and repowering of parts of AGL's wind farm portfolio.
There is also the prospect of developing the options for batteries, hydrogen, waste to energy and other clean energy assets at the three energy hubs, as well as adjacency opportunities elsewhere in the industrial supply chain.
I will now hand back to Markus to discuss this in more detail.



[MARKUS BROKHOF]

Thanks Brett.

I will provide an overview of how the unique PrimeCo supply and trading portfolio is positioned in the market and our vision for its growth.

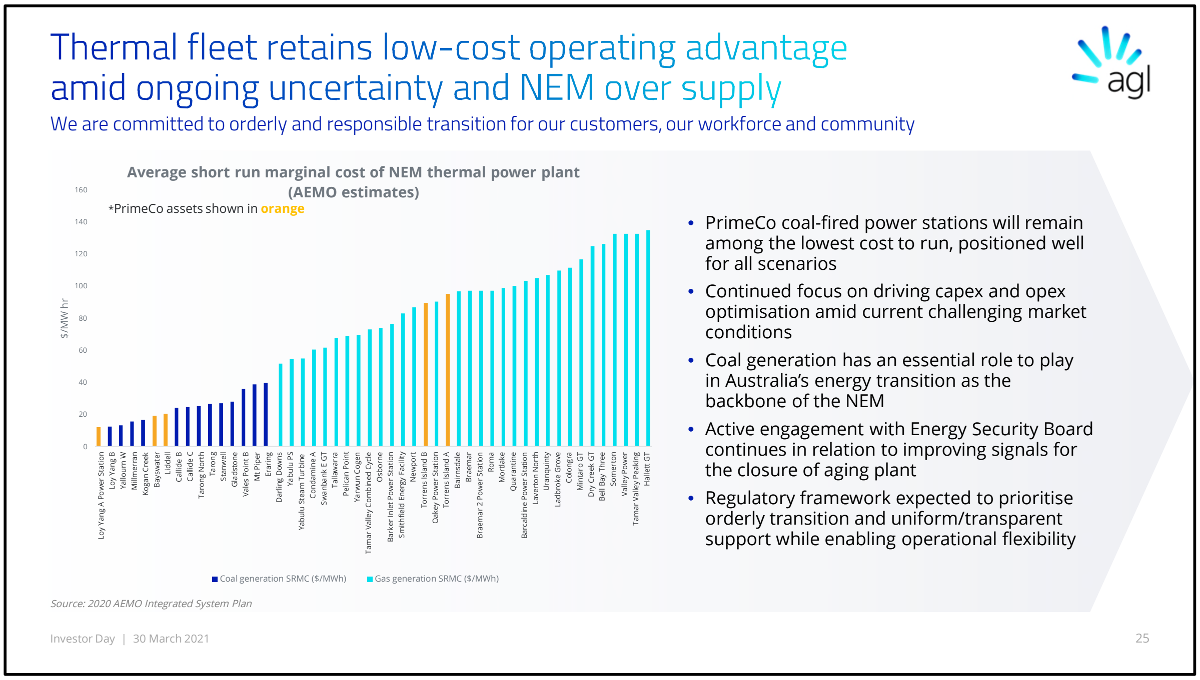
PrimeCo would be long generation and would bank on its risk management and trading expertise underpinned by sizeable long-term offtakes to manage this exposure.

This slide outlines and illustrates the distribution of the offtakes by customer segment and location.

Certainty of demand through to 2030 would make the business very resilient.

You can see that we anticipate nearly all of PrimeCo's generation to be secured in large customer offtakes in the near term, with New AGL taking nearly half the load, another quarter going to the smelter contracts, and the remainder split between industrial customers and other retailers in the NEM.

This gives PrimeCo the stability required to operate its fleet responsibly and to invest in new developments for the future.



[MARKUS BROKHOF]

PrimeCo can support these large customer contracts due to its optimal cost position among the thermal stations in the NEM, which provides an operating advantage and longevity in the fleet.

PrimeCo would come from a position of strength.

It would be the largest generator in the NEM, with the lowest cost generation in the NEM through Loy Yang, and it would lead the cost stack in NSW.

While we have a low-cost advantage, there is more we need to do to maintain a leadership position.

We are driving prudent expenditure controls, which I will speak about shortly, and working with regulators and bodies such as the Energy Security Board to make sure the market is working effectively and giving the right signals for thermal operators so that an orderly energy transition can occur.

We expect the regulatory framework will prioritise an orderly, uniform and transparent transition while enabling operational flexibility.

Thermal fleet well positioned on fuel supply with secure, long-term sources in place

PrimeCo would be positioned strongly relative to the market despite current challenging conditions

Loy Yang

- Power station directly connected to mine
- Continuous optimisation of mine plan, coal quality and mine running costs

Bayswater

- Secure, low-cost supply contracts until 2028 supported by short-term contracting
- Continued logistics and fuel-burn advantages compared with other Hunter Valley power stations

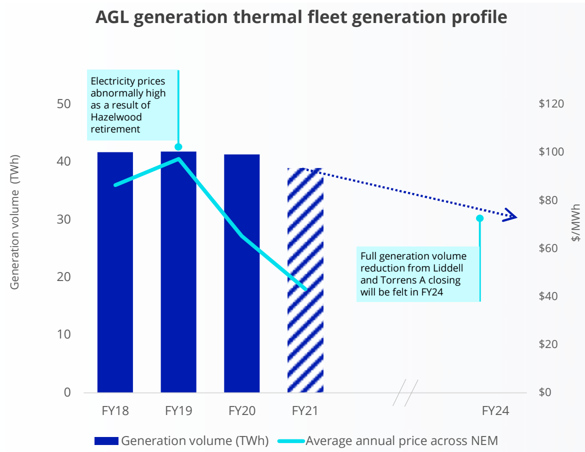
Torrens

- Flexible gas supply and transportation agreements in place

[MARKUS BROKHOF]
The low-cost advantage that PrimeCo has is in large part due to our well managed fuel supply arrangements across the thermal fleet.
These place PrimeCo in a very competitive position over the long-term despite the ongoing market uncertainty, in particular given its own coal supply at Loy Yang and low-cost supply contracts for Bayswater.

