

GENEX POWER LIMITED – FULL YEAR RESULTS FOR THE YEAR ENDED 30 JUNE 2017

Highlights

- Net loss after tax of \$6.48 million;
- Financial close reached for the 50MW Kidston Solar Project Stage 1 (**KS1**);
 - Approximately \$100 million of senior bank debt from Societe Generale (**SocGen**) and the Clean Energy Finance Corporation (**CEFC**);
 - Approximately \$20 million raised through additional equity;
 - \$8.85 million received from the Australian Renewable Energy Agency (**ARENA**) as a grant towards the construction of KS1;
- Construction of KS1 well underway with energisation expected in 4Q 2017;
- Development of integrated 250MW Kidston Pumped Storage Hydro Project (**PSHP**) and 270 MW Stage 2 Solar Project (**KS2**) continued.

For the year ended 30 June 2017, Genex Power Limited (**Genex, Company** or **Consolidated Entity**) incurred an after tax loss of \$6.48 million. The majority of expenditure was incurred on the development of KS1 and the PSHP.

The Company did not generate any income during the year, other than through bank interest and a research and development rebate, from the Australian Tax Office (**ATO**).

On 14 February 2017, Genex reached financial close on KS1. As part of this milestone, Genex entered into a \$100 million senior debt facility with SocGen and CEFC. Genex also funded approximately \$20 million of the total construction cost through equity funding raised from existing and new shareholders. Finally, Genex also received \$8.85 million of grant funding from ARENA to be applied to the construction costs.

Construction of KS1 is now well advanced. It is anticipated that the plant will be energised towards the end of the calendar year 2017 with practical completion expected in February 2018.

Cash at Bank

As at 30 June 2017, Genex had cash at bank of \$11,088,539.

APPENDIX 4E

PRELIMINARY FINAL REPORT

1. Company details

Name of entity: **Genex Power Limited**
ABN: **18 152 098 854**
Reporting Period: Year ended 30 June 2017
Previous corresponding period: Year ended 30 June 2016

2. Results for announcement to the market

Key information		%		Year ended 30 June 2017 \$
2.1 Revenue from ordinary activities	Up	269%	to	2,836,797
2.2 Loss from ordinary activities attributable to the owners of Genex Power Limited	down	9%	to	6,479,409
2.3 Total Comprehensive Loss for the period attributable to the owners of Genex Power Limited	Up	14%	to	8,039,736

Dividends

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

2.5 Brief explanation of the figures reported above necessary to enable the figures to be understood.

The principal activities of the consolidated entity during the course of the year consisted of development and construction activities associated with KS1 as well as development work on the Stage 2 projects comprising KS2 and the PSHP.

The Company did not receive any revenue during the period other than interest earned from its bank accounts as well as a Research and Development (R & D) rebate from the ATO totaling \$2,836,797.

The consolidated entity generated an operating loss of \$6,479,409 for the year ended 30 June 2017 (from a loss of \$7,082,594 in the period ended 30 June 2016) principally due to costs associated with an increase in activity by the Company in developing its projects at the Kidston site.

3. Net tangible assets	Reporting period	Previous corresponding period
Net tangible assets per ordinary share	7.15 cents	2.61 cents

The calculation of net tangible assets per ordinary share uses the total number of shares on issue as at 30 June 2017.

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 through the year.

6. Details of associates and joint ventures

There are no associates of the consolidated entity.

7. Audit

The attached Preliminary Financial Report of Genex Power Limited for the year ended 30 June 2017 is based on the Financial Report of Genex Power Limited for the year ended 30 June 2017 which is in the process of being audited.

8. Attachments

The Preliminary Final Report of Genex Power Limited for the year ended 30 June 2017 is attached.

9. Signed

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

Dated this 31st day of August 2017.

