


# Genesis Energy Limited Green Bond Offer

 genesis With you. For you.

March 2022



**CRAIGS**<sup>®</sup>  
INVESTMENT PARTNERS

# Important Information

The offer (**Offer**) of six-year fixed-rate unsecured, unsubordinated green bonds (**Green Bonds**) by Genesis Energy Limited (**Genesis**, the **Company** or the **Issuer**) is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). The Offer is contained in a Terms Sheet dated 1 March 2022 (**Terms Sheet**) prepared by Genesis, which accompanies this Presentation.

The Offer is an offer of Green Bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Genesis' NZ\$100,000,000 fixed-rate unsecured, unsubordinated green bonds maturing on 18 March 2022 (with a fixed interest rate of 4.14% per annum), which are currently quoted on the NZX Debt Market under the ticker code GNE030 (**GNE030 Bonds**).

The Green Bonds are of the same class as the GNE030 Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Genesis is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting [www.nzx.com/companies/GNE/announcements](http://www.nzx.com/companies/GNE/announcements).

The GNE030 Bonds are the only debt securities of Genesis that are in the same class as the Green Bonds and are currently quoted on the NZX Debt Market.

Investors should look to the market price of the GNE030 Bonds to find out how the market assesses the returns and risk premiums for those bonds.

# Disclaimer

The information in this Presentation is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

None of the Joint Lead Managers nor any of their respective directors, officers, employees and agents: (a) accept any responsibility or liability whatsoever for any loss arising from this Presentation or its contents or otherwise arising in connection with the offer of Green Bonds, (b) authorised or caused the issue of, or made any statement in, any part of this Presentation, or (c) make any representation, recommendation or warranty, express or implied, regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Presentation and accept no liability (except to the extent such liability is found by a court to arise under the FMCA or cannot be disclaimed as a matter of law).

Unless otherwise indicated, the numerical data provided in this Presentation is stated as at or for the six months ended 31 December 2021. All amounts are in New Zealand

dollars. Due to rounding, numbers within this Presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Investors should not seek to invest in the Green Bonds until they have read the Terms Sheet. Investors should also seek qualified, independent financial and taxation advice before deciding to invest.

Unless the context otherwise requires capitalised terms in this Presentation have the same meaning as defined in the Terms Sheet.

The selling restrictions set out in the Terms Sheet apply to the Green Bonds.

This Presentation is dated 1 March 2022.

# Agenda

1. Green Bond Highlights
2. About Genesis
3. Strategic Outlook
4. Sustainable Finance Framework
5. Financial Performance
6. Key Terms and Dates



# Green Bond Highlights

1



# Offer Highlights

<b>Issuer</b>	Genesis
<b>Description</b>	The Green Bonds are fixed-rate unsecured, unsubordinated green bonds of Genesis
<b>Credit Rating</b>	Issuer credit rating: BBB+ (stable) (S&P Global Ratings) Expected credit rating for Green Bonds: BBB+ (S&P Global Ratings)
<b>Issue Amount</b>	Up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to an additional NZ\$50,000,000 at Genesis' discretion)
<b>Term</b>	6 years, maturing Tuesday, 14 March 2028
<b>Interest Rate</b>	The Interest Rate will be set on the Rate Set Date as being equal to the Base Rate plus the Margin, subject to a minimum Interest Rate of 4.00 per cent per annum The Interest Rate will be announced by Genesis via NZX on or shortly after the Rate Set Date
<b>Use of Green Bond Proceeds</b>	<p>In accordance with Genesis' Sustainable Finance Framework dated November 2021 (as amended from time to time) (<b>Sustainable Finance Framework</b>), Genesis intends to notionally allocate an amount equal to the proceeds of the Green Bonds to finance or refinance renewable energy assets, or other projects, assets and/or activities, that meet the eligibility criteria set out in the Sustainable Finance Framework (<b>Eligible Assets</b>). Consistent with this, Genesis will apply the net proceeds of this offer to repay existing debt.</p> <p>In accordance with the Sustainable Finance Framework, Genesis intends to:</p> <ul style="list-style-type: none"><li>• maintain a balance of Eligible Assets that have an aggregate book value which is at least equal to the aggregate proceeds of all its outstanding green bonds and/or green loans (including the Green Bonds issued under the Offer); and</li><li>• maintain a register that outlines (among other things) the current book value of Eligible Assets and the notional allocation of proceeds (including an amount equal to the proceeds of the Green Bonds issued under the Offer).</li></ul> <p>A copy of the Sustainable Finance Framework is available on Genesis' website at <a href="http://www.genesisenergy.co.nz/investors/reports-and-presentations">www.genesisenergy.co.nz/investors/reports-and-presentations</a></p>
<b>Arranger and Green Bond Coordinator</b>	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) ( <b>Westpac</b> )
<b>Joint Lead Managers</b>	Craigs Investment Partners Limited & Westpac

# About Genesis

# 2.



# Genesis Overview

## KEY INFORMATION

**Revenue (FY21):** \$3.2 billion

**EBITDAF Guidance (FY22):** \$430-440 million

**Market Capitalisation:** \$2.9 billion<sup>1</sup>

**Enterprise Value (HY22):** \$4.4 billion

**Credit Rating:** BBB+ (Standard & Poors)

Genesis is a diversified New Zealand energy company. Genesis is New Zealand's largest energy retailer and generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki.



