

# Capital Raising Presentation

Renewable Energy on Tap  
March 2021

# Disclaimer

This presentation has been prepared by Genex Power Limited (**GNX**) in connection with an accelerated non-renounceable pro rata entitlement offer of new fully paid ordinary shares in GNX (**New Shares**) to be made under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (**Entitlement Offer**) as notionally modified by the ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument**) and GNX's institutional placement of New Shares to institutional investors (**Placement**).

## Not an offer

The material contained in this presentation is for information purposes only and is intended to be general background information on GNX and its activities and is dated 24 March 2021. This presentation is not a prospectus or other disclosure document or offering document under Australian law (and will not be lodged with ASIC or any foreign regulator) or any other law. It is for information purposes only and is not, and should not be considered to be, an invitation, offer or recommendation to acquire shares or any other financial products. It is not, and does not purport to contain all the information required to be contained in, a prospectus, disclosure document or offering document under Australian law or any other law (and will not be lodged with ASIC or any foreign regulator).

The Placement will be conducted under section 708 of the Corporations Act and will be made available to certain persons to whom a prospectus is not required to be given under Chapter 6D of the Corporations Act. The Entitlement Offer will be made under s 708AA of the Corporations Act (as notionally modified by the ASIC Instrument).

## Summary information

The information in this presentation is supplied in summary form, is of a general background nature and does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with GNX's periodic and continuous disclosure announcements filed with the Australian Securities Exchange, and in particular, GNX's full year results for the financial year ended 30 June 2020.

## Not financial product advice

This presentation is for information purposes only and it is not financial product nor investment advice (nor tax, accounting or legal advice) nor a recommendation to acquire shares and has been prepared without taking into account the objectives, financial situation or needs of recipients of this presentation. It is not intended that it be relied upon as advice to investors or potential investors, who should make their own enquiries and investigations regarding an investment in GNX and in relation to all information in this presentation (including but not limited to the assumptions, uncertainties and contingencies which may affect the future operations of GNX and the value and the impact that different future outcomes may have on GNX) and before making any investment decisions, should consider the appropriateness of the information having regard to their specific investment objectives, financial situation or particular needs and should seek independent professional advice appropriate to their jurisdiction before making an investment decision. Neither this presentation nor anything contained in it forms the basis of any contract or commitment and no agreement to subscribe for securities will be entered into on the basis of this presentation. GNX is not licensed to provide, and this presentation does not constitute the provision of, investment or financial product advice in respect of GNX's shares. Cooling off rights do not apply to the acquisition of GNX's shares.

An investment in GNX shares is subject to investment and other known and unknown risks, some of which are beyond the control of GNX. GNX does not guarantee any particular rate of return or the performance of GNX, nor does it guarantee the repayment of capital from GNX or any particular tax treatment. Investors should have regard to (amongst other things) the risk factors outlined in this presentation when making their investment decisions. Refer to the "Key Risks" section of this presentation for a non-exhaustive list of the risks relating to an investment in GNX shares.

## Joint lead managers' disclaimers

The joint lead managers, together with each of their respective related bodies corporate, shareholders or affiliates and each of their respective officers, directors, employees, affiliates, agents or advisers (each a "Limited Party") have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and do not make or purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by a Limited Party. No Limited Party makes any recommendation as to whether any investor or potential investor should participate in the Entitlement Offer or the Placement and makes no warranties concerning the Entitlement Offer or the Placement. Further, no Limited Party accepts any fiduciary obligations owed to or relationship with any investor or potential investor in connection with the Entitlement Offer, Placement or otherwise, and by accepting this presentation each recipient expressly disclaims any fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Entitlement Offer and Placement, and any other transaction or other matter arising in connection with this presentation. The joint lead managers or other Limited Parties may have interests in the shares of GNX, including being directors of, or providing banking services to, GNX. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The joint lead managers may receive fees for acting in their capacities as lead managers, administration agents and/or bookrunners, as applicable, to the Entitlement Offer and the Placement.

## Financial data

All amounts are in Australian Dollars (\$) or AUD unless otherwise indicated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Investors should note that this presentation includes unaudited financial information for the historical period ending 30 June 2020 and 31 December 2020. This presentation also includes pro-forma financial information. Pro-forma adjustments have been made in order to exclude one-off transaction costs associated with the Entitlement Offer and Placement. Investors should note that this information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution.

Investors should also be aware that certain financial data included in this presentation are "non-IFRS financial information" under ASX Regulatory Guide 230 (Disclosing non-IFRS financial information). The non-IFRS financial information financial measures do not have a standardised meaning prescribed by Australian International Financial Reporting Standards (AIFRS) and, therefore, may not be comparable to similarly titled measures presented by other companies, nor should they be construed as an alternative to other financial measures determined in accordance with AIFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this presentation.

# Disclaimer cont'd

## Future performance

Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding GNX's intent, belief or current expectations or projections with respect to business and operations, market conditions, results of operations and financial condition, including, without limitation, forecasted economic indicators, performance metric outcomes, the potential impact and duration of the COVID-19 pandemic as well as the timetable and outcome of the Entitlement Offer and the Placement and the proceeds thereof. This presentation contains words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'projection', 'anticipate', 'believe', or similar words to identify forward-looking statements. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. These forward-looking statements reflect GNX's current views with respect to future events and are subject to change, certain risks, uncertainties, projections and assumptions which are beyond the control of GNX, and have been made based upon GNX's expectations and beliefs concerning future developments and their potential effect on GNX. There can be no assurance that future developments will be in accordance with GNX's expectations.

A number of important factors could cause GNX's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, including but not limited to, general economic conditions in Australia and worldwide; exchange rates; competition in the markets in which GNX will operate, the lack of willingness or predictability in timing for partner uptake of GNX's offerings, the inherent regulatory risks in the businesses of GNX and the duration of the COVID-19 pandemic. Assumptions on which forward-looking statements in this presentation are based may or may not prove to be correct and there can be no assurance that actual outcomes will not differ materially from these statements. None of the Associated Persons nor any other person referred to in this presentation makes any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. When relying on forward-looking statements to make decisions with respect to GNX, investors and others should carefully consider such factors, and other uncertainties and events. GNX is under no obligation to update any forward-looking statements contained in this presentation, as a result of new information, future events or otherwise, after the date of this presentation. As such, undue reliance should not be placed on any forward-looking statement.

Past performance information (including past share price performance of GNX and pro forma historical information) given in this presentation is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood or achievement or reasonableness of any forward-looking statements, forecast financial information, future share price performance or their forecast. None of the Limited Parties nor any independent third party has reviewed the reasonableness of the forward-looking statements or any underlying assumptions. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty, or guarantee as to the past, present or the future performance of GNX.

