

30 November 2022

**ASX Limited**  
**Company Announcements Platform**

## Chairman's Address to Shareholders

### GENEX POWER LIMITED – 2022 ANNUAL GENERAL MEETING

Dear Shareholders,

Good afternoon Ladies and Gentlemen, my name is Dr Ralph Craven and I am the Chairman of Genex Power Limited (**Genex** or the **Company**). On behalf of the Directors, I am pleased to welcome you to the 2022 Annual General Meeting (**AGM**) of the Company; the eighth AGM for Genex as a listed company.

I am informed by the Company Secretary that we have a quorum present and I formally declare the meeting open.

I am delighted to be able to also extend a warm welcome to all of our shareholders present here today. This meeting is a physical meeting only, unlike the past couple of years where we have been forced to hold our meetings by remote electronic means.

I would like to start by acknowledging one of my fellow directors who is joining us here today, Ben Guo. Unfortunately, our other directors are mostly in transit to various points at this time and unable to join us either in person or dial in to today's meeting.

We are also joined by our CEO, James Harding, our Company Secretary, Justin Clyne, our CFO, Craig Francis and our General Counsel, Ana Gomiero. Also in attendance is Mr Mitchell Fitzgerald, from the Company's auditors, EY, who is available to answer any questions in relation to the Company's Financial Year 2022 (**FY2022**) accounts which will be tabled before the meeting today for consideration.

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, all resolutions will be decided by way of a poll.

There are 6 resolutions to be considered at today's meeting with the first 5 being ordinary resolutions and the 6<sup>th</sup> a special resolution for an additional 10% placement capacity. The proxies received from shareholders prior to the proxy close date will be shown on the screen behind me shortly.

The Genex Board believes that the best and fairest way to give effect to shareholders' voting intentions is to conduct the voting on each resolution, even on those resolutions which do not appear contentious, by way of a poll. Conducting a poll is the most accurate way to give effect to the wishes of shareholders and is the best practice approach recommended by many organisations including the ASX, the Governance Institute of Australia and the Australian Shareholders' Association.

I appoint Mr Steve Hodkin and Mr Nakul Joglekar of Boardroom Limited as the Returning Officers for today's meeting. Please note that when you arrived you were given a voting card. You need to tick the For, Against or Abstain box for each resolution and sign the poll card for it to be considered valid. I will repeat this instruction again at the end of the meeting.

## COMPANY ACTIVITIES BRIEF OVERVIEW

FY2022 and subsequent to then has been a landmark year for the Company as we continued construction at our flagship Kidston Pumped Storage Hydro Project (**K2-Hydro**) and commenced construction of our first large-scale battery energy storage system (**BESS**), the Bouldercombe Battery Project (**BBP**). The development of these projects, coupled with our existing 50MW Kidston Solar Project (**KS1**) in Queensland and our 50MW Jemalong Solar Project (**JSP**) in New South Wales, positions the Company as a leader in renewable energy generation and storage markets in Australia.

Notably, we recently announced that the Company acquired a 100% interest in the development rights for the up to 2GW multi-stage Bulli Creek Clean Energy Project (**Bulli Creek**) located approximately 100km south-west of Toowoomba in south-east Queensland. The development is expected to be made up of large-scale solar PhotoVoltaic (**PV**) and BESS. We look forward to providing further updates to the market surrounding the Bulli Creek project in the near future.

By 2025, our portfolio of renewable energy projects will provide clean energy to meet the needs of over 400,000 homes, removing more than two million tonnes per annum of carbon dioxide from our country's emission profile. Our Queensland projects will also contribute significantly to assisting the Queensland Government to meet its 70% renewable energy target by 2032.

## THE 250MW KIDSTON PUMPED STORAGE HYDRO PROJECT

The K2-Hydro project continued construction throughout FY2022 and Genex has been working closely with the Engineering, Procurement and Construction (**EPV**) Joint Venture (**JV**) between McConnell Dowell and John Holland to enable first energisation which we are targeting by the end of Calendar Year 2024 (**CY2024**).

