



ASX & Media Release

AGL Energy Demerger – Investor Presentation

6 May 2022

Attached is a presentation in relation to the proposed demerger by AGL Energy Limited (**AGL Energy**).

The information contained in the presentation should be read subject to AGL Energy's Demerger Scheme Booklet dated 6 May 2022 lodged with ASX today, and other periodic and continuous disclosure announcements lodged by AGL Energy with ASX.

Authorised for release by AGL Energy's Market Disclosure Committee.

Further enquiries

James Thompson
Head of Investor Relations
M: +61 403 183 563
E: JThompson5@agl.com.au

Brett Cox
Head of Media Relations
M: +61 498 074 613
E: Bcox@agl.com.au

About AGL Energy

Proudly Australian for more than 180 years, AGL Energy 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 Energy 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.



AGL Energy Demerger

6 May 2022

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Disclaimer



This presentation contains summary information only about the current activities of AGL Energy Limited (**AGL Energy**) and its subsidiaries (**Group**) as at 6 May 2022. If you are an AGL Energy shareholder, you should read AGL Energy's scheme booklet dated 5 May 2022 (**Scheme Booklet**) in full before making any decision to vote on the Demerger. This Presentation is not in any way a substitute for the Scheme Booklet and should not be relied upon as such. This Presentation should also be read in conjunction with the Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available at www.asx.com.au.

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Demerger of AGL Australia – creating a strong future



The AGL Energy Board unanimously recommends that AGL Energy Shareholders vote in favour of the resolutions to approve the Demerger

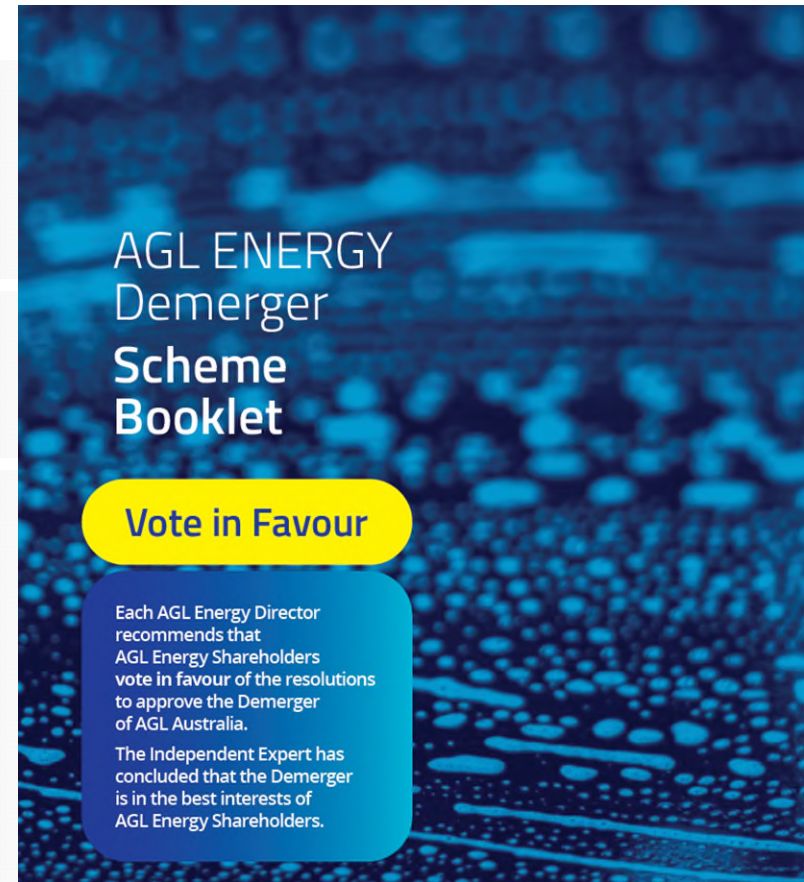


The Independent Expert has concluded that the Demerger is in the best interests of AGL Energy Shareholders



The AGL Energy Directors believe that the Demerger is the best option to unlock shareholder value by:

1. Creating the potential to maximise the growth in the value of your shares by giving each company the freedom to pursue individual strategies and growth initiatives
2. Supporting shareholder returns through distinct dividend policies and capital structures
3. Leaving the future value of two ASX listed companies with you, the shareholder



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
You should read this document in its entirety prior to deciding whether or not to vote in favour of the resolutions to approve the Demerger. If you are in any doubt as to what you should do, you should seek independent legal, financial, taxation or other professional advice before voting on the Demerger.



Agenda



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1 Demerger
Overview

2 AGL Australia
post Demerger

3 Accel Energy
post Demerger

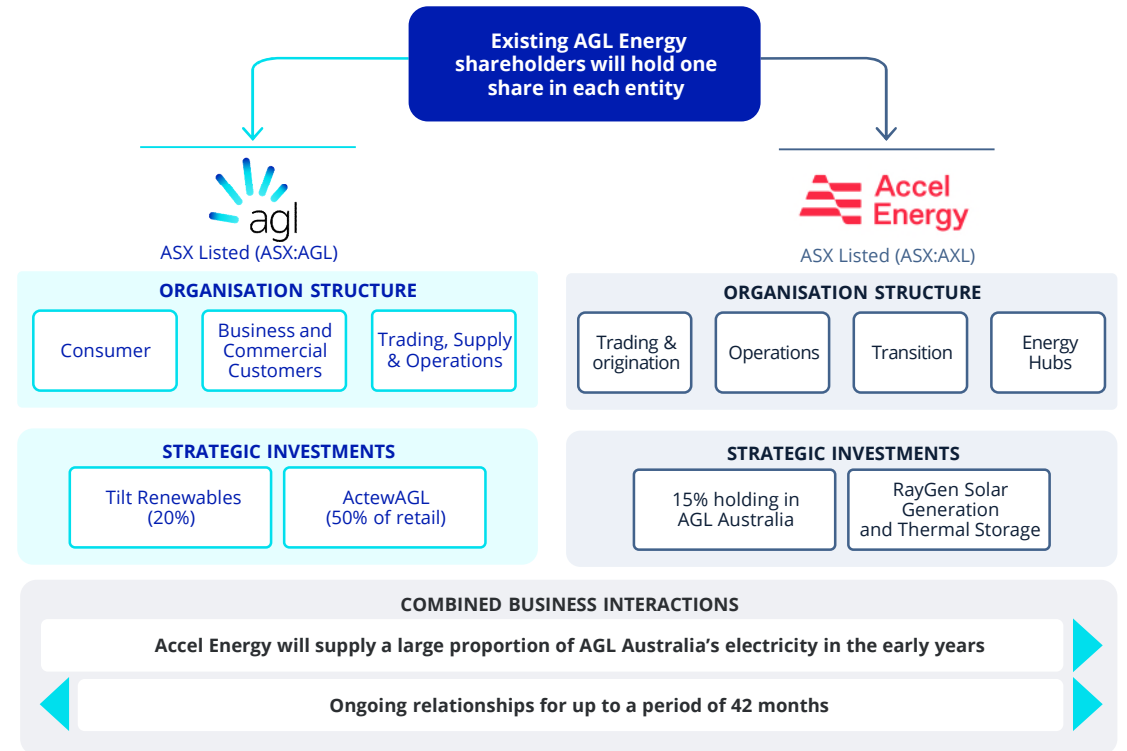
4 Appendices

Demerger overview



The Demerger is the separation of AGL Energy into two industry leading companies that will advance Australia's new energy future; enabling a responsible transition of Australia's energy system towards decarbonisation

- The Demerger is the separation of AGL Energy into two industry leading companies:
 - AGL Australia:** a leading multi-service energy led retailer in Australia, supported by a sophisticated market trading function and a strong base of firming, storage and renewable assets
 - Accel Energy:** Australia's largest electricity generator, providing secure, low-cost energy whilst driving the energy transition by repurposing its existing generation sites into low-emissions energy hubs progressing a pipeline of renewable energy projects
- To implement the Demerger, AGL Energy will undertake a Capital Reduction, the proceeds of which will be automatically applied to the acquisition of AGL Australia Shares by or on behalf of Eligible AGL Energy Shareholders
- Eligible Shareholders will receive one AGL Australia Share for every AGL Energy Share held at the Record Date
- AGL Energy Shareholders will retain their existing AGL Energy Shares and AGL Energy will be renamed Accel Energy
- Following the Demerger, Accel Energy Shareholders will hold 85% of the AGL Australia Shares on issue, with the remaining 15% of the AGL Australia Shares to be held by Accel Energy
- AGL Energy Shareholders will have the opportunity to vote on the Demerger at the shareholder meetings on 15 June 2022:
 - The AGL Energy board recommends that you vote in favour of the resolutions to approve the Demerger
 - Grant Samuel, the Independent Expert has concluded that the Demerger is in the best interests of AGL Energy Shareholders
- Subject to the necessary regulatory, shareholder and Court approvals, AGL Australia will commence trading on the ASX on 22 June 2022 on a deferred settlement basis
- Comprehensive information on the Demerger is set out in the Scheme Booklet, which should be read in full before making any voting decision



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Demerger background and rationale



The Demerger is the next step in AGL Energy's history of leading change in the energy industry. The AGL Energy Board believes it will create long-term shareholder value and a strong future for both parts of AGL Energy's business

Energy market changes have impacted AGL's integrated gen-tailer structure:



ENERGY TRANSITION

- Generation mix in the NEM is rapidly changing towards renewable generation capacity (expected to increase 2.9x from 2020 to 2030) and behind the meter/decentralised energy
- The role of baseload assets is evolving, reducing the suitability and benefits of being integrated with a large retail portfolio
- Storage and firming assets are becoming more prominent in the energy system as intermittent (e.g. wind, solar) renewable generation is developed



ENERGY REGULATION

- There have been substantial regulatory changes in the sector that have impacted on AGL Energy's current business model
- Retail price regulation has reduced the benefits of the vertically integrated gen-tailer model
- Renewable energy policy has created diverging priorities for generation vs. retail businesses



CUSTOMER NEEDS

- Customers preferences are moving towards lower carbon intensive energy sources
- Customers are increasingly utilising a decentralised approach to their energy consumption
- The use of such technology (e.g. rooftop solar, batteries, electric vehicles) requires a retailer to deliver more bespoke energy products and solutions



CLEAN ENERGY INVESTMENT

- Deep pools of capital are now available to fund energy transition projects
- ~\$40 billion is expected to be invested in solar and battery between 2020 and 2030
- Accessing capital via bespoke solutions can be used to accelerate these transition projects

"...the current company structure limits the ability of AGL Energy to effectively address these evolving market dynamics and makes it more difficult to execute on the strategic plans of its key business units while both parts are competing for the same available resources and capital for investment..."*

* Scheme booklet, section 1.2.1.