## International restrictions

This presentation and the information contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This presentation may not be distributed or released in the United States. The securities referred to in this presentation have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities referred to in this presentation may not be offered or sold, directly or indirectly, in the United States absent registration or in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

The release, publication or distribution of this presentation in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. By accepting this presentation, you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

No action has been taken to register the securities referred to in this presentation or otherwise to permit a public offering of securities in any jurisdiction outside Australia. In particular, this presentation does not constitute an offer or invitation to sell, or a solicitation of an offer or invitation to buy, securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The New Shares under the Entitlement Offer are not being offered or sold to the public in New Zealand other than to existing shareholders of GNX with registered addresses in New Zealand to whom the offer of New Shares under the Entitlement Offer is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. This presentation has not been registered, filed or approved by any New Zealand regulatory authority. This presentation is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## Disclaimer

No representation or warranty, express or implied, is made as to the accuracy, completeness, reliability or fairness of the information, opinions and conclusions contained in this presentation. Any information in this presentation is made only at the date of this presentation, and opinions expressed reflect GNX's position at the date of this presentation, and are subject to change. GNX is under no obligation to update this presentation. No assurance is given by GNX that any capital raising or other transaction referred to in this presentation will proceed and GNX reserves its rights to withdraw or vary the transactions described in this presentation without notice. Neither GNX, its related bodies corporate, shareholders or affiliates, nor any of their officers, directors, employees, affiliates, agents, contractors, advisers or any other associated persons nor any Limited Party (collectively, **Associated Persons**) represents or warrants in any way, express or implied, that the information, opinions, conclusions or other information contained in this presentation, any of which may change without notice, is fair, accurate, complete, reliable, up to date or correct. GNX does not represent or warrant that this presentation is complete or that it contains all material information about GNX or which a prospective investor or purchaser may require in evaluating a possible investment in GNX or an acquisition or other dealing in GNX shares. To the maximum extent permitted by law, GNX and its Associated Persons each expressly disclaims and excludes all direct, indirect, consequential or contingent loss, damage or liability (including, without limitation, any liability arising from fault or negligence) that may arise from, or is connected to, this presentation, or the use of this presentation, or any other written or oral information provided by or on behalf of GNX. The joint lead managers and their advisers have not been involved in the preparation of, and have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation and do not make or purport to make any statement in this presentation.

# Investment highlights

## Equity Raising to achieve K2-Hydro financial close 1

- \$115 million equity raising to deliver a fully funded K2-Hydro project<sup>1</sup>
- Culmination of 5 years of work de-risking the project
- Agreements commercially agreed and/or executed
- All financing approvals secured<sup>2</sup>

## Strong relationships across a diverse range of stakeholders 4

- Tier 1 stakeholders



## Group financials bolstered by development of K2-Hydro project 2

- Average annual revenue of \$82.5m until 2055, at average group EBITDA margin of 79%
- Over 85% of revenue contracted for the next 30 years
- No material tax payable until FY2039

## Diverse renewable energy and storage portfolio 5

- 2 operating 50MW solar projects (KS1 & JSP)
- K2-Hydro now funded<sup>2</sup>
- Battery, Wind and Solar projects in advanced stages

## Proven track record of project execution 3

- Successfully developed >\$200m worth in projects
- Negotiated long term energy contracts providing secure cash flows
- Developed, financed and built KS1 and JSP on time and on budget

## Near term development of pipeline opportunities 6

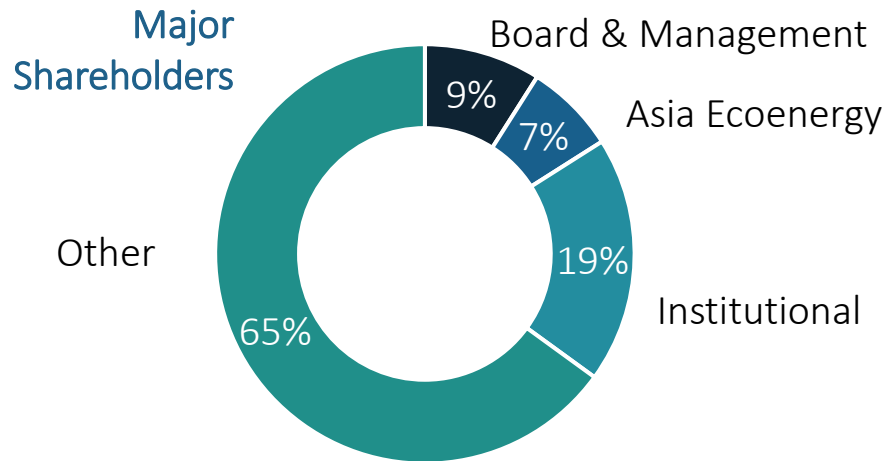
- 200MW of near term development opportunities:
  - 50MW Bouldercombe Battery – construction 2021; and
  - 150MW Kidston Wind – construction 2023.

1. \$90m Placement and Entitlement Offer plus \$25m cornerstone investment by J-Power in tranche 2 (subject to EGM)  
2. Subject to all conditions relating to J-POWER, NAIF and ARENA funding being satisfied, including shareholder approval