Loy Yang and Bayswater position PrimeCo margin to remain resilient amid challenging operating and market conditions

Key coal-fired power stations have enduring strength as Liddell and Torrens A retire

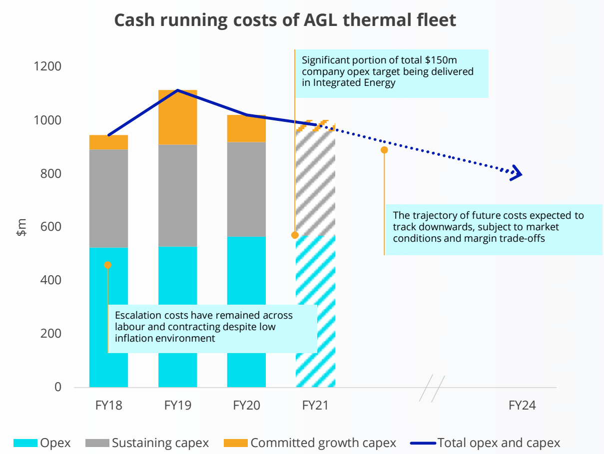


- Margin impact in FY21 from low prices, Liddell Unit 3 outage, mild weather and ongoing challenging market conditions
- FY22 margin to be impacted by ongoing challenging conditions from low prices, partial Liddell closure
- Impacts from full Liddell closure, current forward wholesale electricity price trends expected to be felt in FY23 and FY24
- Longer term, margin in low-cost thermal portfolio is leveraged to wholesale electricity price recovery
- Outlook for wholesale prices supported by prospect of economic recovery, normalisation of mild weather, supply-side response

[MARKUS BROKHOF]
Now let's look at volume, price and margin more closely.
You can see that the portfolio is resilient and generation volumes have been stable – nevertheless we are not immune to the ongoing decline in wholesale prices.
Following the abnormally high electricity prices of 2018 to 2019, the average annual price across the NEM has more than halved in three years and this is what is driving margin pressures in FY21 and FY22.
The combination of current low prices rolling through our hedge book and the retirement of Liddell are likely to translate to continued margin challenges in FY23 and FY24.
Over the long term, electricity price recovery would add substantial upside.
This would be supported by economic and commodity price recovery post the pandemic, normalisation of this year's mild temperatures and supply-side generation response.
However, the current market environment means that AGL is highly focused on discipline in expenditure.

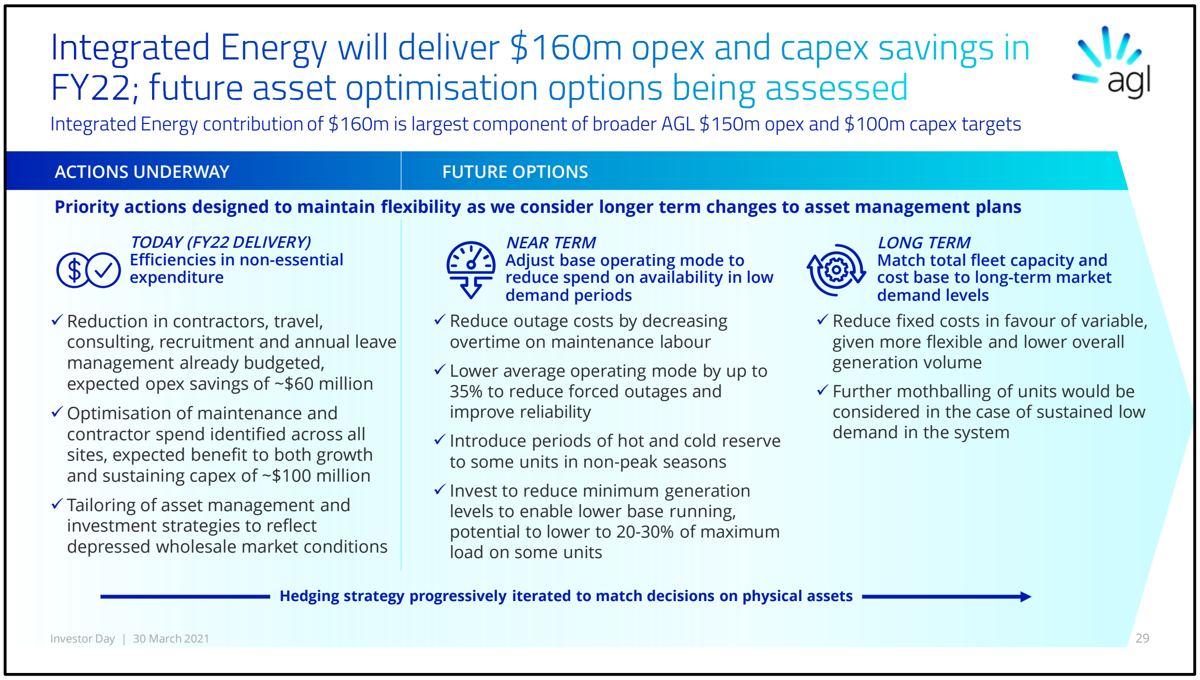
Near-term actions focused on cash cost reduction at thermal operating plant amid challenging market conditions

Adapting approach as appropriate amid low prices and over-supplied market



- Operating costs and sustaining capex will reduce from FY22 as asset running responds to market conditions
- Review of running costs continues with international expert input to build on quick wins from short-term expense reduction
- Review will consider options for changes to operating approach in context of margin trade-offs and evolving market conditions