Signed:



Michael J. Addison
Managing Director

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Genex Power Limited
Preliminary Consolidated Statement of profit and loss and other comprehensive income
For the year ended 30 June 2017

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
Revenue	2,836,797	768,741
Expenses		
Project site costs	(1,563,917)	(4,742,219)
Salary expenses	(3,418,623)	(1,640,652)
Administrative expenses	(1,217,941)	(722,825)
Compliance cost and regulatory fees	(688,556)	(57,919)
Project consulting costs	(671,680)	(357,844)
Legal fees	(1,138,152)	(179,265)
Travel and marketing	(264,982)	(159,587)
Interest expenses	(204,280)	-
Other expenses	(148,075)	8,976
Total Expenses	(9,316,206)	(7,851,335)
Loss before income tax expense	(6,479,409)	(7,082,594)
Income tax expense	-	-
Loss after income tax expense	(6,479,409)	(7,082,594)
Other comprehensive income for the period, net of tax	(1,560,357)	-
Total comprehensive loss for the period attributable to the owners of Genex Power Limited	(8,039,736)	(7,082,594)

Genex Power Limited
Preliminary Consolidated Statement of financial position
For the year ended 30 June 2017

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	11,088,539	4,179,614
Trade and other receivables	1,256,233	418,836
Prepayments	272,648	2,684,163
	12,617,420	7,282,613
Non-Current Assets		
Bank Guarantee	3,997,626	3,804,312
Plant Property and Equipment	47,726,799	4,409,786
Other Assets	18,270	18,270
	51,742,695	8,232,368
Total Assets	64,360,114	15,514,981
Liabilities		
Current Liabilities		
Trade and other payables	10,783,224	389,337
Short term interest accrued	48,065	63,111
Loans	70,713	2,249,730
Government grant	8,850,000	-
Provisions	83,929	47,368
Other current liabilities	119,266	-
Rehabilitation and restoration provisions	-	234,000
	19,955,197	2,983,547
Non-Current Liabilities		
Rehabilitation and restoration provision	218,020	3,570,311
Long term interest accrued	188,843	377,599
Loans	16,328,777	-
Convertible notes	1,817,345	1,065,067
Other non-current liabilities	5,261,261	-
	23,814,246	5,012,977
Total Liabilities	43,769,443	7,996,524
Net Assets	20,590,671	7,518,457
Equity		
Share capital	35,306,773	15,800,028
Equity reserve	994,217	630,077
Option reserves	2,724,749	1,578,785
Accumulated losses	(18,435,068)	(10,490,433)
Total Equity	20,590,671	7,518,457

Genex Power Limited
Preliminary Consolidated Statement of changes in equity
For the year ended 30 June 2017

	Issued Capital	Equity Reserves	Options Reserves	Accumulated Losses	Total Equity
Balance at 1 July 2015	12,477,028	-	1,380,085	(3,594,140)	10,262,973
Loss after income tax	-	-	-	(7,082,594)	(7,082,594)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for period	12,477,028	-	1,380,085	(10,676,734)	3,180,379
Shares issued during the period net issue costs	3,323,000	-	-	-	3,323,000
Equity value of ARENA Convertible Note	-	630,077	-	-	630,077
Share options issued during the period	-	-	198,700	186,300	385,000
Balance at 30 June 2016	15,800,028	630,077	1,578,785	(10,490,434)	7,518,456
Balance at 1 July 2016	15,800,028	630,077	1,578,785	(10,490,434)	7,518,456
Loss after income tax	-	-	-	(6,479,409)	(6,479,409)
Adjustment to Retained Earnings	-	-	-	(1,465,225)	(1,465,225)
Total comprehensive loss for period	15,800,028	630,077	1,578,785	(18,435,068)	(426,178)
Shares issued during the period net issue costs	19,506,744	-	-	-	19,506,744
Equity value of ARENA Convertible Note	-	364,140	-	-	364,140
Loyalty Options Converted	-	-	(186,699)	-	(186,699)
Share options issued during the period	-	-	1,332,662	-	1,332,662
Balance at 30 June 2017	35,306,773	994,217	2,724,749	(18,435,068)	20,590,671

