

Genex Power

Half-Yearly Report

For the 6 month period
ended 31 December 2020

ABN 18 152 098 854





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1. DIRECTORS REPORT

The Directors present their report, together with the consolidated financial statements, of Genex Power Limited consisting of Genex Power Limited (referred to hereafter as '**Genex**', the '**Company**' or '**Parent Entity**') and the entities it controlled at the end of, or during, the six month period ended 31 December 2020 (referred to hereafter as the '**Consolidated Entity**').

Directors

The following persons were directors of Genex during the whole of the half year and up to the date of this report, unless otherwise stated:

Dr. Ralph Craven
Michael Addison
Yongqing Yu
Ben Guo
Simon Kidston
Teresa Dyson

Principal activities

The Consolidated Entity's principal activities during the period comprised the development of the Kidston Clean Energy Hub in Far North Queensland, the operation of the 50MW Kidston Solar Farm (**KS1**) and the development of the Jemalong Solar Project (**JSP**) in New South Wales.

Dividends

There were no dividends paid, recommended or declared during the current or previous full or half financial year.

Significant changes in the state of affairs

In the 6 months to 31 December 2020, Genex made significant progress in developing the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**), expanded its storage portfolio through the development of the 50MW Bouldercombe Battery Project (**BBP**) and energised the Jemalong Solar Project in New South Wales in December 2020, the Company's second solar project.

Financial Highlights

- KS1 generated 62,447MWh an 11% increase on the prior corresponding period (1H FY2020: 56,380MWh);
- Revenue and other income of \$7.9m an increase of 60% versus the prior corresponding period driven by an increase in performance of KS1 and the receipt of \$1.5m of liquidated damages as stated in the Quarterly Activities Report released to the ASX on 21 October 2020;
- Net loss before tax of \$3.37m and improvement versus 1H FY20 of 60.1%;
- During the period, the Company completed a capital raise, raising a total of \$24.1 million before costs via a Placement and Share Purchase Plan. A total of 109,664,644 new shares were issued in total at a price of \$0.22 per share; and
- Cash and cash equivalent at 31 December 2020 of \$31.7m excluding term deposits/bank guarantees leaving Genex in a strong cash position to continue to progress the K2-Hydro to financial close and continue the advancement of the BBP in Queensland.

The Company has continued to progress and deliver on a number of major milestones across its project portfolio. The JSP was developed on time and budget, remaining largely unaffected by the COVID-19 pandemic. The project was successfully energised in December 2020, marking the delivery of the second operating asset in the Genex portfolio. The project has the potential to make a significant step change in the Company's revenues and operational cashflow.

During the period Genex launched the development of the BBP, the first standalone large-scale battery project to be developed in Queensland. This is an opportunity for Genex to draw on its extensive experience gained from developing

K2-Hydro to capture a significantly enhanced revenue generation profile. Genex has made considerable progress on this project by securing land, selecting a battery supplier and submitting an Application for Connection.

During the period, the Company also continued to make good progress on the development of the flagship K2-Hydro project. During H1 FY2021, the Genex Board made a positive Final Investment Decision to proceed with the financing and construction of the project and commenced early works on site. Genex continues to work closely with its project stakeholders to close out the remaining workstreams necessary to reach Contractual Close in the current quarter and financial close early in Q4 FY2021.

Matters subsequent to the end of the period

There have been no other material events or circumstances which have arisen since 31 December 2020 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Loss per share

The loss per share for Genex Power Limited for the period was 0.76 cents per share (for the period ended 31 December 2019: 2 cents).

Results of Operation and Dividends

The Consolidated Entity's net loss after taxation attributable to the members of Genex for the period ended 31 December 2020 was \$4,618,099. The Directors of Genex have resolved not to recommend a dividend for the period ended 31 December 2020.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on the following page.

On behalf of the directors



Ben Guo
Director

26 February 2021
Sydney



Ernst & Young
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Sydney NSW 2000 Australia
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Auditor's independence declaration to the directors of Genex Power Limited

As lead auditor for the review of Genex Power Limited for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Whitehaven Coal Limited and the entities it controlled during the financial period.

Ernst & Young

Lynn Morrison
Partner
26 February 2021



3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

General information

The condensed financial statements cover Genex Power Limited as a Consolidated Entity consisting of Genex Power Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Genex Power Limited's functional and presentation currency.

Genex Power Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered Office

Suite 6.02, Level 6
28 O'Connell Street
Sydney NSW 2000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2021. The Directors have the power to amend and reissue the financial statements.

