

25th August 2023

ASX Announcement

Genex Reports FY2023 Results

Genex Power Limited (ASX: GNX) (Genex or the Company) is pleased to provide the following update on the Company's performance for the 12-month period ending 30 June 2023 (FY2023). Significant progress was achieved throughout the year, including the ongoing construction of the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (K2-Hydro), the successful energisation of the 50MW/100MWh Bouldercombe Battery Project (BBP), and meaningful progress of Genex's pipeline of development projects.

HIGHLIGHTS

Operations and Financials

- Total generation of 218,540MWh from the 50MW Jemalong Solar Project (JSP) and 50MW Kidston Solar Project (KS1) compared to FY2022 generation of 223,517MWh, following persistent La Niña weather patterns;
- Total revenue of \$24.6M compared to \$27.2M in FY2022; this small decrease (9%) was driven by a return to stability in pricing in wholesale electricity markets and one-off items in FY2022;
- EBITDA of \$11.2M (FY2022: \$13.8M);

Construction and Development

- Successful energisation of the BBP on time and within budget;
- At Kidston, construction continued to advance at K2-Hydro, and the Kidston Stage-3 Wind Project (K3-Wind) capacity was upgraded to up to 258MW with development activities ramping up;
- Acquisition of the up to 2GW Bulli Creek Clean Energy Project (BCP);

Corporate

- New corporate loan facility with Electric Power Development Co., Ltd (J-POWER) of \$35M to provide standby funding for the K2-Hydro project contingency and to replenish working capital;
- Joint Development Agreement signed with J-POWER for a 50% interest in BCP which provided upfront funding of up to \$8.5M; and
- Genex finished the period with cash at bank of \$49.6M as of 30 June 2023.

Commenting on the FY2023 performance, Genex CEO, James Harding said:

"In reflecting on the performance of FY2023, I am pleased with the significant milestones we have achieved across our diverse renewable energy generation and storage asset portfolio, underscoring our commitment to supporting the transition to a net zero emissions economy in Australia.

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“During the period we saw the successful energisation of the 50MW/100MWh Bouldercombe Battery Project, setting the stage for the commissioning phase of the project. Progress at our flagship 250MW Kidston Pumped Storage Hydro Project (K2-Hydro) continued, with key advancements in the excavation of the Main Access Tunnel and Power Station Cavern, and construction of the Wises Dam. We appointed Goldwind Australia as the preferred supplier for the next stage of the Kidston Clean Energy Hub, being the Kidston Wind Project, increasing the project’s capacity to up to 258MW. Moreover, our dedication to sustainable development was recognised as the project gained designation as a Prescribed Project by the Queensland Government during the period.

We continued our focus on operational excellence during the year, delivering 218,540MWh from our operating solar projects and \$24.6M total revenue for the year despite the prolonged La Niña weather event.

A pivotal development during the period was our new corporate loan facility with J-POWER, securing new non-dilutionary funding of \$35M. These funds will serve as standby resources, strengthening our K2-Hydro project’s contingency buffer and replenishing working capital. Additionally, our partnership with J-POWER was extended to the up to 2GW Bulli Creek Clean Energy Project in southern Queensland, with a Joint Development Agreement for a 50% interest. This collaboration injected up to \$8.5M upfront funding for the project, which will enable us to fast track its development.

Looking ahead, Genex is poised for continued growth. Our unique portfolio of renewable and storage assets, including pumped storage hydro, battery energy storage, solar, and wind, positions us to contribute significantly to Australia’s net zero ambitions. The need for reliable, dispatchable power solutions remains paramount, and our projects play a pivotal role in meeting this demand.

“I extend my sincere gratitude to our dedicated team and all our partners who have contributed to these achievements. Together, we are driving the evolution of sustainable energy solutions, and I am confident in our ability to create a lasting positive impact.”



Figure 1: 50MW/100MWh Bouldercombe Battery Project

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FINANCIAL RESULTS

A summary of the financial results for the period is shown in the table below:

12 MONTHS ENDING	30 JUNE 2023 (\$M)	30 JUNE 2022 (\$M)	% CHANGE
Total Revenue	24.6	27.2	-9%
EBITDA	11.2	13.8	-19%
Net loss	(1.0)	(4.1)	75%
Net loss per share (cps)	(0.07)	(0.35)	79%