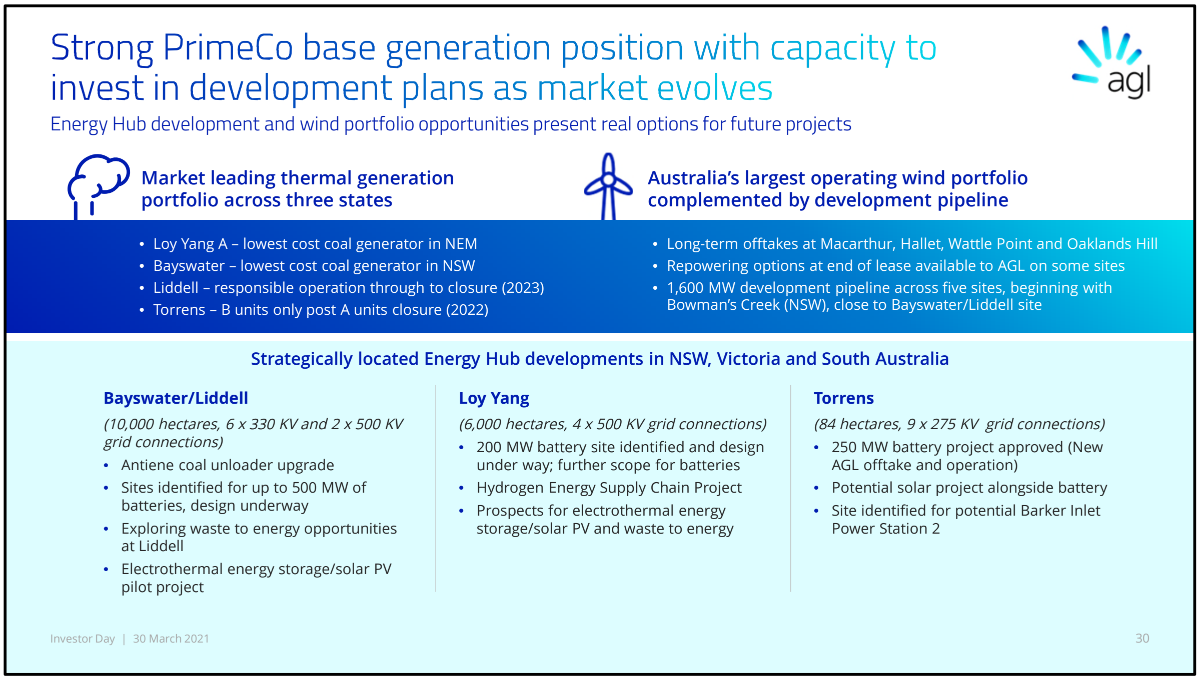
[MARKUS BROKHOF]
PrimeCo would remain focused on reducing the cash running cost of its plants.
Starting this year, our existing Integrated Energy busines unit is already delivering a significant proportion of AGL's 150 million dollar operating cost reduction and 100 million sustaining capex reduction targets.
Given market conditions, we have assessed and put in place controls to ensure growth capex is not spent where the market returns do not warrant the investment.
In addition, we are reviewing running expenditure with advice from and consultation with international experts.
We need to assess dynamically the return profile of any growth and sustaining capex spend.
All in all, this would position PrimeCo to deliver the capex reductions highlighted in AGL's half year results while better matching availability to when market demand requires it.



[MARKUS BROKHOF]
So, the near term actions under way in Integrated Energy today amount to 160 million dollars of cash savings in FY22, a key component of AGL's broader opex and capex reduction plans.
Our priority actions are designed to maintain flexibility while reducing near term expenditure, at the same time as we consider longer term changes to asset management plans and running profiles.
The first step is matching spend to market conditions.
Immediate actions have already been budgeted and put in place.
As we look forward, there is opportunity for PrimeCo to manage the fleet more dynamically to intra-year demand levels over the near term.
That means making sure we are available when demand requires maximum load and optimising maintenance to reduce running costs the rest of the time.
This will improve commercial outcomes while ensuring demand is readily available when the market needs it.
There are a few actions that could be taken here.
Some are conceptually easy but require a change in mindset – for example stopping spending on overtime and weekend workforce mobilization if the market does not require the energy and the availability of capacity.
In addition, we are reviewing to lower further the average operating mode or sweet spot of plant to reduce reliability challenges in an ageing fleet while still delivering the energy the market needs.
Beyond this, we can also look at seasonally cycling units.
AGL has historically worked hard to have all 12 coal units online as much as possible but this level of availability may no longer be required by the market.
We can improve reliability outcomes, improve the commercial proposition, and still meet market needs by holding units in hot or cold reserve during shoulder months.
In addition, to better manage the increasing duck curve, we can invest to lower units' minimum generation levels to reduce losses through periods when demand is low in the system.
Over the longer term, we would look to match generation with a more variable cost base and finally, this is not a step to be taken lightly, we may consider to mothball units.