HUNTLY

**953**

Peak Capacity/MW



WAIKAREMOANA

**138**

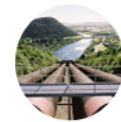
Peak Capacity/MW



WAIPIPI PPA

**133**

Peak Capacity/MW



TONGARIRO

**362**

Peak Capacity/MW

KUPE

**46**

% Share



HAU NUI

**8**

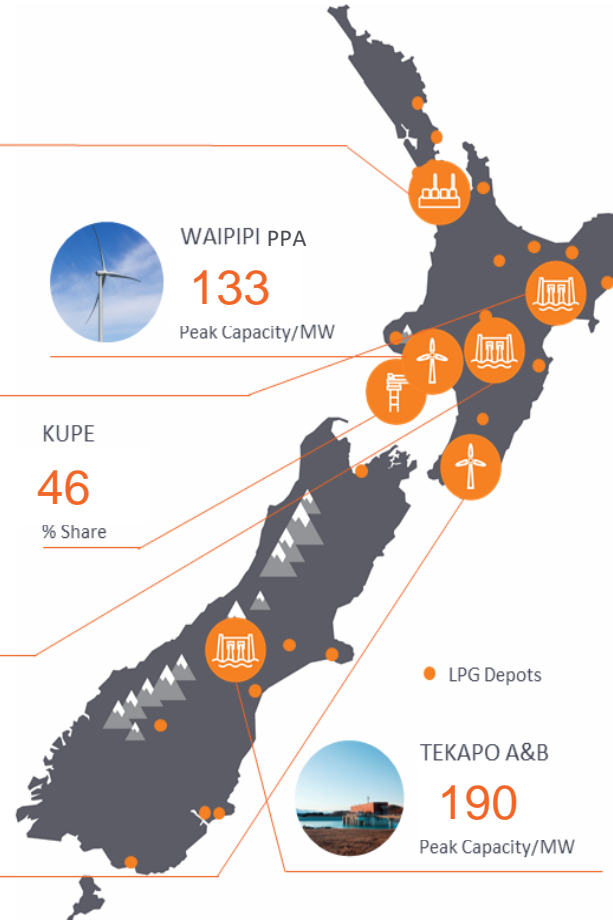
Peak Capacity/MW



TEKAPO A&B

**190**

Peak Capacity/MW



**470,000**<sup>2</sup>

customers

- 22% electricity market share
- 34% gas market share
- 23% of LPG retail market share

1. Market Capitalisation as at 25 February 2022

2. Total customers relates to both brands (Genesis and Frank Energy) and all customer types.

# HY 22 Performance Highlights

## Financial

---

EBITDAF <sup>1</sup>

**\$210m**

NPAT \$85 million

---

Interim Dividend

**8.7 cps**

Gross yield of 8.3% and return of DRP <sup>2</sup>

---

Release of Sustainable Finance Framework

**\$350m**

Committed to sustainable outcomes

---

## Operational

---

Strong Customer Loyalty

**+26**      **13.2%**

Brand NPS      Net Churn

---

Partnership with FRV Australia

Plan to develop up to

**500MW**

Grid-scale solar

---

Waipipi

**242 GWh**

Renewable Generation

---

## Social

---

**Ngā Ara Creating Pathways**

Facilitating transformational education, training and employment opportunities to prepare rangatahi for the future of work.

---

**Power Shout Gifting**

Genesis customers can now give away their free power to those in need. Over 15,000 customers chose to do so.

---

**Manaaki Kenehi**

Engaged with over 9,000 customers in need.

---

<sup>1</sup> Earnings before net finance expenses, income tax, depreciation, depletion, amortisation, impairment, Fair Value changes and other gains and losses. Refer to consolidated comprehensive income statement in the 2022 interim report for a reconciliation from EBITDAF to Net Profit after tax.  
<sup>2</sup> Dividend Reinvestment Plan



# Strategic Outlook

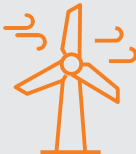

# 3.



# An active enabler of New Zealand's energy transition

## Future-gen – transitioning our wholesale position to lead NZ's energy transition

### Grow renewables

-  Contract for new renewable generation
-  Partner to build a pipeline of solar options

### Value from flexibility and reliability

-  Contract for fuel flexibility
-  Drylandcarbon partnership
-  Sell contracts that support market reliability (swaptions)

### Transition Huntly

-  Trial biofuels as a fuel option for Huntly
-  Plan for emerging technologies (Batteries)

# Future-gen programme on track to deliver lower cost renewables

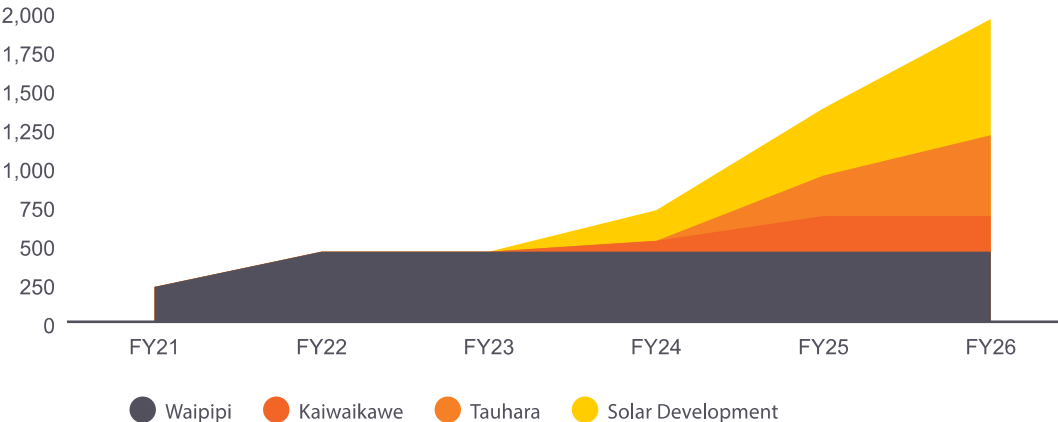
- Future-gen has already displaced an estimated 330,000 tonnes of carbon emissions through the Waipipi windfarm.
  - Waipipi is now generating 455 GWh per annum.
  - Kaiwaikawe is expected to be completed by 1 March 2024 and will provide 230 GWh per annum.
  - Tauhara is expected to be completed by 1 January 2025 and provide 520 GWh per annum.
- Genesis has signed a JV agreement with FRV Australia to develop up to 500MW of grid scale solar. The JV has been investigating potential sites and working arrangements.
- This brings together an internationally renowned global solar developer and Genesis’ experience operating in New Zealand.
- Genesis will own 60% of the partnership as well as purchasing energy generated by the projects. The partnership intends to develop multiple sites.

## GENESIS GENERATION DIVERSITY

	Ownership	Joint Venture	PPA
Hydro	● NI/SI		
Wind	● NI		● ● NI
Solar		●	
Geo			● NI
Thermal	● NI		

