GENEX POWER LIMITED (ASX:GNX)
Level 12, 35 Clarence Street, Sydney NSW 2000
GPO Box 2180, Sydney NSW 2001
ABN: 18 152 098 854

30th January 2024

ASX Announcement

Quarterly Activities Report – Quarter Ending 31 December 2023

Genex Power Limited (**ASX: GNX**) (**Genex** or the **Company**) is pleased to provide the following overview of the Company's activities and performance for the quarter ending 31 December 2023 (**Q2 FY2024** or the **Quarter**).

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HIGHLIGHTS

- 64,305MWh generated from the 50MW Kidston Solar Project (**KS1**), 50MW Jemalong Solar Project (**JSP**) and 50MW/100MWh Bouldercombe Battery Project (**BBP**);
- The BBP successfully commenced full operation in November 2023 under the Autobidder Offtake Agreement with Tesla;
- Revenue from KS1, JSP and BBP was $5.3M[1] reflecting the ramp-up of operation of the BBP partly offsetting intraday price volatility and resulting economic curtailment for the solar farms;
- Completion of the Main Access Tunnel at the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2-Hydro**) which remains on track for initial energisation in Q4 CY2024;
- Signed a 15-year offtake agreement with Stanwell and a 10-year offtake agreement with EnergyAustralia for output (50% and 30% respectively) of the up to 258MW Kidston Stage 3 Wind Project (**K3-Wind**);
- Signed a 25-year offtake agreement for 337.5MW of the first solar stage (**BCS**) of the Bulli Creek Solar and Battery Project (**BCP**) with Fortescue; and
- At 31 December 2023 Genex had cash at bank of $75.4M[2].

[1] Revenue figures are on an unaudited basis. Note difference between revenues and reported cash flows relates to timing differences in recognition of revenue and receipt of cash flows.
[2] Cash balance includes short-term highly liquid deposits with a maturity of three months or less.

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Commenting on the Q2 FY2024 performance, Genex CEO, Craig Francis said:

"It's been another busy quarter of de-risking across the Genex portfolio, with major milestones reached at Bouldercombe, Kidston Pumped Storage Hydro and on our two major development projects at Kidston and Bulli Creek.

"It was immensely pleasing to see the commencement of full operations of our first battery energy storage system, the 50MW/100MWh Bouldercombe Battery Project, which has been operating under the innovative Autobidder Offtake Agreement with Tesla since early November and contributing meaningful revenues as it scaled up to full capacity. The final installation and testing of the replacement Megapacks in December allowed the battery to be operational at full capacity in time for the peak summer period.

"We were also thrilled to enter two major offtake agreements with Stanwell Corporation and EnergyAustralia for the up to 258MW Kidston Stage 3 Wind Farm during the period. The agreements significantly derisk the project, enabling us to move forward with the project financing workstreams ahead of a Final Investment Decision later this year. We also signed the first offtake agreement for Bulli Creek, being a 25-year agreement with Fortescue for 337.5MW of solar energy, confirming the first stage of the project as a solar farm of up to 775MW.

"We continued to progress construction at the Kidston Pumped Storage Hydro Project, most notably with the completion of the Main Access Tunnel in November 2023. The underground excavation and surface works have continued to progress smoothly and with the exception of the tailrace excavations into Eldridge Pit, are expected to be fully concluded in early Q1 CY2024. This will allow for the commencement of the final stage of the project, the underground fit-out works. Importantly, the Project remains on track for energisation in 2H CY2024.

"The solar farms continued to operate well during the period however performance earlier in the quarter was impacted by intraday volatility resulting in economic curtailment. We have however been pleased to see market conditions improve as we enter the summer peak demand season in the National Electricity Market."

OPERATIONAL UPDATE

250MW KIDSTON PUMPED STORAGE HYDRO PROJECT (K2-HYDRO)

- Key site activities and works undertaken during the Quarter included:
  - Full completion of the underground excavation of the Main Access Tunnel, construction adits 1, 2, 3, 4 and 5, the transformer hall and Isolated Phase Busduct (IPB) breakthroughs into the powerhouse cavern, headrace tunnels 1 and 2 and all four vertical shafts including both water intake shafts;

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- Excavation of the Powerhouse Cavern has continued to advance and is now 90% complete as at 25 January 2024;
- Excavation of the tailrace tunnels toward the Powerhouse Cavern has continued with these tunnels now over 60% complete as at 25 January 2024;
- Construction of the Wises Dam continues to progress with 90% of the HDPE liner placed overall with only the intake canal structure outstanding. Dewatering operations to transfer water from Eldridge Pit to Wises Dam have continued and are approximately 55% complete with water now 60m below starting levels in Eldridge Pit as at 25 January 2024;
- The final stringing of conductor along the internal 275kV transmission line between the K2H switching station and Aurumfield (K2X) switchyards has been completed;
- Powerlink Queensland has made significant progress along the 185km long 275kV transmission line from Kidston to Guybal Munjan (Mt Fox) (**Transmission Line**). Tower assembly and erection continues along the alignment with conductor stringing having commenced from the Kidston end; and
- The Guybal Munjan (Mt Fox) substation was completed during the Quarter and the Aurumfield (K2X) substation has continued to progress well with completion scheduled in Q2 CY2024.