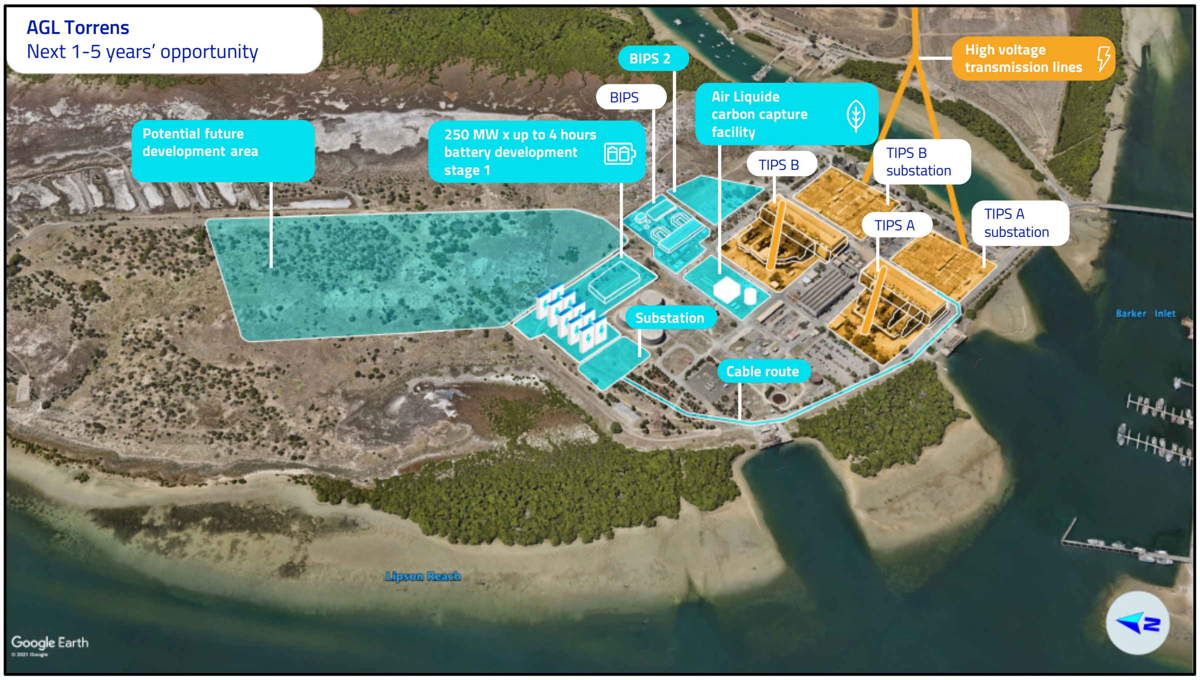
We will of course ensure actions enable the availability in the market at times of demand and respect security of supply.

It is important to note under all these potential actions, PrimeCo would match its hedging strategy to decisions on the physical assets to prevent being exposed.

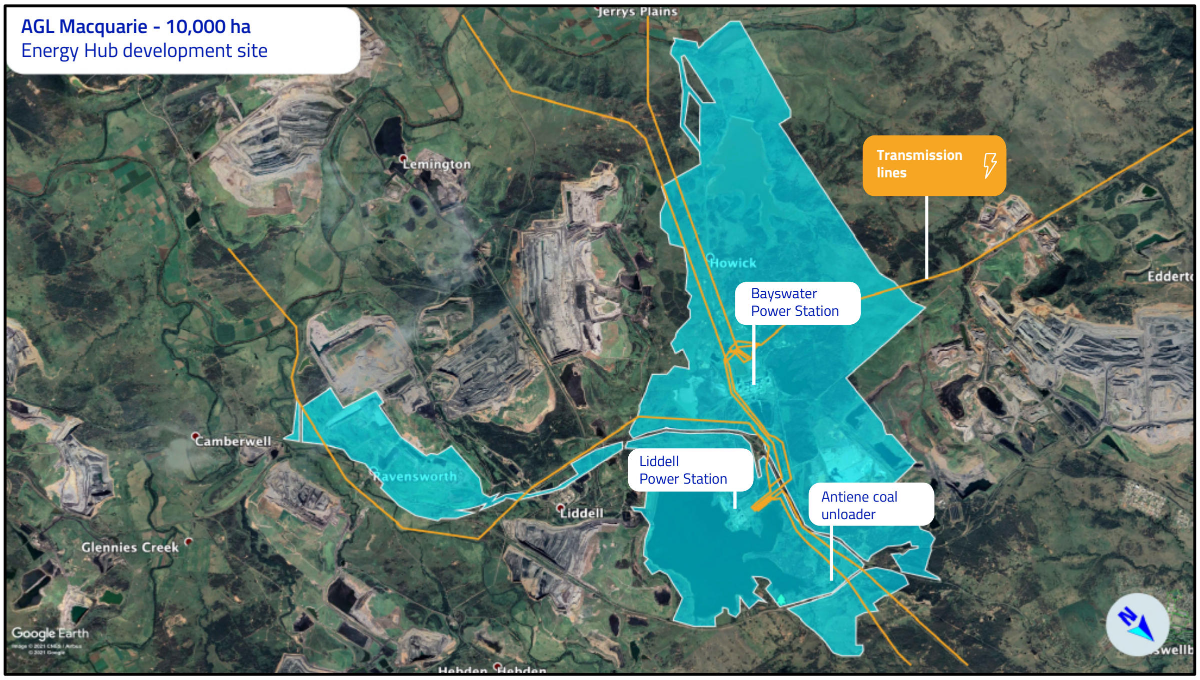


[MARKUS BROKHOF]
So now let's turn to development opportunities.
The strong foundation of PrimeCo's low-cost generation position and operating discipline that I have outlined also provides a potential source of funding for potential future development.
PrimeCo would have multiple avenues for development.
In addition to its 1,600 megawatt wind development pipeline, PrimeCo would be focused on progressively transitioning its existing thermal generation sites into energy hubs, starting with the Liddell Power Station site.
The energy hubs will benefit from a unique energy infrastructure with a sizeable footprint in strategic locations.
The development plan comprises battery sites, waste to energy, electrothermal solar storage, as well as site specific development opportunities using our strategic asset base such as the Antiene coal unloader in the Hunter Valley to develop a distribution hub and the Hydrogen Energy Supply Chain project at Loy Yang.
PrimeCo may choose to develop, own or just be a landlord for these opportunities dependant on the respective business cases.
These are all genuine opportunities to use the existing infrastructure to give a future to the sites and keep jobs in the local communities while creating value for PrimeCo.