● Current   ● Future-gen

## FUTURE-GEN PORTFOLIO PIPELINE TARGET



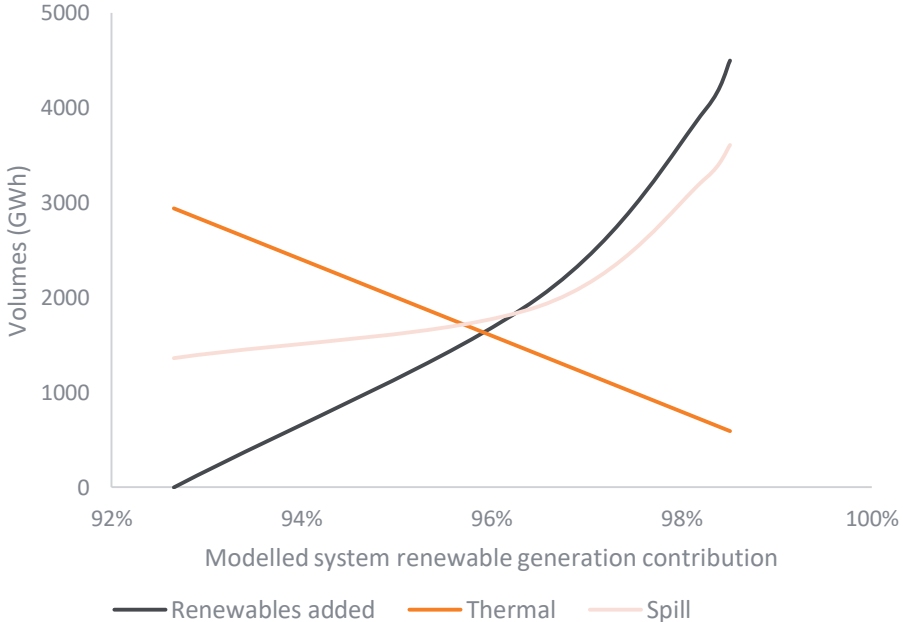
# Varied scenarios trend towards 96% to 98% renewable by 2030

Outputs	Balanced Demand growth from EV and industrials are evenly met by commercially viable renewables along with steady thermal displacement.	Regulated Renewables An incentivised renewable uptake with a goal of 100% renewable leading to increased periods of over and under supply.	Pressure cooker Faster than anticipated demand growth with development constraints, leads to slower renewable growth and displacing less thermal.	Oversupply Tiwai closure causes oversupply of low cost energy and incentivises large scale demand response.
NZ renewables mix, %	<b>88%</b> <b>95%</b> <b>97%</b>	<b>88%</b> <b>95%</b> <b>98%</b>	<b>87%</b> <b>92%</b> <b>96%</b>	<b>88%</b> <b>96%</b> <b>98%</b>
Total market generation, TWh	<p>2022: 41 TWh 2025: 43 TWh 2030: 45 TWh</p>	<p>2022: 41 TWh 2025: 43 TWh 2030: 45 TWh</p>	<p>2022: 41 TWh 2025: 43 TWh 2030: 48 TWh</p>	<p>2022: 41 TWh 2025: 38 TWh 2030: 41 TWh</p>
Renewables added to Genesis Portfolio <sup>1</sup> , TWh	<p>2022: 0.4 TWh 2025: 2.0 TWh 2030: 2.7 TWh</p>	<p>2022: 0.4 TWh 2025: 2.0 TWh 2030: 2.7 TWh</p>	<p>2022: 0.4 TWh 2025: 2.0 TWh 2030: 2.7 TWh</p>	<p>2022: 0.4 TWh 2025: 2.0 TWh 2030: 2.7 TWh</p>
Huntly emissions, ktCO <sub>2</sub>	<p>2022: 1,574 ktCO<sub>2</sub> 2025: 670 ktCO<sub>2</sub> 2030: 443 ktCO<sub>2</sub></p>	<p>2022: 1,574 ktCO<sub>2</sub> 2025: 610 ktCO<sub>2</sub> 2030: 283 ktCO<sub>2</sub></p>	<p>2022: 1,574 ktCO<sub>2</sub> 2025: 1,317 ktCO<sub>2</sub> 2030: 696 ktCO<sub>2</sub></p>	<p>2022: 1,574 ktCO<sub>2</sub> 2025: 758 ktCO<sub>2</sub> 2030: 389 ktCO<sub>2</sub></p>

1. Mix of Power Purchase Agreements (PPA) and solar development

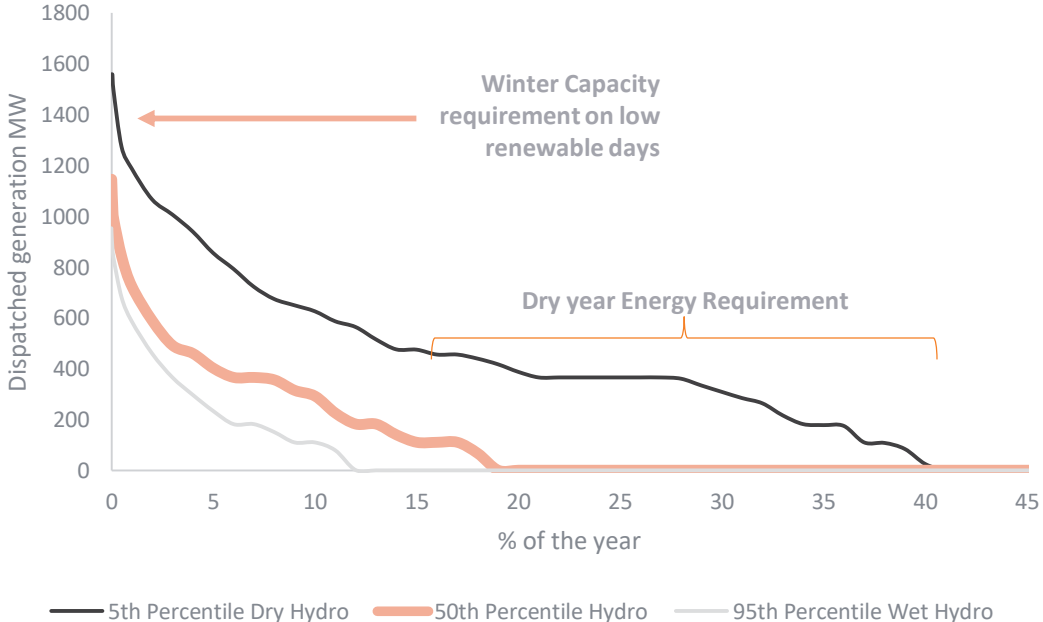
# A highly renewable market will require peaking capacity and seasonal storage - market settings may need to adapt

Near 100% renewable, spill makes further renewable build a costly way to displace remaining thermal



- New renewables start to contribute more to spill than future displacement of thermal generation.
- The system can reach 98% renewable where approximately 700GWh of backup generation is used on average.