Key site activities and works undertaken at the project include:

- Continuation of underground works with drilling and blasting of the Main Access Tunnel (**MAT**), which was approximately 75% complete prior to the water ingress event;
- Continuation of construction of the Wises Dam with approximately 50% of the 6km embankment completed which serves as the upper reservoir for the project as at the end of September 2022;
- Completion of manufacture and despatch to Australia of draft tube gates for the pump turbines by Andritz Hydro GmbH (**Andritz**); and

- Completion of preparation works for the construction of the 250m deep ventilation and cable shafts with secant piling completed for the pre-sink works on upper sections of the shafts.

On 9 November 2022, Genex announced that whilst conducting drilling in the MAT face, an unexpected geological feature was encountered which resulted in a substantial inflow into the MAT. Importantly, no injuries occurred, the MAT was subsequently fully dewatered and the drill holes were successfully plugged. Genex and the EPC JV have since been analysing the initial results of the underground drilling program to determine the way forward for the MAT excavation works to resume. The drilling results have identified a significant zone of high-quality but fractured rock in front of the MAT face which is charged with high-pressure water. While it is technically feasible to continue to progress the MAT on its current alignment through this zone, Genex and the EPC JV have assessed that this would have a significant impact on tunnelling productivity and therefore the overall cost of the project.

In conjunction with the EPC JV, Genex has therefore considered its options and has determined that the realignment of the MAT to avoid this zone and continuing excavation within this known geology is the most efficient option from a time, risk and cost perspective. The parties are working to expeditiously conclude the final design of the re-aligned MAT, which is expected to allow MAT excavation works to recommence in early December.

Importantly, whilst the overall impact of the realignment of the MAT will cause a modest delay to the underground construction works, Genex still expects that the energisation of the project will occur on schedule in 2H CY2024. However it is now expected that the additional cost of the MAT realignment will result in Genex further utilising the remaining project contingency and, as a result, the total cost of the project is estimated to exceed the financial close budget for the project by \$10 million to \$15 million. Notwithstanding this, Genex currently has adequate cash resources available to it to top-up the project contingency commensurate with this estimated additional cost.

Genex will continue to keep the market informed as the final MAT design is confirmed and the MAT excavation works recommence as expected.

## **50MW JEMALONG SOLAR PROJECT AND 50MW KIDSTON SOLAR PROJECT**

The Company's two operating solar farms continued to generate strong revenues during the year. As shareholders will know, KS1's revenue is supported by a 20-year Power Purchase Agreement with the Queensland Government whilst the JSP is operating on a completely merchant basis with revenues from the project generated from the sale of electricity and Large-Scale Generation Certificates (LGCs).

Since achieving practical completion on JSP in 2021, the project has contributed significantly to the Company's revenues highlighted by the Company recording its first full year of positive operating cash flow in the Company's history for FY2022.

## THE 50MW/100MWH BOULDERCOMBE BATTERY PROJECT

Genex achieved financial close for the Bouldercombe Battery Project (**BBP**) in March of this year. The BBP is the first project in the Company's battery strategy, called the Como Strategy and is expected to begin energisation before the end of H1 CY2023.

The project will utilise Tesla Megapack lithium-ion battery technology, an all-in-one utility-scale energy storage system. The 50MW/100MWh battery once constructed will comprise 40 Megapacks. The project is also supported by an 8-year Autobidder Offtake Agreement with Tesla under which they will operate the BBP facility using their proprietary bidding system, Autobidder, whilst also guaranteeing a minimum level of revenue to support debt financing.

The BBP diversifies the Company's portfolio and further positions Genex as a leader in renewable energy generation and storage in Australia.

## THE KIDSTON WIND PROJECT

Genex's project portfolio continues to be diversified beyond pumped storage hydro, solar and battery, through the Kidston Wind Project (**K3-Wind**) which is ramping up key development activities by the Company, and our joint venture partner Electric Power Development Co., Ltd (**J-POWER**). Earlier this year, Genex announced that it had executed a Joint Development Agreement (**JDA**) with J-POWER for the project which is an extension of the Joint Funding Agreement originally executed in 2020 between Genex and J-POWER.

Last week Genex announced that, following engagement with several Original Equipment Manufacturers (**OEM**) of Wind Turbine Generators (**WTG**), the Company has formally appointed Goldwind Australia (**Goldwind**) as the preferred WTG provider for the project. Currently, Goldwind has 1.5GW of installed power generation across Australia and has developed a strong understanding of the Australian market. Goldwind has a proven track record with the successful connection of large-scale generation assets across most Australian states and has significant expertise in grid-related areas to assist Genex with the grid connection process for the project.