Advantages of the Demerger



The AGL Energy Board believes that the benefits of the Demerger will ultimately deliver AGL Energy Shareholders superior value through the future performance of both AGL Australia and Accel Energy

The AGL Energy Board believes the Demerger will:



UNLOCK VALUE

- ✓ Distinct dividend policies, capital structures and financial policies appropriate for each company to support both future growth and appropriate returns for shareholders
- ✓ Separate listings on the ASX, increasing potential for a change of control for the assets of either or both businesses with the potential for each company to separately maximise future market valuation



CREATE TWO INDUSTRY LEADING COMPANIES

- ✓ Investors will have a better understanding of the fundamental value of each company, can invest in line with their preferences and may benefit from the potential for a market re-rating:
 - **AGL Australia:** will be a leading multi-service energy retailer in Australia, supported by a sophisticated market trading function with access to firming, storage and renewable assets to help manage its energy portfolio risk
 - **Accel Energy:** will be Australia's largest electricity generator, providing low-cost energy and driving the energy transition by repurposing its sites into low emissions industrial energy hubs. It is progressing a large pipeline of renewable energy projects and can leverage its existing assets and expertise to create a clear pathway to achieving its energy transition commitments



PROVIDE TAILORED PURPOSE AND STRATEGY

- ✓ The two companies will be empowered to pursue individual strategies, operational initiatives and opportunities based on their unique assets and capabilities, that will better enable the companies to realise Shareholder value



ENABLE THE FUTURE OF ENERGY

- ✓ The Demerger will enable AGL Australia and Accel Energy to work to advance Australia's new energy future, responsibly accelerating decarbonisation beyond what could be achieved under AGL Energy's existing integrated structure

Potential disadvantages and risks of the Demerger



There are a number of potential disadvantages and risks of the demerger which AGL Energy Shareholders should consider

Potential disadvantages of the Demerger

- The Demerger will reduce the size and diversification of each company
- Certain benefits of vertical integration will be lost
- The Demerger will result in some one-off transaction and implementation costs and tax inefficiencies
- The Demerger will result in some additional corporate and operating costs, with the potential for these to be offset by the implementation of operational cost savings
- Some AGL Energy Shareholders will not be eligible to receive, or may be unable to retain, AGL Australia Shares

Potential risks of the Demerger

- The combined market value of AGL Australia Shares and Accel Energy Shares post Demerger may be less than the market value of AGL Energy
- The Demerger may result in changes to index inclusion for AGL Australia or Accel Energy
- There may be unexpected delays, costs or other issues in separating AGL Australia and Accel Energy as standalone legal entities
- The Demerger could result in a loss of operating synergies
- AGL Australia or Accel Energy may not be able to obtain third party consents
- The Demerger is subject to court approval and there is a risk that the court may not approve the scheme

See sections 1.4 and 1.5 of the Scheme Booklet for more information. AGL Australia and Accel Energy will be subject to a number of specific risk which are set out in detail in section 3.12 and section 4.12 of the Scheme Booklet.

Key dates of the Demerger



Eligible AGL Energy Shareholders are entitled to vote on the resolutions to approve the Demerger on or before the Scheme Meeting on 15 June 2022. Instructions on how to cast your vote are contained in the Scheme Booklet

| Event | Date |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| First court date | 5 May 2022 |
| Voting Forms for the General Meeting and Scheme Meeting must be received by the AGL Energy Share Registry | 10.30am, 13 June 2022 |
| Eligibility to vote at the General Meeting and Scheme Meeting determined | By 7:00pm, 13 June 2022 |
| AGL Energy General meeting | From 10.30am, 15 June 2022 |
| AGL Energy Scheme meeting | From 10.45am, 15 June 2022 |
| Second court date | 20 June 2022 |
| Sale and Top-up Facility Forms must be received by AGL Energy Share Registry (for Sale Facility Participants) | By 5:00pm, 21 June 2022 |
| Effective Date and last date AGL Energy Shares trade on the ASX cum-entitlements under the Demerger | 21 June 2022 |
| AGL Australia Shares commence trading on the ASX on a deferred settlement basis. AGL Energy Shares trade on an ex-Demerger entitlements basis | 22 June 2022 |
| Time and date for determining entitlement to AGL Australia Shares under the Demerger (the Record Date) | 7:00pm, 23 June 2022 |
| Implementation Date and transfer of AGL Australia Shares to Eligible Shareholders (other than Selling AGL Australia Shareholders) and Sale Agent | 30 June 2022 |
| Dispatch of holding statements to Eligible Shareholders (other than Selling AGL Australia Shareholders) | 30 June 2022 |
| Normal trading of AGL Australia Shares on the ASX commences | 4 July 2022 |
| Completion of sales and purchases of Accel Energy Shares and AGL Australia Shares under the Sale and Top-up Facility | By no later than 29 July 2022 |
| Dispatch of payment to Ineligible Overseas Shareholders, Selling AGL Australia Shareholders and Selling Accel Energy Shareholders | 15 August 2022 |
| Dispatch of holding statements to Participating Shareholders | 15 August 2022 |

All dates and times following the date of the General Meeting and Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and other regulatory authorities. Any changes to the Timetable (which may include an earlier or later date for the Second Court Hearing) will be announced through the ASX and will be notified on AGL Energy's website at www.agl.com.au.

Pro forma financials and key metrics



The Demerger will create two industry leading companies. Accel Energy will be Australia's largest electricity generator and AGL Australia will be a leading multi-service energy retailer with 4.5 million customers services^

| | AGL Energy | AGL Australia | Accel Energy |
|------------------------------------------------|-----------------|----------------|----------------|
| FY21 Revenue¹ A\$m | 10,942 | 8,516 | 2,897 |
| FY21 Underlying EBITDA¹ A\$m | 1,666 | 488 | 1,143 |
| FY21 Underlying EBIT¹ A\$m | 959 | 245 | 676 |
| FY21 Underlying NPAT¹ A\$m | 537 | 110 | 391 |
| Energy consumption (electricity / gas)* | 41 TWh / 158 PJ | 24 TWh / 74 PJ | 16 TWh / 83 PJ |
| Total generation capacity** | 10.2 GW | 1.3 GW | 8.9 GW |

Note (1) The sum of AGLA and Accel will be different to the historical results of AGL Energy due to intercompany transactions historically eliminated in AGL Energy and dyssynergies.

^Including AGL Australia's 50% interest in ActewAGL's retail operations.

*As at 30 June 2021. Figures rounded to nearest whole figure. Excludes the allocation of the offtake, based on asset and customer allocation. **As at 31 December 2021 and includes assets under contract.

AGL Australia
post-Demerger

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AGL Australia Board and Key Management Personnel

Non-Executive
Board



Patricia McKenzie
Chair



Mark Bloom
Non-Executive Director



Wendy Stops
Non-Executive Director



Fraser Whineray
Non-Executive Director



Jacqueline Hey
Non-Executive Director

Key
Management
Personnel



Christine Corbett
Managing Director and CEO



Damien Nicks
Chief Financial Officer



Jo Egan
Chief Customer Officer



Melinda Buchanan
EGM, Trading, Supply & Ops

Overview of AGL Australia



AGL Australia will be a leading multi-service energy provider in Australia with 4.5 million* customer services and a strong base of renewables, firming and storage assets

COMPANY OVERVIEW



A leading multi-service energy provider

- 4.5 million customer services*
- 24 TWh electricity demand
- 74 PJ gas demand
- Leader in business energy solutions
- Experienced trading and risk management capacity



Flexible and green portfolio

- 500MW Gas peakers: Barker Inlet, Somerton and Kwinana Swift
- 780 MW of owned hydro capacity
- 250 MW Torrens battery under construction
- Long-term contracts for flexible capacity



Foundational offtakes, rolling off over time

- Accel Energy offtake
- 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
- A leading virtual power plant (VPP) including batteries, solar inverters, EV chargers, flexible and commercial industrial loads



Investments

- Ovo Energy Australia (51% interest)
- ActewAGL (50% interest in retail operations)
- Tilt Renewables (20% interest)
- Venture Capital Investments

ORGANISATION STRUCTURE



Consumer customers

- Consumer and small business retailing
- Electricity, gas and solar
- Multi-service including broadband and mobile

Business and commercial customers

- Energy services and solutions
- Solar and other asset-backed solutions
- Perth Energy

Trading, supply and operations

- Electricity and gas market trading and contracting
- Generation portfolio operations
- Renewable generation and flexible capacity development

Strategic investments

Tilt Renewables (20%)

ActewAGL (50% of retail)