A highly renewable<sup>1</sup> grid draws on backup generation to cover infrequent peak capacity needs and dry-year firming



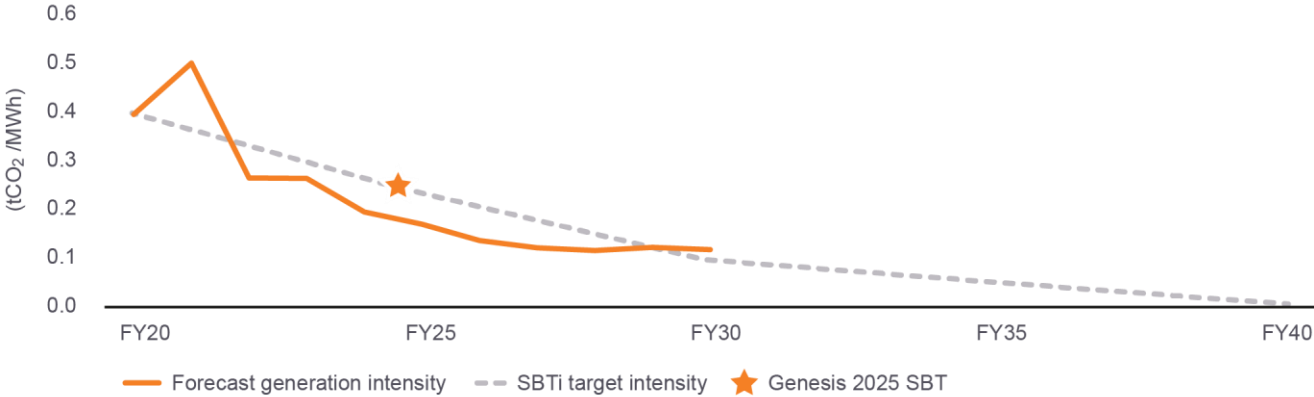
- More than 750MW of peaking capacity is required in less than 1% of hours in typical hydrology (50th percentile) to maintain security of supply.
- 1650GWh of energy storage is drawn on 40% of the time in dry years (5th percentile) compared with 700GWh in normal years (50th percentile).

1. Simulated 2030 market conditions under 'Balanced' scenario.

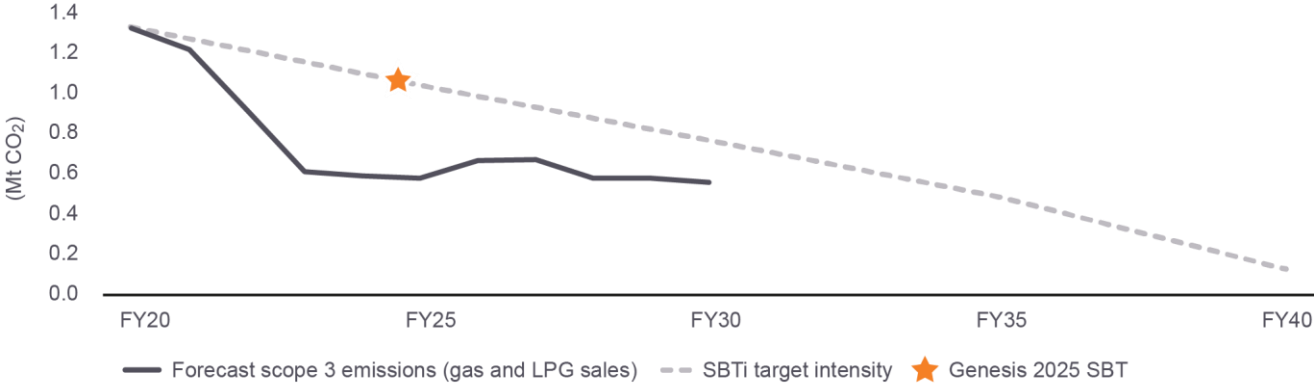
# Genesis is considering what further long-term carbon reduction commitments we can make

- Genesis has committed to a 1.5 degree Science-Based Target<sup>1</sup> by 2025, which will reduce emissions by at least 1.2 million tonnes by FY25<sup>2</sup>.
- Our Future-gen strategy aims to reduce emissions through to 2030, consistent with a net-zero pathway.
- Genesis is considering making a further longer term carbon commitment. This could include a goal of net-zero emissions by 2040.
- We will only make a commitment if we have strategies in place to achieve this goal.
- Any commitment would be externally verified and adhere to global standards, such as the SBTi.

**SCOPE 1 EMISSIONS - GENERATION INTENSITY (MEAN YEAR)**



**SCOPE 3 EMISSIONS (MtCO<sub>2</sub>)**



<sup>1</sup> Validated by the SBTi, a global partnership that provides a clearly defined path to reduce emissions in line with the Paris Agreement goals.

<sup>2</sup> To reduce absolute scope 1 and 2 GHG emissions 36% by FY25 from a FY20 base year and to reduce absolute scope 3 emissions from use of sold products 21% by FY25 from a FY20 base year.

# Regulatory environment creates an opportunity for business, Government and regulators to collectively shape a low carbon energy system

## Potential Opportunities

### MfE Emissions Reductions Plan

- Delivered in 2022 determining the policy plans to meet carbon budgets.
- An energy strategy is to be developed (MBIE) setting out how the sector will navigate the transition.



### MBIE: NZ battery project

- Work programme identifying renewable options to provide dry year back-up to New Zealand.
- Genesis is engaging with the Government, including regarding the future of Huntly and opportunities in conversion of Rankines to run on biomass



## Regulatory Reviews

### EA: Review of wholesale market competition

- Found offer prices generally reflected underlying conditions.
- Focus on the Tiwai contracts between Meridian, Contact and NZ Aluminium Smelters.



### EA: Reviews following August 2021 outage

- Highlighted the importance of security of supply and resilience of our energy system.
- EA stated that actions taken by Genesis were reasonably open to Genesis and did not threaten confidence in, or the integrity of the market.



### EA: Dry Year Review

- Found the system worked largely as intended, but highlighted room for improvement in policies and communication to provide greater certainty during fuel scarcity.



### GIC: Gas market settings investigation

- Highlighted need for further upstream investment to ensure secure supply later in the decade.



# Sustainable Finance Framework

# 4.





# Overview of the Sustainable Finance Framework

Established by Genesis in November 2021.

- Genesis' Sustainable Finance Framework (**Sustainable Finance Framework**) sets out the process by which Genesis intends to issue and manage bonds and loans (**Sustainable Debt**) on an ongoing basis to support Genesis' sustainability objectives, to contribute towards the United Nation's Sustainable Development Goals, and to create positive environmental and social outcomes (**Sustainability Goals**).
- Through the Sustainable Finance Framework, Genesis will aim to lead the industry's response to helping New Zealand achieve its net-zero emissions goals, address social challenges and provide a mechanism for investors to contribute capital to achieve their Sustainability Goals.
- The Sustainable Finance Framework is consistent with the applicable sustainable finance principles and guidelines issued by the International Capital Market Association and the Asia Pacific Loan Market Association (together the **Market Standards**). The Market Standards are voluntary and accepted as best practice for issuance and management of Sustainable Debt in the global capital markets.



