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### Overview

- Net loss after tax of \$1,645,973;
- Operating profit of \$609,598 due to:
  - Generation revenue from Kidston Solar farm stage 1 (**KS1**) offsetting expenditure associated with Kidston Stage two development costs.

### Commentary

The Group's net loss after taxation attributable to the members of Genex for the period ended 31 December 2018 was \$1,645,973

### KS1

KS1 continues to generate into the National Electricity Market (**NEM**) and has commenced the 20-year revenue support deed with the Queensland Government, which ensures a minimum average price for the energy produced from KS1. During the period, KS1 earned \$5,237,490 from revenue under the 20-year revenue support deed.

### Kidston Stage 2

The principal milestone achieved by the Company during the period was the announcement in December that the Company has entered into a term sheet in respect of a long-term energy storage services agreement with Energy Australia Pty Ltd (**EA**) for the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) in addition to providing an equity investment into the K2-Hydro project vehicle. Following the announcement in June 2018 that the Company had executed a term-sheet with the Northern Australian Infrastructure Facility (**NAIF**) for the provision of concessional debt financing for K2, the Company is now focused on reaching financial close for K2-Hydro in H1 2019, with the Stage 2 Solar Project (**K2-Solar**) to be developed and financed independently at a later stage of the 2019 calendar year. The strategic decision to separately stage the financing of K2-Hydro and K2-Solar has been made with the objective of having both projects simultaneously commence generation in 2022.

### Cash at Bank

As at 31 December 2018, Genex had cash at bank of \$8,459,271.

# APPENDIX 4D

## HALF YEAR REPORT

### 1. Company details

Name of entity:	<b>Genex Power Limited</b>
ABN:	<b>18 152 098 854</b>
Reporting Period:	Half year ended 31 December 2018
Previous Reporting period:	Full year ended 30 June 2018
Previous Corresponding period:	Full year ended 31 December 2017

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### 2. Results for announcement to the market

Key information				Half-Year ended 31 December 2018 \$
		%		
2.1	Revenue from ordinary activities	up	158,618%	to 8,767,584
2.2	Loss from ordinary activities attributable to the owners of Genex Power Limited	down	73%	to 1,645,973
2.3	Total comprehensive Loss for the period attributable to the owners of Genex Power Limited	down	58%	to 2,584,354
<b>Dividends</b>				
2.4	No dividends have been paid or provided for during the period.			

## 2.5 Explanation of the Company's Half Year Results.

During the half year, the Consolidated Entity achieved a number of key milestones towards the development of the Kidston Stage 2 Projects (**K2**) as well as announcing a further expansion to the corporate project portfolio with the acquisition of a new 50MW solar project at Jemalong in New South Wales.

The principal milestone achieved by the Company during the period was the announcement in December that it had entered into a term sheet in respect of a long-term energy storage services agreement with Energy Australia Pty Ltd (**EA**) for the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) in addition to providing an equity investment into the K2-Hydro project vehicle. Following the announcement in June 2018 that the Company had executed a term-sheet with the Northern Australian Infrastructure Facility (**NAIF**) for the provision of concessional debt financing for K2, the Company is now focused on reaching financial close for K2-Hydro in H1 2019, with the Stage 2 Solar Project (**K2-Solar**) to be developed and financed independently at a later stage of the 2019 calendar year. The strategic decision to separately stage the financing of K2-Hydro and K2-Solar has been made with the objective of having both projects simultaneously commence generation in 2022.

Complementing these development milestones were the announcements that the K2-Hydro project had been granted a development approval by the Etheridge Shire Council and has also been declared a Coordinated Project by the Queensland Government which provides an expedited pathway for Genex to finalise all outstanding approvals for K2-Hydro. Further, Genex announced the appointment of Entura as Owner's Engineer for both K2 projects to continue to progress developments.

In regards to KS1, the Company announced the achievement of Practical Completion in December, which marks the commencement of the Operations and Maintenance (**O&M**) stage. KS1 continues to generate into the National Electricity Market (**NEM**) and has commenced the 20-year revenue support deed with the Queensland Government, which ensures a minimum average price for the energy produced from KS1.

Further, the Company announced the acquisition of the 50MW Jemalong Solar Project (**JSP**), located near Forbes in NSW. JSP is in an advanced stage of development, with the acquisition being subject to a number of conditions precedent. The acquisition offers the opportunity to expand the corporate portfolio and diversify across regions.

During the period, Genex drew down \$1,515,836 from the second Convertible Note facility pursuant to the ARENA Funding Agreements executed with the Australian Renewable Energy Agency (ARENA).

The Consolidated Entity generated an operating profit of \$609,598 for the half year ended 31 December 2018 (which is an improvement of \$5,960,167 based on the loss of \$5,350,569 for the half year period ended 31 December 2017).

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3.	Net tangible assets	Reporting period	Previous corresponding period
	Net tangible assets per ordinary share	4.31 cents	3.53 cents

The calculation of net tangible assets per ordinary share uses the total number of shares on issue as at 31 December 2018 being 303,931,514 shares.

## 4. Control gained over entities

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

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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.

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7. **Review**

The attached Financial Report of Genex Power Limited for the half year ended 31 December 2018 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 2018 follows.

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9. **Signed**

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

Dated this 28<sup>th</sup> day of February 2019.

Signed:



**Ben Guo**

Finance Director

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