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27 August 2021

ASX Limited

Company Announcements Platform

FY21 Statutory Results

Genex Power Limited (**ASX: GNX**) (**Genex** or the **Company**) is pleased to provide the following update on the Company's performance for the 2021 financial year (**FY21**), a period of significant achievement for the Company. We energised the 50MW Jemalong Solar Project (**JSP**) and commenced construction on our flagship Kidston Pumped Storage Hydro Project (**K2-Hydro**). The development of these projects, coupled with our existing 50MW Kidston Solar Project (**KS1**) and extensive growth portfolio, positions the Company as a leader in the renewable energy generation and storage markets in Australia.

FY21 FINANCIAL HIGHLIGHTS

- Total generation totalling 132,853MWh a 14% increase on the prior period (FY20: 116,520MWh);
- Total revenue of $21.7M a 77% increase on the prior period (FY20: $12.3M). FY21 total revenue included a $7.9M of ARENA Convertible Note forgiveness and $2.6M from the UGL settlement;
- Sales revenue of $10.6M (up 3.7% versus FY20) excludes commissioning revenue from the Jemalong Solar Project (**JSP**). JSP will contribute meaningfully to revenue and cashflow from FY2022 onwards;
- Underlying EBITDA of $1.8M (up 3% vs FY20) as the result included operating costs associated with construction commencing at K2-Hydro in Q4 FY21;
- The Australian Renewable Energy Agency (**ARENA**) committed $47M in grant funding for the K2-Hydro project, and converted the $9M in development funding previously provided for the project into a non-recoupable grant;
- Net cashflow outflow from operating activities of $4.8M (outflow of $4.1M in FY20). During the year the company spent $153.1M of capital on property plant and equipment associated with the development of JSP and construction associated with K2-Hydro;
- During the period, the Company raised a total of $139M, issuing a total of 668,058,690 new shares to progress the development of Genex's portfolio of renewable energy assets:
  - The funds raised includes a $25M Share Subscription Agreement with J-POWER in May 2021 resulting in J-POWER holding 10% ownership in the Company.
- Net cash as at 30 June 2021 of $45.4M leaving Genex in a strong cash position to fund the development of the K2-Hydro project and advancement of the Bouldercombe Battery Project (**BBP**).

FY21	30 JUNE 2021 ($M)	30 JUNE 2020 ($M)	% CHANGE
Net Revenue	21.7[1]	12.3	77%
Underlying Revenue	13.8	12.3	12%
EBITDA	(6.8)	1.8	-486%
Underlying EBITDA	1.8	1.8	3%
Net Profit After Tax	(18.7)	(10.5)	-78%
Underlying Net Profit After Tax	(10.1)	(10.5)	4%
Cash at Bank	45.4	65.5	-31%

JEMALONG IMPAIRMENT

- Impairment of $16.5M on the Jemalong asset as a result of a decline in wholesale electricity prices, and the requirement of technical accounting standards to consider the asset on a standalone basis outside of its portfolio financing arrangements with KS1:
  - Impairment is not a reflection of the operational performance of JSP which has been exceeding expectations since energisation; and
  - The impairment will have no impact on any covenants associated with the JSP financing nor impact the current financing which is due to expire in 2024.

OUTLOOK

Genex is in a strong position to deliver on our growth ambitions. Our projects are positioned to deliver clean, renewable power that will help Australia meet its renewable energy targets. The increasing impact of intermittent power on energy prices highlights the need for large scale storage options such as K2-Hydro and the BBP. Over the remainder of FY2022, the Company will continue to focus on:

- Construction activity at the K2-Hydro Project;
- Development of the BBP with construction anticipated to commence during the year; and
- Progression of our K3-Wind Project, with activities to centre on planning approvals and proving up the wind resource for the Project.

[1] Comprises $8.3M ARENA Grant, $10.6M generation revenue from KS1 & $2.6M UGL settlement

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Commenting on the FY21 financial results, Genex CEO, James Harding said:

"In the past 12 months the Company has progressed and delivered on a number of major milestones. During the year we executed the construction and finance documentation for our flagship Kidston Pumped Storage Hydro Project, and in doing so, secured all of the funding required to construct the Project. With activity steadily ramping up at site, Genex is now firmly focused on the delivery of this Project through the construction phase, with commissioning and operations to commence in late 2024. When in operation, K2-Hydro will be the first pumped hydro project in Australia in 40 years, and the third largest electricity storage facility.

The 50MW Jemalong Solar Project was developed on time and budget, remaining relatively unaffected by the COVID-19 pandemic. The project successfully energised in December 2020, marking the delivery of the second operating asset in the Genex portfolio, and is now generating at full output. We recognised an impairment on the asset at 30 June 2021 which was required as a result of the technical application of accounting standards on a standalone basis, outside of its portfolio financing with KS1, and its merchant revenue exposure. Notwithstanding this, the project has been contributing strong revenues since energisation and continues to be a valuable cash generating asset for the Group.

We are excited by the rapid development of the Bouldercombe Battery Project, the first standalone large-scale battery project to be developed in Queensland. This project is an opportunity for Genex to draw on and apply our extensive experience gained from developing the Kidston Pumped Storage Hydro Project to capture a significantly enhanced revenue generation profile. We look forward to updating the market as we continue to achieve key project milestones.

I would like to thank all our stakeholders, particularly NAIF, ARENA, the Queensland Government, J-POWER and EnergyAustralia for their continued support for the K2-Hydro project."

This announcement should be read in conjunction with the Company's Appendix 4E and Financial Statements for the year ended 30 June 2021.

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

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FOR MORE INFORMATION ABOUT THIS ANNOUNCEMENT:

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About Genex Power Limited

Genex Power Limited is focused on developing a portfolio 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 the Genex Power Limited portfolio. JSP was energised in early December 2020 and is now fully operational. Genex is further developing its energy storage portfolio via the early-stage development of a 50MW/100MWh standalone battery energy storage system at Bouldercombe in Queensland. With over 400MW of renewable energy & storage projects in development, Genex is well placed as Australia's leading renewable energy and storage company.

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.

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