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ASX Announcement

MARKET UPDATE

Genex Power Limited (**ASX: GNX**) (**Genex** or the **Company**) provides the following market update on its business activities in the context of the uncertain and rapidly unfolding COVID-19 situation.

COVID-19 Response:

- The Company has implemented a mandatory work from home policy with the office only available to employees on a 1 by 1 basis with prior permission from the CEO;
- Genex management team remains operational with daily management calls to discuss key updates across all areas of the business;
- The Company has also implemented a policy to restrict visitors to our operating and accommodation facilities at Kidston such that only essential personnel approved by the COO are permitted;
- The COVID-19 situation continues to be monitored with the Company's response to remain at all times consistent with State and Federal Government directions;
- To date, the overall impact on personnel has been minimal with staff support continuing to remain the top priority; and
- The focus remains on the long term delivery of the Company's projects and value creation for the Company's stakeholders.

Corporate:

- Strong cash position with cash at bank of \$16.9m at the end of February 2020; and
- The Company refinanced its debt facility in December 2019 with the next refinancing milestone of the facility not until December 2024.

50MW Kidston Solar Project (KS1):

- KS1 is operating at full capacity;
- COVID-19 is not expected to have a direct effect on the revenue generated from KS1 provided key components continue to be available for operation and maintenance; and

- While the sun is shining in Queensland, KS1 is expected to operate and generate revenue which is hedged pursuant to a long-term energy offtake contract with the Queensland State Government.

Jemalong Solar Project (JSP):

- The Project is fully funded, and construction activities are underway;
- Together with the JSP EPC Contractor, BEON, Genex is in contact with the relevant delivery supply chain of key components for the project, which, at this stage, appear to be largely unaffected by the current COVID-19 situation (subject to any further changes to Government policy) and market conditions;
- When fully operational, JSP is expected to produce up to 128,700MWh per year; and
- The project has the potential to deliver a step change to the Company's revenues once fully operational.

Kidston Pumped Storage Hydro Project (K2-Hydro):

- The binding Energy Storage Services Agreement (**ESSA**) signed with EnergyAustralia Pty Ltd represents a significant milestone in the development of the K2-Hydro project (*refer to ASX announcement dated 30 March 2020*);
- Financial close for the project is expected in Q3 CY2020 subject to COVID-19 and general market conditions; and
- Genex remains deeply engaged with other K2-Hydro stakeholders, including the Northern Australia Infrastructure Facility (**NAIF**) to complete the restructuring of the project financing on the basis of the agreed terms of the binding ESSA.

Commenting on the Company's COVID-19 response and current business activities, Genex Power's CEO, James Harding stated:

"Genex has developed a diversified portfolio of renewable energy assets in Australia. The binding agreement with EnergyAustralia for the Kidston Hydro Project is a step change for the Company. The agreement provides clarity on the outlook for the development of our flagship project, which has an economic life of over 80 years. Meanwhile, the other assets in our portfolio continue to advance. KS1 provides a stable revenue stream and the commissioning of JSP, expected in Q4 CY2020, will provide a step change in the revenue base of the Company.

We have continued to sensibly manage our financial position, and the Company is able to continue our business development and operational activities as usual during these troubled times brought about by COVID-19. With quality stakeholders in our projects such as EnergyAustralia, J-POWER, NAIF, the Queensland Government and ARENA,

Genex believes it is well positioned to emerge from the current period of macro-economic uncertainty in a healthy position.

As the COVID-19 situation is rapidly unfolding both domestically and internationally, Genex has implemented measures to ensure the safety of all staff and personnel at a corporate level and at our project sites. The team continues to work collaboratively to deliver on its outcomes for CY2020 and beyond”



Figure 1. JSP Construction Site

This announcement was approved by the full Board of Genex Power Limited.

For more information about this announcement:

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About Genex Power Limited

Genex Power is a power generation development company listed on the ASX. The Company is focused on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. The Company has a development pipeline of up to 770MW of renewable energy generation and storage projects within its portfolio, underpinned by the Kidston Clean Energy Hub in far-north Queensland (**Kidston Hub**). The Kidston Hub is comprised of the operating 50MW Stage 1 Solar Project (**KS1**), the 250MW Pumped Storage Hydro Project (**K2-Hydro**) and the multi-staged integrated Solar Project of up to 270MW (**K2- Solar**) under development and the Kidston Stage 3 Wind Project of up to 150MW under feasibility. In addition, the Company has successfully acquired and financed the 50MW Jemalong Solar Project (**JSP**), located near Forbes in NSW, which is currently under construction.

Genex continues to acknowledge the support from the Federal Government, through the Australian Renewable Energy Agency (**ARENA**), which provided \$8.9 million in funding to support the construction of the KS1 Project, as well as their support of up to \$9 million in funding to support the development of the stage 2 projects. In addition to this, Genex acknowledges the Northern Australia Infrastructure Facility (**NAIF**) and their Investment decision to offer finance to K2-Hydro through the provision of a long term concessional NAIF debt facility for up to \$610 million. Genex also recognises the support of the Queensland State Government through providing a 20- year revenue support deed for KS1 and designating the Hub as 'Critical Infrastructure' to the State.