

26 July 2023

## ASX Announcement

# Quarterly Activities Report – Quarter Ending 30 June 2023

Genex Power Limited (**ASX: GNX**)(**Genex** or the **Company**) is pleased to provide the following overview of the Company's activities and performance for the Quarter ending 30 June 2023 (**Q4 FY2023** or the **Quarter**). Significant progress was reported, including the continued construction of the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2-Hydro**), energisation of the 50MW/100MWh Bouldercombe Battery Project (**BBP**); and advancement in its pipeline development opportunities.

## HIGHLIGHTS

### Operations

- During the Quarter, the Kidston Solar Project (**KS1**) generated 28,670MWh and the Jemalong Solar Project (**JSP**) generated 19,189MWh of renewable energy for total revenue of \$4.8M<sup>1</sup>; and
- This resulted in unaudited full year revenues of \$24.2M<sup>1</sup> from the solar portfolio for FY2023.

### Construction and Development

- Construction at the K2-Hydro project continued to progress during the Quarter with key work focused on the continued excavation of the Main Access Tunnel (**MAT**), Power Station Cavern and supporting construction adits, alongside the progression of the final preparation works and commencement of liner placement for the Wises Dam. The project remains on schedule for energisation in 2H CY2024; and
- Construction activities at BBP continued during the Quarter with the project achieving energisation which enabled the commencement of the commissioning phase ahead of full operations.

### Corporate

- Genex entered into a new \$35M corporate loan facility with Electric Power Development Co., Ltd (**J-POWER**), with the proceeds to be used to provide standby funding for the K2-Hydro project contingency and to replenish working capital;
- Genex also entered into a Joint Development Agreement with J-POWER for a 50% interest in the multi-stage up to 2GW Bulli Creek Clean Energy Project (**BCP**) which provided upfront funding of \$8.5M;
- Genex reported positive operating cash flow of \$91k for the Quarter resulting in full year positive operating cash flow of \$5.2M for FY2023; and
- Genex finished the Quarter with cash at bank of \$49.7M as of 30 June 2023.

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<sup>1</sup> Revenue figures are on an unaudited basis. Note difference between revenues and reported cash flows relates to timing differences in recognition of revenue and receipt of cash flows.

Commenting on the Q4 FY2023 performance, Genex CEO, James Harding said:

*"I am pleased to share the significant progress we have made in the last quarter of FY2023 with milestones achieved across our diverse renewable and storage asset portfolio. In particular, the energisation of our first battery energy storage project at Bouldercombe, marks a significant milestone for the Company as our first storage asset connected to the National Electricity Market. The fact that this was completed on time and within budget is a testament to the strength of our team and contractors Tesla, Consolidated Power Projects and Powerlink. We are eagerly looking forward to the full operation of the Bouldercombe Battery Project ahead of the peak summer period.*

*"During the Quarter, we also continued construction of our flagship Kidston Pumped Storage Hydro Project, with key work during the period focused on the continued progression of underground excavation works for the Main Access Tunnel, Power Station Cavern and supporting construction adits. We have also now completed two of the four vertical shafts by raiseboring and have commenced works on the first of the water intake shafts; while the Wises Dam works continue with final preparation works being undertaken and commencement of placement of the dam liner. We also continued to progress our pipeline of development opportunities, including our Kidston Stage-3 Wind Project and the Bulli Creek Battery and Solar Project.*

*"Our operations have continued to perform well despite residual impacts from La Nina, with the Kidston Solar Project generating 28,670MWh and the Jemalong Solar Project generating 19,189MWh of renewable energy, resulting in unaudited full year revenues from the solar portfolio of \$24.2M. We continue to maximise the full potential of our existing assets while maintaining a steadfast focus on the successful deployment of our committed projects."*

## OPERATIONAL UPDATE

### 250MW KIDSTON PUMPED STORAGE HYDRO PROJECT (K2-HYDRO)

- Key site activities and works undertaken during the Quarter included:
  - Construction of the Wises Dam continues to progress with key focus on placement of the high density polyethylene (HDPE) liner. The bulk earthworks for the dam are complete with the main earthmoving fleet now demobilised from site;
  - Continuation of excavation of the realigned MAT, which is over 80% complete;
  - The Power Station Cavern roof and first bench are complete which in turn has allowed construction of the permanent gantry crane runway beam to commence. Drilling for the runway beam rock anchors is currently underway;
  - Construction Adits 01, 05, and 04 are complete with Adit 03 and the headrace tunnels substantially complete, ready for raiseboring of the first water intake shaft;
  - The ventilation shaft has been completed and the construction ventilation has been reconfigured to utilise this shaft;