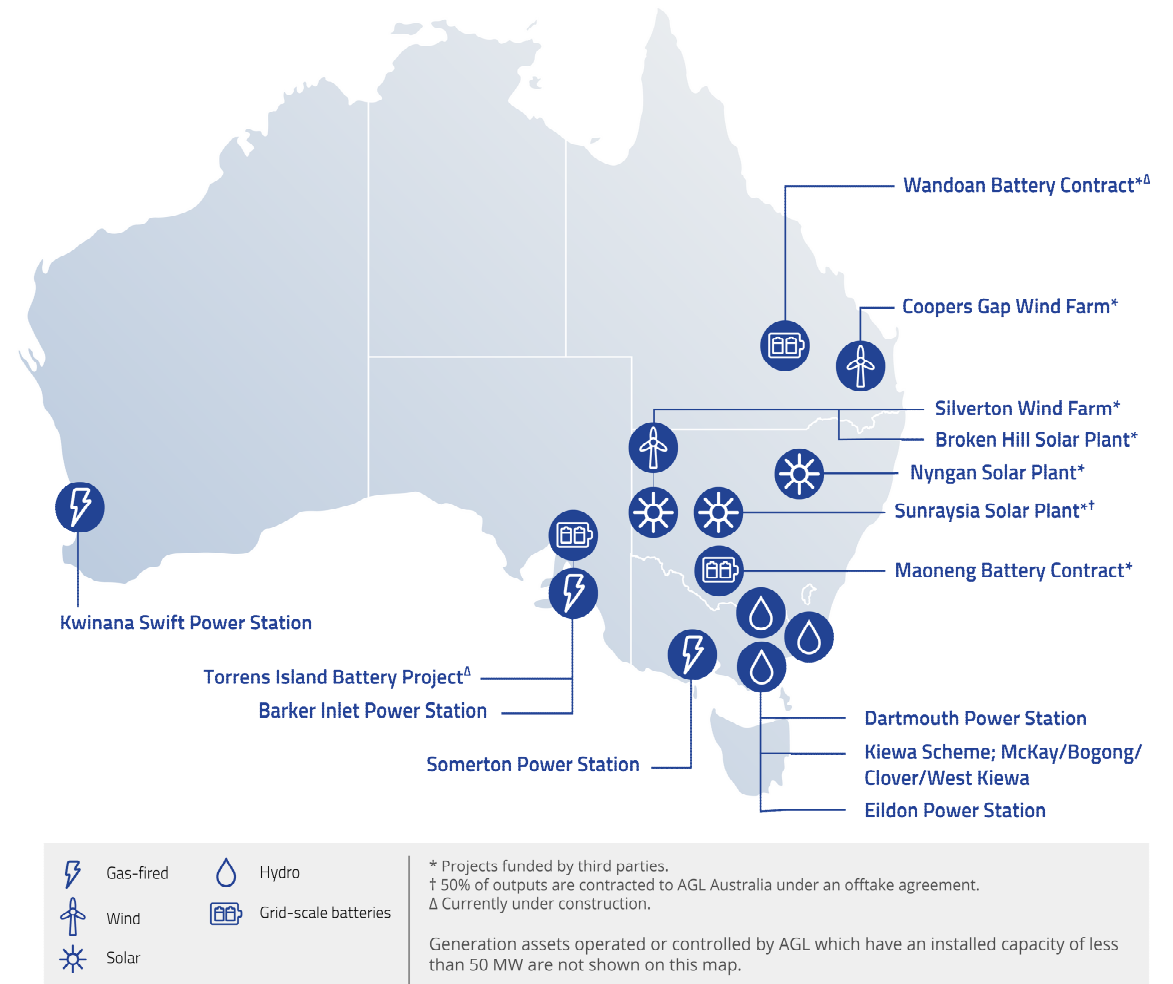
* As at 31 December 2021, comprising of 2.5m electricity services, 1.5m gas services, 0.2m telecommunications services and 0.3m services from AGL Australia's 50% interest in ActewAGL's retail operations.

Key assets

AGL Australia will develop, operate and manage a portfolio of gas, hydro and battery storage assets



| Asset | State | Asset type | Nameplate capacity |
|------------------------------------------|-------|----------------|--------------------|
| Flexible Generation & Storage | | | |
| Kiewa scheme | VIC | Hydro | 395 |
| Dartmouth scheme | VIC | Hydro | 185 |
| Eildon Power Station | VIC | Hydro | 120 |
| Copeton Power Station | NSW | Hydro | 22.5 |
| Burrundong Power Station | NSW | Hydro | 19 |
| The Rubicon Scheme | VIC | Hydro | 13.5 |
| Banimboola Power Station | VIC | Hydro | 12.2 |
| Yarrowonga Power Station | VIC | Hydro | 9.5 |
| Pindari Power Station | NSW | Hydro | 5.7 |
| Glenbawn Power Station | NSW | Hydro | 5.5 |
| Gas-fired Power Generation | | | |
| Barker Inlet Power Station | SA | Gas | 210 |
| Somerton | VIC | Gas | 170 |
| Kwinana Swift | WA | Open-cycle Gas | 120 |
| Tilt Renewables* | | | |
| Silverton | NSW | Wind | 200 |
| Coopers Gap | QLD | Wind | 453 |
| Nyngan | NSW | Solar | 102 |
| Broken Hill | NSW | Solar | 53 |
| Storage** | | | |
| Torrens Island | SA | Battery | 250 |
| Wandoan | QLD | Battery | 100 |
| Maoneng | NSW | Battery | 200 |



⚡ Gas-fired 💧 Hydro
🌪️ Wind 🔋 Grid-scale batteries
☀️ Solar

* Projects funded by third parties.
 † 50% of outputs are contracted to AGL Australia under an offtake agreement.
 Δ 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.

*Tilt Renewables is a strategic partnership between AGL Energy (20%) and Future Fund / QIC managed funds (80%). ** Torrens Island under construction. Wandoan and Maoneng are third party battery developments.

Key strengths of AGL Australia



Stable and growing customer base

- 4.5m customer services nationally in 1HY22 (up from 4.0m in FY19)
- Strong brand legacy and unique market position
- Strategic Net Promoter Score steadily improving over time (currently at +9 in HY22, compared to -11.1 in FY19)
- Market leading customer churn rates (13.9% in HY21 vs. 18.0% for the market)



Leading energy trader backed by a portfolio of generation and storage assets

- Supported by a portfolio of flexible generation and storage assets
- > 1 GW of hydro and gas generation already in operation plus a strong development pipeline of batteries and VPPs
- Experienced energy trading team
- Well positioned to manage fluctuations in customer demand and energy market volatility



Carbon neutral for scope 1 and 2 emissions immediately

- Leading ESG credentials
- Positioned to help lead the energy transition towards decarbonisation
- AGL Australia will be immediately carbon neutral for scope 1 and 2 emissions on listing
- Targeting net zero for all emissions by 2040, with a 50% reduction on FY19 levels by 2030
- Underwriting 3 GW of new renewable energy generation and flexible capacity by 2030²



Attractive market dynamics

- Positioned to capture value from tailwinds in the Australian energy market:
 - Electricity consumption to grow 23% between 2020 and 2030 driven by electrification of industry, transport and residential demand¹
 - 20% of consumption (~45 TWh) from decentralised energy by 2030¹
 - 2.9x increase in renewables in the NEM form 2020 to 2030¹
- A leading provider of Virtual Power Plant services and commercial solar



Stable financial performance

- AGL Australia is expected to have predictable earnings and cash flows, underpinned by its core retail and wholesale energy customer base
- Historically, AGL Energy has demonstrated:
 - Gross margin resilience despite industry change
 - Stable and growing market share through customer satisfaction
- Trends expected to continue through AGL Australia



Experienced board and senior management team

- Board has a diverse range of expertise across the Australian energy sector, as well as commercial, capital markets, board, and governance experience
- Experienced senior management team supported by well-developed corporate infrastructure, and a disciplined allocation framework

Note 1. Sourced from AEMO 2022 Draft ISP (Step Change Scenario). Based on underlying energy consumption as defined by AEMO, and Variable Renewable Energy as defined by AEMO.

Note 2. This will primarily be achieved through offtake arrangements with third party renewable energy projects, rather than directly investing in the development of such projects.

Business and growth strategy

Focused on leveraging positive market dynamics and business strengths to deliver on strategy and growth pillars



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BUSINESS STRATEGY



Customer focused culture building upon a trusted brand to deepen our relationships and provide specialist energy advice and services



Providing business energy solutions with access to a large renewable development pipeline in Australia



Expand the flexible and green portfolio to enable AGL Australia to meet and manage the energy demands of its customers and drive growth

STRATEGIC PILLARS



Customer Focus

- Uniquely placed to provide specialty energy advice and services
- Improving the customer experience via investment in digitisation and simplification
- Capitalising on existing energy customers to cross-sell telco products



Accelerating Decarbonisation

- Deliver innovative customer solutions across e-mobility, decentralised energy resources and green financing
- Leverage business partnerships to drive electrification and support net zero targets through commercial energy solutions
- Virtual Power Plant program in place exceeding 200 MW of capacity and >100,000 households



Expand the Flexible and Green Portfolio

- Flexibility to build, contract or underwrite renewable generation and flexible energy assets, targeting 3 GW of capacity by 2030¹
- Targeting partnership funding model to lower capital intensity
- Firming nature of flexible capacity and storage assets will help manage intermittent generation risk from renewables



Simplifying, Digitising and Engaging

- Transforming AGL Australia's operating model and ways of working
- Kaluza partnership to reduce cost to serve and improve speed to market
- Retail Next Program will enable AGL Australia to grow beyond core energy to new markets, such as EVs, batteries, orchestration and other adjacencies

Note 1. This will primarily be achieved through offtake arrangements with third party renewable energy projects, rather than directly investing in the development of such projects.

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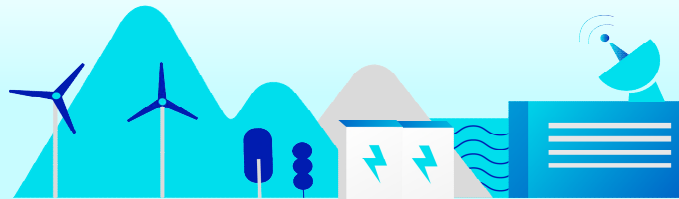
AGL Australia – Climate Commitments



From listing, AGL Australia will be carbon neutral for Scope 1 and 2 emissions; targeting Net Zero by 2040 for all 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.



