



ASX: GNX

18 November 2020

**CHAIRMAN'S ADDRESS TO SHAREHOLDERS
GENEX POWER LIMITED – 2020 ANNUAL GENERAL MEETING
(18 NOVEMBER 2020)**

Dear Shareholders,

Good morning Ladies and Gentlemen, my name is Ralph Craven and I am the Chairman of Genex Power Limited (**Genex** or **Company**). On behalf of all the Directors, I am pleased to welcome you to the 2020 Annual General Meeting (**AGM**) of the Company; the sixth AGM for Genex as a listed company.

I formally declare the meeting open.

I am delighted to be able to also extend a warm welcome to all of our shareholders who are participating through our online meeting platform. This meeting is being held virtually meaning that there is no physical meeting taking place in person but rather by remote electronic means. This is the second virtual meeting of shareholders we have held this calendar year. The first being our Extraordinary General Meeting back in September.

I would like to start by acknowledging my fellow directors who are all participating from their usual work locations. Joining the call is our Executive Director, Simon Kidston, Genex's Finance Director, Ben Guo, and 2 of the Company's non-executive directors, Teresa Dyson and Michael Addison. We are also joined by our CEO, James Harding and our Company Secretary, Justin Clyne as well as other members of our important management team. There is an apology from Mr Yu, another Non-Executive Director.

The notice of meeting was distributed to all shareholders in accordance with the Corporations Act and the ASX Listing Rules and is also available from Genex's website and the ASX announcements platform on the ASX website.

I will take the notice of meeting as read.

In terms of the process for the meeting, we will open the voting on the resolutions now. All resolutions will be decided by way of a poll.

Voting on the resolutions is open via the online meeting platform; note the voting icon will appear on your navigation bar. Once you click on this, the resolutions will appear on your screen.

You can vote any time during the meeting until I declare the voting closed. You can also change your vote at any time throughout the meeting. I will give you a clear prompt later in the meeting to warn of the close in voting. In a short while, I will read out each of the resolutions in the Notice of Meeting and the proxies received in respect of each resolution prior to the cut off time.

We will also take the opportunity for questions and you can start submitting questions in relation to the resolutions now, including any questions for the Company's auditors who are also participating virtually. Just a reminder that you can submit a question by clicking on the question icon which looks like two text boxes.

If you are having any difficulties in asking a question, please refer to the online user guide which can be accessed through the platform and was also annexed to the notice of meeting lodged with the ASX.

It has been another busy and successful year for Genex as we continue to grow and execute on our strategy of building a diversified renewable energy and storage company. Thankfully, the Company has been able to remain fully operational during the COVID-19 pandemic, and we have put additional measures in place to ensure the health and safety of all our staff and contractors, which remains a key priority during these unprecedented times.

Over the year, Genex made significant progress on advancing the flagship 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) and, while the process for financial close has been both exhausting and challenging, we are still aiming to reach financial close on the project this calendar year and are continuing our extensive engagement with all project stakeholders. I will speak further on this a bit later.

Another key development during the Financial Year 2020 (**FY20**) was reaching financial close of the 50MW Jemalong Solar Project (**JSP**) which is strategically located in the NSW grid.

Construction activities at Jemalong are well advanced and the project is on track to be operational in December, just a few short weeks away. Jemalong is an exciting project for Genex with the potential to almost double our current annual revenue.

➤ **Kidston Solar Project (KS1)**

The Company's first project, the 50MW Kidston Solar Project (**KS1**) located at the Company's Clean Energy Hub in North Queensland, performed well throughout the financial year, and continued to generate clean renewable energy into the National Energy Market (**NEM**). While the operation of the plant was affected by a software issue in October last year, which caused a temporary plant outage, the project still managed to generate over \$12m in revenue during the 2020 financial year (**FY20**), which is an outstanding result.

In December, Genex successfully refinanced the existing KS1 debt facility via a funding package that included the largest Certified Green Loan by an Australian renewable energy group, highlighting our environmental credentials. This refinancing exercise took advantage of the lower interest rate environment at the time and we will continue to benefit from that well into the future.

Genex recently announced that the Company and UGL mutually agreed to bring to an end UGL's role as Engineering, Procurement & Construction (**EPC**) Contractor and Operations & Maintenance (**O&M**) provider to KS1. This agreement included a payment to Genex of \$2.5m in settlement of all outstanding matters in relation to UGL's involvement with KS1. Genex is currently in the process of appointing a new O&M provider for KS1 at which time UGL's role will end.

➤ **Kidston Pumped Storage Hydro Project (K2-Hydro)**

This financial year has been a busy year in progressing our flagship Kidston Pumped Storage Hydro Project towards the construction phase, and we have made some significant further progress in the first few months of this current 2021 financial year.

