

20 April 2023

**ASX Limited**

**Company Announcements Platform**

## Quarterly Activities Report – Quarter Ending 31 March 2023

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 quarter ending 31 March 2023 (**Q3 FY2023** or the **Quarter**), a Quarter during which the Company continued construction of the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2-Hydro**) and the 50MW/100MWh Bouldercombe Battery Project (**BBP**); and progressed its pipeline development opportunities.

### **HIGHLIGHTS**

#### **Operations**

- During the Quarter, the Kidston Solar Project (**KS1**) generated 26,807MWh and the Jemalong Solar Project (**JSP**) generated 33,984MWh of renewable energy for total revenue of \$6.0M<sup>1</sup>; and
- This resulted in YTD revenues of \$19.4M<sup>1</sup> at Quarter end.

#### **Construction and Development**

- Construction at the K2-Hydro Project continued to progress during the Quarter with key work focused on the commencement of the powerhouse cavern and excavation of the Main Access Tunnel as well as the Wises Dam (upper reservoir). The project remains on schedule for energisation in 2H CY2024; and
- Construction activities at BBP continued during the Quarter with key work focused on the arrival of the Tesla Megapack units and their installation on site. The project remains on schedule for energisation in Q2 CY2023.

#### **Corporate**

- Genex finished the Quarter with cash at bank of \$64.1M as of 31 March 2023.

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<sup>1</sup> Revenue figures are on an unaudited basis.

Commenting on the Q3 FY2023 performance, Genex CEO, James Harding said:

*"I am pleased to report that Genex has continued to make strong progress during the third quarter of FY2023. Our focus on delivering clean and reliable energy solutions to the market has never been more important, as renewable energy is expected to increase to 83% of the total capacity of the National Electricity Market by 2055. This growing penetration and recent market volatility have further highlighted the urgent need for storage.*

*During the quarter, we continued construction of our flagship Kidston Pumped Storage Hydro Project, with key work during the Quarter focused on the commencement of the powerhouse cavern and continued excavation of the Main Access Tunnel as well as construction of the Wises Dam. We also made significant progress at the Bouldercombe Battery Project, with the arrival of the Tesla Megapack units to site. We continued to progress our pipeline of development opportunities, including our Kidston Stage-3 Wind Project and the Bulli Creek Clean Energy Project.*

*Our operations have continued to perform well, with the Kidston Solar Project generating 26,807MWh and the Jemalong Solar Project generating 33,984MWh of renewable energy, resulting in YTD revenues of \$19.4M. We will continue to maximise the potential of our existing assets whilst ensuring the successful deployment of our committed projects and continuing to pursue new development opportunities.*

*Looking ahead, we remain committed to advancing our pipeline of projects, which offer significant potential for growth and value creation. We are confident in our ability to continue to deliver value to our shareholders and contribute to the transition to a clean energy future."*

## OPERATIONAL UPDATE

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

- Key site activities and works undertaken during the Quarter included:
  - Continuation of construction of the Wises Dam with approximately 93% of the 6km embankment bulk earthworks completed at Quarter-end. This will be followed by upstream face preparation and placement of the high density polyethylene (HDPE) liner;
  - Continuation of excavation of the Main Access Tunnel (MAT), Power Station Cavern and associated underground construction adits;
  - Commencement of the excavation of the ventilation shaft, which is the first of four vertical shafts to be excavated utilising a raise bore machine;
  - Commencement of the transfer of water from the Eldridge Pit to Wises Dam via the 6 x 850kW electric pumps commissioned in late 2022;
  - Continuation of clearing and access works for the 186km long 275kV transmission line from Kidston to Guybal Munjan (Mt Fox) under construction by Powerlink Queensland (**Transmission Line**);
  - Installation of structural steelwork in the K2-Hydro switchyard, which will receive the 275kV high voltage cables from the underground generator step-up transformers; and
  - Continued manufacture, shipping and delivery to site of Andritz Hydro electromechanical equipment.
- Planned works for the current quarter include:
  - Continuation of excavation of the underground Power Station Cavern, including progression of the MAT and associated underground construction adits;
  - Continuation of construction of the Wises Dam, including placement of the HDPE liner on the dam embankment walls;
  - Continuation of ventilation shaft excavation and commencement of the second vertical shaft, being the cable shaft;
  - Continuation of Eldridge Pit dewatering into the Wises Dam;
  - Ongoing clearing and access works for the 275kV Transmission Line and commencement of tower foundations from Kidston to Guybal Munjan (Mt Fox);
  - Completion of structure installations for the K2-Hydro switchyard, which will receive the 275kV high voltage cables from the underground transformers; and
  - Continuation of manufacturing, shipping and delivery of electromechanical equipment by Andritz Hydro.