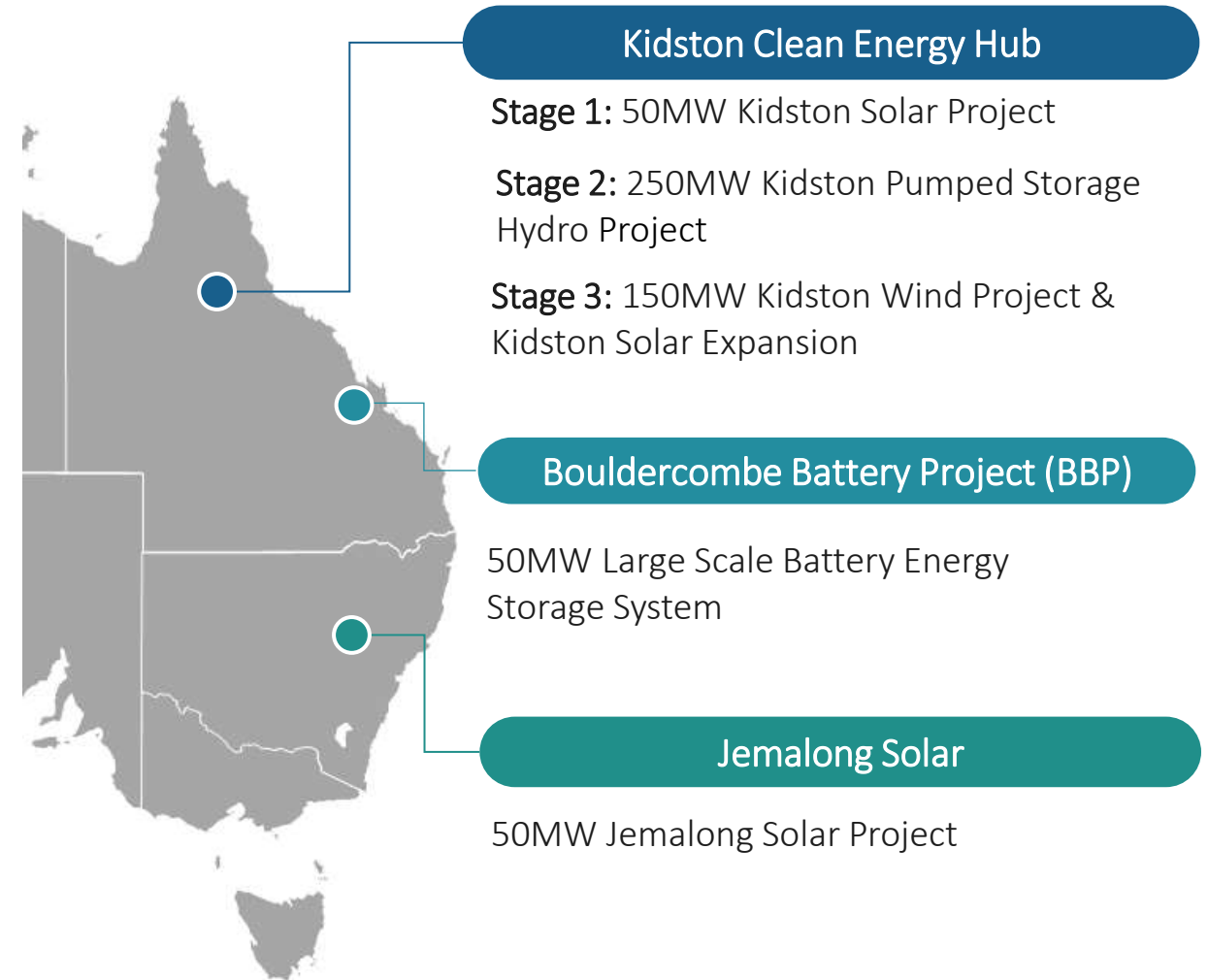
# Genex at a glance

Genex aims to be Australia's leading listed renewable energy generation and storage company

ASX code:	GNX
Shares on issue:	511.5M
Market cap (23.03.2021):	\$140.7M
Cash (01.03.2021) <sup>1</sup> :	\$30M
Favourable Tax Ruling <sup>2</sup> :	\$39.5M



1. Includes drawn debt facilities for JSP construction.
2. Refer to the Company's ASX announcement dated 4 October 2016.



# Equity raising - Offer Summary

Offer structure and Size	<ul style="list-style-type: none"> <li>• Placement of approximately 170.1 million shares (representing approximately 33.3% of issued capital) to institutional and sophisticated investors to raise approximately \$34.0 million (“Placement”) under Listing Rule 7.1 &amp; 7.1A placement capacity</li> <li>• An 11 for 20 Accelerated pro-rata Non-Renounceable Entitlement Offer (“Entitlement Offer”) to existing shareholders as of the Record Date to raise approximately \$56.3 million (representing approximately 55.0% of issued capital); comprising of:             <ul style="list-style-type: none"> <li>• An institutional entitlement offer to raise approximately \$21.1 million and;</li> <li>• A retail entitlement offer to raise approximately \$35.2 million</li> </ul> </li> <li>• The Placement and Entitlement Offer are together referred to as the (“Offer”)</li> </ul>
Offer Price	<ul style="list-style-type: none"> <li>• Offer Price of \$0.20 per new share, represents a:             <ul style="list-style-type: none"> <li>• 27.3% discount to the last close on 23 March 2021 of \$0.275 per share</li> <li>• 15.0% discount to the Theoretical Ex-Rights Price (‘TERP’) of \$0.235</li> </ul> </li> </ul>
Institutional Offer	<ul style="list-style-type: none"> <li>• Institutional Entitlement Offer to be conducted on Wednesday, 24 March 2021</li> </ul>
Retail Offer	<ul style="list-style-type: none"> <li>• Retail Entitlement Offer to open on Tuesday, 30 March 2021 and closes at 5:00pm Friday, 16 April 2021</li> <li>• Only eligible shareholders with a registered address in Australia or New Zealand may participate in the Retail Entitlement Offer</li> </ul>
Use of Funds	<ul style="list-style-type: none"> <li>• Funds raised will be applied towards reaching financial close for the Company’s Kidston Hydro Project</li> </ul>
Strong balance sheet post capital raising	<ul style="list-style-type: none"> <li>• Post capital raise, K2-Hydro will be fully funded and Genex will retain sufficient working capital to support the construction phase, including cash of \$25 million</li> </ul>
Underwriting	<ul style="list-style-type: none"> <li>• Canaccord Genuity (Australia) Limited and Morgans Corporate Limited are Joint Lead Managers and Underwriters to the Offer</li> </ul>
Ranking	<ul style="list-style-type: none"> <li>• New Shares issued under the Offer will rank pari-passu with existing fully paid ordinary shares on issue</li> </ul>

# Use of Funds & Pro-forma Capital Structure

## Sources & Uses

Sources	\$M	% total	Uses	\$M	% total
Existing cash (1 Mar)	\$30m	5%	Development of Kidston Hydro	\$777m	97%
Equity Raising	\$115m <sup>1</sup>	19%	General Working Capital	\$25m	3%
ARENA grant	\$47m	8%	Total	\$802m	100%
NAIF debt	\$610m	100%			
<b>Total</b>	<b>\$802m</b>	<b>100%</b>			

Note: 1. \$90m Placement and Entitlement Offer plus \$25m cornerstone investment by J-Power in tranche 2 (subject to EGM)

## Milestones to Financial Close Post Capital Raising

Date <sup>1</sup>	Milestone
29 March 2021	• Lodge EGM notice
31 March 2021	• Execution of all finance documents and any remaining project documents • Notice to proceed to Powerlink under Connection Agreement
28 April 2021	• Notice to Proceed under EPC Contract and D&C Contract
29 April 2021	• EGM
19 May 2021	• Financial Close (subscription of J-POWER equity)

Note: 1. Expected dates as at the date of this presentation and subject to change

## Capital Structure

	\$M
Current Market Capitalisation at 23 March 2021 <sup>1</sup>	\$141m
Equity Raising <sup>2</sup>	\$115m
Cash and Equivalents (01/03/2021)	\$30m
Existing debt	\$188m
NAIF facility (fully drawn)	\$610m
<b>Total Enterprise Valuation</b>	<b>\$909m</b>

Note: 1. Equity calculated by number of shares on issue multiplied by the closing price 23 March 2021

2. Assumes the full \$25m received from J-POWER as per pricing in slide 17

- Post Equity Raising, Genex will have a pro forma market capitalisation of \$256 million with an additional \$798 million of debt
- Assuming the NAIF facility is fully drawn the Company will have an Enterprise Valuation of \$909 million