3.1. Interim condensed consolidated statement of profit or loss and other comprehensive income

Genex Power Limited

Interim condensed consolidated statement of profit or loss and other comprehensive income

For the 6 months ended 31 December 2020

| | Notes | 31 December 2020 | 31 December 2019 |
|--|-------|---------------------|---------------------|
| | | \$ | \$ |
| Revenue | | | |
| Sale of electricity and environmental products and lease income | 4 | 5,690,633 | 4,462,532 |
| Other income | 4 | 2,206,594 | 478,872 |
| | | 7,897,227 | 4,941,404 |
| Expenses | | | |
| Project costs | | (1,963,195) | (1,539,573) |
| Salary expenses | | (2,360,394) | (1,444,916) |
| Share-based payments | | (68,078) | (2,361,372) |
| Administrative expenses | | (566,739) | (732,914) |
| Compliance cost and regulatory fees | | (189,968) | (197,232) |
| Consulting costs | | (171,244) | (430,038) |
| Legal fees | | (80,697) | (17,372) |
| Travel and marketing | | (21,569) | (153,216) |
| Depreciation | | (3,122,316) | (5,014,238) |
| Net loss on financial instruments at fair value through profit or loss | | (253,095) | 665,712 |
| Total Expenses | | (8,797,295) | (11,225,159) |
| Operating Loss | | (900,068) | (6,283,755) |
| Finance costs | | (2,512,810) | (2,255,776) |
| Finance income | | 39,955 | 91,080 |
| Loss before tax | | (3,372,923) | (8,448,451) |
| Income tax expense | | - | - |
| Loss after income tax expense attributable to the owners of Genex Power Limited | | (3,372,923) | (8,448,451) |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax) | | | |
| Net loss on cash flow hedges | | (1,245,176) | (1,274,439) |
| Total comprehensive loss for the period attributable to the owners of Genex Power Limited | | (4,618,099) | (9,722,890) |
| | | Cents | Cents |
| Basic earnings per share | | (0.76) | (2.00) |
| Diluted earnings per share | | (0.76) | (2.00) |

3.2. Interim condensed consolidated statement of financial position

Genex Power Limited

Interim condensed consolidated statement of financial position

As at 31 December 2020

| | | 31 December 2020 | 30 June 2020 |
|--|---|--------------------|--------------------|
| | | \$ | \$ |
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 31,698,729 | 65,487,915 |
| Trade and other receivables | 7 | 2,039,094 | 3,480,647 |
| Prepayments | | 555,408 | 414,340 |
| | | 34,293,231 | 69,382,902 |
| Non-Current Assets | | | |
| Bank Guarantee | 7 | 9,729,553 | 4,717,388 |
| Property, Plant and Equipment | 6 | 213,753,513 | 179,807,006 |
| | | 223,483,066 | 184,524,394 |
| Total Assets | | 257,776,297 | 253,907,296 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 7 | 1,087,991 | 22,373,670 |
| Short term interest accrued | | 634,808 | 1,007,835 |
| Interest-bearing loans and borrowings | 7 | 4,577,229 | 5,056,400 |
| Convertible notes | | 1,536,446 | 1,536,446 |
| Government grant | | 442,500 | 442,500 |
| Provisions | | 470,152 | 370,404 |
| Other current financial liabilities | | - | 127,098 |
| Current lease liabilities | | 226,463 | 207,640 |
| | | 8,975,589 | 31,121,993 |
| Non-Current Liabilities | | | |
| Long term interest accrued | | 1,349,973 | 604,545 |
| Interest-bearing loans and borrowings | 7 | 182,702,695 | 177,240,388 |
| Convertible notes | | 4,203,137 | 4,203,137 |
| Government Grant | | 7,078,788 | 7,301,856 |
| Other non-current financial liabilities | 7 | 14,016,162 | 15,220,504 |
| Non-current lease liabilities | | 2,834,577 | 2,953,924 |
| Rehabilitation and restoration provision | | 3,820,200 | 3,820,200 |
| Provisions | | 86,261 | 59,510 |
| | | 216,091,793 | 211,404,064 |
| Total Liabilities | | 225,067,382 | 242,526,057 |
| Net Assets | | 32,708,915 | 11,381,239 |
| Equity | | | |
| Share capital | | 85,604,761 | 62,542,338 |
| Option reserves | | 4,516,620 | 4,448,542 |
| Cash flow hedge reserve | | (13,232,610) | (14,802,708) |
| Accumulated losses | | (44,179,856) | (40,806,933) |
| Total Equity | | 32,708,915 | 11,381,239 |