2040
Net zero on Scope 1, 2 and 3 emissions



2030
50% emissions reduction on FY19 levels and underwrite 3 GW renewable generation 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

WHAT WE ARE 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 the 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, a leading VPP exceeding 200 MW of capacity and more than 100,000 households

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

**To be primarily achieved through offtake arrangements with third party renewable energy projects, rather than directly investing in the development of such projects.*

AGL Australia's climate commitments set out above are not verified as being aligned to the climate goals of the Paris Agreement as at date of the Scheme Booklet. AGL Australia intends to seek such verification to confirm its alignment as soon as practicable.

Historical financial performance overview



The AGL Board anticipates AGL Australia will have stable earnings and cash flows underpinned by its history as a trusted retailer providing electricity, gas, broadband and other services

PRO FORMA HISTORICAL PROFIT AND LOSS

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 |
|--------------------------------------------------------------|------------------------|------------------------|------------------------|
| Revenue | 9,292 | 9,114 | 8,516 |
| Expenses | (8,588) | (8,496) | (8,037) |
| Share of profits of associates and joint ventures | 32 | 17 | 9 |
| Underlying EBITDA | 736 | 635 | 488 |
| Depreciation & amortisation | (188) | (225) | (243) |
| Underlying EBIT | 548 | 410 | 245 |
| Net finance costs | (90) | (91) | (86) |
| Underlying net profit before tax | 458 | 320 | 160 |
| Income tax expense | (131) | (96) | (50) |
| Underlying net profit after tax | 328 | 224 | 110 |
| Significant items after tax | (33) | (17) | (444) |
| Gain/(Loss) on fair value of financial instruments after tax | (75) | (72) | 66 |
| Pro forma historical NPAT | 220 | 135 | (269) |

PRO FORMA HISTORICAL CASH FLOWS

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 |
|---------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Underlying EBITDA | 736 | 635 | 488 |
| Change in working capital & other non-cash items | (52) | 89 | 16 |
| Net operating cash flows (before capital expenditure, financing costs and tax) | 684 | 724 | 504 |
| Capital expenditure (net of proceeds) | (391) | (245) | (223) |
| Net operating cash flows (before financing costs and tax) | 293 | 479 | 281 |
| Net interest paid | (79) | (79) | (73) |
| Income tax paid | (79) | (65) | (20) |
| Pro forma net free cash flows | 135 | 335 | 189 |

See sections 3.7 of the Scheme Booklet for more detail regarding AGL Australia's Pro Forma Historical Financial Information

Capital structure and dividend policy

AGL Australia will target a dividend policy reflecting a payout ratio of approximately 60% - 75% of Underlying NPAT



Capital structure

- Based on a ratings advisory services process and the credit metrics of the entity, AGL Australia is anticipated to carry an investment grade credit rating with net debt of \$2,004 million at 31 December 2021
- Bank and capital markets debt totalling approximately \$3.1 billion executed:
 - Multi-option bank facilities totalling \$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
- Covenant structure on market terms including interest cover ratio and gearing ratio



Dividend policy

- AGL Australia to adopt a dividend policy targeting the distribution of approximately 60% - 75% of Underlying NPAT
- Dividends are expected to be partly franked in the short term, targeting fully franked dividends over the longer term
- AGL Australia expects to pay its first dividend in March 2023 for the half year ending 31 December 2022



Overview of AGL Australia Debt Facilities

| | Cash Advance | Swing | Contingent Instruments | US Private Placement |
|--------------------|--------------------|--------------------|------------------------|---------------------------------------------------|
| Currency | Australian Dollars | Australian Dollars | Australian Dollars | United States Dollars |
| Commitments | A\$1,785m | A\$230m | A\$425m | USD \$490.1m / AUD \$50m |
| Maturity | 5 years | 5 years | 5 years | Maturity periods varying from 2 months to 9 years |



Accel Energy
post-demergers

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Accel Energy Board and Key Management Personnel

Non-Executive
Board



Peter Botten
Chairman



Diane Smith-Gander
Non-Executive Director



Graham Cockroft
Non-Executive Director



Vanessa Sullivan
Non-Executive Director

Key
Management
Personnel



Graeme Hunt
Managing Director and CEO



Markus Brokhof
COO and Deputy CEO



Gary Brown
CFO

Accel Energy – Advancing a new energy future



Accel Energy will be Australia’s largest electricity generator, providing secure, low-cost electricity generation while developing a renewables and low-carbon firming pipeline and supporting the energy transition

COMPANY OVERVIEW

Australia’s largest electricity generator



- Over 8 GW of operated capacity
- 39 TWh of generation output*
- Loy Yang A, Bayswater, Liddell and Torrens Island Power Stations

One of Australia’s largest operators and offtakers of wind energy



- ~1 GW wind farm offtakes across South Australia and Victoria

Largely contracted, high quality customer book



- Portland and Tomago Smelters
- AGL Australia offtake
- Other large industrial customers

Pipeline of ~2.7 GW of renewable/low-carbon firming projects



- Batteries, wind, pumped hydro and other storage
- Generation sites to be transformed into Integrated industrial Energy Hubs
- \$2.0 billion of equity co-investment via ETIP to accelerate growth projects’ buildout

Investments



- RayGen Solar Generation and Thermal Storage

* As of FY21.

ORGANISATION STRUCTURE



ASX Listed (ASX:AXL)

Trading & origination

- Electricity market trading
- Carbon and green product trading
- Commercial and Industrial customer portfolio
- Origination
- Fuel supply procurement

Operations

- Liddell and Bayswater Power Stations
- Loy Yang A Power Station
- Loy Yang Mine
- Torrens Power Station
- Renewables offtakes and dispatch
- Upstream and midstream gas assets
- Barker Inlet Power Station Operation & Maintenance (agreement with AGL Australia)

Site Transition

- Decommissioning, demolition and rehabilitation of sites going through closure and/or progressive rehabilitation

Energy Hubs

- Business partnerships and collaborations
- Greenfield project development
- Renewables and low-carbon firming project pipeline
- Project governance and management

STRATEGIC INVESTMENTS

15% holding in AGL Australia

RayGen Solar Generation and Thermal Storage

Key generation assets and offtake agreements

Accel Energy's core business is the generation of electricity for sale in the NEM via a ~8.9 GW portfolio of owned and operated electricity generation assets

Owned and operated generation assets

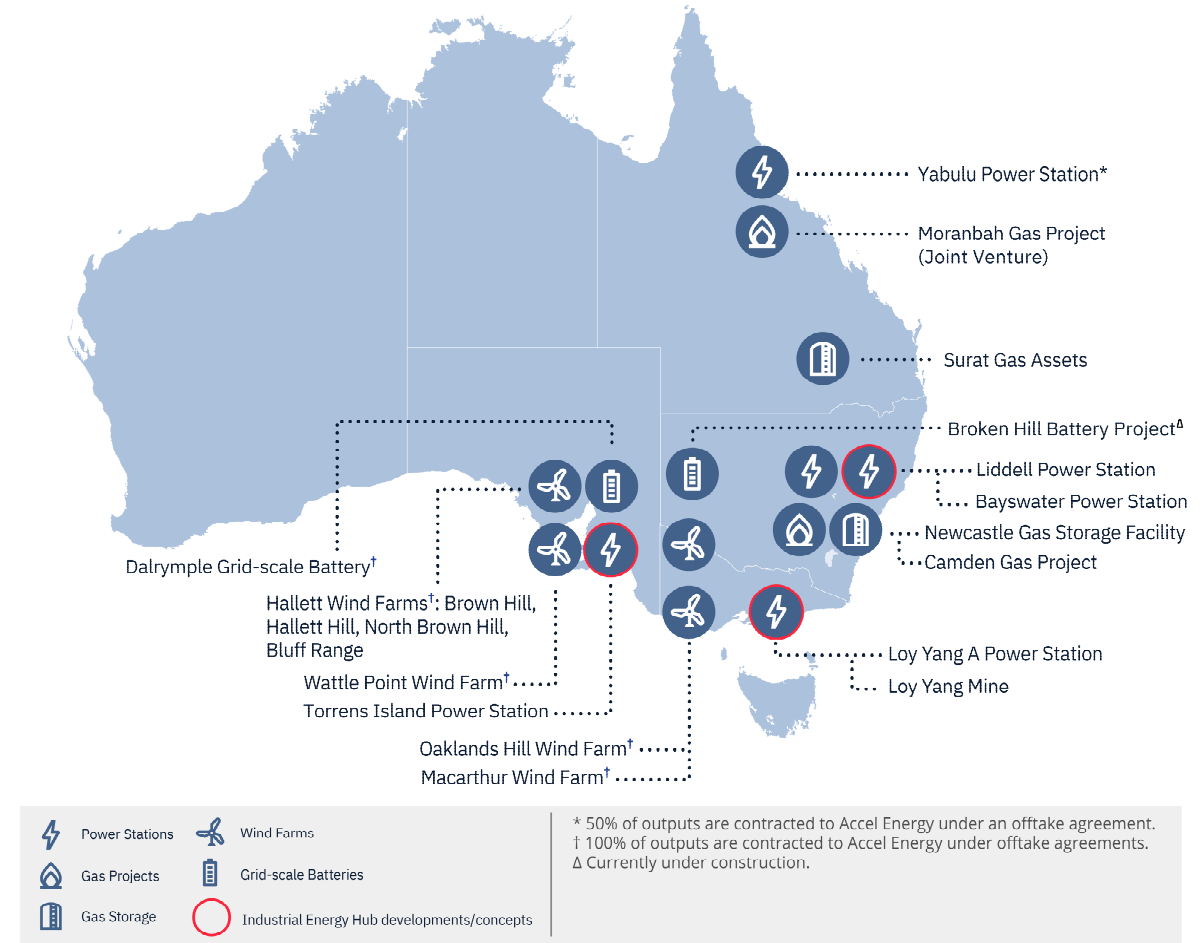
| Asset | Asset type | Fuel supply | Build year | Nameplate capacity (MW) | FY21 sent-out generation (GWh) |
|-----------------------------|------------|----------------------------|---------------------------|-------------------------|--------------------------------|
| Loy Yang A | Coal | Owned mine (Loy Yang Mine) | 1984-1988 (acquired 2012) | 2,210 | 15,011 |
| Bayswater | Coal | Long-term contracted coal | 1985-1986 (acquired 2014) | 2,665 | 13,455 |
| Liddell ¹ | Coal | Contracted coal | 1971-1973 (acquired 2014) | 2,000 | 6,961 |
| Torrens Island ² | Gas | Contracted gas | 1963-1976 (acquired 2007) | 1,040 | 1,551 |

