

20 February 2023

**ASX Limited**

**Company Announcements Platform**

## 1H FY2023 Interim Statutory Results

Genex Power Limited (ASX: GNX) (**Genex** or the **Company**) is pleased to announce the Company's financial results for the 6 month period ending 31 December 2022 (**1H FY2023** or the **Period**). In particular, the Company made significant progress on its projects under construction including the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2-Hydro**) and the 50MW/100MWh Bouldercombe Battery Project (**BBP**). The Company continued to advance its development pipeline, including the up to 258MW Kidston Stage 3 Wind Project (**K3-Wind**) which once constructed, will complete the Kidston Clean Energy Hub. During the Period, the Company added up to 2GW of pipeline projects with the acquisition of the multi-stage Bulli Creek Battery and Solar Project (**BCP**), helping to position the Company as a leader in the renewable generation and storage markets in Australia.

### FINANCIAL HIGHLIGHTS

Financial and operational highlights for the period included:

- Total generation of 109,891MWh from both the Kidston Solar Project (**KS1**) and Jemalong Solar Project (**JSP**) (1H FY2022: 114,508MWh);
- Total revenue of \$13.64M, a 14% increase on the prior period (1H FY2022: \$11.96M), reflecting the increased generation volumes from KS1 and elevated pricing for wholesale electricity and large-scale generation certificates;
- Underlying EBITDA of \$7.65M, up 52% on the prior period (1H FY2022: \$5.03M) principally driven by the stronger revenue received from the solar projects and greater cost control during the Period;
- For the first time in its history, the Company recorded a positive net profit after tax of \$1.10M for the Period; and
- Net cash flows from operating activities of \$3.25M (1H FY2022: \$1.20M), with cash and cash equivalents being \$65.27M at Period-end.

AUD	31 DEC 2022 (\$M)	31 DEC 2021 (\$M)	% CHANGE
Revenue	13.64	11.96	14%
EBITDA	7.65	5.03	52%
Underlying EBITDA	7.65	5.03	52%
Net Profit After Tax	1.10	(4.41)	125%
Underlying Net Profit After Tax	1.10	(4.41)	125%
Net Cash Flows from Operating Activities	3.25	(1.20)	371%
Cash at Bank	65.27	36.62	78%

## OPERATIONAL HIGHLIGHTS

- The Period saw the continued operation of KS1 and JSP, with both projects operating well despite persisting La Nina weather patterns and seasonal intraday volatility impacting dispatch of generation;
- Construction at K2-Hydro continued during the Period with key works focused on continuing underground tunnelling and dam construction works. The project remains on track for first energisation in 2H CY2024;
- Construction activities at BBP continued during the Period with work focused on constructing the foundations for the Tesla Megapacks. The project remains on schedule for first energisation in Q2 CY2023;
- During the Period, the Company acquired a 100% interest in the development rights for the BCP. The BCP is an up to 2GW multi-stage battery and solar photovoltaic development in south-east Queensland. The Company anticipates a final investment decision for stage one in 2H CY2024;
- During the Period, the Company and its joint development partner, Electric Power Development Co., Ltd (**J-POWER**) appointed Goldwind Australia as the preferred Wind Turbine Generator supplier for the K3-Wind Project, and the project capacity was increased to up to 258MW; and
- Subsequent to Period-end, the K3-Wind Project was declared a Prescribed Project by the Queensland Government.

## CORPORATE HIGHLIGHTS

- Following receipt during the Period of an indicative proposal from Skip Essential Infrastructure Fund<sup>1</sup> and Stonepeak Partners LLC<sup>2</sup> (together, the **Consortium**), to acquire all of the ordinary shares on issue in Genex that the Consortium did not already own, Genex announced on 28 December 2022 that it had been advised by the Consortium that it would cease to pursue its indicative proposal. Accordingly, the Board has determined to cease all discussions with the Consortium in relation to its indicative proposal;
- Genex completed the agreement for a new \$16M subordinated loan facility with Infradebt Pty Ltd which was used to refinance the existing subordinated debt facility for KS1 and JSP. The new facility enables Genex to retain a higher proportion of cash generated by its solar projects; and
- Genex appointed Mrs Ana Ligia Gomiero-Guthrie as Company Secretary effective 21 December 2022 and Mr Justin Clyne retired from the role effective 31 December 2022.

## OUTLOOK

Genex is well-positioned to deliver on its growth ambitions. The Company has developed a unique portfolio of pumped storage hydro, battery energy storage, solar and wind assets that will deliver dispatchable, clean power to assist Australia to meet its renewable energy targets. The increasing impact of intermittent generators on energy prices highlights the need for investment in large scale storage options such as K2-Hydro and the BBP. Over the remainder of CY2023, the Company will focus on:

- Continued construction activities at the K2-Hydro and BBP projects;
- Energisation of BBP with the project expected to be fully operational in 2H CY2023;
- Continued development activities at the K3-Wind Project alongside J-POWER to meet the stated timeline for a final investment decision in 2H CY2023;
- Development of stage one of the BCP, to enable final investment decision in CY2024; and
- Continued development of the Company's portfolio through enhancement of its project pipeline.

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<sup>1</sup> Skip Enterprises Pty Ltd as Trustee for the Farquhar Trust.

<sup>2</sup> On behalf of certain of its managed funds and affiliated entities.

Commenting on the 1H FY2023 results, Genex CEO, James Harding said:

*"I am thrilled to announce this record breaking half yearly result for Genex in terms of revenue, EBITDA, cash flows from operations and importantly, the first ever net profit after tax in the Company's history. This result is testament to the hard work of all of our staff and of our contractors, and to the support of our stakeholders. Importantly, it reflects the positive trajectory of our business as we move toward long-term sustained profitability."*

*Operationally, over the past 6 months we have continued to pursue our growth strategy of becoming a leading developer of renewable generation and storage projects in Australia. Our flagship Kidston Pumped Storage Hydro Project is progressing in line with the construction schedule and remains on track for first energisation in 2H CY2024. Once operational, the project will be the first pumped storage hydro project developed in Australia in more than 40 years and the first to be developed by the private sector.*

*Construction activities at our first large scale battery energy storage facility, the Bouldercombe Battery Project are progressing well with the Company expecting to achieve energisation in the 1H CY2023. The project utilises the Tesla Megapack battery technology and will be operated by Tesla using their proprietary Tesla Autobidder software.*

*During the Period the Company acquired a 100% interest in the development rights for the up to 2GW Bulli Creek Battery and Solar Project. The project will be developed over several stages and the Company is ramping up development activities to enable the first stage to achieve a final investment decision next year. This is an exciting development for Genex and represents a significant addition to our development pipeline of project opportunities, as we embrace the next phase of growth for the Company's portfolio.*

*I would like to thank all our staff and stakeholders, particularly NAIF, ARENA, the Queensland Government, J-POWER, EnergyAustralia, Powerlink and Tesla for their continued support for Genex and its projects."*

This announcement should be read in conjunction with the Company's Appendix 4D and Financial Statements for the half year period ended 31 December 2022.

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

## FOR MORE INFORMATION ABOUT THIS ANNOUNCEMENT:

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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 (**K2H**) 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 a committed portfolio of 400MW and up to approximately 2.25GW of renewable energy and storage projects in the Company's development pipeline, Genex is well placed in its strategy to become a leading renewable energy and storage company in Australia.

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.