- The cable shaft excavation has also been completed;
  - Preparatory works for the two water intake shafts are well underway to allow the continuation of the raisebore activities;
  - Powerlink Queensland is continuing the clearing and access works for the 186km long 275kV transmission line from Kidston to Guybal Munjan (Mt Fox) (**Transmission Line**). Foundation works are progressing well with tower sections delivered to individual sites for erection;
  - The K2-Hydro switchyard (**K2H**) (which will receive the 275kV high voltage cables from the underground generator step-up transformers) is in its final stages of completion with primary steelwork and primary equipment installed and cabling and terminations progressing well;
  - The internal 275kV transmission line between K2H and Aurumfield (K2X) switchyards is well progressed with the four towers erected ready for conductor stringing;
  - The Aurumfield (K2X) switchyard is under construction with earthworks complete and foundations being installed; and
  - The Andritz Hydro electromechanical equipment is currently being shipped to Townsville Port and ready for site delivery with the onsite logistics yard well progressed.
- Planned works for Q1 FY2024 include:
    - Continuation of excavation of the underground works including the Power Station Cavern, MAT, transformer caverns, and associated underground construction adits;
    - Completion of the Wises Dam and commencement of Stage 2 dewatering operations;
    - Completion of the internal lining for the cable shaft;
    - Completion of the raiseboring operations for the two intake shafts, in turn allowing concrete lining works to commence;
    - Continued progression of clearing and access works for the Transmission Line and tower foundations from Kidston to Guybal Munjan and commencement of the erection of the lattice towers;
    - Completion of the K2-Hydro switchyard and internal transmission line between K2H and Aurumfield switchyards; and
    - Delivery onsite of the electromechanical equipment by Andritz Hydro.



Figure 1: Power Station Cavern Excavation



Figure 2: Headrace Tunnels Progressing Well



Figure 3: General Site Progress



Figure 4: K2H Switching Station



Figure 5: Wises Dam Liner Installation



Figure 6: Preparatory Works for the Intake Shafts



Figure 7: Transformers Loaded into Ship Enroute to Site

### 50MW KIDSTON SOLAR PROJECT (KS1) AND 50MW JEMALONG SOLAR PROJECT (JSP)

- KS1 revenue totalled \$2.6M from net generation of 28,670MWh of renewable energy for the Quarter, representing an average price of \$90/MWh<sup>2</sup>; and
- JSP revenue for the Quarter comprised of \$1.3M from electricity sales and \$0.9M from LGC sales from net generation of 19,189MWh, representing an average bundled price of \$120/MWh<sup>3</sup>.

### 50MW/100MWH BOULDERCOMBE BATTERY PROJECT (BBP)

- The BBP project was successfully energised during the Quarter on time and within budget, reflecting a significant milestone for Genex; and
- Key upcoming activities include commissioning of the BBP to allow the project to be fully operational ahead of the peak demand summer season.



Figure 8: 50MW/100MWh Bouldercombe Battery Project

### KIDSTON STAGE-3 WIND PROJECT (K3-WIND)

- Alongside its joint development partner, J-POWER, Genex significantly progressed the development works associated with the project;
- Key workstreams progressed during the Quarter include:
  - Key studies required as part of the development approval process for K3-Wind;

<sup>2</sup> Revenue figures are on an unaudited basis and the average price per MWh doesn't include the sale of LGCs

<sup>3</sup> Revenue figures are on an unaudited basis

- Completion of an access track to the site plateau and installation of a second met mast at the project site for completion of bankability resource studies;
- Progression of layout design with Goldwind Australia and shortlisted balance of plant contractors; and
- Progression of grid studies as part of the connection application process with Powerlink Queensland.



Figure 9: Second Met Mast Installed at Kidston Stage 3 Wind Project Site

## BULLI CREEK CLEAN ENERGY PROJECT (BCP)

- Genex completed the acquisition of 100% of the development rights for the BCP in August 2022, which is an up to 2GW, multi-stage battery and solar photovoltaic development in south-east Queensland;
- The project benefits from:
  - All planning, cultural heritage and environmental approvals having been received;
  - Proximity to the Queensland-NSW Interconnector;
  - Strong marginal loss factors; and
  - Significant scalable development potential.
- Genex entered into a joint development agreement with J-POWER for a 50% interest in the project, by way of upfront funding of \$8.5M. Genex is now jointly progressing development of multiple stages of the project alongside J-POWER;
- Works undertaken during the Quarter relate to advancement of design layouts for staging options, commencement of procurement processes and continued engagement with offtake counterparties to further inform the staging strategy for the multi-stage development; and
- The BCP is anticipated to be developed over several stages with a final investment decision for stage one currently targeted for 2H CY2024.