Renewable offtake agreements

| Asset | Location | Contract end year | Nameplate capacity (MW) | FY21 sent-out generation (MWh) |
|------------------|-----------------|-------------------|-------------------------|--------------------------------|
| Macarthur | Victoria | 2038 | 420 | 719,785 |
| Oaklands | Victoria | 2036 | 67 | 152,729 |
| Hallett 1 | South Australia | 2033 | 94.5 | 286,792 |
| Hallett 2 | South Australia | 2035 | 71.4 | 220,465 |
| North Brown Hill | South Australia | 2036 | 132.3 | 409,110 |
| The Bluff | South Australia | 2036 | 52.5 | 124,800 |
| Wattle Point | South Australia | 2031 | 90.75 | 254,486 |

Note 1. One unit of Liddell ceased generation on 1 April 2022.

Note 2. Torrens island consists of Torrens Island A and Torrens Island B. AGL Energy closed two of its A Station units in September 2020, one in September 2021, and will close the final A Station unit in September 2022.



Key strengths of Accel Energy



1 Experienced large-scale generator with long-term, low-cost fuel supply

- Lowest cost energy generation assets in NSW and VIC, critical to NEM energy supply
- Ability to maintain low cost generator position through fuel supply position:
 - Bayswater – long-dated production cost-based fuel supply position
 - Loy Yang A – wholly owned adjoining brown coal mine
- Operating expertise – unique capabilities required to manage these assets to deliver commercial outcomes in a safe and responsible manner

2 Industrial customer book with load profile well matched to generation profile

- Large industrial customers: Portland and Tomago smelters; AGL Australia offtake
- 92% volumes contracted in FY23, and 83% in FY24
- Ability to leverage expertise to grow industrial customer base

3 Sophisticated trading and active risk management capability

- One of the largest trading books in the Australian electricity sector
- Extensive capabilities help Accel maximise the value realised from its generation fleet
- Opportunity for growth into new traded markets

4 Significant electricity infrastructure with ability to repurpose for growth

- High value assets leveraged to create low emissions integrated industrial Energy Hubs
- Access to land and water, proximity to electricity connections, logistic links and other infrastructure:
 - 16,000 ha of land and 7,455 KV of grid connection
 - Reservoirs of fresh water through the Latrobe Valley Hub, Hunter Hub and Torrens Hub
- Energy Hub strategy able to be accelerated under the Accel Energy operating model

5 Defined growth pipeline of high-quality projects with a pathway to accelerate

- Foundation of renewable/low carbon firming projects to diversify generation portfolio
- Approximately 2.7 GW pipeline of wind, battery, pumped hydro and other low-carbon firming projects in active planning and development
- Agreed to establish the \$2.0b Energy Transition Investment Partnership (ETIP) with Global Infrastructure Partners, to supplement Accel's expertise and capability with access to transition capital and expedite the buildout of the development pipeline

6 Clear commitment to climate transition

- Accel Energy will play an important role in climate transition in Australia and has set the following emissions reduction targets for its operated generation fleet:
 - Reduction of at least 18% in annual Scope 1 + 2 emissions* by FY25
 - Reduction of at least 55% in annual Scope 1 + 2 emissions* by FY35
 - **Net zero** emissions by **FY47**

*Compared to FY19 baseline

Growth strategy supported by capital partnerships



The \$2.0b Energy Transition Investment Partnership with Global Infrastructure Partners will enable Accel Energy to accelerate the development of its renewable growth pipeline

ENERGY TRANSITION INVESTMENT PARTNERSHIP (ETIP)

- Accel Energy has an advanced development pipeline of approximately 2.7 GW comprising of wind, battery and pumped hydro projects. This project pipeline will provide Accel Energy with a solid foundation of renewable and low-carbon firming projects to grow and diversify its generation portfolio
- To accelerate the build out of this pipeline and other future developments, Accel Energy has agreed to establish the Energy Transition Investment Partnership with Global Infrastructure Partners
- The ETIP initiative is a \$2.0 billion partnership which will be owned 51% by Accel Energy and 49% by Global Infrastructure Partners and will hold Accel Energy's current and future development projects
 - Global Infrastructure Partners intends to fund jointly with Accel \$2.0 billion of equity funding to ETIP. Global Infrastructure Partners will also be funding Accel Energy's share of expected development costs to progress the existing ~2.7GW development pipeline through to the 'final investment decision' stage
- Timing of the establishment of the partnership will follow the Demerger and will be subject to (1) receipt of FIRB approval (2) implementation of the Demerger, with optionality for Accel Energy to waive this condition and progress ETIP's establishment irrespective of the Demerger
- Accel Energy will also fulfil roles as asset, dispatch and vehicle manager for projects that are constructed via ETIP, providing Accel Energy with ancillary revenue streams

GLOBAL INFRASTRUCTURE PARTNERS

- With over A\$100 billion of AUM, Global Infrastructure Partners is one of the largest investors in the infrastructure space, with significant experience in the renewables sector and ownership interests in approximately 15 GW of operating capacity and royalty interests in approximately 19 GW¹
- Global Infrastructure Partners recently completed the acquisition of Sydney Airport with a consortium of investors and has a long history of successfully investing in Australian infrastructure assets including the Port of Melbourne, Pacific National, the QCLNG Common Facilities, GLNG Infrastructure and the Port of Brisbane (exited 2013)
- Securing Global Infrastructure Partners as a co-investor reflects the quality of Accel Energy's transition projects, its expertise in energy development and strong access to capital

The \$2.0 billion partnership reflects Accel Energy's ability to leverage significant demand from capital providers to fund attractive energy transition projects in line with its strategy to redevelop its sites as low-carbon industrial energy hubs

(1) Both intended as operating gross capacity.

Defined growth pipeline accelerated through ETIP

Accel Energy will have a pipeline of approximately 2.7 GW of high-quality wind, battery, pumped hydro and other low-carbon firming projects, for which Global Infrastructure Partners intends to fund jointly with Accel \$2.0 billion of equity funding

| Project | Capacity | Est. capex | Target investment decision by* |
|----------------------------------------|----------------------|----------------------------|--------------------------------|
| Broken Hill Battery (NSW) ¹ | 50 MW / 1 hr | ~\$40 million | FID taken |
| Liddell Battery (NSW) | 250 MW / up to 2 hrs | ~\$180 million | 2H-2022 |
| Loy Yang Battery (VIC) | 200 MW / 1 hr | ~\$150 million | 2H-2022 |
| Bells Mountain Pumped Hydro (NSW) | 250 MW / 8 hr | ~\$800 million | 2023 - 2024 |
| 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 |
| Total | 2.4 - 2.7 GW | \$4.1 - 4.7 billion | |



Key

- Wind (blue wind turbine icon)
- Hydro (blue water drop icon)
- Grid-scale battery (blue battery icon)
- Under construction (grey circle icon)
- Planning and development (blue circle icon)
- Energy Hub developments / concepts (pink circle icon)

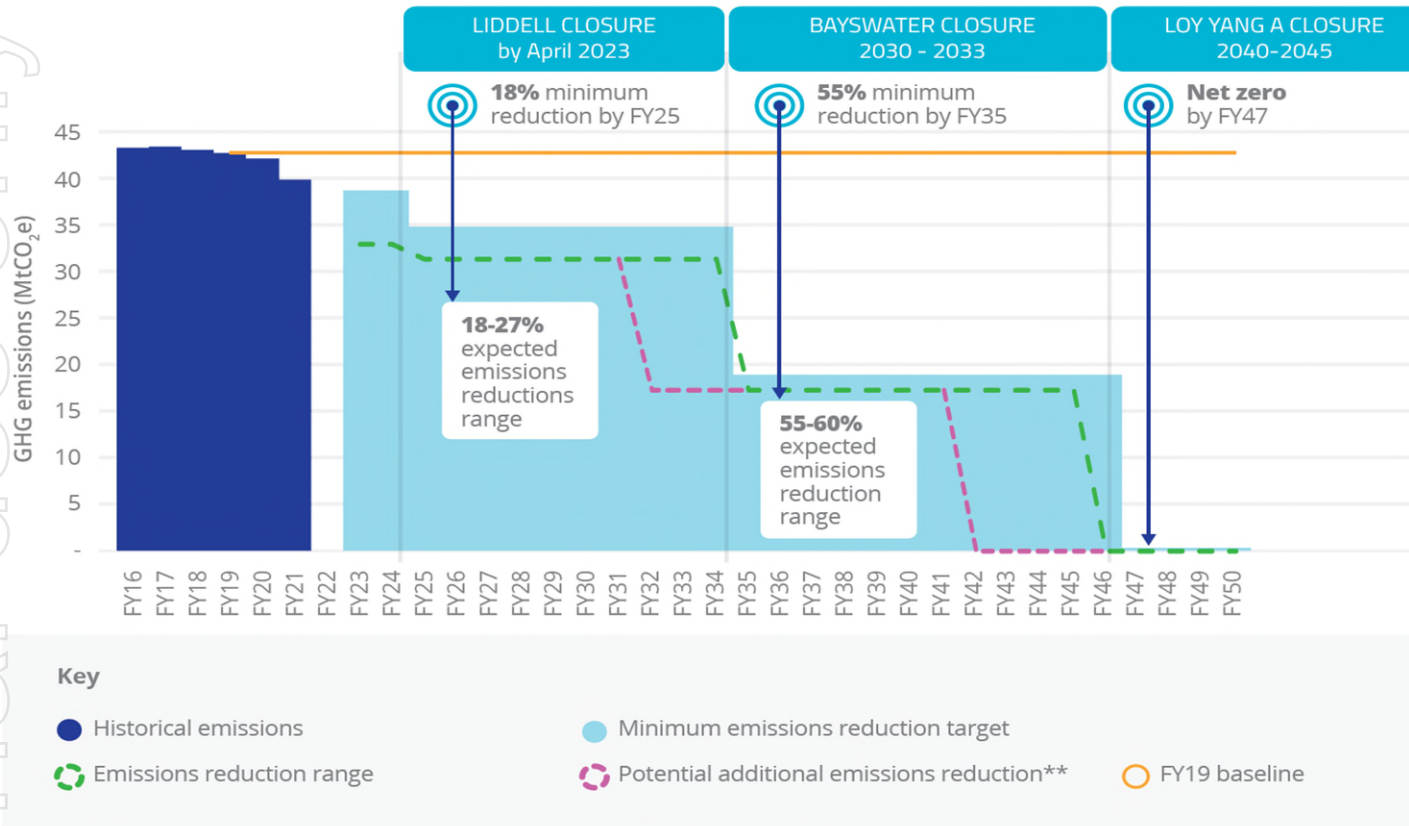
Global Infrastructure Partners intends to fund jointly with Accel \$2.0 billion of equity funding to ETIP. Global Infrastructure Partners will also be funding Accel Energy's share of expected development costs to progress the existing ~2.7 GW development pipeline through to the 'final investment decision' stage