Genex Power Limited
Preliminary Consolidated Statement of cash flows
For the year ended 30 June 2017

	Consolidated	
	30June	30June
	2017	2016
	\$	\$
Cashflow from Operating Activities		
Receipts from non-ordinary activities	2,513,591	672,650
Payments to suppliers and employees	(5,191,041)	(10,507,341)
Interest received	359,097	96,091
Interest paid	(388,574)	-
Netcash utilised by operating activities	(2,706,928)	(9,738,600)
Cashflow from Investing Activities		
Purchase of Property, Plant and Equipment	(33,377,517)	(605,474)
Receipt of government grant	8,850,000	-
Funds invested into a term deposit/bank guarantee	-	(3,804,312)
Net cash used in investing activities	(24,527,517)	(4,409,786)
Cashflow from Financing Activities		
Proceeds from issue of shares	20,437,138	3,323,000
Transaction costs on issue of shares	(1,010,394)	-
Repayment of borrowings	(2,249,730)	-
Proceeds from borrowings	16,886,355	4,335,854
Proceeds from exercise of share options	80,000	-
Net cash from financing activities	34,143,369	7,658,854
Net increase in cash and cash equivalents	6,908,925	(6,489,532)
Cash and Cash equivalent at the beginning of the period	4,179,614	10,669,145
Cash and Cash equivalents at the end of the period	11,088,539	4,179,614

Genex Power Limited
Notes to the Preliminary Consolidated Financial Statements (continued)
For the period ended 30 June 2017

1. Earnings Per Share

	Consolidated	
	30 June 2017	30 June 2016
	\$	\$
Net loss for the year	6,479,409	7,082,594
Weighted average number of ordinary shares used in calculating basic earnings per share	233,105,428	162,469,434
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	233,105,428	162,469,434
	Cents	Cents
Basic earnings per share	(2.78)	(4.36)
Diluted earnings per share	(2.78)	(4.36)

2. Equity - issued capital

	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	287,807,764	180,268,750	35,306,773	15,800,028
<i>Movements in ordinary share capital</i>				

Details	Date	No of shares	Issue price	\$
Balance	1 July 2015	158,393,750		12,477,028
Issue of shares	17 June 2016	21,875,000	\$0.16	3,500,000
Share issue costs, net of tax		-		(177,000)
Movement for the year		<u>21,875,500</u>		<u>3,323,000</u>
Balance	30 June 2016	180,268,750		15,800,028
Exercise of loyalty options	8 December 2016	50,000	\$0.20	10,000
Issue of shares (Placement)	15 December 2016	45,067,187	\$0.22	9,914,781
Share issue costs, net of tax				(560,739)
Issue of shares (Share Purchase Plan)	23 January 2017	11,640,770	\$0.22	2,561,077
Issue of shares (Placement)	9 February 2017	31,250,000	\$0.16	5,000,000
Share issue costs, net of tax				(449,655)
Exercise of options	9 February 2017	250,000	\$0.20	50,000
Issue of shares (Rights Issue)	1 March 2017	19,181,057	\$0.16	3,068,969
Exercise of options	6 March 2017	50,000	\$0.20	10,000
Exercise of options	26 April 2017	50,000	\$0.20	10,000
Loyalty options cost base adjustment				(107,689)
Movement for the year		<u>107,539,014</u>		<u>19,506,363</u>
Balance	30 June 2017	287,807,764		35,306,664

3. Events after the reporting year

Subsequent to the end of the year ended 30 June 2017 the following events took place:

On 4 August 2017, Genex entered into a corporate facility with CEFC for \$4.1 million to fund general corporate expenses which was a facility comprising part of the financial close arrangements in February 2017.

Apart from the matters outlined above there have been no other material events or circumstances which have arisen since 30 June 2017 that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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