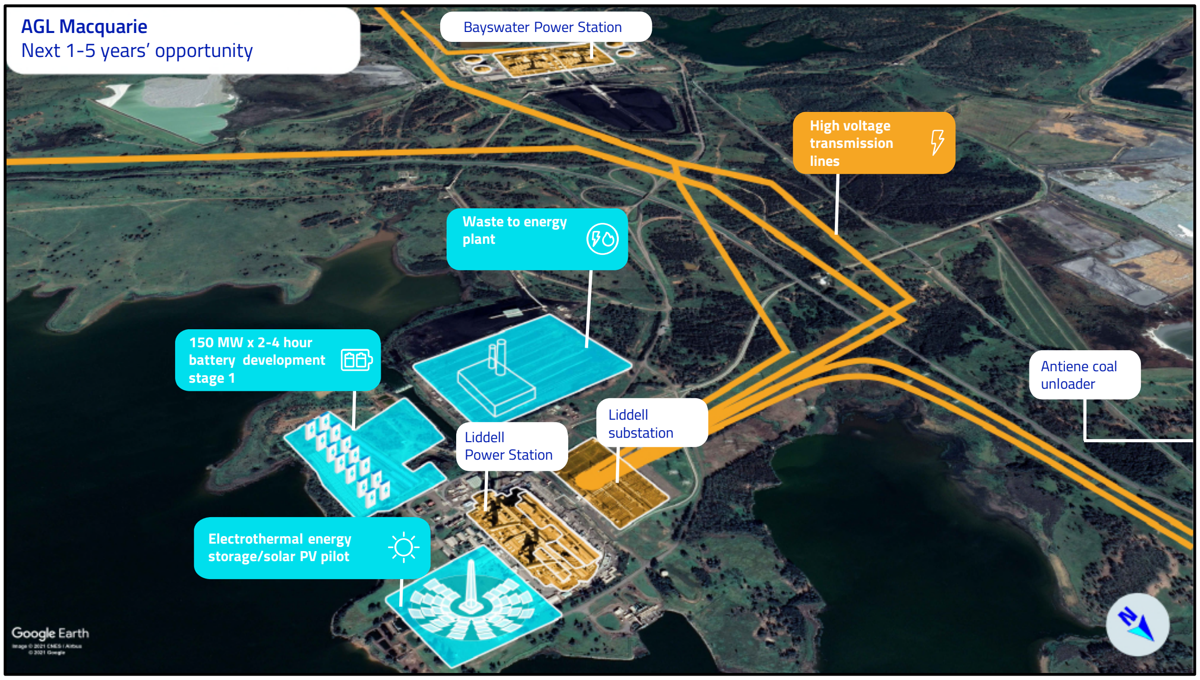
[MARKUS BROKHOF]
Let's start in South Australia.
In this aerial image you can see our Torrens Island site.
Today this houses our TIPS A and B stations connected to the grid at 275 kilovolts, with potential land and connection capacity for expansions, such as the battery project we confirmed last week. In addition we have Barker Inlet which is co-located and would be part of New AGL in the future.



[MARKUS BROKHOF]
As we zoom in to the site in more detail, you can see how our existing infrastructure can be used to enable a future for the site beyond the life of the existing power station.
In addition to the 250 megawatt battery development site, a second flexible gas plant to fulfil future market needs alongside the already operating Barker Inlet Power Station is an option, as well as future stages of battery development.

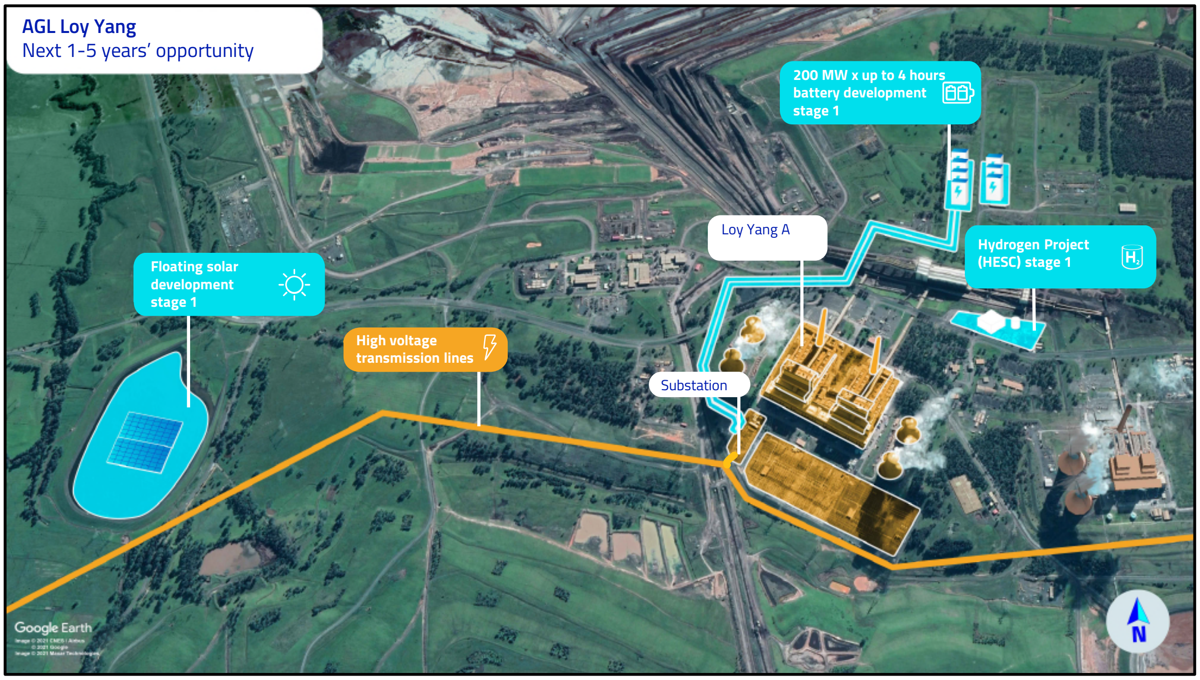


[MARKUS BROKHOF]
Moving over to New South Wales, and looking at the Liddell and Bayswater sites, you can see the significant land that PrimeCo would hold.
This is positioned with strong grid connectivity, proximity to industrial activity and logistics such as rail and a skilled local workforce.