## CORPORATE UPDATE

- On 30 June 2023, Genex entered into a \$35M corporate loan facility with J-POWER, the proceeds of which will be applied as standby funds which will act as further support for the K2-Hydro construction contingency, and to replenish Genex working capital contributed to the K2-Hydro project in late 2022. The facility remained undrawn at Quarter-end;
- Genex announced that James Harding would be retiring as CEO as at 31 August 2023, with Craig Francis (current CFO of Genex) appointed to the role of CEO from 1 September 2023. James will remain with the Company for a period of time in a part time consulting capacity and an announcement regarding the appointment of a replacement CFO will be made in due course;
- There was one reportable lost time injury during the Quarter and no reportable environmental incidents recorded during the Quarter;
- During the Quarter, the Company's expenditure included staff and operating costs, construction activities associated with the K2-Hydro and BBP projects and development activities associated with the K3-Wind and BCP projects;
- As noted in section 6 of the Appendix 4C, the amount stated therein was paid to the Directors of the entity during the Quarter and their related parties (as defined in Australian Accounting Standards), comprising fees for Non-Executive Directors (in the total amount of \$128k) and payments to J-POWER under the Technical Services Agreement (in the total amount of \$46k) (refer to ASX Announcement dated 24 March 2021). No other payments were made to any related parties or their associates of the entity; and
- Genex finished the Quarter with cash at bank of \$49.7M as of 30 June 2023.

Genex Power will announce its FY2023 financial result on Friday 25 August 2023. The Genex management team will host a webinar for shareholders and investors on Wednesday 30 August at 11am Sydney time (AEST) to discuss the FY2023 results. Details of the webinar will be provided in due course.

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

## FOR MORE INFORMATION ABOUT THIS ANNOUNCEMENT:

### For investor enquiries please contact:

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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 achieved energisation in June 2023. 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**) and the Queensland State Government.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**NAME OF ENTITY:**

Genex Power Limited

**ABN**

18 152 098 854

**QUARTER ENDED ("CURRENT QUARTER")**

June 2023

**CONSOLIDATED STATEMENT OF CASH FLOWS**

1 CASH FLOWS FROM OPERATING ACTIVITIES	CURRENT QUARTER \$'000	YEAR TO DATE \$'000
1.1 Receipts from customers	5,853	28,509
1.2 Payments for		
(a) research and development <sup>(1)</sup>	-	-
(b) product manufacturing and operating costs	(1,551)	(7,296)
(c) advertising and marketing	(51)	(85)
(d) leased assets	(276)	(1,033)
(e) staff costs	(962)	(4,744)
(f) administration and corporate costs <sup>(2)</sup>	(560)	(2,033)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	492	1,709
1.5 Interest and other costs of finance paid	(2,041)	(8,086)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	6	24
1.8 Other (provide details if material) <sup>(3)</sup>	(819)	(1,788)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>91</b>	<b>5,177</b>

*(1) Year-to-date payments for research and development have been reclassified to item 2.1(f) to align with the year-end accounting treatment of capitalising project-related development expenditure.*

**CONSOLIDATED STATEMENT OF CASH FLOWS**

(2) Expenditure related to engagement with the Consortium (refer ASX Announcement dated 17 August 2022) has been reclassified to item 1.8.

(3) The amount paid for this financial year under this item also comprises non-capitalised refinancing costs associated with the new Infradebt facility for the solar portfolio (refer ASX Announcement dated 16 August 2022).

<b>2 CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>CURRENT QUARTER \$'000</b>	<b>YEAR TO DATE \$'000</b>
2.1 Payments to acquire or for:		
(a) entities <sup>(4)</sup>	(1,945)	(4,608)
(b) businesses	-	-
(c) property, plant and equipment	(46,976)	(240,550)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets <sup>(5)</sup>	(1,093)	(2,585)
2.2 Proceeds from disposal of:	-	-
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(50,014)</b>	<b>(247,743)</b>

(4) Relate to amounts paid for the acquisition of the BCP (refer ASX Announcement dated 10 August 2022).