# Indicative Offer Timetable

Event	Date
Trading halt, announcement of the Transaction, and Placement and Institutional Entitlement Offer opens	Wednesday, 24 March 2021
Placement and Institutional Offer conducted	Wednesday, 24 March 2021
Announcement of results of Placement and Institutional Offer	Friday, 26 March 2021
Trading halt lifted – Shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 26 March 2021
Record Date for Retail Entitlement Offer	7.00pm Friday, 26 March 2021
Retail Entitlement Offer opens and Retail Offer Booklet (including Entitlement and Acceptance Form) dispatched	Tuesday, 30 March 2021
Settlement of Institutional Offer and Placement	Thursday, 1 April 2021
Allotment and commencement of trading of New Shares issued under the Placement and Institutional Offer	Tuesday, 6 April 2021
Last day to extend Retail Entitlement Offer close date	Tuesday, 13 April 2021
Retail Entitlement Offer closes	5.00pm Friday, 16 April 2021
Announcement of results of Retail Entitlement Offer	Tuesday, 20 April 2021
Settlement of New Shares under the Retail Entitlement Offer	Thursday, 22 April 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 23 April 2021
Trading of New Shares issued under the Retail Entitlement Offer	Monday, 26 April 2021

Note: Dates and times are indicative only and subject to change without notice. Genex Power reserves the right to alter the dates in this presentation at its discretion and without notice, subject to the ASX Listing Rules and the Corporations Act 2001 (Cth). All dates refer to Sydney, Australia time.



# Diversified Clean Energy Producer



## Kidston Stage 1

50MW Solar Project

### Status

Production  
(since 2017)

### Revenue Model

20-year Queensland  
Government Contract (PPA)



## Jemalong Solar

50MW Solar Project

### Status

Production  
(since 2021)

### Revenue Model

Merchant/Spot



## K2-Hydro

250MW Pumped Hydro Project

### Status

Construction  
(commencing April 2021)

### Revenue Model

Long term rental agreement with  
EnergyAustralia



## Bouldercombe Battery

50MW Large Scale Battery  
Energy Storage System

### Status

Development

### Revenue Model

Contract/Merchant



## K3-Wind

150MW Wind Project

### Status

Feasibility

### Revenue Model

To be confirmed



## K2-Solar

Up to 270MW Solar Project

### Status

Feasibility

### Revenue Model

To be confirmed

# K2-Hydro

Genex completes development for the Kidston Pumped Storage Hydro project, reflecting 5 years of work de-risking the project.

## Agreements executed and/or commercially agreed:

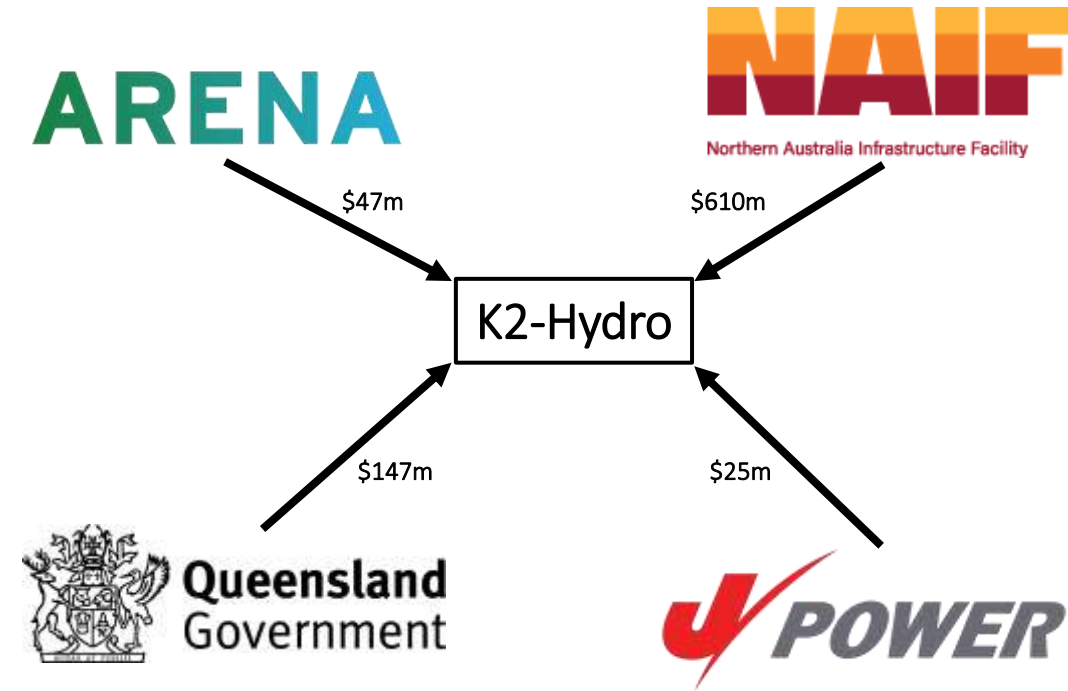
- Offtake via long-term Energy Storage Services Agreement with EnergyAustralia
- Connection Agreement in place to allow the project to connect to the NEM via the construction of a 275kV transmission line from Kidston to Mt Fox
- Fixed lumpsum price EPC Contract

## Financing approvals secured:

- \$25m equity investment secured from J-POWER<sup>1</sup>
- Up to \$610m from NAIF<sup>1</sup>
- \$47m grant funding from ARENA<sup>1</sup>
- \$147m transmission line co-funding from Queensland Government

Executing a \$115m equity raising (incl J-POWER equity investment) to complete Genex's equity contribution

1: Subject to all conditions relating to J-POWER, NAF and ARENA funding being satisfied, including shareholder approval.



# K2-Hydro Is a Strategic Asset

Unlocks the renewable generation potential of North Queensland

---

Helps the State achieve its Renewable Energy Target of 50% by 2030

---

Adds much needed system strength to the weak North Queensland grid

---

Dedicated transmission line facilitates development of the Kidston Clean Energy Hub at Kidston

---

Genex is ideally placed to leverage the new infrastructure underpinning long term shareholder value

---

K2-Hydro



K2-Solar



K3-Wind



# K2-Hydro Funding Metrics

80+ year life span, with stable cashflow and minimal ongoing CAPEX requirements

---

Long-term returns via fixed rental contract (ESSA)