[MARKUS BROKHOF]
Building on these attractive attributes will be the key activity in transitioning after the closure of Liddell.
While we plan to continue to operate Bayswater, there will be opportunity to start redeveloping the Liddell site in the near term.
We are actively involved in exploring how we might establish partnerships to assess feasibility of a waste to energy plant at the site, which would potentially be operational from the mid 2020s.
In addition, we have invested equity into a partnership for the development of some exciting electrothermal solar storage technology we intend to pilot at Liddell.
We would look to have a pilot plant of the technology at Liddell.
Finally, we have lodged planning approvals for a 500 megawatt battery at the Liddell site, which could be developed pending outcomes of the New South Wales Electricity Infrastructure Roadmap.

[MARKUS BROKHOF]
Finally, turning to Victoria and the Loy Yang site.
Alongside the power station and mine, there is connection capacity and local energy expertise with a skilled workforce.
While Loy Yang's closure is far away, there is plenty of diversification options PrimeCo can develop in the meantime.



[MARKUS BROKHOF]
Already we are a partner in the Hydrogen Energy Supply Chain project for which the pilot plant has recently started producing hydrogen from the Loy Yang coal mine for export to Japan.
In addition, we have submitted planning permission for a battery at site and are exploring proposals for solar developments that leverage the existing assets, such as the settling ponds.
Over time, Loy Yang will grow to a more diverse hub of different energy uses that leverage the unique attributes of the Loy Yang site and Latrobe Valley more broadly.
With that overview of how we see PrimeCo establishing its near term position of strength as well as growth path to the future, I will hand over to Damien who will focus back on some of our near term actions.

[DAMIEN NICKS]
Thank you Markus – and good morning everyone.
The proposed separation you have heard about this morning is an exciting next step for us.
It positions AGL to continue to lead the energy transition as two separate businesses.

We are taking near-term action to address ongoing market and operating challenges in the energy sector

We have accelerated our plans to reduce cost and release cash back to the core operations

Actions under way and being executed

- **$150m operating cost reduction** now being executed
- Plans for **$100m in sustaining capex reductions** accelerated
- **Further asset optimisation** planning activated across generation fleet
- **$400m of assets identified for sale** including Newcastle Gas Storage Facility, Silver Springs gas project – targeted for FY22 execution

[DAMIEN NICKS]

Brett talked at a high level about the near term actions we are undertaking at the same time as we pursue separation, and Markus has taken you through the details of our asset optimisation.

So I'll focus on our progress against our opex and capex savings targets, in addition to the asset sales announced today.

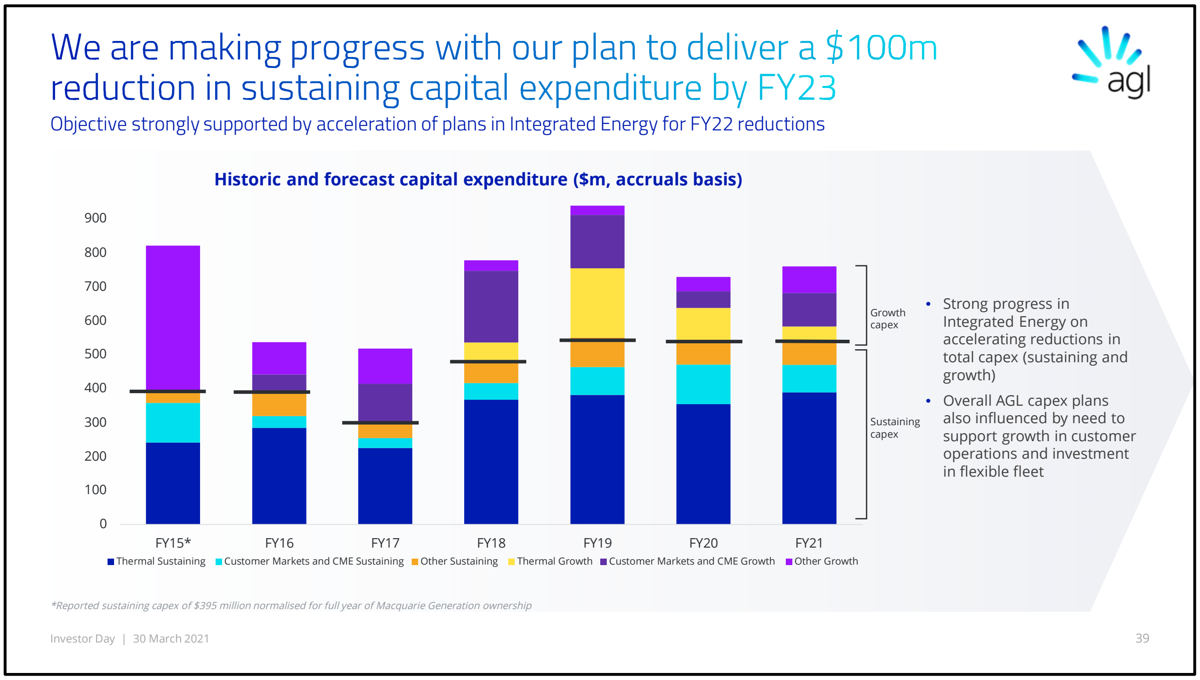
Let's start with the asset sales.

