

# CAPITAL RAISING PRESENTATION

1 MAY 2019



DEAD BULLOCK SOAK POWER STATION



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# EQUITY RAISING OVERVIEW



<b><i>Placement</i></b>	<ul style="list-style-type: none"> <li>• A capital raising of approximately \$25m via a two tranche placement of approximately 43.1 million shares (Placement).</li> <li>• Tranche 1 Placement of approximately 14.7 million shares completed under the Company's 15% Placement capacity, pursuant to ASX Listing Rule 7.1.</li> <li>• Tranche 2 Placement of approximately 28.4m shares are subject to shareholder approval, which will be sought at a general meeting, to be held on Tuesday, 18 June 2019.</li> </ul>
<b><i>Offer Price</i></b>	<ul style="list-style-type: none"> <li>• The Offer Price of \$0.58 per share, represents a: <ul style="list-style-type: none"> <li>• 12.1% discount to the last closing price on Tuesday, 30 April 2019 of \$0.6600;</li> <li>• 8.2% discount to the 5 day VWAP as at Tuesday, 30 April 2019 of \$0.6321; and</li> <li>• 6.5% discount to the 10 day VWAP as at Tuesday, 30 April 2019 of \$0.6200.</li> </ul> </li> </ul>
<b><i>Director Participation</i></b>	<ul style="list-style-type: none"> <li>• Subject to shareholder approval, Doug Walker and Hamish Moffat will be participating in the Placement for the amounts of \$1,000,000 and \$750,000 respectively, with 50% of each of these amounts to be funded by way of a Company Loan Funded Share Plan.</li> </ul>
<b><i>Share Purchase Plan</i></b>	<ul style="list-style-type: none"> <li>• Share Purchase Plan (SPP) to eligible Australian and New Zealand Shareholders to subscribe for shares up to a value of A\$15,000.</li> <li>• The SPP is not underwritten and capped at total proceeds of A\$5million.</li> <li>• SPP shares will be issued at the Offer Price of \$0.58 per share.</li> <li>• An SPP Booklet containing further details of the SPP will be sent to eligible Australian and New Zealand Shareholders.</li> </ul>
<b><i>Use of Proceeds</i></b>	<ul style="list-style-type: none"> <li>• Proceeds of Offer will be used to strengthen the balance sheet for ongoing construction of power generation infrastructure projects, provision of headroom for pipeline delivery, general working capital and general corporate purposes</li> </ul>
<b><i>Ranking</i></b>	<ul style="list-style-type: none"> <li>• New shares raised under the offer will rank equally with existing shares.</li> </ul>
<b><i>Lead Manager</i></b>	<ul style="list-style-type: none"> <li>• Euroz Securities Limited.</li> </ul>

# INDICATIVE TIMETABLE



MILESTONE	DATE <sup>1</sup>
Record date for eligibility to participate in the SPP	Tuesday, 30 April 2019
Request for Trading Halt and Announcement of Capital Raising	Wednesday, 1 May 2019
Placement book opens	Wednesday, 1 May 2019
Placement book closes	Wednesday, 1 May 2019
Trading halt lifted and return to trading	Friday, 3 May 2019
Settlement of new shares issued under the Tranche 1 Placement	<b>Thursday, 9 May 2019</b>
Allotment and normal trading of new shares issued under the Tranche 1 Placement	Friday, 10 May 2019
Notice of Meeting and SPP dispatched	Thursday, 16 May 2019
SPP closes	Monday, 17 June 2019
General Meeting to approve Tranche 2 Placement and Director participation	Tuesday, 18 June 2019
Settlement of new shares issued under the Tranche 2 Placement	<b>Wednesday, 19 June 2019</b>
Allotment and normal trading of new shares issued under the Tranche 2 Placement	Thursday, 20 June 2019

*Note 1: The timetable is indicative only and subject to change without notice. All times are in reference to AEST.*

