



Level 6,
28 O'Connell Street
Sydney NSW 2000
GPO Box 4626, Sydney NSW 2001
t. + 61 2 9048 8850
e. info@genexpower.com.au
w www.genexpower.com.au

ASX: GNX

27 August 2020

ASX Announcement

Company Announcements Platform

FY20 FULL YEAR STATUTORY RESULTS

Genex Power Limited (ASX: **GNX**) (**Genex** or the **Company**) is pleased to provide the following update on the Company's performance for the 2020 financial year (**FY20**) in which Genex continued to progress towards financial close on its flagship Kidston Pumped Storage Hydro Project (**K2-Hydro**) and commenced construction on the Jemalong Solar Project (**JSP**). The Company also continued to progress its pipeline of renewable energy projects as a part of Genex's strategy of building a diversified renewable energy and storage company.

FY20 Highlights

- Kidston Solar Project (**KS1**) decrease in generation (MWh) by 8% to 116,520MWh (vs 126,760MWh in FY19); and
- Revenue of \$12.3m (vs \$16m in FY19) – a 23% decrease;
 - KS1 generation and revenue was affected by a software issue in October 2019, causing a temporary plant outage (*refer to ASX Announcement dated 30 January 2020*), and a defect was identified in the inverters which has since been rectified.
- The Company continued to make significant progress towards achieving financial close of K2-Hydro;
 - The announcement by the Queensland Government to provide up to \$132m in funding towards the construction of the 186km single-circuit transmission line from Kidston to Mount Fox (*refer to ASX Announcement dated 4 September 2019*);
 - Binding Energy Storage Services Agreement (**ESSA**) signed with EnergyAustralia (**EA**) for a duration of up to 30 years (*refer to ASX Announcement dated 30 March 2020*);
 - Extension of the validity of the offer from the Northern Australian Infrastructure Facility (**NAIF**) for a long-term concessional debt facility for K2-Hydro of up to \$610m, to 30

- September 2020 (refer to ASX Announcement dated 1 July 2020 for further conditions of the offer from NAIF); and
- The Company finalised key terms and pricing with its core EPC contractors to deliver K2-Hydro (refer to ASX Announcement dated 1 July 2020).
 - The Company achieved financial close for the 50MW Jemalong Solar Project (**JSP**) in New South Wales (refer to ASX Announcement dated 18 December 2020). Construction is well advanced with approximately 75% of the tasks from the construction schedule underway or completed;
 - The Company finished the financial year with a strong cash position of \$65.5m¹; and
 - Subsequent to the end of the financial year;
 - The Company executed a \$25m Share Subscription Agreement with J-POWER, with proceeds to be applied to the K2-Hydro project upon reaching financial close of the project (refer to ASX Announcement dated 3 August 2020);
 - The Company successfully completed a \$21.3m capital raise. A portion of these funds will be used to fund the advancement of Genex's standalone 50MW/75MWh large scale battery in Queensland (Como Battery Project) (refer to ASX Announcement dated 10 August 2020); and
 - The Company announced a Share Purchase Plan of up to \$7m.

Commenting on the Company's FY20 performance, Genex CEO, James Harding, stated:

"The past year has seen Genex deliver some considerable milestones in advancement of our strategy to become a diverse renewable energy and storage company.

Our flagship project, the Kidston Pumped Storage Hydro Project has been significantly de-risked through the \$610m debt Facility agreed with the Northern Australian Infrastructure Facility and the binding Energy Storage Services Agreement with EnergyAustralia. Furthermore, the presence of a global hydro leader in J-POWER, delivers technical expertise and demonstrates the world-leading nature of our renewable energy and storage portfolio. We continue to work with the Queensland Government to finalise the terms of the co-funding of the transmission line. We look forward to reaching financial close on Australia's first pumped storage project in the past 30 years in September CY20 and commencing construction shortly thereafter.

Construction of the Jemalong Solar Project has been largely unaffected by the COVID-19 pandemic with first energisation expected in Q4 CY20. The Company continues to expand its portfolio of storage projects by developing a standalone 50MW/ 75MWh large scale battery in Queensland. This is an exciting opportunity for the Company as it leverages Genex's knowledge of the Queensland energy market and expertise in financing large-scale renewable projects.

¹ Cash position of \$65.5m includes debt facilities for the Jemalong Solar Project.

Our significant pipeline of renewable energy and storage projects, coupled with our operational Kidston Solar Project, places the Company as a leader in the Australian renewable energy and storage sector.”

Outlook

FY20 leaves Genex in a strong position to deliver on its growth ambitions. Genex is pleased to provide the following outlook for FY21 across its project portfolio:

- KS1: Steady cash flow supported by long term contract with the Queensland Government;
- K2-Hydro: Construction planned to start CY20, with stakeholder commitments secured from EA, J-Power and NAIF;
- JSP: Nearing construction completion, with first energisation and cash flows expected Q4 CY20;
- Como Battery Project: Advancing options regarding the project's development; and
- 150MW K3-Wind: Resource monitoring and pre-feasibility analysis to continue.

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

CONTACT:**Simon Kidston**

Executive Director

Tel: +61 2 9048 8852

Email: sk@genexpower.com.au**About Genex Power Limited:**

Genex Power is a power generation development company listed on the ASX. The Company is focused on innovative clean energy generation and electricity storage solutions which deliver attractive commercial returns for shareholders. The Company has a development pipeline of up to 820MW of renewable energy generation and storage projects within its portfolio, underpinned by the Kidston Renewable Energy Hub in far-north Queensland (**Kidston Hub**). The Kidston Hub is comprised of the operating 50MW Stage 1 Solar Project (**KS1**), the 250MW Pumped Storage Hydro Project (**K2-Hydro**) and the multi-staged integrated Solar Project of up to 270MW (**K2-Solar**) under development and the Kidston Stage 3 Wind Project of up to 150MW under feasibility. In addition, the Company has acquired the 50MW Jemalong Solar Project (**JSP**), located near Forbes in NSW. JSP reached financial close in December 2019 and is under construction with energisation expected in Q4 CY2020. Genex has embarked on the next stage of its storage strategy through the early development of the proposed 50MW/75MWh large scale energy storage system in Queensland, project Como. This is an exciting opportunity as it leverages the Company's robust understanding of energy storage in Queensland.

Genex continues to acknowledge the support from the Federal Government, through the Australian Renewable Energy Agency (**ARENA**), which provided \$8.9 million in funding to support the construction of the KS1 Project, in addition to their support of up to \$9 million in funding to support the development of the stage 2 projects. Genex also acknowledges the support of the Queensland State Government through providing a 20-year revenue support deed and designating the Hub as 'Critical Infrastructure' to the State.