

23rd February 2022

ASX Limited

Company Announcements Platform

BOULDERCOMBE BATTERY PROJECT ACHIEVES CONTRACTUAL CLOSE

HIGHLIGHTS

- Execution of Loan Note Subscription Agreement with Infradebt Pty Ltd for a senior debt facility of \$35M;
- Execution of final outstanding project documentation including Works Agreement with Consolidated Power Projects Australia Pty Ltd and Services Agreement with Tesla Motors Australia Pty Ltd;
- The Bouldercombe Battery Project further diversifies Genex's renewable energy generation and storage portfolio – which by 2025 will provide clean energy to over 350,000 homes; and
- Financial close and commencement of construction expected prior to the end of February 2022.

Genex Power Limited (**ASX:GNX**) (**Genex** or **Company**) is pleased to advise that following announcement of the results of the \$40M capital raising (*refer ASX Announcement dated 23 February 2022*) (**Placement**), the Company has today reached contractual close on the 50MW/100MWh Bouldercombe Battery Project (**BBP** or **Project**).

THE BOULDERCOMBE BATTERY PROJECT

The BBP, located near Rockhampton in Central Queensland, is expected to be one of the first standalone large-scale Battery Energy Storage Systems (**BESS**) in Queensland at an initial size of 50/100MWh (2hr storage depth). It is located on Powerlink land adjacent to the existing 132kV/275kV Bouldercombe Substation, owned and operated by Powerlink Queensland (**Powerlink**).

The Company has achieved a number of key milestones relating to the Project to date, which include:

- The signing of a Supply Agreement with Tesla Motors Australia Pty Ltd (**Tesla**) whereby Tesla will provide 40 Megapack units to the Project (*refer ASX Announcement dated 1 October 2021*);
- The signing of an Autobidder Offtake Agreement with Tesla under which it will operate the BBP facility using its proprietary bidding system, Autobidder, while also guaranteeing a minimum level of revenue to support debt financing (*refer ASX Announcement dated 9 December 2021*);

- Received approval of its Generator Performance Standards (refer ASX Announcement dated 7 December 2021); and
- Executed a Bi-directional Service Provider Connection and Access Agreement with Powerlink Queensland (**Powerlink**)(refer ASX Announcement dated 23 December 2021).

BBP CONTRACTUAL CLOSE

Further to these project milestones, Genex is pleased to advise that the special purpose vehicle established for purposes of owning and operating the BBP (**Project SPV**) has today executed the following major finance, construction and operation documentation for the Project:

- Loan Note Subscription Agreement with Infradebt Pty Ltd (**Infradebt**) for a senior debt facility of \$35M (refer ASX Announcement dated 21 February 2022) and ancillary finance documentation;
- Works Agreement with Consolidated Power Projects Australia Pty Ltd for the civil and electrical infrastructure to connect the Megapack units to the Powerlink high voltage connection infrastructure;
- Services Agreement with Tesla for the long-term operation and maintenance of the BBP facility once constructed; and
- Asset Management Services Agreement with Genex to manage the corporate administration of the Project SPV and ancillary site services.

The execution of these agreements means that all material project documentation is now in place and subject to satisfaction of conditions precedent over the coming days, Genex will be in a position to reach financial close and issue notice to proceed to the relevant contractors to commence construction. This is anticipated to occur prior to the end of February 2022.

NORD/LB acted as Structuring Bank supporting Genex throughout the project financing process.

PROJECT FINANCING METRICS

Following confirmation of the Placement and the \$35M senior debt facility with Infradebt, Genex is pleased to confirm the sources and uses for the financing of the Project which are detailed in the table below:

SOURCES AND USES	\$M ⁽¹⁾	% TOTAL
Sources		
Genex equity ⁽¹⁾	25.0	42%
Infradebt senior facility	35.0	58%
Total	60.0	100%
Uses		
Project construction costs ⁽¹⁾	51.2	85%
Owner's costs	2.4	4%
Financing costs and contingency	6.4	11%
Total	60.0	100%

The Project financing includes a total investment by Genex of up to \$25.0M which will be funded from the proceeds of the Placement. The BBP is anticipated to deliver a post-tax equity internal rate of return of 9-17% on the basis of this equity investment and the lender and equity revenue cases.

Commenting on today's announcement, James Harding, Genex Chief Executive Officer stated:

"Following on from our successful equity raising, I am delighted that we have now executed the project financing facility with Infradebt for the Bouldercombe Battery Project, along with the balance of all of the project agreements required to commence construction of the Project. The Project is an exciting addition to the Company's portfolio and will add significant upside exposure for shareholders to the energy arbitrage and Frequency Control Ancillary Services markets through the innovative offtake arrangements with Tesla.

With the signing of the balance of project and finance documentation, we are looking forward to commencing construction on the Project imminently which will position Bouldercombe for energisation in mid-CY2023.

The BBP represents Genex's first battery energy storage project, laying a solid foundation for further development of our battery strategy, and further diversifies our portfolio of renewable energy and storage projects. We look forward to keeping shareholders updated as we continue to progress this strategy alongside our other portfolio developments."

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

¹ Subject to the final AUD:USD foreign exchange rate which will be set at the date of issuance of notice to proceed under the Supply Agreement with Tesla (refer ASX Announcement dated 1 October 2021).

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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 470MW of renewable energy & storage projects in the Company's development pipeline, Genex is well placed as Australia's leading renewable energy and storage company.

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.