A copy of the Sustainable Finance Framework is available on Genesis' website. This can be found at [www.genesisenergy.co.nz/investors/reports-and-presentations](http://www.genesisenergy.co.nz/investors/reports-and-presentations)

# 35% of facilities linked to sustainable assets and outcomes

First NZ company to have a Framework, loan and bond aligned to the Climate Transition Finance Handbook

DECEMBER 2020



Genesis commits to an ambitious 1.5°C Science Based carbon reduction target (SBTi)

NOVEMBER/  
DECEMBER 2021



Sustainable Finance Framework Released  
\$250m Sustainability Linked Loans  
Green designation of \$100m Senior Bonds

JANUARY 2022



\$225m of Capital Bonds designated as Green Capital Bonds

MARCH 2022



Green Bond offer \$75m to \$125m

- Genesis partnered with Westpac to develop its Sustainable Finance Framework. This was released in November 2021.
- Genesis has entered into three Sustainability-Linked Loans, where Genesis commits to meeting sustainability targets in order to receive a discount on interest costs. This includes Genesis' 1.5°C degree Science-Based emissions reduction target, an emissions reduction goal that we believe is the largest of any Sustainability-Linked Loan in New Zealand.
- As at 28 February 2022 Genesis has \$575m of bonds and bank debt facilities under its Sustainable Finance Framework and expects to extend this in the second half of FY22.

# Pillars of the Sustainable Finance Framework

## Management & Governance

---

### Use of Proceeds

In accordance with Genesis' Sustainable Finance Framework, Genesis intends to notionally allocate an amount equal to the proceeds of its green bonds and green loans to finance or refinance renewable energy assets, or other projects, assets and/or activities, that meet the eligibility criteria set out in the Framework (**Eligible Assets**).

---

### Selection of Eligible Assets

Genesis has established processes to ensure that Eligible Assets are properly identified and assessed to ensure compliance with the Sustainable Finance Framework. The processes include Genesis' Sustainable Financing Committee holding responsibility for the Eligible Asset evaluation and selection process, as well as monitoring compliance with the Sustainable Finance Framework and the relevant Market Standards. The Committee consists of representatives from Financial Control, Treasury, Risk Assurance and Sustainability.

As at the date of this Presentation, the assets included in the Eligible Asset Register are renewable energy generation assets, including hydro-electricity and wind energy.

---

### Management of Proceeds

Genesis maintains a register of Eligible Assets that outlines (among other things) the current book value and allocation of green debt proceeds.

Genesis intends to maintain a balance of Eligible Assets that have an aggregate book value which is at least equal to the aggregate green debt proceeds of all outstanding green bonds and green loans issued by Genesis.

---

### Reporting

Genesis will provide annual update reports to investors that cover allocation reporting, eligibility reporting, and impact reporting.

# Eligible Asset Register

Hydroelectricity	Asset Value \$m (30 June 2021)	Green Debt Instrument	Green Debt Value (\$m)
Rangipo	1,363.9	<b>GNE060 (prospective Green Bond issuance)</b>	<b>75<sup>1</sup></b>
Tokaanu		GNE040	225 <sup>2</sup>
Mangaio			
Tuai	486.2	<b>Total Green Debt<sup>3</sup></b>	<b>300</b>
Piripaua		<b>Total</b>	<b>Value (\$m)</b>
Kaitawa		Total Eligible Assets Value	2,850
Tekapo A		Total Green Debt Values	300
Tekapo B	994	Surplus Eligible Assets	2,550
<b>Wind</b>	<b>Asset Value \$m (30 June 2021)</b>	<b>Eligible Asset Ratio</b>	<b>9.5x<sup>1</sup></b>
Hau Nui	5.7		
<b>Total Eligible Assets (\$m)</b>	<b>2,850</b>		



The full Eligible Asset Register (last published in November 2021 and to be reviewed annually), including eligibility assessment, can be found at [www.genesisenergy.co.nz/investors/reports-and-presentations](http://www.genesisenergy.co.nz/investors/reports-and-presentations).

1. If Genesis accepts oversubscriptions of \$50m the Eligible Asset Ratio will drop to 8.1x.

2. GNE040 was designated as Green Capital Bonds effective from 28 January 2022.

3. Total Green Debt excludes Genesis' existing senior green bonds (GNE030) which are due to mature 18 March 2022.

# External Review

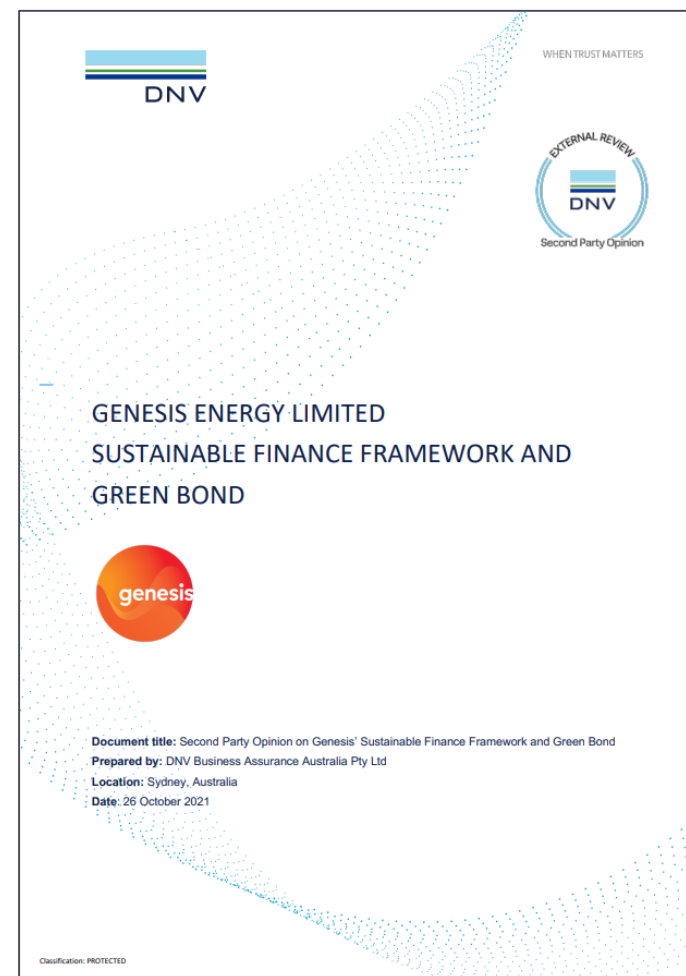
## Pre Issuance Verification

Genesis obtained Pre-Issuance verification from DNV Business Assurance Australia Pty Ltd (**DNV**) that concludes that in DNV's opinion that the Sustainable Finance Framework and Eligible Asset Register are aligned with the Green Bond Principles and the Climate Transition Finance Handbook.