---

Project fully funded via Genex equity<sup>1</sup>, NAIF debt and ARENA grant

---

Low cost of capital. NAIF financing at 15-year Govt bond rate plus low margin

---

First revenues expected in 2025, escalating with CPI

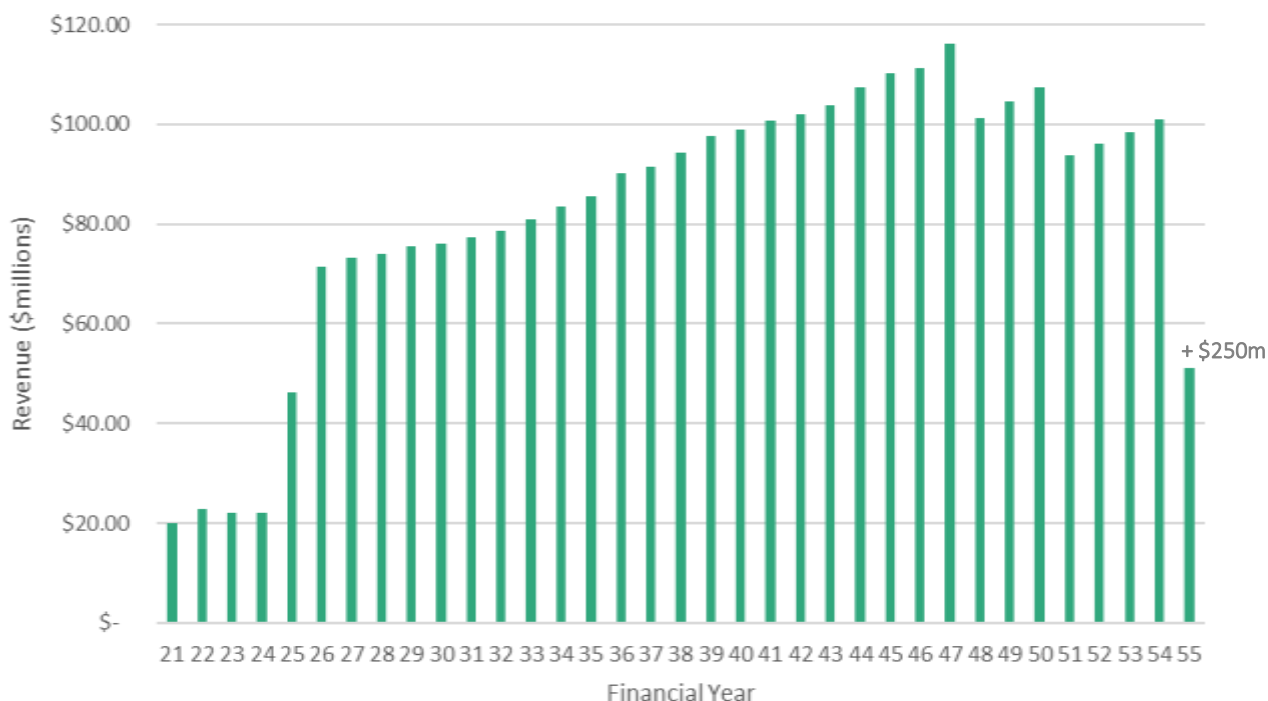
---

Transmission line is co-funded by Qld Govt and will underpin the expansion of the Kidston Clean Energy Hub

1. Loan from HeadCo to fund additional contingency, which will be repaid to Genex at completion of construction to the extent not used



# Group Revenue Outlook – KS1, Jemalong and K2 Hydro

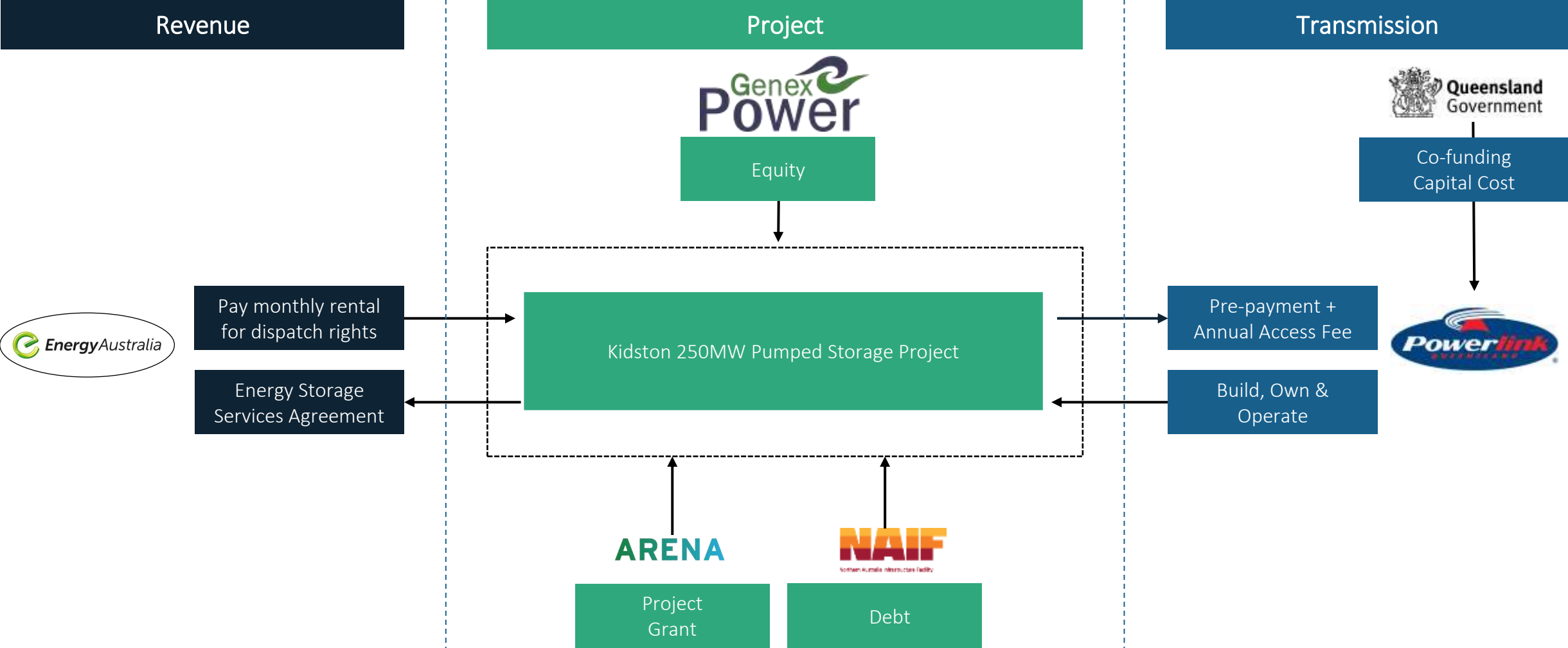


Group Senior Debt Summary	
Total Senior Debt	\$780m
debt amortisation 2021 – 2024	\$23m
debt amortisation 2025 - 2055	\$757m
Average interest rate <sup>2</sup>	2.96%