# CORPORATE SNAPSHOT



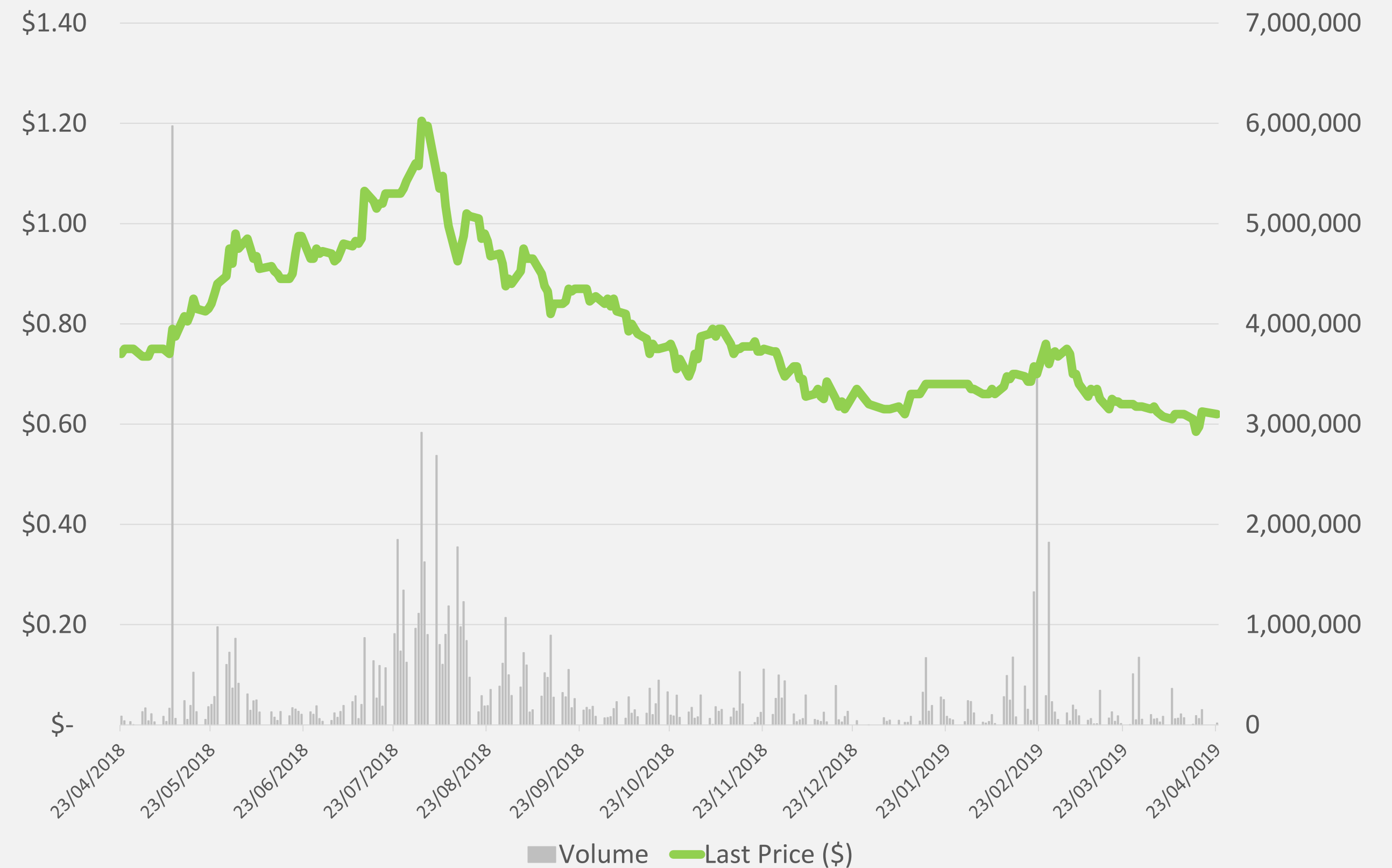
## CAPITAL STRUCTURE\*

<b>ASX Code</b>	<b>ZEN</b>
<b>Shares on Issue</b>	<b>98,000,000<sup>1</sup></b>
<b>Market Capitalisation</b>	<b>\$64.68 million<sup>2</sup></b>

## BOARD AND MANAGEMENT

Doug Walker	Executive Chairman
Hamish Moffat	Managing Director
Peter Torre	Non-Executive Director
David Riekie	Non-Executive Director
Rebecca Stringer-Krein	Chief Financial Officer / Company Secretary
Graham Cooper	Chief Operating Officer