The Second Party Opinion can be found at:  
[www.genesisenergy.co.nz/investors/reports-and-presentations](http://www.genesisenergy.co.nz/investors/reports-and-presentations)

## Post Issuance Assurance or Verification

At least once post-issuance of the Green Bonds (or annually if Genesis deems necessary), Genesis intends to seek external review from an independent and recognised sustainable finance verifier of any update report issued by Genesis regarding alignment of the Green Bonds with the Green Bond Principles and the Sustainable Finance Framework.



# Financial Performance

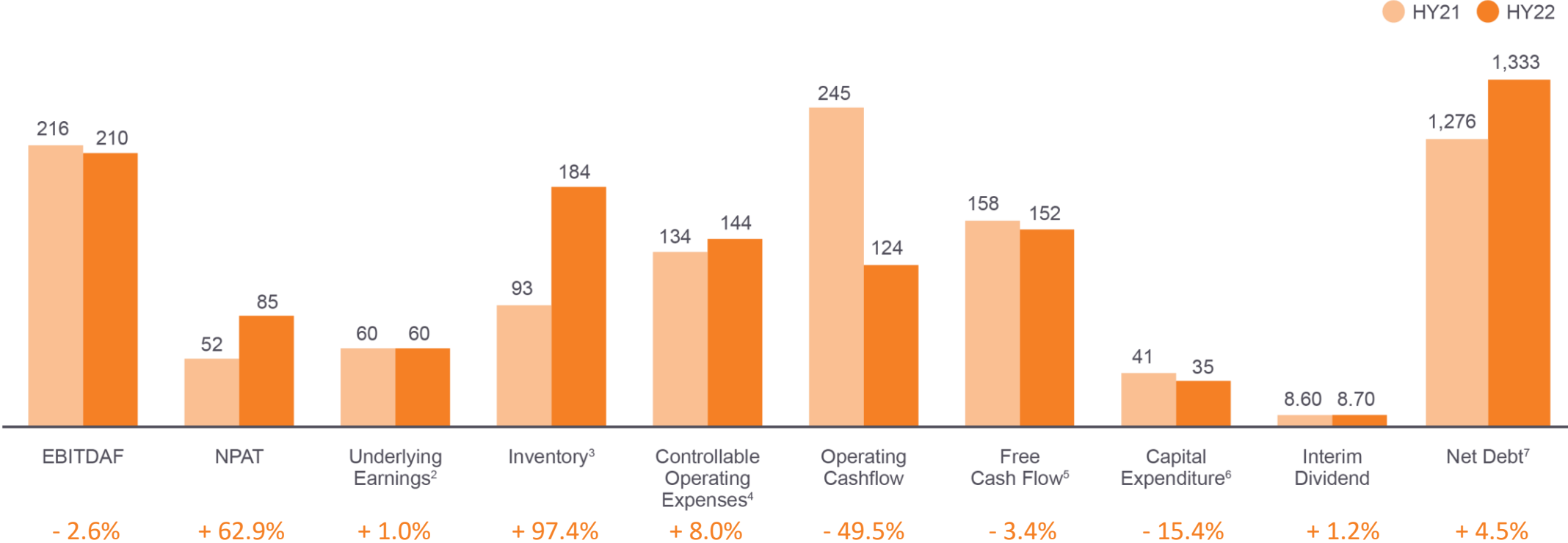
5.



# HY22 Financial Summary

## KEY FINANCIAL COMPARISONS<sup>1</sup>

\$ millions



<sup>1</sup> Due to the Implementation of IFRIC agenda decision on Configuration and Customisation costs incurred in implementing Software-as-a-Service, HY21 and FY21 comparable financials have been restated in this presentation. As a result, prior comparable period (pcp) metrics may also have changed.

<sup>2</sup> Underlying earnings is net profit after tax (NPAT) adjusted to exclude transactions which do not relate to the current operating performance of the business, refer to note A1 of condensed consolidated interim financial statements for reconciliation to NPAT.

<sup>3</sup> Inventory prior comparison period is against the period ending 30 June 2021.

<sup>4</sup> Controllable operating expenses refer to Employee Benefits plus Other Operating Expenses.

<sup>5</sup> Free Cash Flow represents EBITDAF less cash tax paid, net interest costs and stay in business capital expenditure. Net interest costs is interest and other finance charges paid, less interest received.

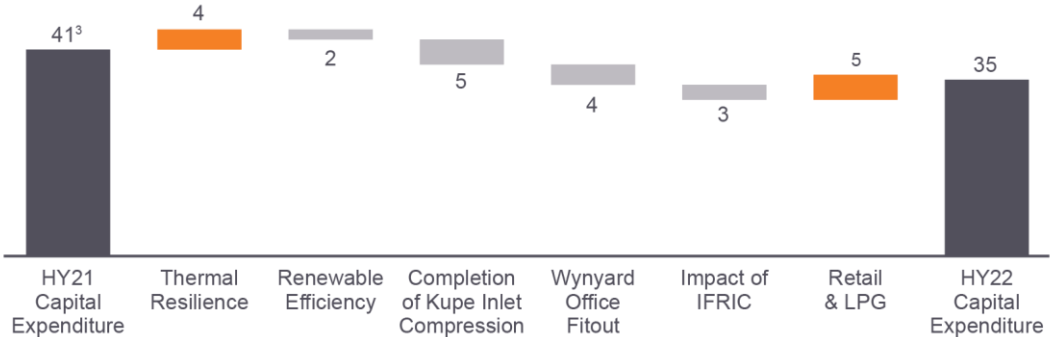
<sup>6</sup> Capital Expenditure amounts differ from amounts stated in the financial statements due to exclusion of capital expenditure relating to Huntly Unit 5's Long Term Maintenance Agreement (LTMA).

<sup>7</sup> Net Debt and interim dividends are shown on a separate scale to other financial comparisons. Net Debt prior comparison period is against the period ending 30 June 2021. Interim Dividend stated in cps.