(5) The amount paid for this financial year under this item also comprises the payment of deposits.

<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>CURRENT QUARTER \$'000</b>	<b>YEAR TO DATE \$'000</b>
3.1 Proceeds from issues of equity securities (excluding convertible debt securities) <sup>(6)</sup>	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>3</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>CURRENT QUARTER</b>	<b>YEAR TO DATE</b>
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	35,631	254,820
3.6	Repayment of borrowings	(2,852)	(27,980)
3.7	Transaction costs related to loans and borrowings	-	(320)
3.8	Dividends paid	-	-
3.9	Other (provide details if material) <sup>(7)</sup>	2,740	2,865
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>35,519</b>	<b>229,385</b>

(6) Funding from Electric Power Development Co., Ltd (J-POWER) under the Joint Development Agreement for K3-Wind (refer ASX Announcement dated 16 May 2022), has been reclassified to item 3.9, to differentiate it from the Company's issued securities and align with the accounting treatment of this funding.

(7) The amount paid for this financial year under this item comprises funding from J-POWER under the Joint Development Agreement for BCP (refer ASX Announcement dated 30 June 2023).

<b>4</b>	<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>	<b>CURRENT QUARTER</b>	<b>YEAR TO DATE</b>
		<b>\$A'000</b>	<b>\$A'000</b>
4.1	Cash and cash equivalents at beginning of period	64,078	62,855
4.2	Net cash from / (used in) operating activities (item 1.9 above)	91	5,177
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50,014)	(247,743)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	35,519	229,385
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>49,674</b>	<b>49,674</b>

<b>5</b>	<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>	<b>CURRENT QUARTER</b>	<b>PREVIOUS QUARTER</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances <sup>(8)</sup>	49,674	64,078
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>49,674</b>	<b>64,078</b>

(8) Include cash committed for K2-Hydro construction program, BBP construction program and KS1 and JSP debt service accounts.

6 PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES		CURRENT QUARTER \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 <sup>(9)</sup>	174
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</p> <p>(9) Includes payments of directors' fees and J-POWER consulting fee under Technical Services Agreement (refer ASX Announcement dated 24 March 2021), noting J-POWER is considered a related party in accordance with accounting standards but not for ASX Listing Rules.</p>		

7 FINANCING FACILITIES		TOTAL FACILITY AMOUNT AT QUARTER END \$A'000	AMOUNT DRAWN AT QUARTER END \$A'000
<p>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</p>			
7.1	Loan facilities <sup>(10)</sup>	271,320	233,320
7.2	Credit standby arrangements	-	-
7.3	Other (NAIF Loan – K2-Hydro)	610,000	418,722
7.4	<b>Total financing facilities</b>	<b>881,320</b>	<b>652,042</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>229,278</b>
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

(10) Refer to detailed description of each facility below\*:

Lender	Purpose	Security	Amount	Maturity
<b>Loan Facilities</b>				
Nord/LB, Westpac, DZ Bank	KS1 & JSP Senior debt	Secured	\$175m	17-Dec-24
Infradebt	KS1 & JSP subordinated debt	Secured	\$16m	17-Dec-24
Infradebt	BBP senior debt	Secured	\$35m	30-Sep-35
Infradebt	BBP letter of credit facility	Secured	\$10.3m	30-Sep-35
J-POWER	Corporate Facility	Secured	\$35.0m	31-Dec-26
<b>Total Loan Facilities</b>			<b>\$271.3m</b>	
<b>Other</b>				
State of Queensland (NAIF)	K2-Hydro senior debt	Secured	\$610.0m	19-May-36
<b>Total Other</b>			<b>\$610.0m</b>	

\*The weighted average interest rate for these facilities is 3.02%.

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

8	ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	91
8.2	Cash and cash equivalents at quarter end (item 4.6) <sup>(8)</sup>	49,674
8.3	Unused finance facilities available at quarter end (item 7.5)	229,278
8.4	Total available funding (item 8.2 + item 8.3) <sup>(11)</sup>	84,674
<b>8.5</b>	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
	<i>(11) This figure omits the total amount of all unused finance facilities committed for construction of projects under item 8.3, but is inclusive of the undrawn \$35 million J-POWER Corporate Facility.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	N/A
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	N/A
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	N/A
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## COMPLIANCE STATEMENT

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2023

Authorised by: the Chief Executive Officer of Genex Power Limited

(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.