



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

28 October 2019

ASX Announcement

Quarterly Update – Q1 FY20

Genex Power Limited (ASX: **GNX**) (**Genex** or the **Company**) is pleased to provide the following update on the Company's activities and performance for the first quarter of the 2020 financial year (**Q1 2020**), during which the Company continued to de-risk its pipeline projects as they move towards financial close targeted for the current quarter.

Highlights:

Kidston Stage 1 50MW Solar Project (KS1):

- Revenue of \$2.27M for the quarter; and
- Generation of 32,273MWh.

Corporate:

- Completion of a \$21.5m capital raising to reach financial close for the Jemalong Solar Project;
- Net cash position at quarter's end of \$25.06M;
- Shareholder approval for the issuance of shares to J-POWER and the appointment of J-POWER'S nominee, Mr Kenichi Seshimo as a director upon financial close of K2-Hydro; and
- Release of 2019 financial year Annual Report.

Kidston Stage 2 Pumped Storage Hydro Project (K2-Hydro):

- The Northern Australian Infrastructure Facility (**NAIF**) board approved investment decision to offer finance for K2-Hydro of up to \$610M through a long-term concessional NAIF debt facility (*refer ASX announcement 11 July 2019*);
- The announcement by the Queensland Government to provide funding of up to \$132M in funding towards the construction of the 186km single-circuit transmission line from Kidston to Mount Fox (*refer ASX announcement of 4 September 2019*). The Queensland Government's announcement completes the loan criteria extended by NAIF and represents the key

outstanding external funding requirement to complete the project financing and commence construction; and

- The final step to complete the funding stage for K2-Hydro and commence the construction stage is the conversion of the non-binding term sheet with EnergyAustralia into a binding agreement, which is anticipated this quarter.

Jemalong 50MW Solar Project (JSP):

- Financial close on track for this quarter with construction on track to commence shortly thereafter; and
- First revenues on track for late CY2020.

Commenting on the Company's activities and performance in Q1 2020, Genex CEO, James Harding, stated:

"The development of the Kidston Stage 2 Pumped Hydro Project was significantly de-risked during the September quarter. The decision by NAIF to provide funding to the K2-Hydro project reflects the significance of the project, both in terms of investment into regional Queensland and the ability of the project to help Queensland meet its renewable energy targets.

We would like to thank the Queensland Government for their ongoing support of the project. The Government's funding for the construction of the Project Transmission Line will connect the project to the Queensland grid and unlock the ability for the company to develop additional stages for the Kidston Clean Energy Hub, including up to 270MW of additional solar and up to 150MW of wind.

With our funding packages almost complete, the Company is about to enter the next phase of its growth with the development of K2-Hydro and the Jemalong Solar projects with financial close for each targeted for the current quarter. The construction of these projects will position Genex as a diversified clean energy company".

Outlook

Genex is in a strong position to deliver on its growth ambitions. The Projects are positioned to deliver clean, renewable power helping the country meet its renewable energy targets. The increasing impact of intermittent power on energy prices highlights the need for large scale storage options such as K2-Hydro. In the current quarter, the Company is continuing to focus on the development of its projects. Key outlook areas include:

- KS1: continued focus on steady state operational performance supported by a long-term revenue contract provided by the Queensland State Government;

- K2-Hydro: on track for financial close Q4 CY2019. The final stage of the process is the conversion of the EnergyAustralia non-binding Energy Storage Services term sheet into a binding Agreement; and
- JSP: financial close and construction expected to commence this quarter.

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 770MW of renewable energy generation and storage projects within its portfolio, underpinned by the Kidston Clean 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, which is also under development.

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, as well as their support of up to \$9 million in funding to support the development of the stage 2 projects. In addition to this, Genex acknowledges the Northern Australia Infrastructure Facility (**NAIF**) and their Investment decision to offer finance to K2-Hydro through the provision of a long-term concessional NAIF debt facility for up to \$610 million. Genex also recognises 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.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Genex Power Limited

ABN

18 152 098 854

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,271	2,271
1.2 Payments for		
(a) research and development	(1,656)	(1,656)
(b) product manufacturing and operating costs	(234)	(234)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(904)	(904)
(f) administration and corporate costs	(470)	(470)
1.3 Dividends received (see note 3)		
1.4 Interest received	55	55
1.5 Interest and other costs of finance paid	(999)	(999)
1.6 Income taxes paid		
1.7 R&D Tax Rebate		
1.8 ARENA Grant		
1.9 Net cash from / (used in) operating activities	(1,937)	(1,937)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments	(618)	(618)

For personal use only

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(618)	(618)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	20,478	20,478
3.2 Proceeds from issue of convertible notes	750	750
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(1,235)	(1,235)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	19,993	19,993

	Current quarter \$A'000	Previous quarter \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	7,622	12,320
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,937)	(188)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(618)	(4,507)

For personal use only

4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,993	(3)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	25,060	7,622

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	20,780	3,463
5.2 Call deposits		
5.3 Term Deposits	205	355
5.4 Other (provide details)	4,075	3,804
	(Bank Guarantee held in respect of the Kidston Gold Mines Environmental Bond)	(Bank Guarantee held in respect of the Kidston Gold Mines Environmental Bond)
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,060	7,622

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	423
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payment of salaries and director fees

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

For personal use only

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Kidston Solar Project Senior Debt Facility	97,689	97,689
8.2 ARENA Convertible Note	3,996	3,996
8.3 ARENA Convertible Note 2	4,558	4,305
8.5 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

ARENA Convertible Note – ARENA, convertible at \$0.20, unsecured
 ARENA Convertible Note 2 – ARENA, convertible at high or \$0.2865 and the volume weighted average sale price of Shares on the ASX over twenty trading days immediately preceding the Financial Close date, unsecured

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(750)
9.2 Solar Project construction	(8,000)
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	(808)
9.6 Administration and corporate costs	(493)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(10,051)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

For personal use only

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Director)

Date: 28/10/2019

Print name: Ben Guo

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

For personal use only