OPERATIONAL UPDATE

Project Activities

- Throughout FY2023, KS1 and JSP continued to perform strongly, despite the prolonged La Niña weather patterns;
- Construction at K2-Hydro continued to progress throughout the year, with the project remaining on track for energisation in 2H CY2024 at period-end. Recently the key works focused on the ongoing excavation of the Main Access Tunnel, Power Station Cavern, and associated construction adits. Additionally, advancements were made in the final preparatory works for and the initiation of liner placement for the Wises Dam;
- The BBP project achieved energisation in Q2 CY2023, enabling the initiation of the commissioning phase, ahead of full operations;
- During the period, Genex acquired a 100% interest in the development rights for the BCP. The BCP is an up to 2GW multi-stage battery and solar photovoltaic development in south-east Queensland, with a strategic location on the Queensland-NSW Interconnector. The Company anticipates a final investment decision for stage one in 2H CY2024;



Figure 2: Power Station Cavern at the 250MW/2,000MWh Kidston Pumped Storage Hydro Project

- In Q4 CY2022, the Company and its joint development partner, J-POWER appointed Goldwind Australia as the preferred Wind Turbine Generator supplier for K3-Wind and the project capacity was increased to up to 258MW. Genex is now anticipating a final investment decision for K3-Wind in CY2024; and
- During the period, K3-Wind was also declared a Prescribed Project by the Queensland Government.

Corporate Highlights

- During the period, Genex completed a \$16M subordinated loan arrangement with Infradebt Pty Ltd, to refinance the existing debt facility associated with KS1 and JSP. This loan facility empowers Genex to retain a greater share of cash flow generated by its solar projects;
- On 30 June 2023, Genex entered into a corporate loan facility with J-POWER for \$35M. The proceeds will function as standby funds, providing further support for the K2-Hydro construction contingency, and to replenish Genex working capital contributed to the K2-Hydro project in late 2022. The facility remained undrawn at year-end;
- Concurrent with the loan facility, Genex signed a new Joint Development Agreement with J-POWER for a 50% interest in the up to 2GW BCP, providing upfront funding of up to \$8.5M;
- Genex announced that James Harding would be retiring as CEO on 31 August 2023, with Craig Francis (current CFO of Genex) appointed to the role of CEO from 1 September 2023. James will remain with the Company for a period of time in a consulting capacity;
- Post period-end, Genex announced the appointment of Patrick McCarthy to the position of CFO, commencing from 16 October 2023;
- There was one reportable lost time injury during the period and no reportable environmental incidents recorded during FY2023; and
- Genex finished the financial year with cash at bank of \$49.6M as of 30 June 2023.

OUTLOOK

Genex has developed a unique portfolio of projects, encompassing pumped storage hydro, battery energy storage, solar, and wind assets. In doing so, Genex is making an important contribution to Australia's energy transition with a focus on renewable, reliable energy solutions. Importantly, the increasing impact of intermittent generators on energy price volatility highlights the continuing need for investment in large scale storage projects such as K2-Hydro and the BBP to support the energy transition, which will remain an area of focus for the business.

As we move forward into FY2024, our focus remains on:

- Completion of commissioning and start of commercial operations at the BBP;
- Safe and timely delivery of construction of K2-Hydro;
- Continued development activities at K3-Wind alongside J-POWER, including a focus on grid, planning, procurement and financing workstreams, to enable a final investment decision in CY2024;

- Alongside J-POWER, continued development of the BCP, to enable a final investment decision for stage 1 in 2H CY2024; and
- Continued development of the Company's portfolio through enhancement of its project pipeline.

The Genex management team will host a webinar for shareholders and investors on Wednesday, 30 August 2023 at 11am Sydney time (AEST) to discuss the FY2023 results. Interested participants should use the following link to register:

https://us06web.zoom.us/webinar/register/WN_C84wL0PgT7mrNgD0iV071w

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

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About Genex Power Limited

Genex Power Limited has a portfolio of more than \$1 billion of renewable energy generation and storage projects across Australia. The Company's flagship Kidston Clean Energy Hub, located in north Queensland, will integrate large-scale solar generation with pumped storage hydro. The Kidston Clean Energy Hub is comprised of the operating 50MW stage 1 Solar Project (**KS1**) and the 250MW Kidston Pumped Storage Hydro Project (**K2-Hydro**) with potential for further multi-stage wind and solar projects. The 50MW Jemalong Solar Project (**JSP**) is located in NSW and provides geographical diversification to Genex's portfolio. JSP was energised in December 2020 and is now fully operational. Genex's first battery energy storage system, the 50MW/100MWh Bouldercombe Battery Project (**BBP**) located in Central Queensland achieved contractual close in February 2022 and achieved energisation in June 2023. With a committed portfolio of 400MW and up to approximately 2.25GW of renewable energy and storage projects in the Company's development pipeline, Genex is well placed in its strategy to become a leading renewable energy and storage company in Australia.

Genex continues to acknowledge the support of key Federal and State Government stakeholders such as the Australian Renewable Energy Agency (**ARENA**), the Northern Australia Infrastructure Facility (**NAIF**) and the Queensland State Government.

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