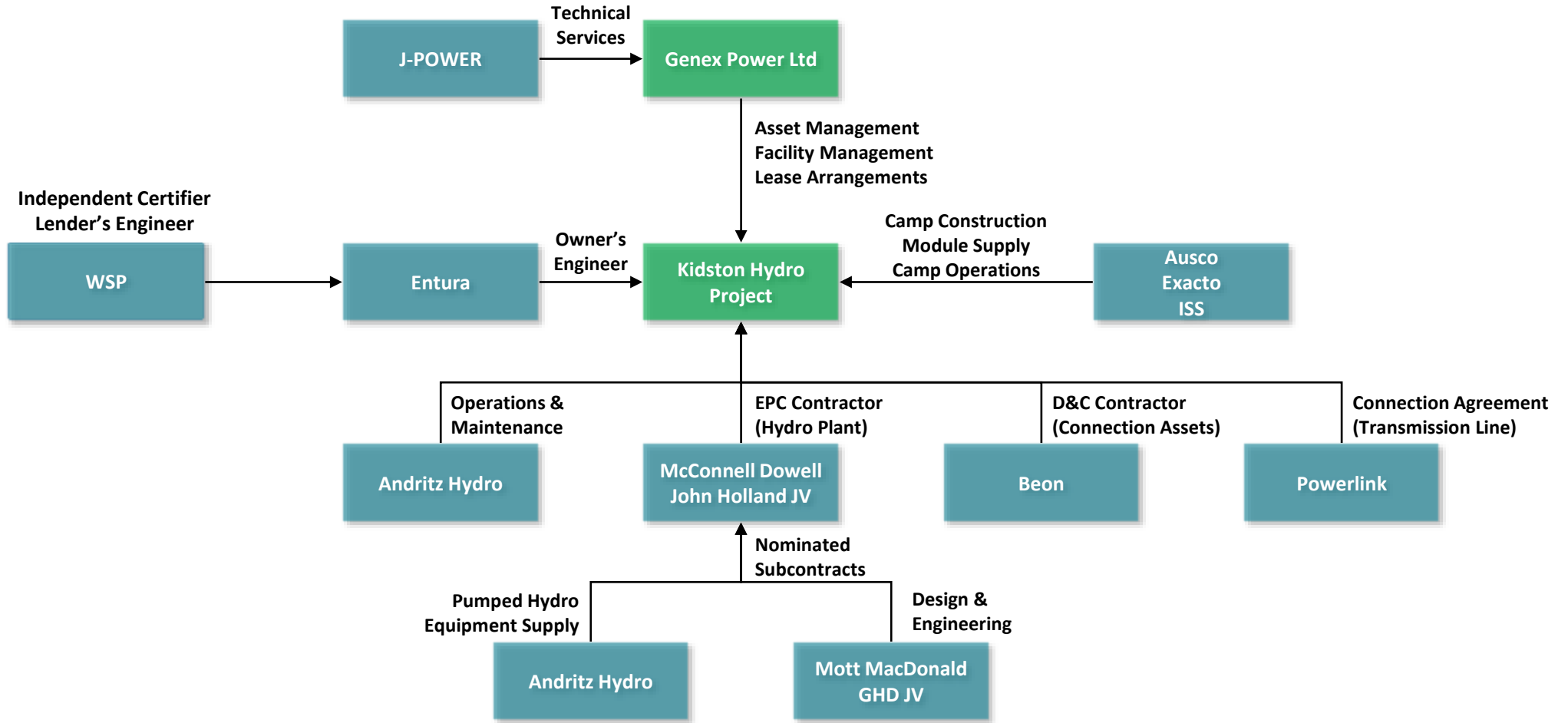
1. Assuming EnergyAustralia extend for the full 30 year term of ESSA 2. Weighted average interest rate, a combination of NAIF Debt and the KS1 & JSP financing package. 3. Jemalong / merchant revenue assumptions per Baringa Market Outlook (2021). 4. K2H book value in accordance with Australian Accounting Standards

- Group revenue outlook based on:
  - 100% contracted revenue for KS1 and K2-Hydro<sup>1</sup>
  - Merchant revenue for Jemalong based on forward pricing curve
- Average annual revenue of \$82.5m until 2055
- Over 85% of group revenue is contracted for the 30 years
- Bond like cashflows/risk profile
- Average group EBITDA margin of 79%
- No tax payable until 2038/2039
- Assumes K2-Hydro is acquired by EnergyAustralia at year 30 for book value (~\$250m) (otherwise continues operations under Genex)













# K2-Hydro Ownership and Funding Structure



# Project Delivery - Major Contracts Structure



# K2-Hydro –Tier 1 Project Participants

		Status
 EnergyAustralia	<b>Energy offtake</b> <ul style="list-style-type: none"> <li>Energy Storage Services Agreement signed with EnergyAustralia.</li> </ul>	
	<b>Genex equity investor</b> <ul style="list-style-type: none"> <li>SSA signed for up to \$25m equity investment in Genex Power.</li> </ul>	
	<b>EPC Contractor/supplier of pump turbines</b> <ul style="list-style-type: none"> <li>Fixed price EPC Contract signed. Early works underway.</li> </ul>	
	<b>Federal Government</b> <i>Sole lender providing up to \$610 million of long-term debt.</i> <ul style="list-style-type: none"> <li>Board Investment Decision granted.</li> </ul>	
	<b>Federal Government Grant Body</b> <ul style="list-style-type: none"> <li>\$47m grant approved.</li> </ul>	
	<b>Queensland Government</b> <i>Construct and operate 275kV transmission line from Kidston to Mt Fox.</i> <ul style="list-style-type: none"> <li>Offer to Connect accepted and Connection Agreement executed.</li> <li>Co-funding from Queensland Government.</li> </ul>	





# Cornerstone GNX Shareholder

Significant portfolio of hydroelectric, coal-fired power and wind power generation with head office in Tokyo, Japan

---

36 facilities in operation in six countries representing total combined generation capacity of 21.8GW

---

Under the Technical Services Agreement, J-POWER provides technical advice to Genex during K2-Hydro's development & operation phases

---

The SSA provides for a conditional investment of \$25m fund part of Genex's equity contribution for the construction of the project

---

J-POWER shares to be issued at the higher of 5 day VWAP prior to and 5 day VWAP post financial close

---

Numappara – upper reservoir



J-POWER'S 675MW Numappara Pumped Storage Hydro Project (1973)

# Energy Storage Services Agreement with EnergyAustralia



EnergyAustralia (EA) has signed an Energy Storage Services Agreement (ESSA) for the Kidston Hydro Project.



Key terms of the ESSA are:



- A term of up to 30 years with an initial 10 year period and two options (at EA's election) to extend for a further ten years each;



- Genex will provide full operational dispatch rights to EA in exchange for a fixed annual rental payment, escalating over the total term; and



- Following the expiry of the full 30 year term, EA has the right to acquire the project at book value (~\$250m).