Figure 1: Power station cavern excavation



Figure 2: Raisebore Machine Excavating Ventilation Shaft



Figure 3: K2H Switching Station

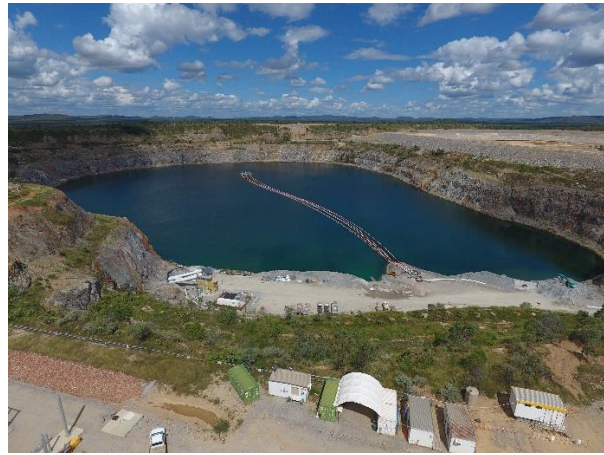


Figure 4: Eldridge Pit Dewatering Pumps



Figure 5: Intake Canal



Figure 6: First installation of the HDPE Liner on the Wises Dam



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

- KS1 revenue totalled \$2.4M from net generation of 26,807MWh of renewable energy for the Quarter, representing an average price of \$88/MWh<sup>2</sup>; and
- JSP revenue for the Quarter comprised of \$2.3M from electricity sales and \$1.3M from LGC sales from net generation of 33,984MWh, representing an average bundled price of \$107/MWh<sup>3</sup>.

## BOULDERCOMBE BATTERY PROJECT (BBP)

- The project remains on schedule and within budget for energisation in Q2 CY2023;
- Key upcoming activities include energisation of the Powerlink substation and Megapack Units, which triggers the beginning of commissioning and hold point testing for the project;
- Recent market volatility and the growing penetration of renewable generation continues to highlight the urgent need for storage. Genex's 50MW/100MWh project is on track to benefit from these conditions with positive earnings and cash flow from FY2024.



Figure 7: 50MW/100MWh Bouldercombe Battery Project

## KIDSTON STAGE-3 WIND PROJECT (K3-WIND)

- Alongside its joint development partner, Electric Power Development Co., Ltd (J-POWER), Genex significantly progressed the development works associated with the project;

<sup>2</sup> Revenue figures are on an unaudited basis and the average price per MWh doesn't include the sale of LGCs

<sup>3</sup> Revenue figures are on an unaudited basis

- Key workstreams progressed during the Quarter include:
  - Key studies required as part of the development approval process for the project;
  - Overall design of the project;
  - Workstreams associated with the appointment of the Balance of Plant contractor for the project; and
  - Studies required for the project to receive an Offer to Connect into the National Electricity Market.
- The project remains on track for a final investment decision in Q4 CY2023.

### **BULLI CREEK CLEAN ENERGY PROJECT (BCP)**

- Genex completed the acquisition of 100% of the development rights for the BCP in August 2022, which is an up to 2GW, multi-stage battery and solar photovoltaic development in south-east Queensland;
- The project benefits from:
  - All planning, cultural heritage and environmental approvals having been received;
  - Proximity to the Queensland-NSW Interconnector;
  - Strong marginal loss factors; and
  - Significant scalable development potential.
- Works undertaken during the Quarter relate to advancement of design layouts for staging options, commencement of procurement processes and continued engagement with offtake counterparties to further inform the staging strategy for the multi-stage development; and
- The BCP is anticipated to be developed over several stages with a final investment decision for stage one currently targeted for 2H CY2024.

### **CORPORATE UPDATE**

- There were no reportable lost time injuries or 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 the Appendix 4C, the amount stated therein was paid to the Directors of the entity during the Quarter, 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 \$64.1M as at 31 March 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 contractual close in February 2022 and is scheduled to commence operation in mid CY2023. With up to 2,528MW 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**), the Clean Energy Finance Corporation (**CEFC**) and the Queensland State Government.