3.3. Interim condensed consolidated statement of changes in equity

Genex Power Limited
Interim condensed consolidated statement of changes in equity
For the 6 months ended 31 December 2020

| | Notes | Issued Capital | Options Reserves | Cash flow hedge reserve | Accumulated Losses | Total Equity |
|---|-------|-------------------|------------------|-------------------------|---------------------|-------------------|
| Balance at 1 July 2020 | | 62,542,338 | 4,448,542 | (14,802,708) | (40,806,933) | 11,381,239 |
| Loss after income tax | | - | - | - | (3,372,923) | (3,372,923) |
| Total comprehensive loss for period | | 62,542,338 | 4,448,542 | (14,802,708) | (44,179,856) | 8,008,316 |
| Cash flow hedge reserve | | - | - | 1,570,098 | - | 1,570,098 |
| Shares issued during the period net issue costs | | 23,062,423 | - | - | - | 23,062,423 |
| Share-based payments | | - | 68,078 | - | - | 68,078 |
| Balance at 31 December 2020 | | 85,604,761 | 4,516,620 | (13,232,610) | (44,179,856) | 32,708,915 |

Genex Power Limited
Interim condensed consolidated statement of changes in equity (continued)
For the 6 months ended 31 December 2019

| | Notes | Issued Capital | Options Reserves | Cash flow hedge reserve | Accumulated Losses | Total Equity |
|---|-------|-------------------|------------------|-------------------------|---------------------|-------------------|
| Balance at 1 July 2019 | | 41,899,049 | 2,178,469 | (5,358,801) | (30,272,683) | 8,446,034 |
| Loss after income tax | | - | - | - | (8,448,451) | (8,448,451) |
| Total comprehensive loss for period | | 41,899,049 | 2,178,469 | (5,358,801) | (38,721,134) | (2,417) |
| Cash flow hedge reserve | | - | - | (1,274,439) | - | (1,274,439) |
| Shares issued during the period net issue costs | | 20,643,288 | - | - | - | 20,643,288 |
| Share-based payments | | - | 2,361,372 | - | - | 2,361,372 |
| Balance at 31 December 2019 | | 62,542,337 | 4,539,841 | (6,633,240) | (38,721,134) | 21,727,804 |

3.4. Interim condensed consolidated statement of cash flows

Genex Power Limited
Interim condensed consolidated statement of cash flows
For the 6 months ended 31 December 2020

| | Notes | 31 December 2020 | 31 December 2019 |
|---|-------|---------------------|---------------------|
| | | \$ | \$ |
| Cashflow from Operating Activities | | | |
| Receipts from customers | | 9,115,712 | 4,321,117 |
| Payments to suppliers | | (2,706,158) | (4,682,494) |
| Payments to employees | | (2,265,602) | (1,604,223) |
| Interest received | | 39,955 | 91,080 |
| Interest paid | | (1,509,893) | (1,945,726) |
| Net cash utilised by operating activities | | 2,674,014 | (3,820,246) |
| Cashflow from Investing Activities | | | |
| Purchase of Property, Plant and Equipment | | (57,643,329) | (18,163,773) |
| Funds invested into Term Deposit/Bank Guarantee | | (5,012,165) | (108,710) |
| Net cash used in investing activities | | (62,655,494) | (18,272,483) |
| Cashflow from Financing Activities | | | |
| Proceeds from issue of shares | | 23,062,423 | 20,479,279 |
| Proceeds from issue of convertible bonds | | - | 1,066,565 |
| Proceeds from borrowings | | 5,206,860 | 18,454,710 |
| Repayment from borrowings | | (2,042,177) | (2,665,267) |
| Transaction cost from borrowing | | (34,812) | (1,129,222) |
| Net cash from financing activities | | 26,192,294 | 36,206,065 |
| Net (decrease)/increase in cash and cash equivalents | | (33,789,186) | 14,113,336 |
| Cash and Cash equivalent at the beginning of the financial year | | 65,487,915 | 3,462,806 |
| Cash and Cash equivalents at 31 December | | 31,698,729 | 17,576,142 |

3.5. Notes to the consolidated financial statements

Genex Power Limited Notes to the consolidated financial statements For the 6 months ended 31 December 2020

Note 1. Corporate information

The interim condensed consolidated financial statements of Genex Power Limited and its subsidiaries (collectively, Consolidated Entity) for the six months ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 25 February 2021.

Genex Power Limited (the Company) is a for profit company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The Consolidated Entity's principal activities are the development and commercialisation of renewable energy generation projects.

Note 2. Basis of preparation and changes to Consolidated Entity's accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statement for the six months ended 31 December 2020 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Consolidated Entity's annual financial statements as at 30 June 2020 released to the ASX on 27 August 2020.

