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ASX: GNX

10 August 2020

ASX Announcement

Company Announcements Platform

GENEX SUCCESSFULLY RAISES \$21.276 MILLION VIA A PLACEMENT AND LAUNCHES SHARE PURCHASE PLAN TO FAST-TRACK COMO BATTERY PROJECT, FUND KIDSTON HYDRO PROJECT FINANCIAL CLOSE COSTS AND WORKING CAPITAL

Highlights:

- Successful Placement raising a total of \$21.276 million;
- Share Purchase Plan announced to raise up to an additional \$7 million; and
- Proceeds to be applied toward fast-tracking Genex's Como Battery Project, Kidston Hydro Project financial close costs, working capital and costs associated with the capital raising.

Genex Power Limited (**ASX: GNX, Genex** or **Company**) is pleased to announce the successful undertaking of a placement (**Placement**) of 96,712,552 new fully paid ordinary shares (**Shares**) to both existing and new sophisticated and institutional shareholders.

The Shares under the Placement will be issued at a price of \$0.22 per Share, with Morgans Corporate Limited (**Morgans**) and Euroz Securities Limited (**Euroz**) acting as Joint Lead Managers to the Placement. Canaccord Genuity (Australia) Limited acted as Co-Manager to the Issue.

The price for the Placement represents a discount of:

- 17.0% to the last traded price of \$0.2650;
- 18.0% to the 5 day VWAP of \$0.2684; and
- 14.8% to the 15 day VWAP of \$0.2582.

Demand under the Placement significantly exceeded the Company's Placement capacity. Given the strong take up in the Placement, the Company has resolved to undertake a Share Purchase Plan (**SPP**) to raise up to a maximum of \$7 million to allow eligible shareholders to participate in the capital raising.

The funds from the Placement and SPP will predominantly be used for:

- Development costs associated with fast tracking the Company's Como Battery Project (**Project Como**);
- Financial close costs (legal and advisory fees) for the Kidston Hydro Project (**K2-Hydro**);
- Working capital; and
- Costs associated with the capital raising.

The capital raising is being undertaken alongside the previously announced funding strategy for K2-Hydro, being:

- The \$25 million Share Subscription Agreement (**SSA**) with Electric Power Development Co., Ltd trading as J-POWER (**J-POWER**) announced on 3 August 2020 which is subject to the approval of Shareholders at an Extraordinary General meeting to be called for a date in mid to late September; and
- The direct project equity investment process for up to a 50% interest in K2-Hydro, which is continuing and nearing its final stages (*refer ASX Announcement of 1 July 2020*).

The proceeds from the J-POWER SSA, existing cash and direct project equity investment are intended to finance the final project equity contributions required for the K2-Hydro project financing, with financial close remaining on track for September 2020.

Commenting on the success of the Placement, Genex CEO, James Harding said:

“Genex is delighted with the strong response to the Placement and would like to acknowledge the support shown by existing and new investors to the Company’s strategy of growing cash flows from its expanding portfolio of diverse renewable energy and energy storage projects across Queensland and New South Wales. We are particularly excited about the development potential of the Como Battery project in Queensland, with the funds raised from the Placement and Share Purchase Plan to be used to fast track the delivery of this strategy to potentially see it contributing to our revenues during the next calendar year.

This capital raising is being undertaken alongside the previously announced financing strategy for the K2-Hydro project – with the equity requirement for this project to be funded via the proceeds of the SSA with J-POWER and existing cash reserves together with a direct project equity investment through a project equity partner. We envisage providing an update on the project equity process in the coming weeks, with financial close remaining on its targeted schedule during September 2020.”

Details of Placement

Pursuant to the terms of the Placement, Genex has agreed to issue 96,712,552 new Shares in the Company at an issue price of \$0.22 per share to raise \$21.276 million before costs. The Shares will be placed to institutional and sophisticated investors. Completion of the Placement is expected to occur on 14 August 2020, with trading of the new Shares expected to occur on 17 August 2020.

Shareholder approval is not required as the Placement is being undertaken within the Company's existing capacity pursuant to ASX listing rules 7.1 (56,553,463 Shares) and 7.1A (40,159,089 Shares). All Shares issued under the Placement will rank pari passu with the existing ordinary shares on issue.

Details of Share Purchase Plan

The Company has resolved to undertake the SPP to allow eligible shareholders to participate in the capital raising alongside the Placement. The Board has determined the size of the SPP at a cap of \$7 million and in doing so has taken into account the size of the capital raising, the allocation between the Placement and the SPP and the Company's requirement for new capital at this time.

Existing eligible shareholders on the register as at the record date of 7.00 pm (Sydney time) on Friday 7 August 2020 (**Record Date**) will be eligible to participate in the SPP to subscribe for up to \$30,000 of Shares per shareholder at the same price as the Placement.

Further information in relation to the SPP, including SPP terms and conditions, will be outlined in the SPP offer booklet which will be dispatched to eligible shareholders on 18 August 2020. Genex reserves the right to vary the SPP offer details without notice.

An indicative timetable for the Placement and SPP is as follows:

Trading Halt	Prior to 10:00am Thursday 6 August 2020
Record date for SPP	7.00pm Friday 7 August 2020
Announcement of the Placement and SPP and lodgment of Appendix 3B	Prior to 10am Monday 10 August 2020
Settlement of Placement	Friday 14 August 2020
Issue and Allotment of Placement Shares, lodgment of Appendix 2A and cleansing notice	Prior to 10:00am Monday 17 August 2020
SPP opening date and dispatch of SPP booklet to eligible shareholders	Tuesday 18 August 2020
SPP closing date	Wednesday 26 August 2020
Announcement of SPP Offer Results	Monday 31 August 2020
Allotment of New Shares issued under the SPP	Wednesday 2 September 2020
ASX quotation of New Shares issued under the SPP (lodgment of Appendix 2A – prior to midday) and dispatch of confirmation statements	Thursday 3 September 2020

This timetable is indicative only and is subject to change. Genex may alter the dates above, withdraw or vary the SPP, or accept SPP applications that are received after the SPP closing date, in each case in Genex's absolute discretion, subject to the ASX Listing Rules and the Corporations Act.

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

For more information about this announcement:

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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.