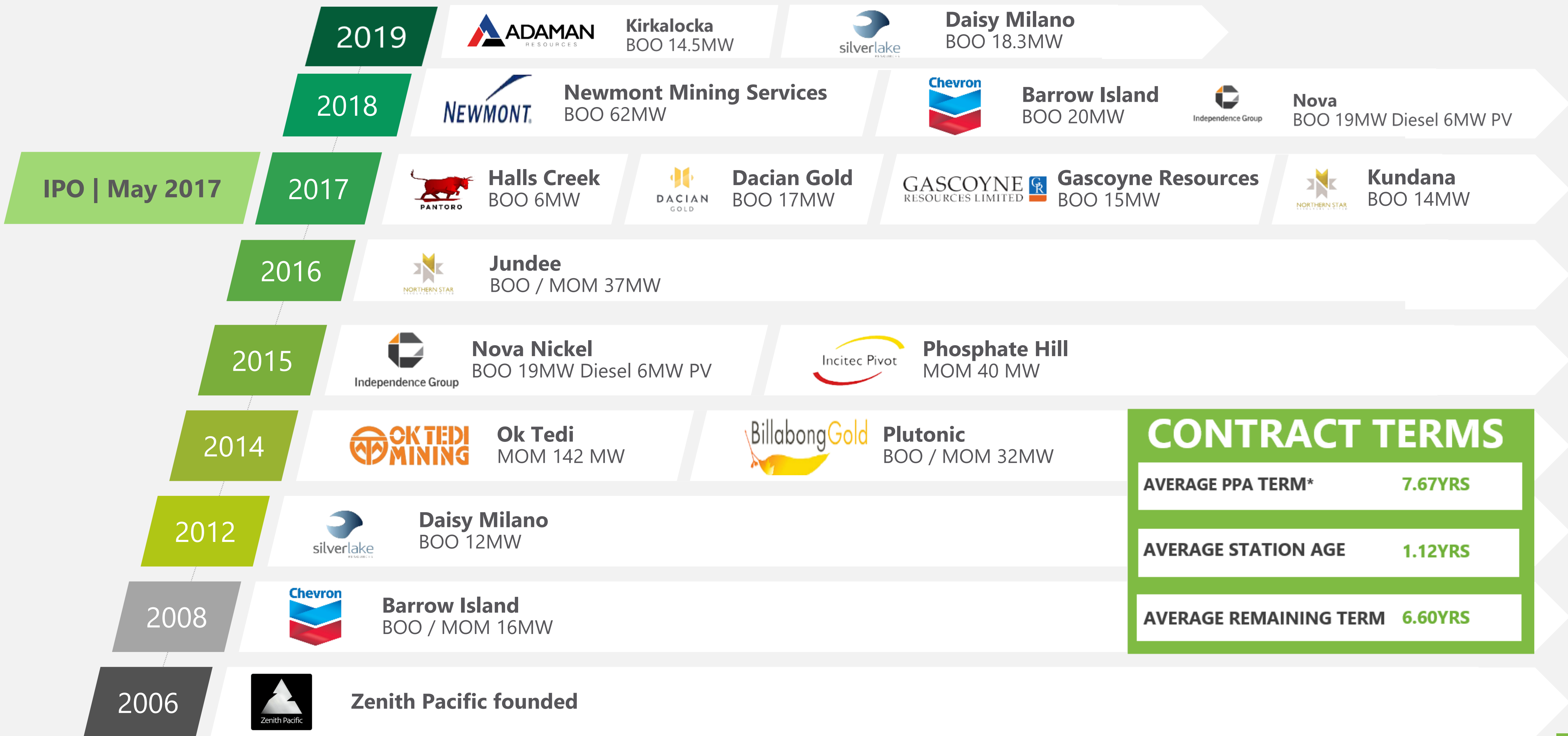
## 12-MONTH SHARE PRICE



1. Prior to the issue of new shares pursuant to the Placement and SPP  
2. Share Price \$0.66 as at 30 April 2019



# OUR PORTFOLIO





# FOCUSED STRATEGIC DELIVERY



- Currently serving **13 clients** in **remote locations** across Australia and South East Asia
- Specialising in **tailored, reliable, cost effective solutions** utilising gas, diesel, solar and hybrid generation
- **219MW** in contracted build, own, and operate (**BOO**) power stations, plus a manage, operate and maintain (MOM) and EPC offering
- Total generation capacity in excess of **438MW** under control and expanding rapidly
- **11 BOO contracts** in place with an average remaining term of **6.6 years**.
- Over 400MW near-term pipeline of future projects