Through the process of looking at separation, we have identified a number of assets which are less critical to our future direction but may be attractive to others.

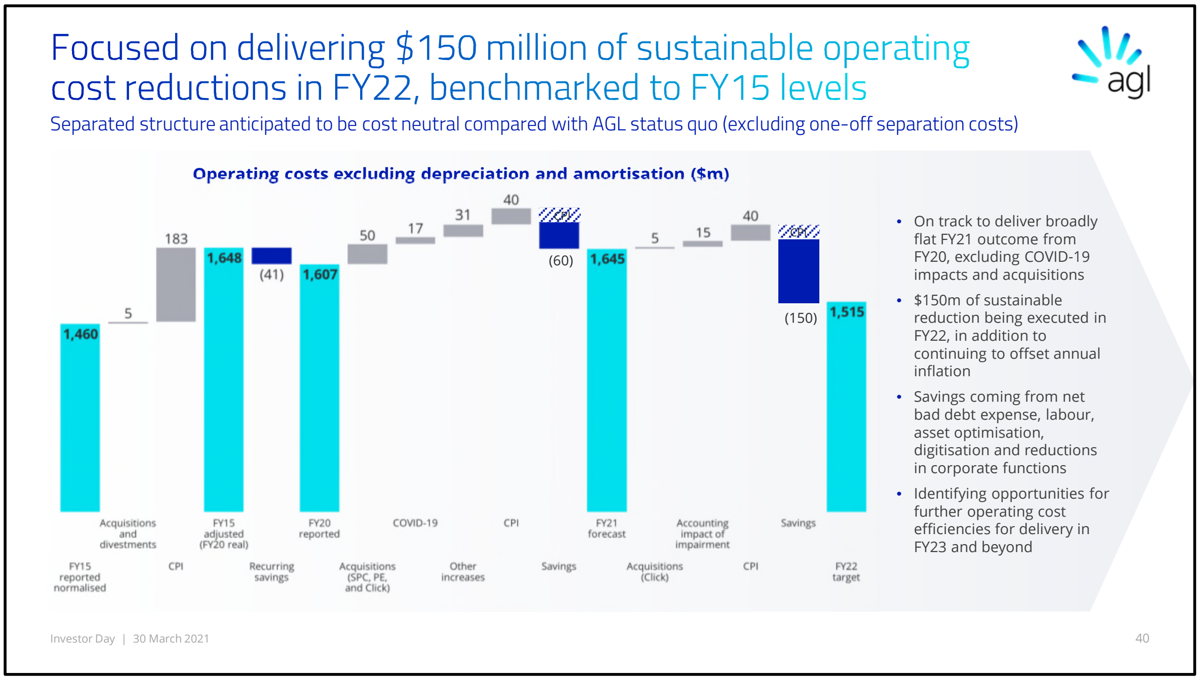
Hence, today we have announced the commencement of a sales process for two of these assets, the Newcastle Gas Storage Facility and Silver Springs.

Newcastle Gas and Silver Springs are both valuable infrastructure assets, which have been invested in and well maintained by AGL.

We expect to execute on the sales of these assets in FY22.

