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

29th April 2024

ASX Announcement

Quarterly Activities Report – Quarter Ending 31 March 2024

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 March 2024 (**Q3 FY2024** or the **Quarter**).

For personal use only

HIGHLIGHTS

Operations

- 67,818MWh generated from the 50MW Kidston Solar Project (**KS1**), 50MW Jemalong Solar Project (**JSP**) and 50MW/100MWh Bouldercombe Battery Project (**BBP**);
- Revenue from KS1, JSP, and BBP was $9.6M[1] reflecting a significant recovery in wholesale power prices;

Construction and Development

- Completion of the powerhouse cavern excavation and substantial completion of Wises Dam at the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2-Hydro**), which is now scheduled for energisation in Q1 CY2025;
- Appointment of PCL Constructors Pty Ltd (**PCL**) as preferred engineering, procurement, and construction (**EPC**) contractor for the up to 775MW Stage Bulli Creek Solar Farm (**BCS**);

Corporate & Financial

- On 12 April 2024, the Company announced that Genex and Electric Power Development Co., Ltd (**J-POWER**) have signed a binding Transaction Implementation Deed under which J-POWER proposes to acquire 100% of Genex shares it does not already own[2]; and
- At 31 March 2024 Genex had cash at bank of $56.4M.

[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] Genex Shareholders should read Genex's announcement to the ASX on 12 April 2024, which attaches a copy of the Transaction Implementation Deed and contains detailed information about the transaction agreed with J-POWER.

Commenting on the Q3 FY2024 performance, Genex CEO, Craig Francis said:

"We've seen continued progress across the Genex portfolio after another busy quarter. Notably, the completion of excavation of the powerhouse cavern at the 250MW/2,000MWh Kidston Pumped Storage Hydro Project marks a major milestone. This paves the way for the final stage of the project, the underground fit-out works which have commenced in earnest. We are also pleased to have reached substantial completion of the Wises Dam works with the liner placement now complete around the entire dam perimeter, allowing water to continue being transferred from Eldridge Pit.

"We have also been delighted with the first full quarter of operations from the 50MW/100MWh Bouldercombe Battery Project, which captured the significant volatility observed in wholesale electricity markets with an average capture price of $385MWh exported. We look forward to its continuing contribution to our consolidate revenues over the balance of the financial year."

For personal use only

OPERATIONAL UPDATE

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

- Key site activities and works undertaken during the Quarter included:
  - Completion of the powerhouse cavern excavation works;
  - Commencement of underground fit-out works with installation and commissioning of the 225 tonne gantry crane, substantial completion of concrete works in the transformer hall, and commencement of the concrete works for the main sump in the powerhouse;
  - Works to the two intake shafts and cable shaft have also commenced in preparation for future fit-out;
  - Substantial completion of the Wises Dam with all bulk earthworks, concrete plinth, cement screeding, and liner now complete for the full 6km circumference of the dam, as well as the temporary liner for the coffer dam structure;
  - Works are substantially complete in the intake canal with respect to the liner installation with final shotcreting works to the remaining slope sections below the liner now commenced;
  - The dewatering works have continued with 6 x 850kW pumps now delivering ~1,500L/s into Wises Dam, with the water level in Wises Dam approaching the final construction level of RL 553.3m; and
  - Powerlink has granted practical completion of the Guybal Munjan substation at the Mt Fox end of the new transmission line (in late 2023) and is positioned to grant practical completion at Aurumfield this quarter, while the transmission tower erection and conductor stringing works continue to progress; and

- Following analysis and updates to the program subsequent to Quarter-end, energisation is now scheduled for Q1 CY2025 (from Q4 CY2024).

- Planned works for Q4 FY2024 include:
  - Commence the final outstanding excavation works being the remaining portion of the tailrace tunnels from CA02 to the portal in the Eldridge Pit;
  - Completion of the shotcrete works within the lower slope area within the intake canal;
  - Continue the concrete works in the lower portions of the powerhouse in preparation for turbine installation;
  - Continue the above ground works including preparation for MV substation and transformer civil and structural works;
  - Commence the installation of steel liners for the head race and draft tubes; and
  - Transmission works continuing with a focus on tower assembly and erection followed by stringing operations for the conductors.

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

- KS1 revenue totalled $2.0M from net generation of 25,619MWh of renewable energy for the Quarter, representing an average price of $80/MWh3; and
- JSP revenue for the Quarter comprised $2.0M from electricity sales and $1.4M from LGC sales from net generation of 35,047MWh, representing an average bundled price of $97/MWh[4].

50MW/100MWH BOULDERCOMBE BATTERY PROJECT (BBP)

- Final construction milestone achieved signalling completion of construction for the BBP;
- First full quarter of operations at full 50MW/100MWh capacity, capturing the peak summer period in Queensland; and
- During the Quarter, the BBP dispatched 7,152MWh (before accounting for energy consumption for charging), which provided for net revenue of $4.2M equating to an average of $385 net revenue per MWh exported.

For personal use only

[3] Revenue figures are on an unaudited basis and the average price per MWh
[4] Revenue figures are on an unaudited basis

KIDSTON STAGE-3 WIND PROJECT (K3-WIND)

- Alongside its joint development partner, J-POWER, Genex continued to progress the development works associated with the K3-Wind project;
- Key workstreams progressed during the Quarter include:
  - Submission of the Environmental Protection and Biodiversity Conservation Referral for the project to commence the Commonwealth approval process;
  - Progression of grid studies highlighted by the submission of K3-Wind's Preliminary Design Package to Powerlink;
  - 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; and
- Genex and J-POWER continue to target a Final Investment Decision on K3-Wind in CY2024, with the financing process scheduled to commence later this quarter with debt financiers, followed by potential equity partners shortly thereafter.

