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# HESTA signs definitive Platform Agreement for investment in ReNu Energy's Green Hydrogen Projects

## Highlights

- ReNu Energy and Australian superannuation fund HESTA sign Platform Agreement that provides the framework for evaluation and co-investment in hydrogen projects developed by ReNu Energy.
- Platform Agreement provides for potential co-investment by ReNu Energy and HESTA in selected hydrogen projects with ReNu Energy responsible for the development and operation of the projects.
- Platform Agreement converts previously announced Term Sheet into an agreement setting out the framework for potential co-investment.
- Countrywide Hydrogen's Tasmanian hydrogen projects will be the first projects presented to HESTA for potential co-investment during 2023.

ReNu Energy Limited (**ASX: RNE**) (**ReNu Energy**) and its wholly owned subsidiary, Countrywide Hydrogen Pty Ltd (**Countrywide**) (together the **RNE Group**) are pleased to announce the signing of a Platform Agreement with H.E.S.T. Australia Ltd as trustee for HESTA (**HESTA**), setting out the framework for potential co-investment in Green Hydrogen Projects<sup>1</sup> developed by RNE Group.

## About HESTA

HESTA (<https://www.hesta.com.au/members>) is the largest superannuation fund dedicated to Australia's health and community services sector. An industry fund that's run only to benefit members, HESTA has more than 1 million members (over 80% are women) and manages over \$72 billion in assets invested around the world.

<sup>1</sup> Green Hydrogen Projects refers to hydrogen electrolysis projects utilising renewable electricity generation and/or electricity generation that is wholly carbon neutral or supply that is 100% 'GreenPower' accredited.

## The Platform Agreement

The Platform Agreement provides for the RNE Group identifying, developing and presenting Green Hydrogen Projects to HESTA in accordance with agreed development plans and milestones, for HESTA to decide whether to co-invest. Investment decisions will be made on a project-by-project basis.

If the parties agree to progress a Green Hydrogen Project, and jointly invest, the Platform Agreement sets out the process and framework for the co-investment, development and funding of such projects, including:

- The establishment of a project specific trust owned on a 50/50% basis, unless agreed otherwise (**Asset Vehicle**) to jointly acquire the Green Hydrogen Project from the RNE Group.
- The RNE Group and HESTA jointly investing in the Asset Vehicle (with the acquisition of the Green Hydrogen Project occurring pursuant to an Asset Sale Agreement and an Investors Agreement governing the relationship of the parties with respect to the Asset Vehicle).
- The acquisition price payable to the RNE Group for each Green Hydrogen Project will be the aggregate development costs incurred and paid by the RNE Group in respect of the project up to the time it is acquired by the Asset Vehicle, which will be jointly funded by HESTA and the RNE Group.
- The RNE Group being entitled to a development fee paid by the Asset Vehicle, in addition to the acquisition price, for development activities provided prior to the acquisition of the Green Hydrogen Project. The fee will be calculated based on a percentage of the aggregate development costs incurred and paid by the RNE Group in respect of the relevant Green Hydrogen Project and reflect the status and progress of the project at the time it is acquired by the Asset Vehicle.
- The RNE Group being responsible for securing debt (where the parties elect to pursue project finance) and grant funding for the Green Hydrogen Projects.
- The RNE Group being responsible for development, construction, day-to-day operations and management of the Green Hydrogen Project and each Asset Vehicle pursuant to project specific Asset Management Agreements and Vehicle Management Agreements.
- The RNE Group's activities in developing and operating the Green Hydrogen Project to be consistent with HESTA's ESG policies, including HESTA's Responsible Investment Policy.

The Platform Agreement will continue to operate until it is terminated by either party, including due to unremedied material breach, or by HESTA if the agreement causes adverse reputational impact or after giving at least 6 months prior notice.

The Platform Agreement contains exclusivity arrangements, whereby the RNE Group must provide HESTA with a first right of refusal over all Green Hydrogen Project opportunities and HESTA must not invest in any hydrogen opportunity in the next 18 months, which is in competition with the RNE Group's pipeline of Tasmanian projects. If HESTA decides not to progress a Green Hydrogen Project which is proposed by the RNE Group, the RNE Group is permitted to independently pursue the opportunity outside the Platform Agreement.

**ReNu Energy Executive Chairman Boyd White said:**

*We are pleased to announce the signing of the Platform Agreement with HESTA, which converts our previously announced Term Sheet into a binding framework for potential investments. After considered and detailed analysis for the future pathway and partnership, this robust agreement provides ReNu Energy shareholders with a co-investment partner highly respected for its commitment to sustainability and responsible investments. With HESTA's support we look forward to delivering green hydrogen projects and contributing to a lower carbon future.*

**HESTA Chief Investment Officer Sonya Sawtell-Rickson said:**

*HESTA has a long-term focus on investing in opportunities arising from the transition to a lower carbon future. We're looking for opportunities to invest in the development of innovative technologies and businesses at the forefront of decarbonisation.*

*That's why we're excited to further deepen our relationship with ReNu Energy through this new framework for potential co-investment opportunities. By using our scale and expertise, we aim to support the development of a pipeline of potential projects that can help deliver strong long-term investment returns for members while accelerating the transition to a more sustainable future. In doing so, we're also supporting an emerging sector that we believe is poised for significant future growth.*

**ReNu Energy CEO Greg Watson said:**

*The signing of the Platform Agreement follows a period of due diligence by HESTA and transaction design work by both parties on how to jointly progress the Green Hydrogen Projects through Asset Vehicles. The Platform Agreement contemplates a series of other agreements covering the development, operation and governance of the Green Hydrogen Projects if acquired by the Asset Vehicles. Pro forma versions of these agreements have been prepared. We look forward to continuing to work closely with HESTA and our aim is for our Tasmanian Green Hydrogen Projects to be presented to HESTA for potential co-investment during 2023.*

**Countrywide Managing Director and ReNu Energy Executive Director Geoffrey Drucker said:**

*We have a strong portfolio of green hydrogen opportunities we are proud to potentially progress with HESTA. Our Tasmanian domestic supply projects are on track for final investment decision this year. Our goal in Tasmania is to create a state-wide ecosystem for the production, distribution and use of green hydrogen and then replicate the model on the mainland. Our project partners are critical to our success. We can think of no better potential co-investment partner than HESTA who we originally singled out as an ideal and environmentally responsible partner.*

This market announcement has been authorised for release to the ASX by the Board of ReNu Energy. For more information, please contact:

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**About ReNu Energy** (<https://renuenergy.com.au/>)

ReNu Energy's purpose is to strategically drive the transition to a low carbon future. It does this by investing in renewable and clean energy technologies and identifying and developing hydrogen projects to create stakeholder value, enabling the transformation to a low carbon future through collaboration and innovation. ReNu Energy's vision is to be a leader in the renewable and clean energy sector in Australia striving for a sustainable future, producing hydrogen for domestic use and with a portfolio of domestic and international projects.

**About Countrywide Hydrogen** (<https://countrywidehydrogen.com/>)

Countrywide Hydrogen originates and develops green hydrogen projects with a view to developing them in collaboration with project partners and governments, initially targeting domestic market demand and where viable, expanding the projects to meet future export demand. Countrywide Hydrogen's business model is to retain equity in each project as it moves through development, into production and revenue generation.