# DELIVERING ON OPPORTUNITIES



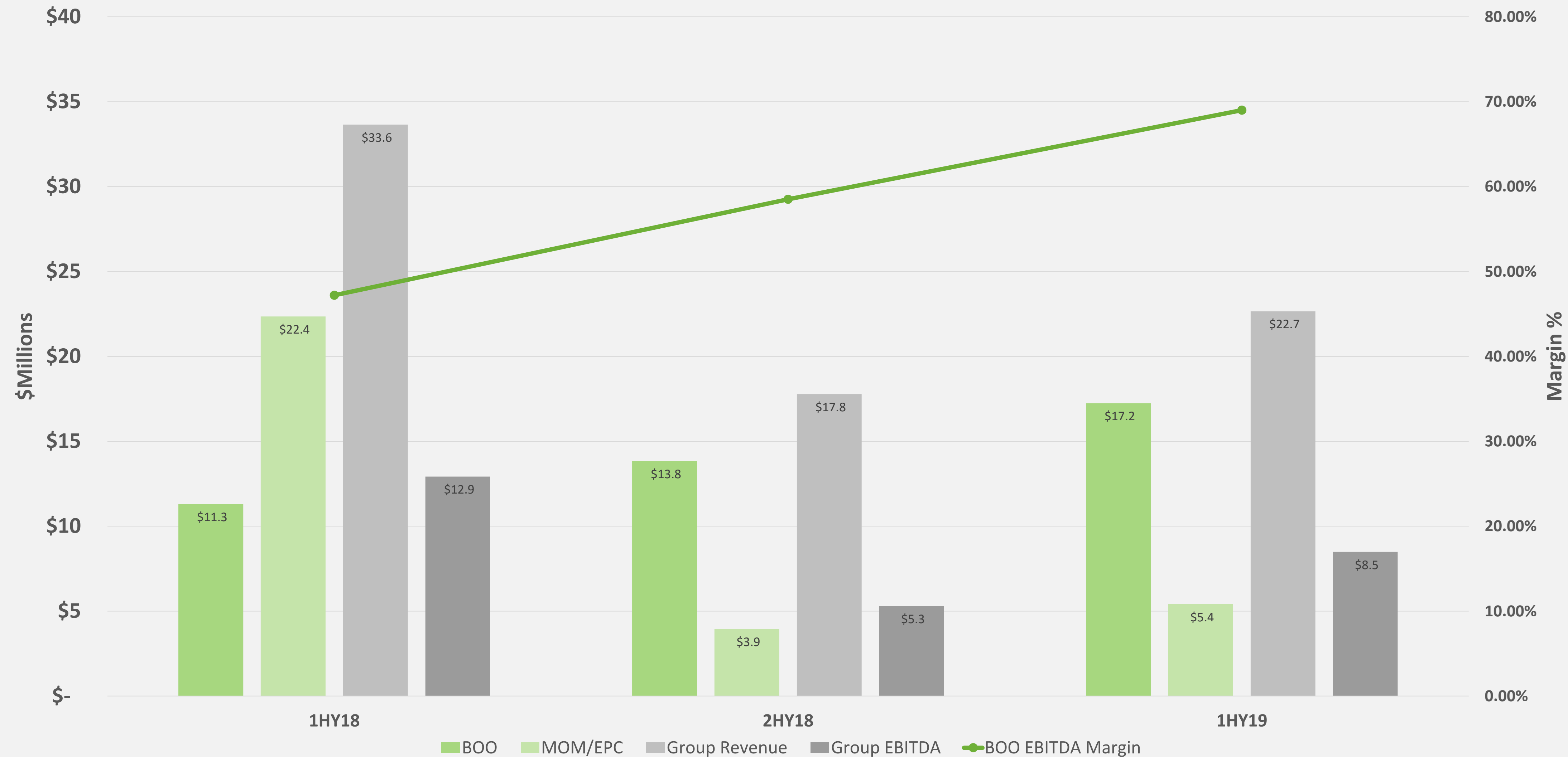
MT MORGANS POWER STATION

**Constructing innovative, reliable and cost effective solutions:**

- **Adaman Resources** | Kirkalocka Gold Project
- **Silver Lake Resources** | Daisy Milano Gold Mine
- **Northern Star Resources** | Jundee Project
- **Independence Group** | Nova Operation
- **Chevron Australia** | Barrow Island