* All investment dates are subject to identifying potential PPAs or partial offtakes, and other project variables. Excludes projects for which investment decision has already been taken (except Broken Hill Battery).
 (1) Broken Hill Battery is currently under construction and not part of the ETIP.

Climate commitments



Accel Energy's climate commitments seek to balance Australia's current and future energy needs with the need to responsibly decarbonise



Accel Energy to lead a responsible transition, striking a balance between:

- Australia's current and future energy needs
- The need to responsibly decarbonise
- Readiness of Australia's energy system to operate without Accel's critical baseload generation will determine whether earlier, more ambitious, targets can be achieved
- Accel is committed to working with government, industry and the community in pursuit of this goal

(1) 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.
 (2) Offsets may be used to help achieve emissions reduction targets where necessary.
 (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.
 ** Earlier closure date reductions reflects earlier closure dates of 2030/FY31 for Bayswater and 2040/FY41 for Loy Yang A, and is subject to systems readiness.
 Accel Energy's climate commitments are not aligned to the goals of the Paris Agreement as at the date of the Scheme Booklet. However, they strike a balance between Australia's current and future energy needs and the requirements to decarbonise without significantly impacting energy system reliability or affordability or shareholder value.

Historical financial performance overview

Accel Energy's financial performance is linked to wholesale electricity prices



PRO FORMA HISTORICAL PROFIT AND LOSS

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 |
|--------------------------------------------------------------|------------------------|------------------------|------------------------|
| Revenue | 4,937 | 3,869 | 2,897 |
| Expenses | (3,466) | (2,502) | (1,874) |
| Other income | - | - | 120 |
| Underlying EBITDA | 1,471 | 1,367 | 1,143 |
| Depreciation & amortisation | (440) | (509) | (467) |
| Underlying EBIT | 1,031 | 859 | 676 |
| Net finance costs | (103) | (106) | (151) |
| Underlying net profit before tax | 928 | 753 | 525 |
| Income tax expense | (272) | (207) | (134) |
| Underlying net profit after tax | 655 | 546 | 391 |
| Significant items after tax | - | - | (2,478) |
| Gain/(Loss) on fair value of financial instruments after tax | (64) | 288 | 268 |
| Pro forma historical NPAT | 591 | 834 | (1,819) |

PRO FORMA HISTORICAL CASH FLOWS

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 |
|---------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Underlying EBITDA | 1,471 | 1,367 | 1,143 |
| Change in working capital & other non-cash items | (32) | 66 | (76) |
| Net operating cash flows (before capital expenditure, financing costs and tax) | 1,439 | 1,434 | 1,067 |
| Capital expenditure (net of proceeds) | (449) | (469) | (487) |
| Net operating cash flows (before financing costs and tax) | 990 | 965 | 580 |
| Net interest paid | (61) | (59) | (53) |
| Income tax paid | (180) | (154) | (82) |
| Pro forma net free cash flows | 749 | 752 | 444 |

See sections 4.7 of the Scheme Booklet for more detail regarding Accel Energy's Pro Forma Historical Financial Information, section 4.7.8 for notes accompanying Accel Energy pro forma historical profit and loss and section 4.7.13 for Accel Energy pro forma historical cash flows.

Capital structure and dividend policy

Accel Energy will target a dividend policy reflecting 80% - 100% of free cash flows after servicing net finance costs



Capital structure

- Based on a ratings advisory service process and the credit metrics of the entity, Accel Energy is anticipated to carry an investment grade credit rating with net debt of \$753 million at 31 December 2021
- Debt facilities totalling approx. \$1.4 billion executed, including:
 - Amortising term debt
 - Revolving working capital and guarantee facilities
- Additional balance sheet flexibility provided by the 15% shareholding in AGL Australia*
- Debt covenant structure on market terms including Debt Service Cover Ratio (DSCR) and Leverage covenants



Dividend policy

- Accel Energy to adopt a dividend policy reflecting 80% - 100% of free cash flows** after servicing net finance costs
- Dividends to be unfranked immediately following demerger as tax losses are utilised
- Accel Energy expects to pay a final dividend to in September 2022, based on AGL Energy's existing dividend policy to target a payout ratio of approximately 75% of Underlying Profit after tax
 - Amount determined by the AGL Energy Board in August 2022 by reference to earnings in second half of FY22 (incl. AGL Australia earnings for this period)
 - AGL Energy Shareholders will be entitled to receive the FY22 final dividend provided that they continue to hold their AGL Energy (to be re-named Accel Energy) Shares on the record date; expected to be in early September 2022.



Overview of Accel Energy Debt Facilities

| | Term | Working Capital | Bank Guarantee | Swing | USPP facilities | CPI Bond |
|--------------------|-------------------------------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Currency | Australian dollars | Australian dollars | Australian dollars | Australian dollars | USD | Australian dollars |
| Commitments | A\$674m | A\$285m | A\$240m | A\$25m | \$100m (A\$141m) | A\$51m |
| Maturity | 7 years: A\$660m 2 years: A\$14m | 5 years | 5 years | 5 years | 7 years | 5 years |

* Accel Energy will account for its investment in AGL Australia as a minority interest, with no Board representation. If Accel Energy requires additional liquidity, the 15% shareholding in AGL Australia can be partially or fully sold down, given it is a liquid and price observable asset.

** 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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Your vote is
important

Your vote is a say in the future of your company



The AGL Energy Board believes that the Demerger is in the best interests of AGL Energy Shareholders

- ✓ The Demerger of AGL Energy will create a strong future for the two separate companies, supporting the responsible and orderly transition of Australia's energy system towards a decarbonised future:
 - **AGL Australia** will be Australia's leading multi-service energy retailer, supported by a sophisticated market trading function and access to firming, storage and renewable assets; and
 - **Accel Energy** will be Australia's largest electricity generator, providing secure, low-cost energy whilst driving the energy transition by repurposing its existing generation sites into low emissions industrial energy hubs and progressing a pipeline of renewable energy projects.
- ✓ **Grant Samuel, the Independent Expert appointed to review the proposed Demerger, has concluded that the Demerger is also in the best interests of AGL Energy Shareholders.**

- The AGL Energy Board unanimously recommends that you review the Scheme Booklet in its entirety and **VOTE IN FAVOUR** of the resolutions to approve the demerger, on or prior to the Scheme Meeting on 15 June 2022
- Instructions on how to cast your vote will be contained in the Scheme Booklet
- AGL Energy Shareholders who are registered on the AGL Energy Share Register at **7.00pm on Monday 13 June 2022**, are entitled to vote on the resolutions to approve the demerger

Any questions – please call the **AGL Energy demerger Information Line** (weekdays between 9:00am and 5:00pm (AEST):

1300 148 339 (within Australia – toll free)

or **+61 2 9066 4059** (international),

Email us at ir@agl.com.au or visit our website www.agl.com.au/demerger



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Appendices

AGL Australia

Pro Forma Revenue & EBITDA (Segment Information)



PRO FORMA HISTORICAL REVENUE (SEGMENT INFORMATION)

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|-------------------------------------|------------------------|------------------------|------------------------|--------------------------------|
| Customer | 7,408 | 7,542 | 7,423 | 3,746 |
| Supply and Trading | 2,580 | 2,373 | 2,058 | 1,157 |
| Investments | 1 | - | - | 4 |
| Inter-segment revenue | (1,457) | (1,328) | (1,166) | (665) |
| Pro forma adjustments | 760 | 526 | 202 | - |
| Pro forma historical revenue | 9,292 | 9,114 | 8,516 | 4,242 |

PRO FORMA HISTORICAL UNDERLYING EBITDA (SEGMENT INFORMATION)

| A\$m | Year ended 30- 06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|-----------------------------------------------|----------------------------|------------------------|------------------------|--------------------------------|
| Customer | 256 | 288 | 336 | 145 |
| Supply and Trading | 595 | 517 | 326 | 151 |
| Investments | 33 | 18 | 9 | (1) |
| Centrally Managed Expenses | (200) | (216) | (186) | (85) |
| Pro forma adjustments | 53 | 28 | 4 | (1) |
| Pro forma historical Underlying EBITDA | 736 | 635 | 488 | 209 |

Note: Refer section 3.7. of Scheme Booklet for full pro forma financials

AGL Australia

Pro Forma Historical Profit and Loss



PRO FORMA HISTORICAL STATEMENT OF PROFIT AND LOSS

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|--------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------|
| Revenue | 9,292 | 9,114 | 8,516 | 4,242 |
| Expenses | (8,588) | (8,496) | (8,037) | (4,039) |
| Share of profits of associates and joint ventures | 32 | 17 | 9 | 7 |
| Underlying EBITDA | 736 | 635 | 488 | 209 |
| Depreciation & amortisation | (188) | (225) | (243) | (134) |
| Underlying EBIT | 548 | 410 | 245 | 75 |
| Net finance costs | (90) | (91) | (86) | (47) |
| Underlying net profit before tax | 458 | 320 | 160 | 28 |
| Income tax expense | (131) | (96) | (50) | (10) |
| Underlying net profit after tax | 328 | 224 | 110 | 17 |
| Significant items after tax | (33) | (17) | (444) | 63 |
| Gain/(Loss) on fair value of financial instruments after tax | (75) | (72) | 66 | 294 |
| Pro forma historical NPAT | 220 | 135 | (269) | 374 |

Note: Refer section 3.7. of Scheme Booklet for full pro forma financials and section 3.7.8 for notes accompanying AGL Australia pro forma historical statements of profit and loss.