- Planned works for Q3 FY2024 include:
  - Completion of Powerhouse Cavern excavation works;
  - Completion of the Wises Dam up to the cofferdam which temporarily protects the intake canal structure;
  - Commencement of concrete lining works for the two water intake shafts;
  - Commencement of fit out works for the powerhouse commencing with the embedded parts for the tailrace tunnels and draft tubes; and
  - Continued progression of the Transmission Line from Kidston to Guybal Munjan, focusing on conductor stringing and tower erection along the alignment.

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Figure 1: Powerhouse Cavern excavation

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Figure 2: Wises Dam

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Figure 3: Transmission Line conductor installation finalisation from helicopter (Kidston end)

50MW KIDSTON SOLAR PROJECT (KS1) AND 50MW JEMALONG SOLAR PROJECT (JSP)

- KS1 revenue totalled $1.5M from net generation of 27,857MWh of renewable energy for the Quarter, representing an average price of $54/MWh[3];
  - KS1 experienced continued economic curtailment during the Quarter. However Genex has been able to minimise this impact through optimisation of its bidding strategy; and
- JSP revenue for the Quarter comprised of $1.2M from electricity sales and $1.4M from LGC sales from net generation of 33,148MWh, representing an average bundled price of $79/MWh[4].

50MW/100MWH BOULDERCOMBE BATTERY PROJECT (BBP)

- On 10 November 2023, operations commenced under the Autobidder Offtake Agreement with Tesla Motors Australia Pty Ltd (**Tesla**), utilising up to 38 Megapacks;
- Concurrently, works were undertaken to prepare for the installation of the 2 replacement Megapacks, which was completed in early December 2023;
- Following completion of final testing, the project was fully operational from 12 December 2023; and

[3] Revenue figures are on an unaudited basis
[4] Revenue figures are on an unaudited basis

- During the Quarter, the BBP dispatched 3,300MWh (before accounting for energy consumption for charging), which provided for net revenue of $1.1M equating to an average of $331[5] net revenue per MWh exported.

KIDSTON STAGE-3 WIND PROJECT (K3-WIND)

- Alongside its 50% joint development partner, Electric Power Development Co., Ltd (J-POWER), Genex continued to progress the development works associated with the K3-Wind project;
- Key workstreams progressed during the Quarter include:
  - Signing of a 15-year offtake agreement with Stanwell Corporation for 50% of the output of the K3-Wind Project;
  - Signing of a 10-year offtake agreement with EnergyAustralia Pty Ltd for 30% of the output of the K3-Wind Project;
  - Continuation of key studies and site investigations required as part of the planning and environmental approval process for the project;
  - Progression of layout design and optimisation with Goldwind Australia and shortlisted balance of plant contractors;
  - Progression of grid studies as part of the connection application process with Powerlink Queensland; and
- Genex and J-POWER continue to target a Final Investment Decision on K3-Wind in CY2024.

BULLI CREEK CLEAN ENERGY PROJECT (BCP)

- Genex, alongside its 50% joint development partner, J-POWER, advanced a number of workstreams for the first stage of the BCP being an up to 775MW solar farm (BCS) during the Quarter, with key works as follows:
  - Signing of a 25-year solar power purchase agreement with a subsidiary of Fortescue Metals Group Limited (Fortescue) in October 2023 for 337.5MW of offtake from the BCS, with the sunset date for the buyer condition precedent extended from December 2023 to 28 February 2024 to allow a further period for Fortescue to complete its Final Investment Decision for its Gibson Island project;

[5] Revenue figures are on an unaudited basis

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- Subsequent to Quarter-end, Genex confirmed the selection of PCL Constructors Pty Ltd as preferred EPC contractor for the BCS following signing of an Early Contractor Involvement Agreement;
- Submission of the preliminary grid studies package to support the grid connection application with Powerlink Queensland;
- Continued engagement with additional offtake counterparties to inform the ultimate sizing of the project;

- In addition to the works for BCS, Genex commenced tendering for the first battery stage of the BCP being a 400MW/1,600MWh battery energy storage system and continued to progress offtake discussions; and
- BCS as stage 1 of the BCP is targeting a Final Investment Decision in 2H CY2024.

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CORPORATE UPDATE

- There were no reportable lost time injuries during the Quarter and no reportable environmental incidents recorded during the Quarter;
- During the Quarter, the Company's expenditure included staff and operating costs, construction activities associated with the K2-Hydro and BBP projects, and development activities associated with the K3-Wind and BCP projects;
- As noted in section 6 of Appendix 4C, the amount stated therein was paid to the Directors of the entity during the Quarter and their related parties (as defined in Australian Accounting Standards), comprising fees for Non-Executive Directors. No other payments were made to any related parties or their associates of the entity; and
- Genex finished the Quarter with cash at bank of $75.4M as of 31 December 2023.