2.2 New standards, interpretations and amendments adopted by Consolidated Entity

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of Consolidated Entity's annual consolidated financial statements for the year ended 30 June 2020.

Note 3. Segment Information

Management has determined that the Consolidated Entity has one reportable segment; the development of renewable projects in Australia for the 6 months ended 31 December 2020.

Note 4. Revenue

| | For the 6 months ended 31 December | |
|---|---------------------------------------|------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Generation Revenue | - | - |
| Lease Revenue ¹ | 5,690,633 | 4,462,532 |
| Sale of electricity and environmental products | 5,690,633 | 4,462,532 |
| Liquidated damages ² | 1,500,000 | - |
| Other income | 483,526 | 255,804 |
| Government Grant (ARENA) | 223,068 | 223,068 |
| Other income | 2,206,594 | 478,872 |
| Total Revenue and other income | 7,897,227 | 4,941,404 |

¹Revenue earned under the Queensland government Solar 150 Price Support Deed between Genex and the Queensland government, where all electricity and LGCs generated by KS1 are sold to the Queensland government subject to a fixed floor price.

²Liquidated damages refer to performance liquidated damages payments made by UGL to Genex Power for performance issues related to KS1 for year 1 of operations (as stated in the Quarterly Activities Report released to the ASX on 21 October 2020).

Note 5. Cash and cash equivalents

| | 31 December 2020 \$ | 30 June 2020 \$ |
|---------------------------|---------------------------|-----------------------|
| Cash at bank | 31,698,729 | 65,487,915 |
| Cash and cash equivalents | 31,698,729 | 65,487,915 |

Note 6. Property, Plant and Equipment

| | 31 December 2020 \$ | 30 June 2020 \$ |
|------------------------|---------------------------|-----------------------|
| Jemalong Solar Project | 103,056,126 | 64,445,487 |
| Kidston Solar Project | 100,290,271 | 103,262,272 |
| Pre-development assets | 3,918,777 | 3,918,777 |
| Kidston Hydro Project | 3,203,850 | 4,753,000 |
| Right of Use Asset | 2,870,207 | 3,006,701 |
| Land and Site Office | 380,935 | 380,935 |
| Furniture and Fittings | 22,797 | 16,624 |
| Motor Vehicle | 10,550 | 23,210 |
| | 213,753,513 | 179,807,006 |

Note 7: Financial assets and financial liabilities

Financial assets

| | 31 December 2020 \$ | 30 June 2020 \$ |
|---|---------------------------|-----------------------|
| Financial assets at amortised cost | | |
| Trade and other receivables | 2,039,094 | 3,480,647 |
| Cash and cash equivalents | 31,698,729 | 65,487,915 |
| Total financial assets | 33,737,823 | 68,968,562 |
| Total current financial assets | 33,737,823 | 68,968,562 |
| Bank guarantee | 9,729,553 | 4,717,388 |
| Total non-current financial assets | 9,729,553 | 4,717,388 |

Financial liabilities: interest-bearing loans and borrowings

| | Weighted average interest rate % | Effective interest rate % | Maturity \$ | 31 December 2020 \$ | 30 June 2020 \$ |
|--------------------------------------|---|---------------------------------|----------------|---------------------------|-----------------------|
| <i>Non-interest bearing</i> | | | | | |
| Trade and other payables | N/A | | N/A | 1,087,991 | 22,373,670 |
| <i>Interest-bearing – fixed rate</i> | | | | | |
| Current | | | | | |
| \$175m Senior Bank Loan | 2.03% | 2.24% | 28 Feb 2023 | 4,577,229 | 5,056,400 |
| Non -current | | | | | |
| \$175m Senior Bank Loan | 2.03% | 2.24% | 28 Feb 2023 | 164,937,783 | 160,083,132 |
| \$17m CEFC Corporate Loan | 7.07% | 7.47% | 17 Dec 2025 | 17,764,912 | 17,157,256 |
| | | | | 182,702,695 | 177,3240,388 |
| Total | | | | 188,367,915 | 204,670,458 |

There have been no amounts pledged as collateral.

Other financial liabilities

| | 31 December 2020 \$ | 30 June 2020 \$ |
|--|---------------------------|-----------------------|
| Derivatives not designated as hedging instruments | | |
| Embedded derivatives | 783,552 | 530,457 |
| Derivatives designated as hedging instruments | | |
| Interest rate swaps | 13,232,610 | 14,817,145 |
| Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings | | |
| Trade and other payables | 1,087,991 | 22,373,670 |
| Total financial liabilities | 15,104,153 | 37,721,272 |
| Total current | 1,087,991 | 22,373,670 |
| Total non-current | 14,016,162 | 15,347,602 |

Risk management activities

Cash flow hedges for interest rate risks

During the period, the Consolidated Entity designated interest rate swap contracts as hedges for long term loan financing for the construction of the JSP and KS1 project refinancing.