One of the key milestones achieved last financial year was the signing of a long-term energy offtake agreement with EnergyAustralia (**EA**) in March 2020, via a Binding Energy Storage Services Agreement (**ESSA**). The ESSA is for a term of up to 30 years, with an initial term of 10 years and two options each of 10 years duration which would extend the Energy Storage Services Agreement for a further 20 years in total. Genex will provide EnergyAustralia with the full operational dispatch rights for the project in exchange for a fixed annual rental payment which escalates over the term. Conditional upon, and following the expiry of, the

full 30 year term, EnergyAustralia has the right to acquire Genex's shareholding in the project for a fixed cash payment.

Genex also concluded terms with ANDRITZ Hydro GmbH to be appointed as the O&M provider to the project under a long-term Contract.

Post the end of FY20, in August, we signed a new \$25 million Share Subscription Agreement (**SSA**) with J-POWER, a leading Japanese public utility company, which was approved by our shareholders at an Extraordinary General Meeting in September. The proceeds from J-POWER under the Share Subscription Agreement will be fully applied towards the construction of K2-Hydro. Furthermore, J-POWER has also agreed to provide its considerable technical expertise to the project under a Technical Services Agreement (**TSA**).

The Queensland Government has reaffirmed its commitment of \$132m in capital funding for the transmission infrastructure. We are thankful for the State Government's recognition of the Kidston Clean Energy Hub as 'Critical Infrastructure' for the State and for their continued support as we continue to progress this important project.

While the target date for delivering financial close by the end of September 2020 has not been met, we believe we are close to finalising negotiations with key partners, with the majority of agreements already in place. To accommodate for the new timeline and allow us to finalise the remaining workstreams, we have been able to secure extensions to the validity of key agreements with our partners. The Northern Australia Infrastructure Facility (**NAIF**) has agreed to extend its Offer of Funding of up to \$610 million, which will be used to fund the debt required for the Project, to 31 January 2021. We have also successfully extended the deadline with the Australian Energy Market Operator (**AEMO**) in relation to the Generator Performance Standards Approval. The pricing validity with key construction contractors has also been extended.

The validity of Powerlink's Offer to Connect, which includes the construction of the Transmission Line, has also been extended and we also recently concluded an Early Works Agreement with Powerlink which will secure the timeline for the construction programme. The scope of Early Works includes the establishment of the project management processes, contractor engagement and the start of transmission line design.

Further, Genex has been actively engaged in the selection of a potential equity investor to take up to 50% interest in K2-Hydro through an investment of new cash equity. We have

completed the competitive equity process assessment and are currently in the final stages of concluding negotiations with the successful party.

➤ **Kidston Wind Project (K3-Wind)**

The third stage of the Kidston Clean Energy Hub is the K3-Wind project which remains in the feasibility stage and is part of Genex's pipeline of opportunities.

➤ **Jemalong Solar Project (JSP)**

The Jemalong Solar Project is our first expansion outside of Queensland. The project reached financial close in December last year and construction activities are well advanced, with approximately 90% of the tasks from the construction schedule ongoing or complete. The Jemalong Solar Project is expected to begin commissioning procedures in early December 2020. At full output the Jemalong Solar Project will generate up to 129,450MWh per annum, providing enough electricity to power more than 23,000 Australian homes, offsetting ~106,500t of CO₂.

➤ **Bouldercombe Battery Project (BBP)**

One of the most exciting recent developments for the Company has been the launch of the Bouldercombe Battery Project near Rockhampton. The BBP is the first standalone large-scale battery project to be progressed in Queensland. The business case for this project is straightforward; the energy generated at low spot prices during daylight hours is stored in a Battery Energy Storage System (**BESS**) and then released at a premium price during periods of high demand. This energy value stream is boosted by an ability of the BESS to sell so-called ancillary services, such as frequency control, into the market, thus providing essential support to the electricity network whilst earning potentially significant additional revenue. The Bouldercombe Battery Project enables Genex to diversify its storage portfolio while capturing a significantly enhanced revenue generation profile.

Genex has already secured an Investigation Licence and Tenure Arrangements Agreement with Powerlink Queensland to access land adjacent to Powerlink's Bouldercombe substation. We have also selected our preferred battery system supplier and integrator for the project and have submitted an Application for Connection to the NEM. With several workstreams well advanced, we are looking to fast track the development and aim for the project to be operational in the first half of calendar year 2022.

Before I begin answering your questions, I would like to thank all our shareholders for their continued support. Many have been with Genex Power since we listed back in 2015. It is

testimony to the fact that big projects involving many parties take some time to bring to completion. Our register has also been greatly expanded as a result of our capital raise in August this year. As one of only a few listed renewable energy companies on the ASX, Genex Power aims to be a fully diversified renewable energy company both geographically within Australia and also across different generation types (hydro, solar, wind and batteries). The strategy I have outlined in my speech this morning I trust reinforces our drive to add value for shareholders through the development and operation of clean energy projects.