# Capital invested for efficiency and long term resilience

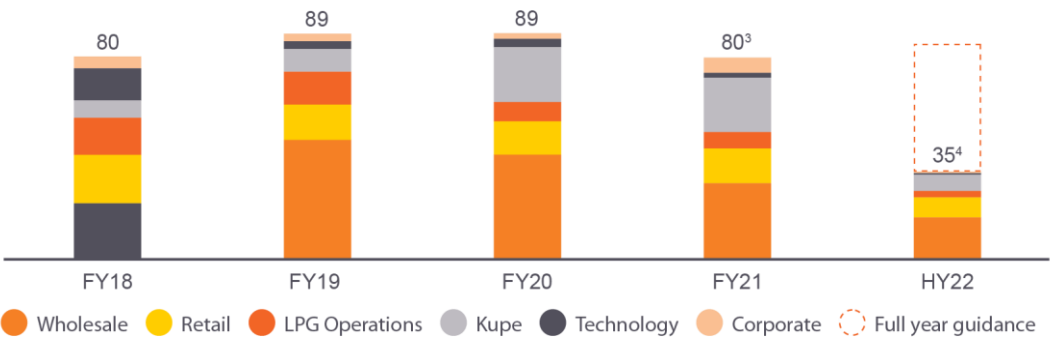
## CAPITAL EXPENDITURE<sup>1</sup>

\$ MILLIONS



## CAPITAL EXPENDITURE<sup>1</sup>

\$ MILLIONS



## Stay in business capital<sup>2</sup> of \$25.5m includes:

Long term investment to improve the reliability and efficiency of generation assets. This included:

- \$1.5m invested in the ongoing Tekapo B runner upgrade project. The overhaul of both turbine runners will result in 2.5% improved efficiency for the 800GWh station.
- \$4.2m invested in the Huntly Rankine units and to ensure long-term continued reliability of New Zealand’s thermal back-up.
- Commenced the overhaul of the Piripaua power station generators. Investment is expected to increase efficiency by 3.3% for the 42MW station.

## Growth capital includes:

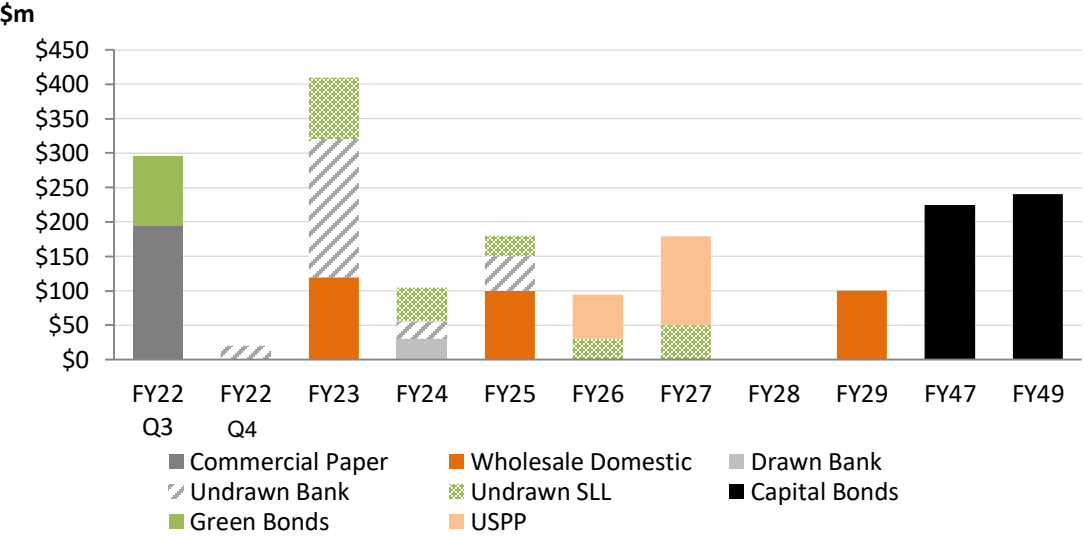
- Successful completion of the inlet compression at Kupe, ensuring continued gas resilience and a return to full production capability of 77TJ/day.
- Investing to grow customer loyalty and reduce churn through our successful Power Shout programme.
- \$1.7m invested in supporting new LPG customers and other growth initiatives.

<sup>1</sup> Capital expenditure excludes M&A activities.  
<sup>2</sup> Stay in Business capital expenditure includes an additional \$1.9m which reflects payments made during the period regarding LTMA contract.  
<sup>3</sup> HY21 and FY21 Capital have been restated for the impact of IFRIC agenda decision on Software as a Service configuration and customisation costs (HY21: \$1.3m, FY21: \$4.2m).  
<sup>4</sup> Capital expenditure amounts differ from amounts stated in the financial statements due to exclusion of capital expenditure relating to Huntly U5’s Long Term Maintenance contract (LTMA) HY22: \$3.4m



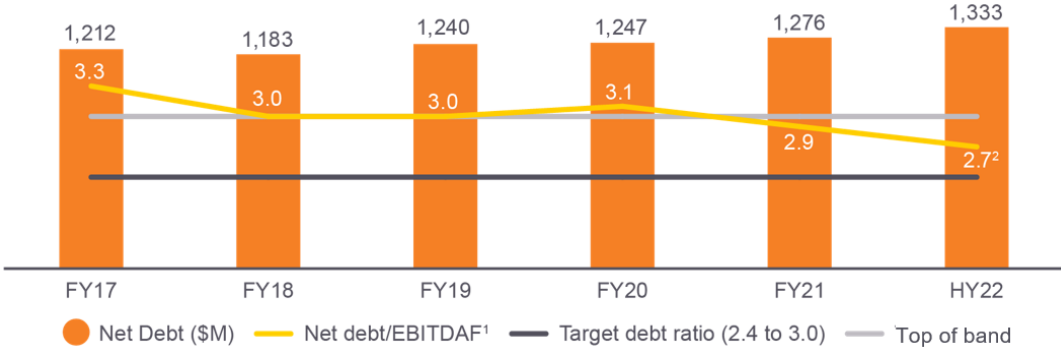
# Capital structure and debt profile

## GENESIS DEBT PROFILE AT 31 DECEMBER 2021



- \$545 million of bank facilities (including \$250 million of sustainability linked loans) were undrawn and \$195 million of Commercial Paper was on issue at 31 December 2021. The Commercial Paper matures within 90 days.

## NET DEBT/EBITDAF RATIO FALLING TO TARGET BAND



- S&P reaffirmed BBB+ credit rating in February 2022.
- Net debt has increased due to increased inventory and FY21 arbitration costs paid in HY22. Debt/EBITDAF is lower due to higher expected earnings in FY22.
- A 7-year \$100 million wholesale bond was issued in December 2021 at a rate of 3.65%, demonstrating ongoing debt investor appetite.