Further to this, following a study undertaken by the Company's appointed grid consultant for the Project, Genex has confirmed that the total installed capacity of the project has formally increased from up to 200MW to up to 258MW. Energy generated by K3-Wind will flow into the National Electricity Market (**NEM**) via the new 275kV transmission line being constructed by Powerlink Queensland as part of the K2-Hydro project. The project is planned for completion in early calendar year 2026. We look forward to updating the market on the progress of this exciting project as we work towards achieving a final investment decision by the end of CY2023.

## CORPORATE

Earlier this year the Company undertook a \$40m equity raising which, in conjunction with a \$35m debt facility, are being applied primarily towards the construction of the BBP.

Subsequent to the end of the financial year, as announced to the ASX on 25 July 2022, the Company received a conditional, non-binding indicative proposal to acquire all of the shares on issue in the Company from a Consortium comprising Skip Essential Infrastructure Fund and Stonepeak Capital (the **Consortium**) for A\$0.230 in cash per Genex Share. On 17 August 2022, Genex announced to the ASX that it had received a revised conditional, non-binding, indicative proposal to acquire all of the shares on issue in the Company from the Consortium for A\$0.250 in cash per Genex Share (**Proposed Scheme**). On the basis of the revised proposal, the Board considered that it was in the interests of Genex shareholders to engage further with the Consortium and provided the Consortium with the opportunity to conduct confirmatory due diligence (on a non-exclusive basis).

Subsequent to the provision of confirmatory due diligence, and as announced to the market on 9 November 2022, we encountered an unexpected geological feature in relation to the MAT for K2-Hydro. The uncertainty created by the water ingress event impacted the Consortium's progress as they needed to understand the event and its consequences for K2-Hydro.

The Consortium are continuing to do work and engage constructively with Genex and its advisers at this time, however the Consortium has not provided the Genex Board with a binding or final proposal in respect of the Proposed Scheme.

Genex notes that there is no certainty that the Consortium will provide a final or binding proposal to the Board that is capable of being recommended to Genex Shareholders or that the Proposed Scheme (or any other transaction in relation to Genex and the Consortium) will proceed. Genex will continue to keep the market informed in accordance with its continuous disclosure obligations. There is no further update to be provided today and I am unable to field any questions in relation to the status of the Proposed Scheme beyond what has already been disclosed. Rest assured that any ongoing discussions are not distracting the Board or management who are maintaining a clear focus on continuing to operate the business to the best of their ability.

Genex continues to grow its excellent corporate team with the appointment of Craig Francis as CFO and Ana Gomiero as General Counsel, both of whom are doing an excellent job in their respective roles. We also continue to make necessary appointments to key operational roles and are very proud of the team we are building on the ground. As a company, we have a strong focus on local community engagement, diversity and indigenous engagement within our workforce.

## Ongoing support from our key Stakeholders

As we like to do every year, I would like to acknowledge the ongoing strong support Genex has received from a number of Federal and Queensland State Government entities. The Australian Renewable Energy Agency (ARENA) continues to support Genex via the provision of grants towards our projects. In particular, we recognise the Northern Australia Infrastructure Facility (NAIF) and their investment decision to offer finance to K2-Hydro, which was pivotal in enabling Genex to reach financial close for K2-Hydro in FY2021.

I would also like to acknowledge the Queensland State Government for their commitment to a 20-year revenue support deed for KS1, for funding of \$147M towards the construction of the 275kV transmission line between Mt Fox and Kidston and for recognising and designating the Kidston Clean Energy Hub as 'Critical Infrastructure' to the State. The significant and ongoing support from Genex's many stakeholders reflect the growing focus on the need to expand renewable energy generation and storage capacity in Australia which, in turn, provides significant growth opportunities for Genex.

## Our people, communities and the environment

On behalf of the Board, I would like to thank all of our employees and contractor workforce for their tremendous efforts during what has been a challenging year. It is a testament to the team, and the protocols that the Company put in place, that we were able to remain fully operational during the COVID-19 pandemic.