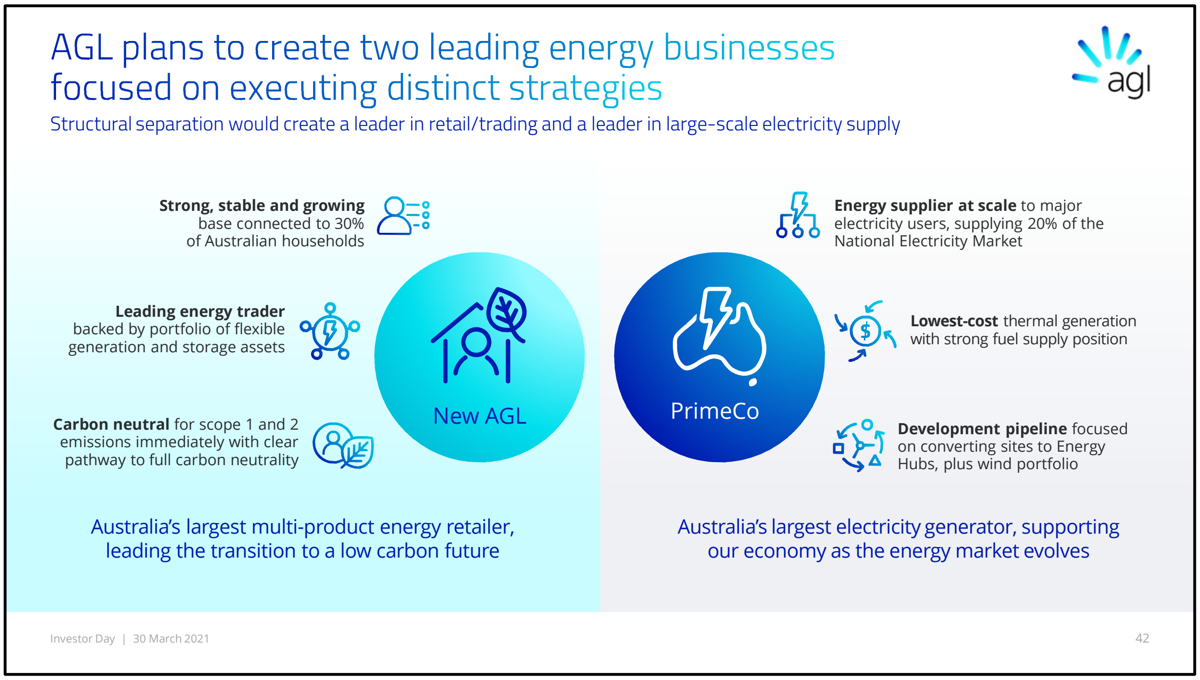


[DAMIEN NICKS]
In February, as part of our first-half results, we announced our intention to reduce sustaining capital expenditure by 100 million dollars by FY23, benchmarked to FY15 when wholesale electricity prices were last as low as they are currently.
I am pleased to report that we are making good progress, and as you have heard from Markus, the progress in Integrated Energy suggests we may meet this target ahead of schedule.
We are working hard to balance our maintenance program, prioritising commercial availability and efficient operations with our cost base to reflect market conditions.
Despite ongoing investment in customer systems and supporting the development of our flexible fleet on the New AGL side, we are confident of meeting these targets.



[DAMIEN NICKS]
Moving on to operating expenditure, and we are very much on track to deliver the 150 million dollars in operating cost reductions we have committed for FY22, in addition to offsetting inflation.
Again, this was benchmarked to FY15.
We also remain slightly ahead of the objective to keep FY21 opex flat, excluding COVID-19 impacts and acquisitions.
We are confident that the separation we have discussed today can be delivered on at least a cost neutral basis, excluding one-off separation costs, which will of course be significant for the kind of transaction we are contemplating.
We are confident that any dyssynergies created by separating would be offset by synergies elsewhere and that both New AGL and PrimeCo would have opportunities to deliver further operating cost efficiencies relative to today’s cost base from FY23 and beyond.
The business as usual savings in FY22 will be delivered through lower net bad debt expense as well as savings across labour, asset optimisation, digitisation and reductions in corporate functions, with a material reduction in professional and consulting services offset by a small amount of restructuring and redundancy costs.
I’ll now hand back to Brett for closing remarks.

[BRETT REDMAN]
Thank you, Damien.

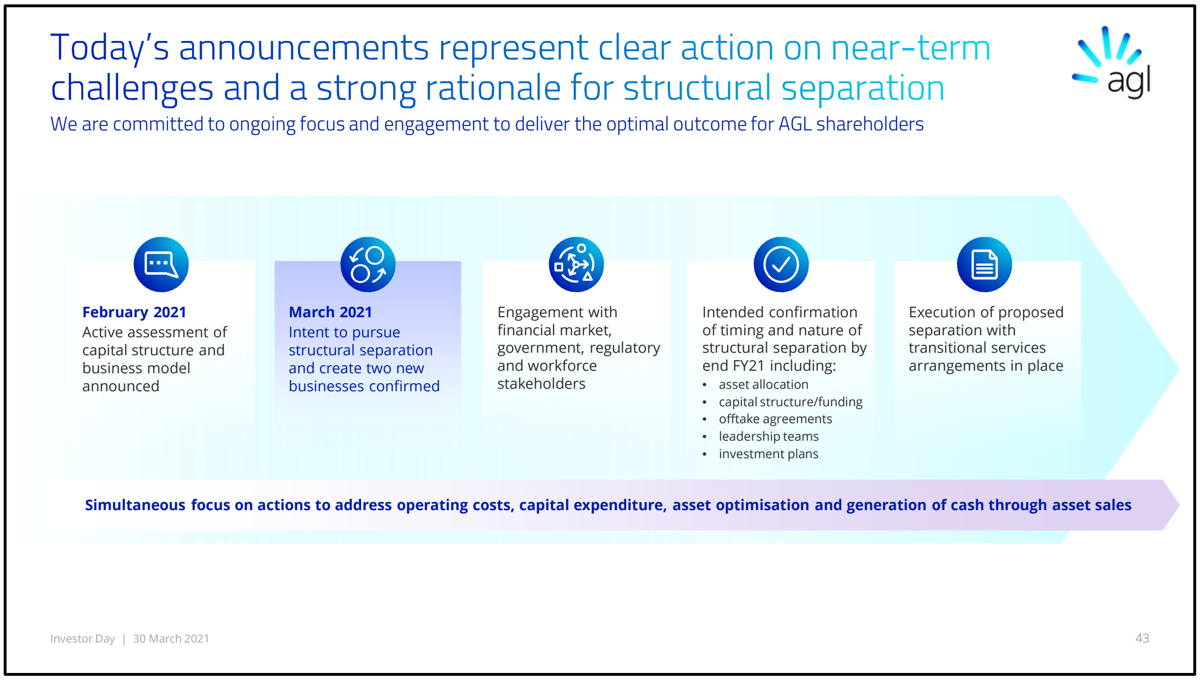


[BRETT REDMAN]

Let me close where I started – by stating that what we have announced today is a plan to create two leading businesses.

They would each have distinct strategies and play a critical role in the energy transition.

This is an immensely exciting moment in the 180-year history of AGL and the team is focused on delivering a new structure and a compelling future.



[BRETT REDMAN]
My final slide has three messages.
One: we will seek feedback from shareholders and others on the plan we have presented today.
Two: we will be coming back to you the by the end of this financial year with a lot more detail on the intended timing and nature of this separation.
This will include more detail of critical elements such as final asset allocation, capital structures, offtake arrangements, leadership teams and investment plans.
We will then seek to execute as soon as we can.
There has been an enormous amount of work and analysis undertaken to date, however there is now a huge amount still to do to finalise the details.
Three: we recognise how challenging and complex our operating environment is and, throughout this period of change, we will remain committed to executing the actions we have discussed today to deliver underlying business improvement.
We appreciate your time in listening to this presentation and we are now keen to take your questions.
We will take as many as we can – and, as ever, if you have further questions at the conclusion of the event our investor relations team will be happy to run though these with you.
Thank you.

Thank you

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