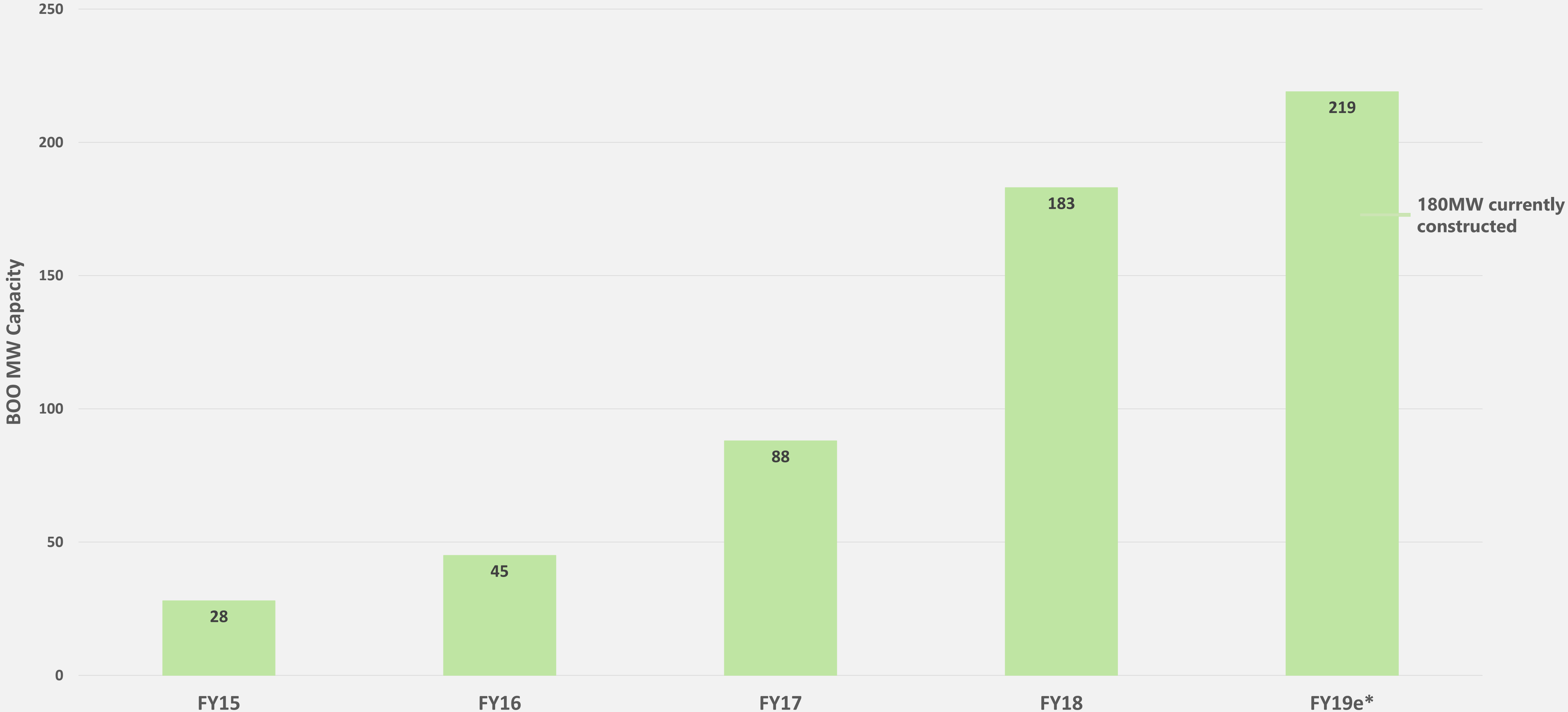


# GROUP REVENUE & MARGINS



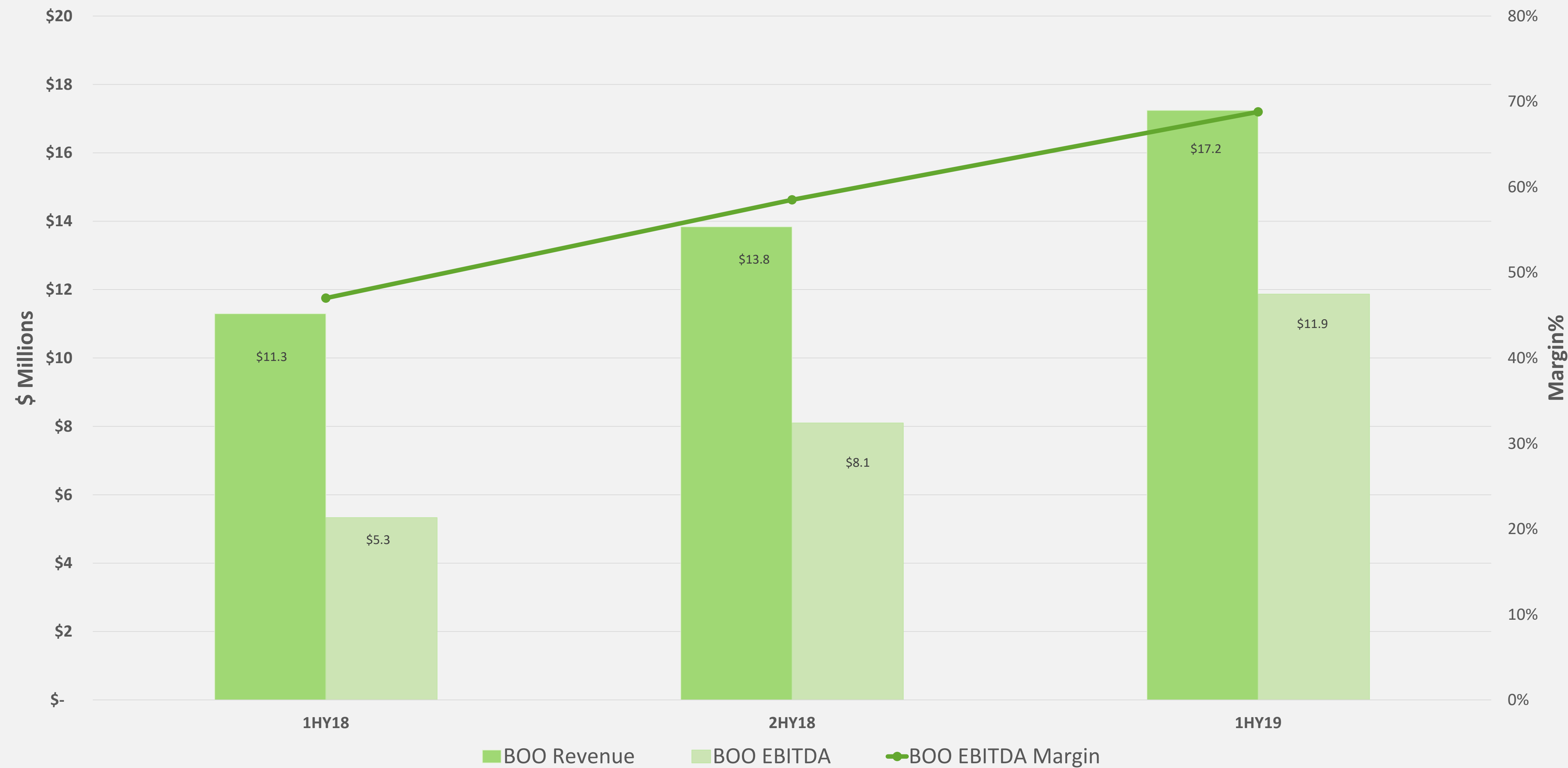


# SIGNIFICANT BOO MW GROWTH





# SIGNIFICANT BOO EARNINGS GROWTH





# TANAMI COMPLETION

- **21 February 2019** | Practical