# Growth Projects

# Bouldercombe Battery Project



Land to be secured under 30 year leasing arrangement

---

Connection and GPS process well advanced

---

Funding discussions with potential lenders and strategic investor underway

---

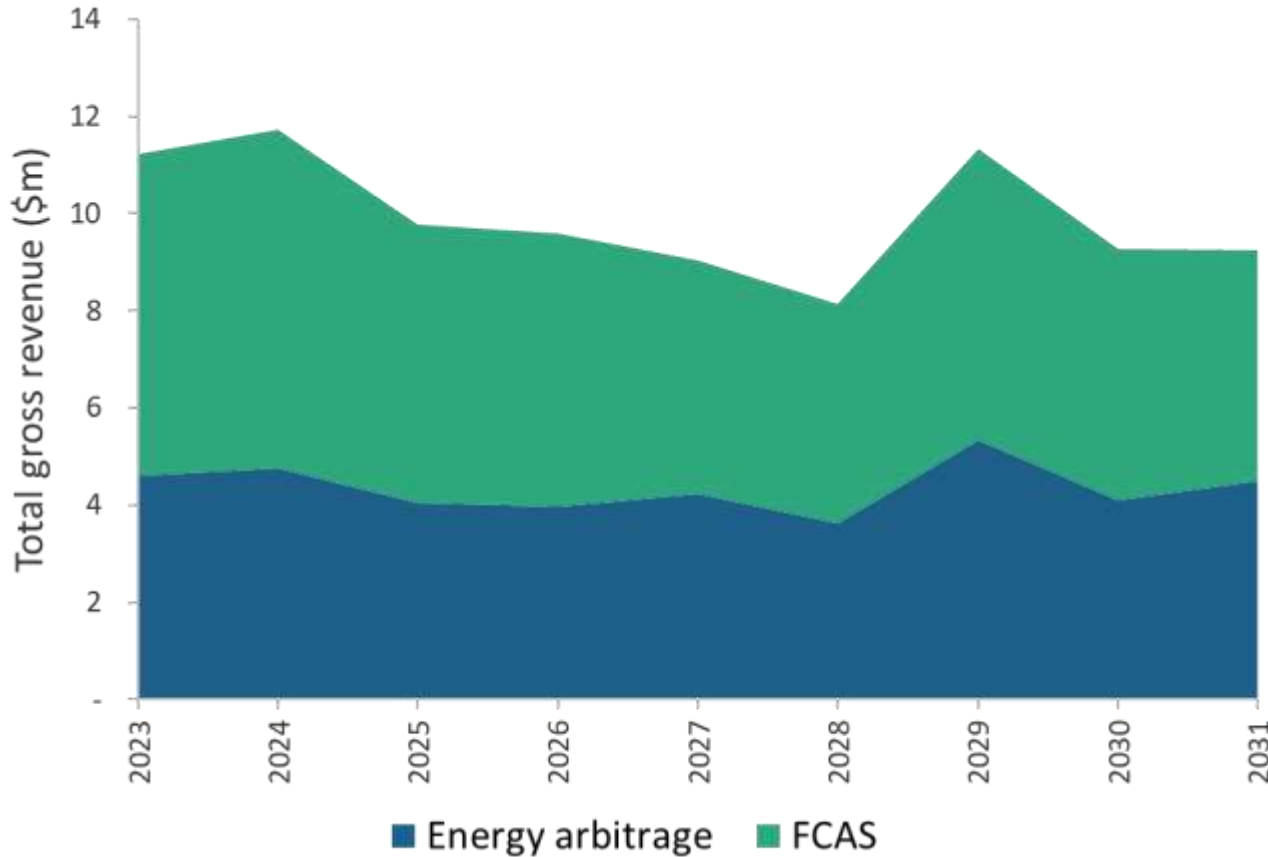
Battery supplier & integrator have been selected

---

Offtake discussions well progressed

# Bouldercombe Battery Project

50MW BESS located in Bouldercombe, Rockhampton in Queensland - adjacent to the Powerlink substation.



Source: Baringa Market Report (2021)

Notes to graph: forecast prices are based on 50MW storage and Baringa energy & FCAS price forecast model

Very attractive outlook for price arbitrage in Queensland which is expected to increase with the introduction of 5-minute settlement in 2021

Strong FCAS market in the near to medium term

Contracting structure designed to preserve upside from improving storage economics

Approximate CAPEX of \$1m/MW

OPEX \$1m p.a

FCAS represents 55% of total revenue

Average arbitrage of \$161/MWh

Construction expected to be <12 months

# Stage 3: 150MW Kidston Wind Project



Stage 3 of the Kidston Clean Energy Hub (a Globally unique integration of solar, wind and hydro) .



Development funding agreement signed with J-POWER to earn 50% in the project through an initial A\$1.5m funding investment<sup>1</sup>.



J-POWER have over 1GW of wind power in their portfolio (including projects under construction).



The \$1.5M investment will be used to expedite the development of the Project through monitoring, planning and other feasibility workstreams over the next 12-18 months.



K3-Wind will leverage existing infrastructure (transmission line) and co-location advantages to K2-Hydro. The land portfolio has been secured.



Combination of wind, solar and hydro completes the Kidston Clean Energy Hub.



Good wind resource with two sites secured.

1. The Agreement is subsequent to, and independent of, the signing of the Share Subscription Agreement with J-POWER for investment of up to A\$25M in Genex, executed in August 2020 (refer ASX Announcement 3 August 2020).
2. Genex has agreed with Powerlink Queensland an arrangement which deals with surplus line capacity and transmission costs.

# Demonstrated Track Record of Project Delivery



Delivered Kidston 50MW solar project on time and budget



- 540,000 solar panels installed, 160 workers on site & developed within 12 months



Delivered Jemalong 50MW solar project on time and budget



- 152,000 solar panels installed, 150 workers on site & developed within 12 months