AGL Australia

Pro Forma Historical EBIT and NPAT reconciliation



RECONCILIATION OF HISTORICAL EBIT TO PRO FORMA HISTORICAL UNDERLYING EBIT

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------|
| Historical EBIT | 642 | 517 | (20) | 694 |
| Significant items | (10) | 21 | 580 | (90) |
| Gain/(Loss) on fair value of financial instruments | 107 | 102 | (94) | (420) |
| Underlying EBIT prior to Centrally Managed Expenses | 739 | 641 | 466 | 184 |
| AGL Australia Centrally Managed Expenses | (225) | (245) | (222) | (109) |
| AGL Australia EBIT after Centrally Managed Expenses | 514 | 396 | 244 | 76 |
| 1 Acquisitions and disposals | 30 | 9 | 1 | - |
| 2 Standalone corporate costs | (19) | (17) | (23) | (12) |
| 3 Transitional Services Arrangement | 23 | 23 | 23 | 12 |
| Pro forma historical Underlying EBIT | 548 | 410 | 245 | 75 |

RECONCILIATION OF UNDERLYING EBIT TO PRO FORMA HISTORICAL NPAT

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|---------------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------|
| Underlying EBIT prior to Centrally Managed Expenses | 739 | 641 | 466 | 184 |
| 1 AGL Australia significant items | 4 | (17) | (444) | 63 |
| 2 AGL Australia gain/(loss) on fair value of financial instruments | (75) | (72) | 66 | 294 |
| 3 AGL Australia Centrally Managed Expenses | (225) | (245) | (222) | (109) |
| AGL Australia EBIT after Centrally Managed Expenses | 444 | 307 | (134) | 433 |
| 4 Acquisitions and disposals | 30 | 9 | 1 | - |
| 5 Gain on disposal of National Assets (within significant items) | (37) | - | - | - |
| 6 Standalone corporate costs | (19) | (17) | (23) | (12) |
| 7 Transitional Services Arrangement | 23 | 23 | 23 | 12 |
| 8 Net financing costs adjustment | (90) | (91) | (86) | (47) |
| 9 Net income tax expenses adjustment | (131) | (96) | (50) | (10) |
| Pro forma historical net profit after tax | 220 | 135 | (269) | 374 |

Note: Refer section 3.7 of Scheme Booklet for full pro forma financials and section 3.7.10 for notes accompanying AGL Australia pro forma historical EBIT and NPAT reconciliation.

AGL Australia Pro Forma Historical Balance Sheet



AGL AUSTRALIA PRO FORMA HISTORICAL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

| | AGL Australia historical balance sheet as per HY report 2022 | Allocation of assets and liabilities as a result of proposed demerger | AGL Australia historical balance sheet post allocation | Pro forma adjustments | | | | | AGL Australia pro forma balance sheet |
|----------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|-----------------------------|---------------------|------------------------------------------|-------------|-----------------------------------------|---------------------------------------|
| | | | | Corporate assets allocation | Financing structure | Reclassification of initial margin calls | Derivatives | Transfer of AEMO pool purchase payables | |
| A\$m | | | | | | | | | |
| Cash and cash equivalents | - | 76 | 76 | (3) | (36) | 139 | 84 | - | 260 |
| Trade and other receivables | 1,301 | - | 1,301 | 6 | - | - | - | - | 1,307 |
| Inventories | 86 | - | 86 | - | - | - | - | - | 86 |
| Current tax assets | - | 14 | 14 | - | - | - | - | - | 14 |
| Other financial assets | - | 787 | 787 | - | - | (139) | (37) | 73 | 684 |
| Other assets | 316 | - | 316 | 16 | - | - | - | - | 332 |
| Assets classified as held for sale | - | - | - | - | - | - | - | - | - |
| Current assets | 1,703 | 877 | 2,580 | 19 | (36) | - | 47 | 73 | 2,683 |
| Trade and other receivables | 80 | - | 80 | - | - | - | - | - | 80 |
| Inventories | - | - | - | - | - | - | - | - | - |
| Other financial assets | 123 | 107 | 230 | - | - | - | (48) | - | 182 |
| Investments in associates and joint ventures | 475 | - | 475 | - | - | - | - | - | 475 |
| Property, plant and equipment | 1,233 | - | 1,233 | 99 | - | - | - | - | 1,332 |
| Intangible assets | 3,120 | - | 3,120 | 69 | - | - | - | - | 3,189 |
| Deferred tax assets | - | - | - | - | - | - | - | - | - |
| Other assets | - | - | - | - | - | - | - | - | - |
| Non-current assets | 5,031 | 107 | 5,137 | 168 | - | - | (48) | - | 5,258 |
| Assets | 6,734 | 984 | 7,718 | 187 | (36) | - | (1) | 73 | 7,941 |
| Trade and other payables | (1,062) | - | (1,062) | (6) | - | - | - | (185) | (1,253) |
| Borrowings | - | (2) | (2) | (18) | - | - | - | - | (20) |
| Provisions | (13) | - | (13) | (51) | - | - | - | - | (64) |
| Current tax liabilities | - | - | - | - | - | - | - | - | - |
| Other financial liabilities | - | (414) | (414) | - | - | - | - | - | (414) |
| Other liabilities | (39) | - | (39) | - | - | - | - | - | (39) |
| Current liabilities | (1,114) | (416) | (1,530) | (75) | - | - | - | (185) | (1,790) |
| Borrowings | - | (50) | (50) | (60) | (2,120) | - | - | - | (2,230) |
| Provisions | (329) | - | (329) | (8) | - | - | - | - | (337) |
| Deferred tax liabilities | - | (104) | (104) | 18 | - | - | 25 | (22) | (83) |
| Other financial liabilities | - | (56) | (56) | - | - | - | - | - | (56) |
| Other liabilities | (24) | (3,261) | (3,285) | - | 3,335 | - | - | (73) | (23) |
| Non-current liabilities | (353) | (3,491) | (3,824) | (50) | 1,215 | - | 25 | (95) | (2,729) |
| Liabilities | (1,467) | (3,887) | (5,354) | (125) | 1,215 | - | 25 | (280) | (4,519) |
| Net assets | 5,267 | (2,903) | 2,364 | 62 | 1,179 | - | 24 | (207) | 3,422 |

Note: Refer section 3.7. of Scheme Booklet for full pro forma financials and section 3.7.12 for notes accompanying AGL Australia pro forma historical statement of financial position as at 31 December.

AGL Australia

Pro Forma Historical Cash Flows



AGL AUSTRALIA PRO FORMA HISTORICAL STATEMENT OF CASH FLOWS

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|---------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------|
| Underlying EBITDA | 736 | 635 | 488 | 209 |
| Change in working capital & other non-cash items | (52) | 89 | 16 | 159 |
| Net operating cash flows (before capital expenditure, financing costs and tax) | 684 | 724 | 504 | 368 |
| Capital expenditure (net of proceeds) | (391) | (245) | (223) | (85) |
| Net operating cash flows (before financing costs and tax) | 293 | 479 | 281 | 283 |
| Net interest paid | (79) | (79) | (73) | (34) |
| Income tax paid | (79) | (65) | (20) | (4) |
| Pro forma net free cash flows | 135 | 335 | 189 | 245 |

Note: Refer section 3.7. of Scheme Booklet for full pro forma financials and section 3.7.14 for notes accompanying AGL Australia pro forma historical cash flows.