## Appendix 4C

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

**NAME OF ENTITY:**

Genex Power Limited

**ABN**

18 152 098 854

**QUARTER ENDED ("CURRENT QUARTER")**

March 2023

**CONSOLIDATED STATEMENT OF CASH FLOWS**

1 CASH FLOWS FROM OPERATING ACTIVITIES	CURRENT QUARTER \$A'000	YEAR TO DATE \$A'000
1.1 Receipts from customers	7,251	22,657
1.2 Payments for		
(a) research and development	(734)	(1,139)
(b) product manufacturing and operating costs	(1,817)	(5,744)
(c) advertising and marketing	(5)	(34)
(d) leased assets	(255)	(756)
(e) staff costs	(931)	(3,782)
(f) administration and corporate costs	(1,108)	(2,118)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	500	1,216
1.5 Interest and other costs of finance paid	(2,207)	(6,045)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	5	18
1.8 Other (provide details if material)	-	(326)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>699</b>	<b>3,947</b>



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

<b>2 CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>CURRENT QUARTER \$'000</b>	<b>YEAR TO DATE \$'000</b>
2.1 Payments to acquire or for:		
(a) entities	-	(2,662)
(b) businesses	-	-
(c) property, plant and equipment	(46,787)	(193,575)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets <sup>(1)</sup>	(353)	(353)
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	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(47,140)</b>	<b>(196,590)</b>
<i>(1) Relates to the payment of deposits.</i>		

<b>3 CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>CURRENT QUARTER \$'000</b>	<b>YEAR TO DATE \$'000</b>
3.1 Proceeds from issues of equity securities (excluding convertible debt securities) <sup>(2)</sup>	125	125
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	48,058	219,189
3.6 Repayment of borrowings	(2,933)	(25,128)
3.7 Transaction costs related to loans and borrowings	-	(320)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>45,250</b>	<b>193,866</b>

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

3	CASH FLOWS FROM FINANCING ACTIVITIES	CURRENT QUARTER	YEAR TO DATE
<i>(2) Funding from Electric Power Development Co., Ltd (J-Power) under Joint Development Agreement (refer ASX Announcement dated 16 May 2022). This funding was previously classified as borrowings in FY2022 Appendix 4C.</i>			

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	65,269	62,855
4.2	Net cash from / (used in) operating activities (item 1.9 above)	699	3,947
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(47,140)	(196,590)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	45,250	193,866
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>64,078</b>	<b>64,078</b>

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 <sup>(3)</sup>	64,078	65,269
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>64,078</b>	<b>65,269</b>

*(3) Includes cash committed for K2-Hydro construction program, BBP construction program and KS1 and JSP debt service accounts.*

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 <sup>(4)</sup>	692
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.*

*(4) Payments of salaries, directors' fees, and J-Power consulting fee under Technical Services Agreement (refer ASX Announcement dated 24 March 2021).*

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

<b>7 FINANCING FACILITIES</b>	<b>TOTAL FACILITY AMOUNT AT QUARTER END</b>	<b>AMOUNT DRAWN AT QUARTER END</b>
<i>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.</i>	<b>\$A'000</b>	<b>\$A'000</b>
7.1 Loan facilities <sup>(5)</sup>	236,320	229,820
7.2 Credit standby arrangements	-	-
7.3 Other (NAIF Loan – K2-Hydro)	610,000	384,295
<b>7.4 Total financing facilities</b>	<b>846,320</b>	<b>614,115</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>232,205</b>
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.		
<i>(5) Includes senior loan \$175 million, Infradebt subordinated facility \$16 million (refer ASX Announcement dated 16 August 2022), and drawdown from LNSA from Infradebt of \$38.82 million from available facility of \$45.32 million including LC facility (refer ASX Announcement dated 21 February 2022).</i>		

<b>8 ESTIMATED CASH AVAILABLE FOR FUTURE OPERATING ACTIVITIES</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	699
8.2 Cash and cash equivalents at quarter end (item 4.6) <sup>(3)</sup>	64,078
8.3 Unused finance facilities available at quarter end (item 7.5) <sup>(6)</sup>	232,205
8.4 Total available funding (item 8.2 + item 8.3) <sup>(6)</sup>	64,078
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<i>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.</i>	
<i>(6) All unused finance facilities committed for construction of projects.</i>	
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
<i>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.</i>		



## 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: 20 April 2023

Authorised by: the Chief Financial Officer of Genex Power Limited

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

### 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.