The terms of the interest rate swap contracts have been negotiated to match the terms of the forecast transactions. Both parties to the contract have fully cash collateralised the interest rate swap contracts, and therefore, effectively

eliminated any credit risk associated with the contracts (both the counterparty's and Consolidated Entity's own credit risk). Consequently, the hedges were assessed to be highly effective.

As at 31 December 2020, an unrealised gain \$1,245,176 relating to the interest rate swap is included in other comprehensive income.

Note 8. Fair value measurement

The following table provides the fair value measurement hierarchy of the Consolidated Entity's assets and liabilities

Fair value measurement hierarchy for liabilities as at 31 December 2020:

| Date of valuation | Total | Fair value measurement using | | | |
|---|------------------|--|---|---|---|
| | | Quoted price in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Liabilities measured at fair value | | | | | |
| Derivative financial liabilities | | | | | |
| Interest rate swaps | 31 December 2020 | 13,232,610 | - | 13,232,610 | - |
| Embedded derivatives | 31 December 2020 | 783,552 | - | 783,552 | - |

Fair value measurement hierarchy for liabilities as at 30 June 2020:

| Date of valuation | Total | Fair value measurement using | | | |
|---|--------------|--|---|---|---|
| | | Quoted price in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Liabilities measured at fair value | | | | | |
| Derivative financial liabilities | | | | | |
| Interest rate swaps | 30 June 2020 | 14,817,145 | - | 14,817,145 | - |
| Embedded derivatives | 30 June 2020 | 530,457 | - | 530,457 | - |

The Consolidated Entity enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, and the interest rate curves. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Consolidated Entity's own non-performance risk. As at 31 December 2020, the marked-to-market value of derivative positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

The conversion right and early redemption option embedded in the convertible notes are measured using Ho-Pfeffer ("HP") binomial pyramid model (Residual approach) with the spot price of the Consolidated Entity's own share, expected volatility and expected dividend yield of the share, risk free interest rate and asset default threshold as the key inputs.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six-month period ended 31 December 2020.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Consolidated Entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 9. Share-based payments

The expense recognised for employee services received during the period is shown in the following table:

| | 31 December 2020 \$ | 31 December 2019 \$ |
|--|--|--|
| Expense arising from equity-settled share-based payment transactions | 68,078 | 2,361,372 |
| Total expense arising from share-based payment transactions | 68,078 | 2,361,372 |

There were no cancellations or modifications to the awards in FY20 or FY19

For the six months ended 31 December 2020, the Consolidated Entity has recognised \$68,078 of share-based payment expense in the statement of profit or loss (31 December 2019: \$2,361,372).

Note 10. Commitments and contingencies

Capital commitments

At 31 December 2020, the Consolidated Entity has committed capital of \$8,192,419.

Note 11. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless the terms and conditions disclosed below state otherwise.

Note 12. Events after the reporting period

There have been no other material events or circumstances which have arisen since 31 December 2020 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

4. DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Genex Power Limited, I state that:

1. In the opinion of the directors:

- (a) the financial statements and notes of Genex Power Limited for the half-year ended 31 December 2020 are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Ben Guo
Director

26 February 2021
Sydney

Independent auditor's review report to the members of Genex Power Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Genex Power Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2020, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, likely belonging to Lynn Morrison.

Lynn Morrison
Partner
Sydney
26 February 2021

6. CORPORATE DIRECTORY

DIRECTORS

| | |
|--------------------|------------------------|
| Dr Ralph Craven | Non-Executive Chairman |
| Mr Simon Kidston | Executive Director |
| Mr Ben Guo | Finance Director |
| Mr Yongqing Yu | Non-Executive Director |
| Mr Michael Addison | Non-Executive Director |
| Ms Teresa Dyson | Non-Executive Director |

COMPANY SECRETARY

Mr Justin Clyne

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Suite 6.02, Level 6
28 O'Connell Street
Sydney NSW 2000
Telephone: +61 2 9048 8850
Email: info@genexpower.com.au

WEBSITE

www.genexpower.com.au

ASX CODE

GNX

AUDITORS

Ernst & Young
200 George Street
Sydney NSW 2000
Telephone: +61 2 9248 4283

Website: www.ey.com/au/en/home

SHARE REGISTRY

Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

PRINCIPAL BANKERS

National Australia Bank