completion on the diesel portion of the 62MW power project at Newmont's Tanami Gold Mine<sup>1,2</sup>

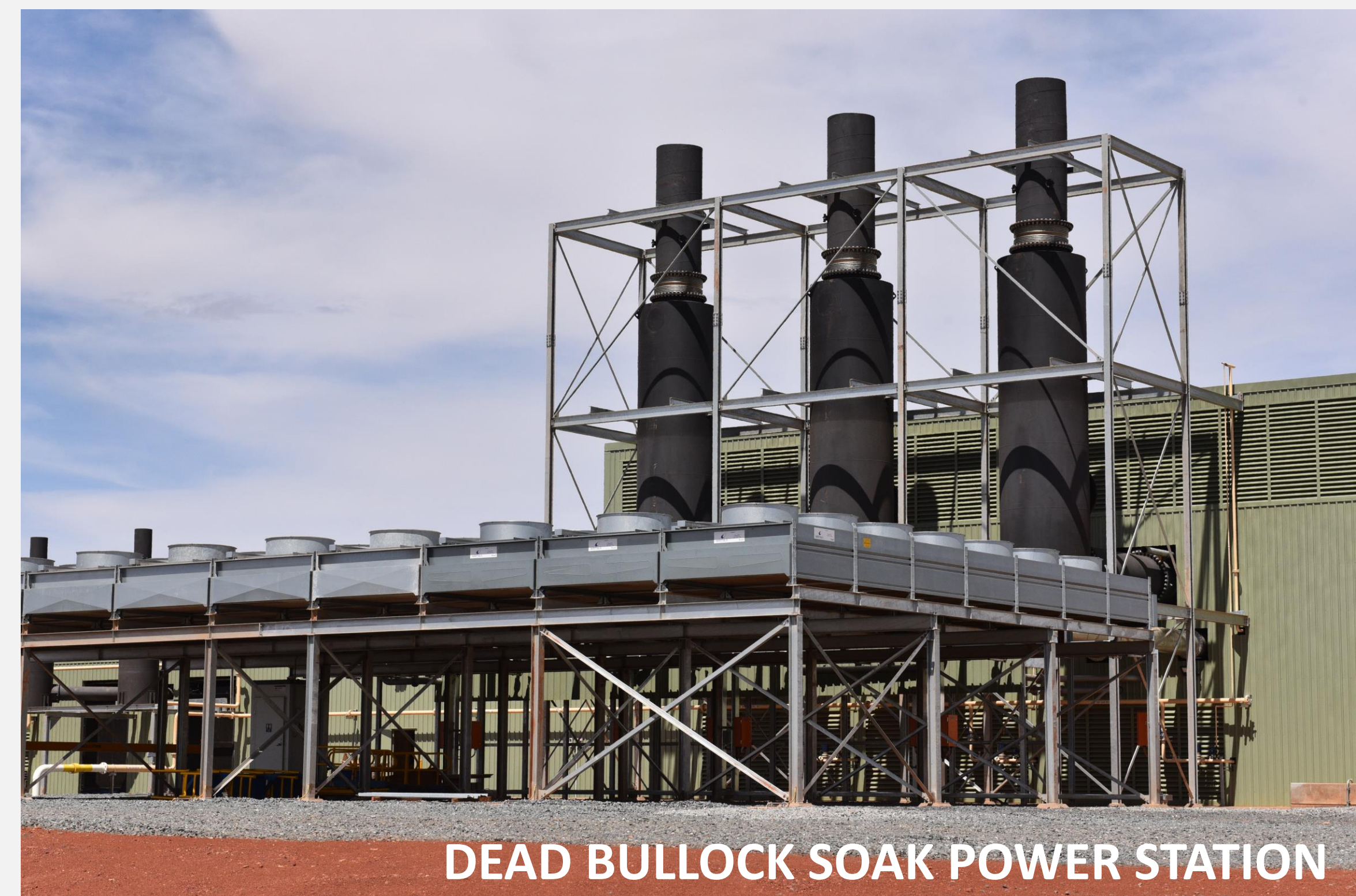
42km of 66kV transmission interconnect also energized between Dead Bullock Soak and Granites sites