<sup>1</sup> S&P Global Ratings make a number of adjustments to Net Debt and EBITDAF for the purpose of calculating credit metrics. The most significant of these is the 50% equity treatment attributed to the Capital Bonds. In FY21 S&P added back the EBITDAF related to prior year arbitration impact.

<sup>2</sup> HY22 Net Debt/EBITDAF is based on Net Debt at 31 December 2021 and the mid-point of FY22 EBITDAF guidance of \$435 million.

# Key Terms and Dates

6



# Key Terms

<b>Issuer</b>	Genesis
<b>Description</b>	The Green Bonds are fixed-rate unsecured, unsubordinated green bonds of Genesis
<b>Issue Amount</b>	Up to NZ\$75,000,000 (with the ability to accept oversubscriptions of up to an additional NZ\$50,000,000 at Genesis' discretion)
<b>Term</b>	6 years, maturing Tuesday, 14 March 2028
<b>Interest Rate</b>	<p>The Interest Rate will be set on the Rate Set Date as being equal to the Base Rate plus the Margin, subject to a minimum Interest Rate of 4.00 per cent per annum</p> <p>The Interest Rate will be announced by Genesis via NZX on or shortly after the Rate Set Date</p>
<b>Indicative Margin</b>	1.05 to 1.20 per cent per annum
<b>Interest payments</b>	Semi-annually in arrear in equal amounts
<b>Credit rating</b>	<p>Issuer credit rating: BBB+ (stable) (S&amp;P Global Ratings)</p> <p>Expected credit rating for Green Bonds: BBB+ (S&amp;P Global Ratings)</p>
<b>Minimum Application Amount And Minimum Holding</b>	Minimum application of NZ\$5,000 with multiples of NZ\$1,000 thereafter
<b>Quotation</b>	Genesis will take any necessary steps to ensure that the Green Bonds are, immediately after issue, quoted on the NZX Debt Market. Application has been made to NZX for permission to quote the Green Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Presentation have been duly complied with. However, NZX accepts no responsibility for any statement in this Presentation. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA
<b>NZX Debt Market Ticker Code</b>	GNE060

# Key Terms

---

In accordance with Genesis' Sustainable Finance Framework, Genesis intends to notionally allocate an amount equal to the proceeds of the Green Bonds to finance or refinance renewable energy assets, or other projects, assets and/or activities, that meet the eligibility criteria set out in the Sustainable Finance Framework (**Eligible Assets**). Consistent with this, Genesis will apply the net proceeds of this offer to repay existing debt.

In accordance with the Sustainable Finance Framework, Genesis intends to:

## Use of Green Bond Proceeds

- maintain a balance of Eligible Assets that have an aggregate book value which is at least equal to the aggregate proceeds of all its outstanding green bonds and/or green loans (including the Green Bonds issued under this offer); and
- maintain a register that outlines (among other things) the current value of Eligible Assets and the notional allocation of proceeds (including an amount equal to the proceeds of the Green Bonds issued under this offer).

A copy of the Sustainable Finance Framework is available on Genesis' website at [www.genesisenergy.co.nz/investors/reports-and-presentations](http://www.genesisenergy.co.nz/investors/reports-and-presentations).

---

## Guarantee

The Green Bonds benefit from the guarantee provisions contained in the negative pledge deed dated 12 August 2004 (as amended from time to time) (**Negative Pledge Deed**) and a subsidiary guarantee dated 1 March 2022. Under these guarantee provisions, each Guaranteeing Subsidiary guarantees the due and punctual payment of all amounts payable by Genesis to Green Bondholders in respect of the Green Bonds. There are no limits on the obligations of the Guaranteeing Subsidiaries in respect of the amounts owing under the guarantee. The guarantee is unsecured.

As at the date of this Presentation, Kupe Venture Limited is the only Guaranteeing Subsidiary.

---

## Negative Pledge

Under the Negative Pledge Deed, each member of the Guaranteeing Group agrees that it will not create, or permit to subsist, any security over the whole or any part of its assets, except in certain limited circumstances set out in the Negative Pledge Deed.

---

## Ranking

The Green Bonds rank equally and without preference among themselves and equally with any other unsecured unsubordinated indebtedness of Genesis (except indebtedness preferred by law).

---

## No Event of Default in relation to the Sustainable Finance Framework or the Green Bond Principles

If:

- Genesis fails to allocate the proceeds of the Green Bonds as described in the Terms Sheet and the Sustainable Finance Framework;
  - Genesis fails to comply with the Sustainable Finance Framework in any other way;
  - the Green Bonds cease to satisfy the Green Bond Principles (including, without limitation, as a result of an amendment to the Green Bond Principles); or
  - Genesis fails to notify Green Bondholders that the Green Bonds cease to comply with the Sustainable Finance Framework or the Green Bond Principles,
- then, although it is possible that the Green Bonds may lose their green classification:
- no Event of Default will occur in relation to the Green Bonds; and
  - neither the Green Bondholders nor Genesis will have any right for the Green Bonds to be repaid early.

# Key Dates

---

**Opening Date**

Tuesday, 1 March 2022

---

**Closing Date**

11.00am, Friday, 4 March 2022

---

**Rate Set Date**

Friday, 4 March 2022

---

**Issue Date**

Monday, 14 March 2022

---

**Expected Date of Initial Quotation on NZX Debt Market**

Tuesday, 15 March 2022

---

**Interest Payment Dates**

14 March and 14 September of each year up to and including the Maturity Date.

The first Interest Payment Date will be 14 September 2022

---

**Maturity Date**

Tuesday, 14 March 2028

---

# Non-GAAP Measures

EBITDAF (Earnings before net finance expense, income tax, depreciation, depletion, amortisation, impairment, fair value changes, and other gains and losses) is a non GAAP (generally accepted accounting practice) financial measure. It is commonly used within the electricity industry (including internally by Genesis' management) as a measure of performance as it shows the level of earnings before impact of gearing levels and non-cash charges such as depreciation and amortisation. It may be useful to investors for these reasons. The EBITDAF shown in Genesis' financial statements (and used in this Presentation) has been audited for June balance dates and reviewed by the external auditor for half year numbers. Genesis' financial statements (available at [www.genesisenergy.co.nz/investors/reports-and-presentations](http://www.genesisenergy.co.nz/investors/reports-and-presentations)) include a reconciliation to net profit after tax.



**Investor relations enquiries**

Tim McSweeney

GM Investor Relations & Market Risk

+64 27 200 5548