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

FOR MORE INFORMATION ABOUT THIS ANNOUNCEMENT:

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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 energisation in June 2023 and is now fully operational. With a committed portfolio of 400MW and up to approximately 2.3GW 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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Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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NAME OF ENTITY:

Genex Power Limited

ABN	QUARTER ENDED ("CURRENT QUARTER")
18 152 098 854	December 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

1	CASH FLOWS FROM OPERATING ACTIVITIES	CURRENT QUARTER $A'000	YEAR TO DATE [1] $A'000
1.1	Receipts from customers	5,924	9,317
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(2,070)	(3,161)
	(c) advertising and marketing	(40)	(94)
	(d) leased assets	(536)	(763)
	(e) staff costs	(1,150)	(3,073)
	(f) administration and corporate costs	(1,164)	(2,538)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	861	1,617
1.5	Interest and other costs of finance paid	(2,222)	(4,586)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	13	25
1.8	Other (provide details if material)	-	(556)
1.9	**Net cash from / (used in) operating activities**	**(384)**	**(3,812)**

CONSOLIDATED STATEMENT OF CASH FLOWS

(1) The Year to Date figures have been updated to reflect the adjustments of Q1 FY2023 Appendix 4C. These adjustments stem from the accounting treatment applied to entities related to K3W and BCP, as assessed in the FY2023 audited financial statements in light of the respective joint development agreements with Electric Power Development Co., Ltd (J-POWER).

2	CASH FLOWS FROM INVESTING ACTIVITIES	CURRENT QUARTER $A'000	YEAR TO DATE $A'000
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(38,789)	(71,819)
	(d) investments	(808)	(2,752)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(155)	451
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) [(2)]	71	-
2.6	**Net cash from / (used in) investing activities**	**(39,681)**	**(74,120)**

(2) The amount received under this item related to the return of AEMO security deposits for the Kidston Solar Project.

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3	CASH FLOWS FROM FINANCING ACTIVITIES	CURRENT QUARTER $A'000	YEAR TO DATE $A'000
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	30,149	111,552
3.6	Repayment of borrowings	(1,709)	(7,084)
3.7	Transaction costs related to loans and borrowings	-	(700)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	28,440	103,768

4	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	CURRENT QUARTER $A'000	YEAR TO DATE $A'000
4.1	Cash and cash equivalents at beginning of period	87,050	49,589
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(384)	(3,812)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(39,681)	(74,120)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	28,440	103,768
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	75,425	75,425

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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 [3]	24,945	36,570
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) [4]	50,480	50,480
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**75,425**	**87,050**

(3) Include cash committed for K2-Hydro construction program, BBP construction program and KS1 and JSP debt service accounts.
(4) Include short-term highly liquid deposits with a maturity of three months or less.

6	PAYMENTS TO RELATED PARTIES OF THE ENTITY AND THEIR ASSOCIATES	CURRENT QUARTER $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 [5]	157
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

(5) Include payments of directors' fees.

7	FINANCING FACILITIES *Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.*	TOTAL FACILITY AMOUNT AT QUARTER END $A'000	AMOUNT DRAWN AT QUARTER END $A'000
7.1	Loan facilities	271,320	271,320
7.2	Credit standby arrangements	-	-
7.3	Other (NAIF Loan – K2-Hydro)	610,000	497,538
7.4	**Total financing facilities**	**881,320**	**768,858**
7.5	**Unused financing facilities available at quarter end**		**112,462**
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

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7	FINANCING FACILITIES *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	TOTAL FACILITY AMOUNT AT QUARTER END $A'000	AMOUNT DRAWN AT QUARTER END $A'000

Refer to detailed description of each facility below:*

Lender	Purpose	Security	Amount	Maturity
Loan Facilities				
Nord/LB, Westpac, DZ Bank	KS1 & JSP Senior debt	Secured	$175.00m	17-Dec-24
Infradebt	KS1 & JSP subordinated debt	Secured	$16.00m	17-Dec-24
Infradebt	BBP senior debt	Secured	$35.00m	30-Sep-35
Infradebt	BBP letter of credit facility	Secured	$10.32m	30-Sep-35
J-POWER	Corporate Facility	Secured	$35.00m	31-Dec-26
Total Loan Facilities			**$271.32m**	
Other				
State of Queensland	K2-Hydro senior debt	Secured	$610.00m	19-May-36
Total Other			**$610.00m**	
Total			**$881.32m**	

**The weighted average interest rate for these facilities is 3.02%.*

8	ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(384)
8.2	Cash and cash equivalents at quarter end (item 4.6)	75,425
8.3	Unused finance facilities available at quarter end (item 7.5)	112,462
8.4	Total available funding (item 8.2 + item 8.3) (6)	75,425
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**196**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

(6) This figure omits the total amount of all unused finance facilities committed for construction of projects under item 8.3.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8	ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES	$A'000
	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	N/A
	Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

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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.

Date: 30 January 2024

Authorised by: the Chief Executive Officer of Genex Power Limited

(Name of body or officer authorising release – see note 4)

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Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.