- **26 February 2019** | Certification of full diesel completion following successful performance testing

Supply of diesel-fuelled electricity commenced at Dead Bullock Soak and Granites sites

- **17 April 2019** | Full completion and commissioning of the 62MW power project at Newmont's Tanami Gold Mine

Completed ahead of schedule, within tight capital constraints given the complexity of the project



1. Power project will materially increase FY20 earnings and deliver a 30% increase in total BOO capacity as at HY19
2. Zenith Energy now has 438MW of total generation capacity under control.



# BALANCE SHEET & FUNDING



	H1 2019	H2 2018	H1 2018	H2 2017 <sup>1</sup>
	\$m	\$m	\$	\$
<b>Cash</b>	0.8	2.0	11.5	19.3
<b>Receivables</b>	10.3	11.2	5.6	3.8
<b>Inventories</b>	11.9	2.7	0.7	0.7
<b>Tax Assets</b>	0.9	1.6	1.7	1.4
<b>PP&amp;E</b>	114.2	76.0	58.0	39.4
<b>Other Assets</b>	4.9	3.0	5.0	4.6
<b>TOTAL ASSETS</b>	<b>143.0</b>	<b>96.4</b>	<b>82.5</b>	<b>69.2</b>
<b>Current Liabilities<sup>4</sup></b>	12.4	9.7	9.4	4.8
<b>Current Debt<sup>3</sup></b>	17.4	7.4	7.2	16.3
<b>Current Tax</b>	0.0	1.6	2.1	1.0
<b>Non Current debt</b>	63.9	30.7	17.9	8.2
<b>Other</b>	2.6	2.5	3.4	2.9
<b>TOTAL LIABILITIES</b>	<b>96.2</b>	<b>51.9</b>	<b>40.0</b>	<b>33.1</b>
<b>NET ASSETS</b>	<b>46.8</b>	<b>44.6</b>	<b>43.5</b>	<b>36.1</b>
<b>NET TANGIBLE ASSETS</b>	<b>46.8</b>	<b>44.6</b>	<b>43.5</b>	<b>36.0</b>

## Growth in the BOO segment has been funded from IPO funds and debt

- **PP&E** | Increased from \$75.9m in H2 2018 to \$114.2m in H1 2019
- **Inventory** | Increased from \$0.7m in H2 2018 to \$11.9m in H1 2019<sup>2</sup>
- **Net Debt** | \$81.1m<sup>5</sup>
- **Corporate Facilities** | \$120m
- **Facility Headroom** | \$48.3m<sup>5</sup>

