

APPENDIX 4D

HALF YEAR REPORT

1. Company details

Name of entity:	Genex Power Limited
ABN:	18 152 098 854
Reporting Period:	Half year ended 31 December 2019
Previous Reporting period:	Full year ended 30 June 2019
Previous Corresponding period:	Half year ended 31 December 2018

2. Results for announcement to the market

Key information		%		Half-Year ended 31 December 2019 \$
2.1 Revenue from ordinary activities.	down	44%	to	4,941,404
2.2 Loss from ordinary activities attributable to the owners of Genex Power Limited.	up	413%	to	8,448,451
2.3 Total comprehensive Loss for the period attributable to the owners of Genex Power Limited.	up	276%	to	9,722,891

Dividends

- 2.4** No dividends have been paid or provided for during the period.



Overview

- Net loss after tax of \$8,448,451; and
- Operating loss of 6,283,755.

Commentary

The Consolidated Entity's net loss after taxation attributable to the members of Genex Power Limited (**Genex, Company** or **Consolidated Entity**) for the 6-month period ended 31 December 2019 was \$8,448,451.

50MW Kidston Solar Project (KS1):

KS1 continues to generate into the National Electricity Market (**NEM**). KS1 was impacted by a plant outage in October that was caused by a software issue which was quickly rectified. The plant has resumed operating at full capacity. Despite the outage, the plant delivered 56,380MWh of power during the period and the net revenue for the HY20 was \$4.46m.

50MW Jemalong Solar Project (JSP):

The Company announced that it had reached financial close for the JSP in New South Wales in Q4 CY2019 (*refer ASX Announcement of 18 December 2019*). Genex executed an Engineering, Procurement and Construction (**EPC**) Contract and Operation & Maintenance (**O&M**) Contract with Beon Energy Solutions for JSP. Construction activities are underway on site with operational commencement and first revenues targeted for late Q4 CY2020. When fully operational, JSP is expected to produce up to 129,450MWh per year, providing enough energy to power more than 23,000 Australian homes with renewable energy.

250MW Pumped Storage Hydro Project (K2-Hydro):

During the period, EnergyAustralia (**EA**) announced that they would not be in a position to reach a positive investment decision on the basis of the long term energy agreement which had previously been progressing through the due diligence and finalisation stages (*refer ASX Announcement of 1 November 2019*). Subsequent to the announcement from EA, Genex received support from key stakeholders in the project:

- The Northern Australian Infrastructure Facility (**NAIF**) approved the extension of their funding offer of up to \$610m through a long term concessional NAIF debt facility to 30 June 2020 (*refer ASX Announcement 13 November 2019*); and
- Electric Power Development Co Ltd trading as J-POWER (**J-POWER**) signed a new Memorandum of Understanding (**MOU**). The MOU replaced the original document signed on 6 June 2019. The MOU, under the same terms and conditions, has been extended to 31 December 2020 (*refer ASX Announcement 22 November 2019*).

The commitment and deadline extension from both NAIF and J-POWER recognises the quality of K2-Hydro and their commitment to its development which importantly allows Genex time to re-negotiate and finalise a new binding term sheet for the energy offtake arrangements for the project.

The Genex Board and senior management are of the view that the delay in securing offtake for the project is not a reflection on the importance or economic viability of the project and that the project remains an outstanding opportunity for energy storage, has an operating life in excess of 80 years and consequently will provide an energy storage solution for multiple generations.

During the half-year period, the Queensland Government announced its intention to provide funding of up to \$132m towards the construction of a 186km single-circuit transmission line from Kidston to Mount Fox (*refer ASX Announcement 4 September 2019*).

Corporate:

As part of the financial close process for JSP, the Company delivered a debt re-finance funding package of \$192m which included a senior loan facility and a structurally subordinated HoldCo facility. The senior facility was independently verified as a 'Green Loan' and it is the first of its kind to be certified under the internationally recognised Climate Bonds Standard v3.0. The 100MWAC Portfolio Financing includes the largest Certified Green Loan by an Australian renewable energy group.

Earlier in the period during July 2019, the Company announced the completion of a capital raising of \$21.5m before costs which comprised of a placement of \$16.2m and a Share Purchase Plan of \$5.3m to fund the development of the JSP.

Cash at Bank

As of 31 December 2019, Genex had cash at bank of \$17,576,142.

2.5 Explanation of the Company's Half Year Results.

The principal milestone achieved by the Company during the period was reaching financial close on JSP in December 2019. This is the Company's second solar farm and will be developed in NSW near the town of Forbes. Genex executed an EPC Contract with Beon Energy Solutions for JSP. Construction for the project has commenced and first generation is expected in Q4 CY2020. The project financing for JSP also included a refinancing of the KS1 in far north Queensland. The total loan size was \$175m (out of a total debt re-finance funding package of \$192m) provided by senior lenders; DZ bank, Nord LB and Westpac.

The envisaged financial close for K2-Hydro in H2 2019 was delayed as a result of EA being unable to secure board approval from its parent company for the proposed offtake agreement. The offtake agreement is currently being renegotiated to align with both EA's requirements whilst still supporting the required project finance structure.

During the period, KS1 generated 56,380MWh into the NEM for the 6 months to December 2019. The lower than expected generation was due to a plant outage in October which was caused by a software issue. This has since been rectified and the plant is now operating at full capacity.

3. Net tangible assets	Reporting period	Previous corresponding period
Net tangible assets per ordinary share	5.41 cents	4.31 cents

The calculation of net tangible assets per ordinary share uses the total number of shares on issue as at 31 December 2019 being 401,841,355 shares.

4. Control gained over entities

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

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.

7. Review

The attached Financial Report of Genex Power Limited for the half year ended 31 December 2019 has been reviewed by Ernst and Young, the Company's auditor.

8. Attachments

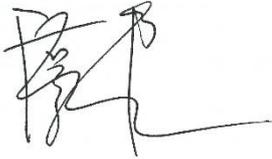
The Half Year Report of Genex Power Limited for the period ended 31 December 2019 follows.

9. Signed

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

Dated this 27th day of February 2020.

Signed:

A handwritten signature in black ink, appearing to be 'Ben Guo', with a long horizontal line extending to the right.

Ben Guo
Finance Director