- No delay to project construction despite impact of COVID-19



Kidston 50MW Solar Project



Jemalong 50MW Solar Project



# Genex Diversified Renewable Portfolio

## Genex projects



50MW Kidston Solar



50MW Jemalong Solar



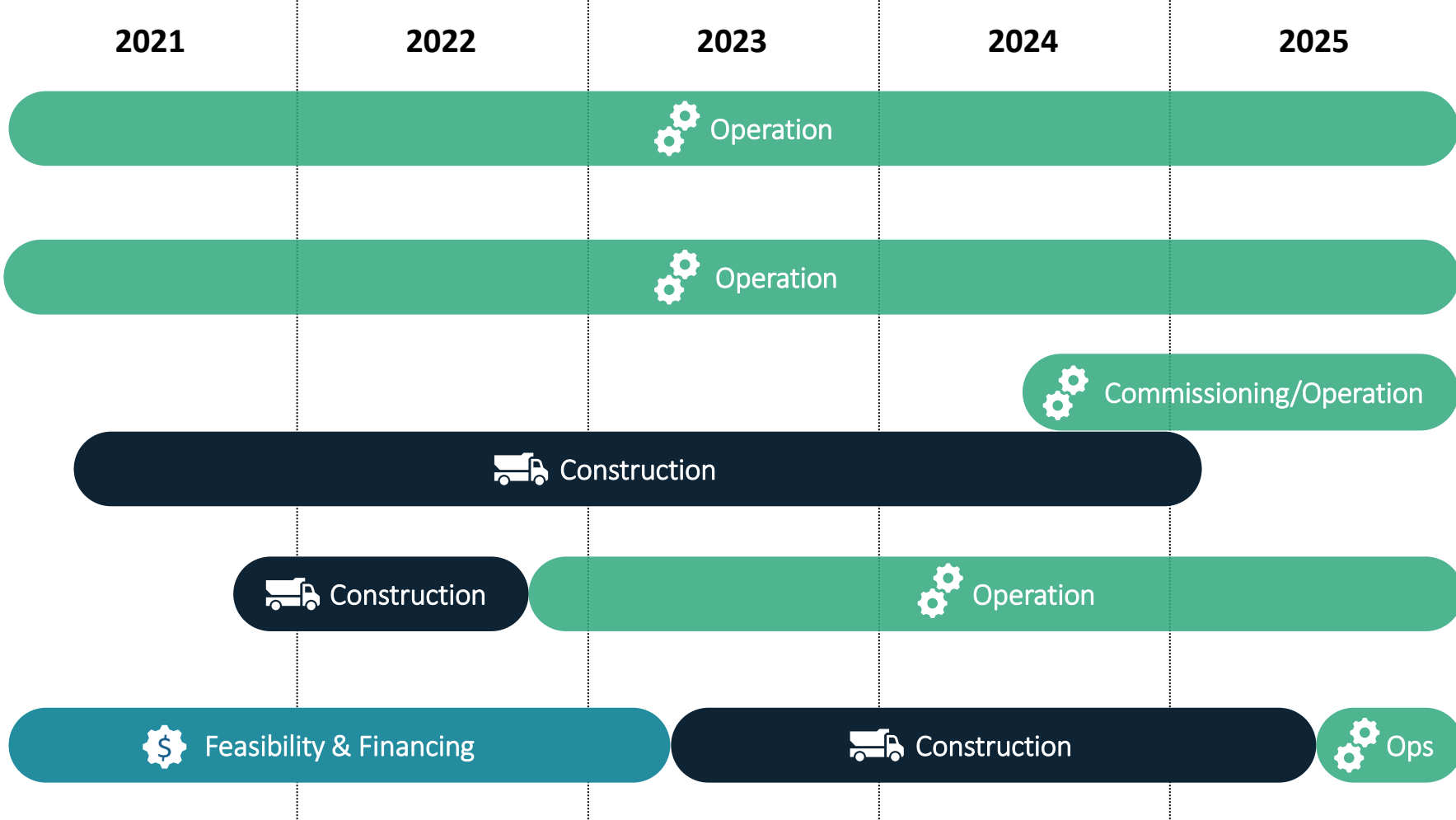
250MW Kidston Pumped Storage Hydro



50MW Bouldercombe Battery



150MW Kidston Wind





# Key Risks

# Key Risks

## **Construction Risk**

GNX has commercially agreed the terms of an Engineering Procurement and Construction (EPC) Contract with McConnell Dowell and John Holland for the construction of the Kidston Pumped Hydro Project. While many of the project delivery activities are the responsibility of the EPC, there is a possibility of delay, cost overrun or dispute which may impact the outcome described in this presentation.

## **Project development risks**

GNX is undertaking significant projects primarily related to the Kidston Hydro Project. Such projects are subject to numerous risks, many of which are outside the control of GNX, including delays in project approvals, cost overruns, disputes with contractors or other issues with performance or execution of the project.

## **Permits, licences and approvals**

GNX's activities depend on the granting and maintenance of appropriate licences, permits and approvals, which may be granted or withdrawn or subject to limitations at the discretion of the government or relevant regulatory authority. If there is a failure to obtain or retain appropriate licences, permits and approvals, this may adversely impact GNX's ability to continue its operations and activities.

## **Sufficiency of funding**

The funds raised under the Placement and Entitlement Offer will be applied primarily to reach financial close of the Kidston Hydro Project, to pay transaction costs associated with the Placement and Entitlement Offer, and to the extent that there are any excess funds, for working capital purposes. Any additional equity funding sought in the future may be highly dilutive to Shareholders, depending on the price at which GNX seeks to issue new securities and the level of participation under the Entitlement Offer. While debt funding may be available to GNX in the future, the availability of such funding will be dependent on GNX's financial performance. In addition to dilution, if GNX is unsuccessful in obtaining funds when required, it may need to delay planned business activities, and potentially forgo opportunities, which in turn may adversely affect GNX's financial performance or position.

## **Regulatory and Market Risks**

Changes in the structure and regulation of the industries in which GNX operates in Australia could materially affect GNX and its business. Changes to government policy, law or regulations, or the introduction of new regulatory regimes may lead to an increase in operational costs and may have a materially adverse effect on the operations, financial performance and prospects of GNX. Changes in electricity demand, price volatility and/or transmission losses has potential to impact revenues and profitability for all companies in the market including GNX.

## **General Risks:**

### **Share Market Risks**

The price of shares rise and fall and the price of the New Shares might trade at prices below or above the price at which the New Shares are offered in the Entitlement Offer and Placement. There can also be no assurance that an active trading market will develop for the New Shares.

### **General Economic Risks**

GNX's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies.

### **Taxation Risks**

Future changes in Australian and international taxation laws in jurisdictions in which GNX operates may affect taxation treatment of an investment in shares in GNX, or the holding and disposal of those shares. Additionally, changes in tax law in the various jurisdictions in which GNX operates may impact the future tax liabilities of GNX.

### **Litigation Risk**

Disputes or litigation may arise from time to time in the course of the business activities of GNX. There is a risk that any material or costly dispute or litigation could adversely affect GNX's reputation, financial position, performance or prospects.

## **Offer risks:**

### **Underwriting risk**

GNX has entered into an Underwriting Agreement with the joint lead managers, pursuant to which the joint lead managers have agreed to fully underwrite the Entitlement Offer and Placement, on and subject to the terms of the Underwriting Agreement. If certain conditions set out in the Underwriting Agreement are not satisfied or if certain events occur, then the joint lead managers may terminate the Underwriting Agreement. If the Underwriting Agreement is terminated, this would have an adverse impact on GNX's ability to raise the maximum amount of proceeds contemplated by the Entitlement Offer and Placement, which would in turn impact GNX's ability to proceed with the Kidston Hydro Project.

### **Dilution**

Shareholders who do not participate in the Placement and/or take up all of their entitlements under the Entitlement Offer, will have their percentage of shareholding in GNX diluted and will not be exposed to future increases or decreases in GNX's share price in respect of the New Shares which would have been issued to them had they participated in the Placement or taken up their entitlement under the Entitlement Offer. Shareholders may have their investment diluted by future capital raisings by GNX.

The Entitlement Offer is non-renounceable.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Accordingly, if any shareholder does not take up his/her/its entitlement, they will not receive any value for these entitlements.

# International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

*Statutory rights of action for damages and rescission.* Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

*Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

*Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

# International Offer Restrictions (Cont'd)

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

# International Offer Restrictions (Cont'd)

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.



# Contact

**Simon Kidston** (Executive Director)

Tel: +612 9048 8852

Mob: 0414 785 009

Email: [sk@genexpower.com.au](mailto:sk@genexpower.com.au)

**James Harding** (Chief Executive Officer)

Tel: +612 9048 8855

Mob: 0439 139 179

Email: [jh@genexpower.com.au](mailto:jh@genexpower.com.au)

**Ben Guo** (Finance Director)

Tel: +612 9048 8853

Mob: 0431 187 700

Email: [bg@genexpower.com.au](mailto:bg@genexpower.com.au)

