



APPENDIX 4D

HALF YEAR REPORT

1. Company details

Name of entity:	Genex Power Limited
ABN:	18 152 098 854
Reporting Period:	Half year ended 31 December 2021
Previous Reporting period:	Full year ended 30 June 2021
Previous Corresponding period:	Half year ended 31 December 2020

2. Results for announcement to the market

Key information				Half-Year ended 31 December 2021 \$	
		%			
2.1	Revenue and other income.	up	51.5%	to	11,962,201
2.2	Loss from ordinary activities attributable to the owners of Genex Power Limited.	down	30.7%	to	4,409,427
2.3	Total comprehensive gain for the period attributable to the owners of Genex Power Limited.	up	113.4%	to	617,299

Dividends

- 2.4 No dividends have been declared, paid or provided for during the period.

Overview

- Net loss after tax of \$4,409,427;
- Operating loss of \$364,412.

Commentary

Genex Power Limited (**Genex, Company** or **Consolidated Entity**) provides the following commentary in relation to its results for the 6-month period ended 31 December 2021.

In the 6 months to 31 December 2021, Genex made significant progress in the construction of the 250MW Kidston Pumped Storage Hydro Project (**K2H**), which reached financial close and commenced construction in May 2021, and continued to advance the development of the 50MW/100MWh Bouldercombe Battery Project (**BBP**) and Kidston Stage 3 Wind Project (**K3W**) projects.

Financial Highlights

- The 50MW Kidston Stage 1 Solar Project (**KS1**) generated 57,457MWh, an 8% decrease on the prior corresponding period (1H FY2021: 62,447MWh);
- The 50MW Jemalong Solar Farm (**JSP**) operation commenced, generating 57,051MWh (1H FY2021: not operational);
- Revenue and other income of \$11.96m, an increase of 51% versus the prior corresponding period, was driven by the JSP completing construction and operating at full capacity for the entire the period;
- Net loss before tax of \$4.41m, driven by the depreciation of the enlarged portfolio of completed construction assets (1H FY2021: (\$3.37m)); and
- Cash and cash equivalents as at 31 December 2021 of \$36.6m, excluding term deposits/bank guarantees, leaves the Consolidated Entity well positioned to continue to progress the construction of K2H, the development of BBP to financial close and the advancement of the K3W project at the Kidston Clean Energy Hub.

During the period, the Company made significant progress on the construction of the flagship K2H project. Major construction milestones reached during the period included:

- Completion of site establishment activities, including:
 - Completion of the airstrip upgrades to facilitate fly-in-fly-out operations for construction personnel;

- Completion of refurbishment works for the Oaks Rush Accommodation Village, including new facility buildings and a 450-bed camp expansion; and
- Completion of site infrastructure upgrades including communications, power and water supply;
- Completion of onsite aggregate crushing plant and concrete batching plant;
- Successful completion of hydraulic model tests for the 2 x 125MW turbines to be used for the project;
- Completion of clearing and earthworks for the two onsite switchyards;
- Completion of the blast magazine storage area and access road; and
- Completion of the main access tunnel (**MAT**) portal face stabilisation and underground tunnelling preparation works.

Subsequent to period end, the engineering, procurement and construction contractor for K2H reached the significant milestone of commencing the underground works with the start of the MAT excavation works (*refer ASX Announcement dated 21 January 2022*). The MAT is a 1.5km long decline tunnel which will be utilised as a construction and permanent access to the underground powerhouse cavern.

As at the date of this report, the K2H project remains on schedule for energisation in Q2 FY2025 and within budget.

During the period Genex also significantly advanced the development of the BBP, the first standalone large-scale battery project in the Company's portfolio, with the following major milestones achieved:

- Execution of a Supply Agreement with Tesla Motors Australia Pty Ltd (**Tesla**) for the supply of its Megapack 2.0 battery modules (**Supply Agreement**) (*refer ASX Announcement dated 1 October 2021*);
- Receipt of approval from the Australian Energy Market Operator (**AEMO**) of the generator performance standards for the BBP (*refer ASX Announcement dated 7 December 2021*);
- Execution of an Autobidder Offtake Agreement with Tesla, under which Tesla will operate the BBP with its Autobidder algorithm-based technology and guarantee a minimum level of revenues, with upside sharing (*refer ASX Announcement dated 9 December 2021*);

- Execution of a Bi-directional Service Provider Connection and Access Agreement for the BBP with Powerlink Queensland (refer ASX Announcement dated 23 December 2021).

Subsequent to period end, Genex made significant advancements of the BBP toward financial close through the execution of a Loan Note Subscription Agreement with Infradebt Pty Ltd (**Infradebt**) for a \$35m senior debt facility for the project (**LNSA**) and completion of a capital raising by way of a \$40.0m placement to institutional and sophisticated investors (**Capital Raising**) (refer ASX Announcement dated 23 February 2022). Concurrent with the Capital Raising, Genex announced the launch of a \$10.0m share purchase plan to allow shareholders to participate in the Capital Raising. The proceeds from the Capital Raising and the SPP will be used to finance the construction costs of the BBP alongside the funds available under the LNSA, repayment of \$3.0m of an existing facility with the Clean Energy Finance Corporation, the costs of the issue and for working capital purposes.

Cash at Bank

As at 31 December 2021, Genex had cash at bank of \$36,622,205 excluding term deposits/bank guarantees.

3. Net tangible assets	Reporting period	Previous corresponding period
Net tangible assets per ordinary share	12.61 cents	6.39 cents

The calculation of net tangible assets per ordinary share for the period uses the total number of shares on issue as at 31 December 2021 being 1,069,900,045 shares (31 December 2020: 511,505,999 shares).

4. Control gained over entities

There were no changes in controlled entities during the period.

5. Loss of control over entities

There was no change in the status of the Consolidated Entity during the half year.

6. Details of associates and joint ventures

There are no associates or joint ventures of the Consolidated Entity.

7. Review

The attached Financial Report of Genex Power Limited for the half year ended 31 December 2021 has been reviewed by Ernst and Young, the Company's auditor.

8. Attachments

The Half Year Report of Genex Power Limited for the period ended 31 December 2021 follows.

9. Signed

Signed in accordance with a resolution of the Board of Directors.

Dated this 25th day of February 2022.

Signed:

A handwritten signature in dark ink, appearing to read 'R Craven', is written over a light blue rectangular background.

Dr Ralph Craven

Independent Non-executive Chairman