I would now like to ask Genex's CEO, James Harding, to say a few words.

[CEO Presentation]

[Chairman resumes]

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 except resolution 3 which I will vote against.

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.

All resolutions are displayed on the screen and are as contained in the Notice of Meeting distributed to shareholders and I will read these 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 2022.

Are there any questions for either the Board or the auditor, who as I mentioned earlier is with us today, in relation to the Company's FY2022 accounts?

The next item of notified business (resolution 1) is the adoption of the Company's Remuneration Report for the year ended 30 June 2022. As you will be aware, the Corporations Act requires that a resolution be put to the members to adopt the Remuneration Report as disclosed in the Directors' report. This is set out on pages 29 - 34 of the Company's 2022 Annual Report lodged with the ASX on 29 August 2022.

While the vote on this resolution is advisory only and non-binding on the Directors or the Company, it gives members the opportunity to ask questions or make comments concerning the Remuneration Report, and the outcome of the vote will be taken into consideration when reviewing remuneration practices and policies.

Under the Corporations Act, if 25% or more of the votes cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a spill resolution that another meeting be held within 90 days at which all the Company's directors (other than a Managing Director should Genex have one at the relevant time) must go up for re-election.

The Corporations Act imposes restrictions on Directors and other key management personnel (as defined in the Corporations Act) of the Company, and their closely related parties, from voting in any capacity (e.g. as a shareholder, proxy or corporate representative) on this resolution. This restriction does not apply if the person has been appointed as a proxy which specifies how the proxy is to vote on this resolution, provided that the person who appointed the proxy is not themselves a person subject to the restriction.

Where I, as Chairman, have been appointed as a proxy for a person who is permitted to vote on this Resolution 1, then I will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Resolution 1.

I will now read the resolution.

### **Resolution 1:**

#### **Adoption of Remuneration Report**

*"That the Shareholders adopt the Remuneration Report for the year ending 30 June 2022."*

**Are there any questions in relation to Resolution 1?**

### **Resolution 2:**

#### **Re-election of Mr Simon Kidston as a Director**

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

Are there any questions in relation to Resolution 2?

Resolution 3:

**Re-election of Mr Yongqing Yu as a Director**

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

Are there any questions in relation to Resolution 3?

Resolution 4:

**Ratification of Prior Issue of Shares**

*"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 266,666,667 Shares by Genex Power Limited to certain sophisticated and institutional investors as part of the placement that was announced to the ASX on 23 February 2022 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

Are there any questions in relation to Resolution 4?

Resolution 5:

**Implementation of Employee Share Option Plan**

*"That, for the purpose of ASX Listing Rule 7.2 exception 13, the Company's Constitution and for all other purposes, shareholders approve the implementation of the Employee Share Option Plan, and the issue of up to the maximum number of Securities permitted under the Employee Share Option Plan."*

Are there any questions in relation to Resolution 5?

"Resolution 6 – Special Resolution:

**Approval for Additional Placement Capacity**

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, the 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."*

## Are there any questions in relation to Resolution 6?

I will now formally close the meeting and ask Boardroom to conduct the poll on the resolutions and thank you all for your attendance. As a final reminder, as I mentioned earlier, when you arrived you were given a voting card. You need to tick the For, Against or Abstain box for each resolution and sign the poll card for it to be considered valid and then Steve or Nakul will collect the card from you.

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.

[End of script]

This Chairman's speech was approved by the Chairman of Genex Power Limited.

## FOR MORE INFORMATION ABOUT THIS ANNOUNCEMENT:

### CONTACT:

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### About Genex Power Limited

Genex Power Limited has a portfolio of more than \$1 billion 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 50MW Jemalong Solar Project (**JSP**) is located in NSW and provides geographical diversification to Genex's portfolio. JSP was energised in December 2020 and is now fully operational. Genex's first battery energy storage system, the 50MW/100MWh Bouldercombe Battery Project (**BBP**) located in Central Queensland achieved contractual close in February 2022 and is scheduled to commence operation in mid CY2023. With up to 2,528MW of renewable energy and storage projects in the Company's development pipeline, Genex is well placed in its strategy to become a leading renewable energy and storage company in Australia.

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**), the Clean Energy Finance Corporation (**CEFC**) and the Queensland State Government.