1. Zenith listed on ASX on 9 May 2017

2. Inventory is predominantly generation assets.

3. At 30 June 2017, Zenith was in the process of converting a \$16m Trade Advance facility to a long term Equipment Finance facility, this was finalised after balance date

4. Excluding Debt

5. As at 28 February 2019, Net Debt was \$92.7m, with \$42m in senior facility headroom.



# PRO-FORMA BALANCE SHEET



Proceeds of the Offer will be used to fund future power generation projects and deleverage the balance sheet

	31 DEC 2018 (\$M)	31 DEC 2018 PRO-FORMA <sup>1</sup> (\$M)
Total assets (book value)	143.03	171.53
Net debt <sup>2</sup>	81.10	52.60
Net assets (equity)	46.79	75.29
Net debt to equity	173%	69%
Finance facilities <sup>3</sup>	120.00	120.00
Finance facility headroom	48.30	48.30
Interest cover (EBITDA/Interest)	5.1	5.1

- In December the Company increased its corporate debt facilities to \$80m, providing \$40m of facility headroom.
- Proceeds of Offer will be used to fund the equity requirements for ongoing construction of power generation infrastructure projects.
- Company has material pipeline of near-term opportunities at >400 MW

1. Assumes net proceeds of \$28.5m, being Gross Proceeds of \$30m less estimated costs of the offer

2. As at 28 February, Net Debt was \$92.7m

3. Comprises of \$80m in corporate facilities and \$40m amortising fixed rate notes



# OUTLOOK FY19 – REITERATED



**FY19 will deliver full year benefit of the Mt Morgans and Dalgaranga power stations, with approximately one quarter of contribution from the recently completed Newmont Tanami power stations**

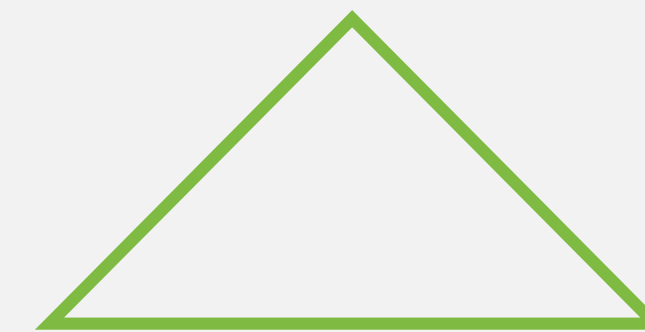
**BOO revenue to be ~\$35-38m<sup>1,2,3,4</sup>**

**REVENUE**



**\$50m-\$55m**

**EBITDA**



**\$19m-\$21m**

1. Inclusive of MOM revenue component for two hybrid projects, where it is not feasible to isolate BOO v MOM margins
2. Tanami expected to commence production of power under the PPA in Q3 FY19
3. Barrow Island will transition from a hybrid to a full BOO PPA at the end of construction in December 2019
4. BOO Revenues forecast to grow ~\$10 - \$13m over FY18



# OUTLOOK FY20 – GUIDANCE



**FY20 will deliver full year benefit of the Newmont Tanami power stations**

**BOO revenue to be ~\$53-\$55m,<sup>1,2,3,4</sup> based on existing contracts only.**

**REVENUE**



**\$63m-\$65m**

**EBITDA**



**\$26.5m-\$28.5m**

1. Inclusive of MOM revenue component for two hybrid projects, where it is not feasible to isolate BOO v MOM margins
2. Barrow Island will transition from a hybrid to a full BOO PPA at practical completion anticipated at end of December 2019
3. Projects currently contracted and under construction are: Chevron - Barrow Island, Independence Group - Nova Solar, Adaman Resources - Kirkalocka, Northern Star Resources - Jundee Uplift, Silverlake – Daisy Milano (including uplift) with expected dates falling throughout FY20.
4. BOO Revenues forecast to grow ~\$17-18m over FY19, based on existing contracts only



# POSITIONED FOR FURTHER GROWTH

NOVA POWER STATION

**BUILDING A  
STRONG TRACK  
RECORD OF  
DELIVERY**

**ROBUST PIPELINE  
OF OPPORTUNITIES**

**EXPERIENCED AND  
CAPABLE  
MANAGEMENT  
TEAM**

**STRONG BALANCE  
SHEET**





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# OUR PRESENCE



# PROJECT LIFECYCLE

BOO projects take 6-12 months to construct, with cash outflows peaking at Practical Completion (PC). Revenues and EBITDA contribution commence at PC. Rapid debt paydown following construction results in significant long-term cash and revenue upside as the project matures.