I especially wish to thank my fellow board members for their contribution throughout the year. The board met on many occasions as is often necessary when there are many stakeholders involved in the development of large complex projects. I also want to acknowledge the valuable ongoing support from a number of Federal and State Government entities and the many other major stakeholders and partners with whom we interact. We have an exciting year ahead of us, with the immediate focus of the business being the financial closure for K2-Hydro, the completion of construction at Jemalong Solar Project and progressing with the Bouldercombe Battery Project. With all our projects progressing to plan, I am confident that we will soon be acknowledged as the leading listed renewable energy generation and storage company in Australia.

My final thank you goes to the dedicated team that make up Genex Power. There have been many long hours and difficult times for the team throughout the last 12 months since the AGM last year. I and my fellow directors acknowledge their efforts and focus even though the working arrangements this year have been very different. Well done and thank you.

I will now begin responding to the questions that have been submitted.

[QUESTION TIME]

I appoint Nakul Joglekar of Boardroom Limited as the Returning Officer and, as I mentioned at the start of the meeting, voting on the resolutions is currently open, and you can vote at any time until I declare the voting closed.

I now move to consideration of the resolutions. I advised at the beginning of the meeting that we will vote on the resolutions by way of a poll. Any undirected proxy votes given to the Chairman will be voted in favour of all resolutions. Voting is already open and will remain open until I direct otherwise. Results will be released to the ASX after the conclusion of the meeting.

Please note that only shareholders, proxy holders or authorised shareholder representatives may vote.

Any directed proxies given to you by the shareholder will automatically be cast as directed when the poll is closed.

If you have an issue trying to vote, the voting icon can be found on the navigation bar. Once you click on this, the resolutions will appear on your screen along with the voting options that are relevant to that particular resolution. Simply select one of these options to cast your vote. The Board's recommendation in respect of each resolution is outlined in the notice of meeting.

When voting is closed, your final voting selection will be recorded.

All resolutions are displayed on the screen and are as contained in the Notice of Meeting distributed to shareholders and I will read those now.

The first item of business is to receive and consider the consolidated financial report of the company, together with the reports of the directors and auditor for the year ended 30 June 2020. I will now move to the formal resolutions.

RESOLUTION 1:

"That the Shareholders adopt the Remuneration Report for the year ending 30 June 2020."

Resolution 2 relates to my re-election and I will ask our Company Secretary to read that resolution.

RESOLUTION 2:

"That, for the purposes of clause 11.3 of the Company's Constitution and for all other purposes, Dr Ralph Craven retires as a Director of the Company by rotation and, being eligible, is re-elected as a Director of the Company."

RESOLUTION 3:

"That, for the purposes of clause 11.3 of the Company's Constitution and for all other purposes, Mr Ben Guo retires as a Director of the Company by rotation and, being eligible, is re-elected as a Director of the Company."

RESOLUTION 4:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 96,712,552 Shares by Genex Power Limited to various parties as announced to the ASX on 10 August 2020 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

RESOLUTION 5:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities equating to up to 10% of the issued ordinary capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

I would like to advise that the voting on all resolutions will close in one minute so I will just pause briefly to allow you to finish voting. Please complete your voting now.

Voting has now closed.

Please note that the final results will be advised to the ASX and also made available on Genex’s website, along with all of our ASX announcements, after the meeting.

Meeting closed

As the business of the meeting is now completed, I declare the meeting closed and thank everyone for their participation today.

This Chairman’s speech was approved by the full board of Genex Power Limited.

For more information about this announcement:

CONTACT:**Simon Kidston**

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Genex Power Limited is focused on developing a portfolio of renewable energy generation and storage projects across Australia. The Company's flagship Kidston Clean Energy Hub, located in north Queensland, will integrate large-scale solar generation with pumped storage hydro. The Kidston Clean Energy Hub is comprised of the operating 50MW stage 1 Solar Project (**KS1**) and the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) with potential for further multi-stage wind and solar projects. The Jemalong Solar Project (**JSP**) in NSW provides geographical diversification and is scheduled for energisation in Q4 CY2020. Genex is further developing its energy storage portfolio via the early stage development of a 50MW/75MWh standalone battery energy storage system at Bouldercombe in Queensland. With over 400MW of renewable energy & storage projects in development, Genex is well placed as Australia's leading renewable energy and storage company.

Genex continues to acknowledge the support of key Federal and State Government stakeholders such as the Australian Renewable Energy Agency (**ARENA**), the Northern Australia Infrastructure Facility (**NAIF**) and the Queensland State Government.