BULLI CREEK CLEAN ENERGY PROJECT (BCP)

- Genex, alongside its 50% joint development partner, J-POWER, advanced workstreams for the first stage of the BCP being an up to 775MW solar farm (**BCS**) during the Quarter, with key works as follows:
  - PCL selected as preferred EPC contractor for the BCS following an extensive tender process, with work underway to confirm the final layout, design, and costings for the EPC contract;
  - The buyer condition precedent under the power purchase agreement (**PPA**) with a subsidiary of Fortescue Ltd was not satisfied or waived by the extended deadline of 31 March 2024, which triggered a termination right for either party. However, the PPA remains on foot in accordance with its terms, which will require the buyer condition precedent to be satisfied or waived before Genex can proceed to financial close for BCS. Genex continues to support Fortescue as needed, as it works toward satisfying the buyer condition precedent as soon as possible;
  - Continued to progress discussions with external parties for solar offtake which would increase the initial capacity of the project up to 775MW, and BCS to become the largest grid-connected solar farm in Australia;
- In addition to the works for BCS, Genex is continuing discussions with respondents to its tender for the first battery stage of the BCP being a 400MW/1,600MWh battery energy storage system and continued to progress offtake discussions; and

For personal use only

- BCS as stage 1 of the BCP is targeting a Final Investment Decision in 2H CY2024, with the financing and equity partner processes to commence imminently.

CORPORATE UPDATE

- As announced on 12 April 2024, Genex and J-POWER have signed a binding Transaction Implementation Deed under which J-POWER proposes to acquire 100% of Genex shares it does not already own (the **Transaction**);[5]
  - The Transaction is to be implemented by way of a scheme of arrangement at 27.5 cents in cash per Genex share (**Scheme**), subject to the satisfaction of certain conditions, including the approval of Genex Shareholders at the Scheme Meeting and the approval of the Court;
  - The Transaction includes a simultaneous off-market takeover bid at 27 cents in cash per Genex share (**TOB**) conditional upon, among other conditions, the Scheme not being approved by Genex Shareholders at the Scheme Meeting, or by the Court, and a 50.1% minimum acceptance condition;
  - The Scheme consideration represents a 49% premium (TOB consideration: 46%) to the undisturbed Genex share price (at close of trading on 1 March 2024) and a 58% premium (TOB: 56%) to the 3-month volume weighted average price;
  - The Genex Independent Board Committee (**IBC**) unanimously recommends the Transaction, in the absence of a Superior Proposal and subject to the conclusions of an Independent Expert;
  - A transaction booklet is being prepared and will be issued to Genex Shareholders in due course;
  - The indicative transaction timeline indicates a Scheme Meeting in July, at which Genex Shareholders will consider and vote on the Scheme; and
  - Genex Shareholders are advised to take no action at this time;
- There were no serious environmental harm incidents recorded during the Quarter. Two notifiable incidents (near miss incidents) were recorded with no Lost Time Injuries (LTI);
- 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),

[5] Genex Shareholders should read Genex's announcement to the ASX on 12 April 2024, which attaches a copy of the Transaction Implementation Deed and contains detailed information about the Transaction. Defined terms in this paragraph have the same meaning as in the Transaction Implementation Deed.

For personal use only

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 $56.4M as of 31 March 2024.

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

For personal use only

FOR MORE INFORMATION ABOUT THIS ANNOUNCEMENT:

For investor enquiries please contact:

Saskia West

Morrow Sodali
Tel: +61 452 120 192
Email: s.west@morrowsodali.com

For media enquiries please contact:

Helen McCombie

Morrow Sodali
Tel: +61 411 756 248
Email: h.mccombie@morrowsodali.com

For personal use only

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 a further wind project. 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.

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

For personal use only

NAME OF ENTITY:

Genex Power Limited

ABN	QUARTER ENDED ("CURRENT QUARTER")
18 152 098 854	March 2024

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	10,103	19,421
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(3,159)	(6,320)
	(c) advertising and marketing	(48)	(142)
	(d) leased assets	(291)	(1,055)
	(e) staff costs	(1,252)	(4,325)
	(f) administration and corporate costs	(1,723)	(4,261)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	798	2,415
1.5	Interest and other costs of finance paid	(3,496)	(8,082)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	10	35
1.8	Other (provide details if material) [2]	1,418	862
1.9	**Net cash from / (used in) operating activities**	**2,360**	**(1,452)**

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) The amount received under this item related to the reimbursement received from Telsa Motors for the costs incurred by Genex due to the fire.

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	(40,515)	(112,334)
	(d) investments	(265)	(3,017)
	(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	1,142	1,592
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(39,638)**	**(113,759)**

For personal use only

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	21,330	132,882
3.6	Repayment of borrowings	(3,048)	(10,132)
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	18,282	122,050

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	75,425	49,590
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,360	(1,452)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(39,638)	(113,759)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	18,282	122,050
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	56,429	56,429

For personal use only

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]	30,476	24,945
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details) [4]	25,953	50,480
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**56,429**	**75,425**

(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]	172
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	521,783
7.4	**Total financing facilities**	**881,320**	**793,103**
7.5	**Unused financing facilities available at quarter end**		**88,217**
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.		

For personal use only

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 3.03%.*

8	ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	2,360
8.2	Cash and cash equivalents at quarter end (item 4.6)	56,429
8.3	Unused finance facilities available at quarter end (item 7.5)	88,217
8.4	Total available funding (item 8.2 + item 8.3)(6)	56,429
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

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

For personal use only

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.	

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.

Date: 29 April 2024

Authorised by: the Chief Executive Officer of Genex Power Limited

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

For personal use only

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.