PRO FORMA REVENUE (SEGMENT INFORMATION)

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|----------------------------------------|------------------------|------------------------|------------------------|-----------------------------|
| Trading and Origination | 6,823 | 5,851 | 4,614 | 2,365 |
| Operations | 141 | 140 | 139 | 69 |
| AGL Australia offtake reclassification | (2,027) | (2,122) | (1,856) | (840) |
| Inter-segment revenue | - | - | - | - |
| Pro forma adjustments | - | - | - | - |
| Pro forma historical revenue | 4,937 | 3,869 | 2,897 | 1,593 |

PRO FORMA UNDERLYING EBITDA (SEGMENT INFORMATION)

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|-----------------------------------------------|------------------------|------------------------|------------------------|-----------------------------|
| Trading and Origination | 2,124 | 2,073 | 1,835 | 816 |
| Operations | (465) | (511) | (529) | (246) |
| Centrally Managed Expenses | (134) | (142) | (124) | (57) |
| Pro forma adjustments | (55) | (51) | (39) | (19) |
| Pro forma historical Underlying EBITDA | 1,471 | 1,367 | 1,143 | 494 |

Note: Refer section 4.7. of Scheme Booklet for full pro forma financials

Accel Energy

Pro Forma Historical Statement of Profit and Loss



PRO FORMA HISTORICAL STATEMENT OF PROFIT AND LOSS

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|--------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------|
| Revenue | 4,937 | 3,869 | 2,897 | 1,593 |
| Expenses | (3,466) | (2,502) | (1,874) | (1,100) |
| Other income | - | - | 120 | - |
| Underlying EBITDA | 1,471 | 1,367 | 1,143 | 494 |
| Depreciation & amortisation | (440) | (509) | (467) | (211) |
| Underlying EBIT | 1,031 | 859 | 676 | 283 |
| Net finance costs | (103) | (106) | (151) | (83) |
| Underlying net profit before tax | 928 | 753 | 525 | 200 |
| Income tax expense | (272) | (207) | (134) | (54) |
| Underlying net profit after tax | 655 | 546 | 391 | 146 |
| Significant items after tax | - | - | (2,478) | 232 |
| Gain/(Loss) on fair value of financial instruments after tax | (64) | 288 | 268 | (208) |
| Pro forma historical NPAT | 591 | 834 | (1,819) | 170 |

Note: Refer section 4.7. of Scheme Booklet for full pro forma financials and section 4.7.8 for notes accompanying Accel Energy pro forma historical statements of profit and loss.

RECONCILIATION OF HISTORICAL EBIT TO PRO FORMA UNDERLYING EBIT

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|------------------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------|
| AGL Energy Historical EBIT | 1,412 | 1,593 | (2,433) | 894 |
| Significant items | (10) | 21 | 3,869 | (394) |
| Gain/(Loss) on fair value of financial instruments | 198 | (308) | (477) | (122) |
| AGL Energy Underlying EBIT | 1,600 | 1,306 | 959 | 378 |
| AGL Australia historical Underlying EBIT prior to Centrally Managed Expenses | (739) | (641) | (466) | (184) |
| AGL Australia Centrally Managed Expenses | 225 | 245 | 222 | 109 |
| Accel Energy Underlying EBIT after Centrally Managed Expenses | 1,086 | 910 | 715 | 302 |
| 1 Standalone corporate costs | (32) | (28) | (16) | (7) |
| 2 Transitional Services Arrangement | (23) | (23) | (23) | (12) |
| Pro forma historical Underlying EBIT | 1,031 | 859 | 676 | 283 |

RECONCILIATION OF HISTORICAL NPAT TO PRO FORMA HISTORICAL NPAT

| A\$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|---------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------------|
| AGL Energy Historical net profit after tax | 863 | 1,007 | (2,059) | 551 |
| 1 AGL Australia historical Underlying EBIT prior to Centrally Managed Expenses | (739) | (641) | (466) | (184) |
| 2 Remove AGL Australia significant items | (4) | 17 | 444 | (63) |
| 3 Remove AGL Australia Centrally Managed Expenses | 225 | 245 | 222 | 109 |
| 4 Remove AGL Australia gain/(loss) on fair value of financial instruments | 75 | 72 | (66) | (294) |
| Accel Energy after Centrally Managed Expenses | 419 | 700 | (1,925) | 118 |
| 5 Standalone corporate costs | (32) | (28) | (16) | (7) |
| 6 Transitional Services Arrangement | (23) | (23) | (23) | (12) |
| 7 Remove transaction costs (within significant items) | - | - | 7 | 20 |
| 8 Net financing costs adjustment | 90 | 73 | 73 | 29 |
| 9 Net income tax expenses adjustment | 137 | 112 | 65 | 22 |
| Pro forma historical net profit after tax | 591 | 834 | (1,819) | 170 |

Note 1: Refer section 4.7. of Scheme Booklet for full pro forma financials and section 4.7.10 for notes accompanying Accel Energy pro forma historical EBIT and NPAT reconciliation.

Accel Energy - Pro Forma Historical Balance Sheet



| A\$m | Statutory Reported balance sheet | Pro forma Adjustments | | | | | | | | | | Accel Energy pro forma historical statement of financial position |
|----------------------------------------------|----------------------------------|--------------------------------------------|------------------------------------|-------------------------|-------------------------------------|------------------------------------------|-----------------------|---------------------------------------------|------------------------------------------------------|----------------|-------------------|-------------------------------------------------------------------|
| | | AGL Australia historical balance sheet (1) | AGL Australia corporate assets (2) | Financing structure (3) | Retained stake in AGL Australia (4) | Settlement of deferred consideration (5) | Transaction costs (6) | Transfer of AEMO pool purchase payables (7) | Reclassification of initial margin calls to cash (8) | Derivative (9) | Deferred tax (10) | |
| Cash and cash equivalents | 104 | (76) | 3 | 255 | - | (100) | (58) | - | 108 | - | - | 236 |
| Trade and other receivables | 1,655 | (1,301) | - | - | - | - | - | - | - | - | - | 354 |
| Inventories | 381 | (86) | - | - | - | - | - | - | - | - | - | 295 |
| Current tax assets | 235 | (14) | - | - | - | - | - | - | - | - | (28) | 193 |
| Other financial assets | 952 | (787) | - | - | - | - | - | (108) | (15) | - | - | 42 |
| Other assets | 353 | (316) | (16) | - | - | - | - | - | - | - | - | 21 |
| Assets classified as held for sale | 223 | - | - | - | - | - | - | - | - | - | - | 223 |
| Current assets | 3,903 | (2,580) | (13) | 255 | - | (100) | (58) | - | - | (15) | (28) | 1,364 |
| Trade and other receivables | 80 | (80) | - | - | - | - | - | - | - | - | - | - |
| Inventories | 48 | - | - | - | - | - | - | - | - | - | - | 48 |
| Other financial assets | 748 | (230) | - | - | 513 | - | - | - | (20) | - | - | 1,011 |
| Investments in associates and joint ventures | 475 | (475) | - | - | - | - | - | - | - | - | - | - |
| Property, plant and equipment | 6,241 | (1,233) | (99) | - | - | - | - | - | - | - | - | 4,909 |
| Intangible assets | 3,276 | (3,120) | (69) | - | - | - | - | - | - | - | - | 87 |
| Deferred tax assets | 641 | 104 | (18) | - | - | - | 59 | 22 | - | 11 | 28 | 847 |
| Other assets | 38 | - | - | - | - | - | - | - | - | - | - | 38 |
| Non-current assets | 11,547 | (5,034) | (186) | - | 513 | - | 59 | 22 | - | (9) | 28 | 6,940 |
| Assets | 15,450 | (7,614) | (199) | 255 | 13 | (100) | 1 | 22 | - | (24) | - | 8,304 |
| Trade and other payables | (1,550) | 1,062 | - | - | - | - | (97) | 185 | - | - | - | (400) |
| Borrowings | (606) | 2 | 18 | 582 | - | - | - | - | - | - | - | (4) |
| Provisions | (389) | 13 | 51 | - | - | - | - | - | - | - | - | (324) |
| Current tax liabilities | (62) | - | - | - | - | - | - | - | - | - | - | (62) |
| Other financial liabilities | (595) | 414 | - | - | - | 22 | - | (73) | - | - | - | (232) |
| Other liabilities | (39) | 39 | - | - | - | - | - | - | - | - | - | - |
| Current liabilities | (3,241) | 1,530 | 69 | 582 | - | 22 | (97) | 112 | - | - | - | (1,023) |
| Borrowings | (2,421) | 50 | 60 | 1,347 | - | - | - | - | - | - | - | (964) |
| Provisions | (2,857) | 329 | 8 | - | - | - | - | - | - | - | - | (2,520) |
| Deferred tax liabilities | (285) | - | - | - | - | - | - | - | - | - | (369) | (654) |
| Other financial liabilities | (313) | 56 | - | - | - | 56 | - | - | - | - | - | (201) |
| Other liabilities | (207) | 3,285 | - | (3,335) | - | - | - | 73 | - | - | - | (184) |
| Non-current liabilities | (6,083) | 3,720 | 68 | (1,988) | - | 56 | - | 73 | - | - | (369) | (4,523) |
| Liabilities | (9,324) | 5,250 | 137 | (1,406) | - | 78 | (97) | 185 | - | - | (369) | (5,546) |
| Net assets | 6,126 | (2,364) | (62) | (1,151) | 513 | (22) | (96) | 207 | - | (24) | (369) | 2,758 |

Note: Refer section 4.7. of Scheme Booklet for full pro forma financials and section 4.7.12 for notes accompanying Accel Energy pro forma historical balance sheet.

Accel Energy

Pro Forma Historical Cash Flows



PRO FORMA HISTORICAL STATEMENTS OF CASH FLOWS

| \$m | Year ended 30-06-19 | Year ended 30-06-20 | Year ended 30-06-21 | Half-year ended 31-12-21 |
|-------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------|
| Underlying EBITDA | 1,471 | 1,367 | 1,143 | 494 |
| Change in working capital & other non-cash items | (32) | 66 | (76) | (23) |
| Net operating cash flows (before capital expenditure, financing costs and tax) | 1,439 | 1,434 | 1,067 | 471 |
| Capital expenditure (net of proceeds) | (449) | (469) | (487) | (204) |
| Net operating cash flows (before financing costs and tax) | 990 | 965 | 580 | 267 |
| Net interest paid | (61) | (59) | (53) | (26) |
| Income tax paid | (180) | (154) | (82) | (39) |
| Pro forma net free cash flows | 749 | 752 | 444 | 202 |

Note: Refer section 4.7. of Scheme Booklet for full pro forma financials and section 4.7.13 for notes accompanying Accel Energy pro forma historical statements of cash flows.

Contact



James Thompson

Head of Investor Relations
Mobile: +61 403 183 563
Email: jthompson5@agl.com.au

Brett Cox

Head of Media Relations
Mobile: +61 498 074 613
Email: bcox@agl.com.au

Sophia Li

Group Treasurer
Mobile: +61 476 809 190
Email: sli4@agl.com.au



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