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ASX: GNX

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GENEX REACHES FINANCE DOCUMENT CONTRACTUAL CLOSE FOR KIDSTON PUMPED STORAGE HYDRO PROJECT

Highlights:

- Execution of the Northern Australia Infrastructure Facility (**'NAIF'**) loan agreement for up to \$610M of debt finance;
- Execution of \$47M Funding Agreement with ARENA and MDJH JV and forgiveness of \$9M of convertible notes; and
- Finance Document Contractual Close achieved with all Project funding now secured.

Genex Power Limited (**ASX:GNX**) (**'Genex'** or **'Company'**) is pleased to announce that, further to its announcement of Project Document Contractual Close on 31 March 2021, it has today completed the execution of all outstanding financing documentation and as a result has reached Finance Document Contractual Close (**'FD Contractual Close'**) for the 250MW Kidston Pumped Storage Hydro Project (**'K2-Hydro'** or **'Project'**). FD Contractual Close secures all of the external financing required for the Project to reach Financial Close.

As part of the FD Contractual Close process, the special purpose vehicle established to own and operate the Project (**'Project SPV'**) has executed the following final documentation to secure a total of \$660M of external financing for the total Project construction costs:

- \$610M 15-year debt facility from the Northern Australia Infrastructure Facility (**'NAIF'**) (*refer ASX Announcement dated 22 December 2020*);
- \$47M project grant funding agreement with the Australian Renewable Energy Agency (**'ARENA'**) and the joint venture of McConnell Dowell Constructors (Aust.) Pty Ltd and John Holland Group Pty Ltd (**'MDJH JV'**), together with a Deed of Mutual Termination in relation to the forgiveness of \$9M of convertible notes previously issued by Genex to ARENA (*refer ASX Announcement dated 24 March 2021*); and

- A Variation Deed to the Loan Note Subscription Agreement with the Clean Energy Finance Corporation ('CEFC'), to provide a further \$3M of subordinated debt funding to be applied toward the Project costs.

In conjunction with the proceeds of the fully underwritten \$115M fundraising (refer ASX Announcement dated 24 March 2021) and Genex's existing cash, the execution of this documentation secures the balance of funding required for construction and means the Project is now fully funded.

Genex will now be working with its stakeholders to finalise all outstanding conditions precedent, ahead of commencement of construction later this month. Financial Close is scheduled to occur in mid-May 2021 following the Extraordinary General Meeting on 29 April 2021.

Commenting on today's announcement, Genex CEO James Harding stated:

"Following execution of the construction documentation for the Kidston Pumped Storage Hydro Project, I am delighted that we have now executed all outstanding finance documents and, in doing so, secured all of the funding required to construct the Project.

I would sincerely like to thank our financiers NAIF, ARENA and the CEFC, together with the Queensland Government, for their continued and longstanding support of Genex and the Project, without which the realisation of this iconic project would not be possible. We look forward to updating the market when we commence construction at the Kidston site toward the end of this month."

NAIF CEO Chris Wade stated:

"NAIF was an early supporter of the transformational Kidston Pumped Storage Hydro Project and we have worked closely with Genex to ensure the project is a success. We are delighted that our \$610 million financing in the project has reached contractual close.

I congratulate the Genex team for successfully bringing together the parties required to develop this project and we look forward to continuing our partnership as they work towards construction and delivering the significant economic and employment benefits to the region."

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

For more information about this announcement:**CONTACT:****Simon Kidston**

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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 commissioning is now underway. Genex is further developing its energy storage portfolio via the early stage development of a 50MW 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**) and the Queensland State Government.

About the Northern Australia Infrastructure Facility

The Northern Australia Infrastructure Facility (**NAIF**) is a development financier that provides loans to infrastructure projects in the Northern Territory, Queensland and Western Australia.

NAIF works with project proponents to encourage and ensure that NAIF's financial support will help bring a positive impact to local communities, provide positive Indigenous outcomes, and support the region and northern Australia as a whole.

NAIF has approved more than \$2.8 billion in loans to infrastructure projects across northern Australia, with \$1 billion of that to central and northern Queensland projects. NAIF has now reached contractual close of a total of 19 financings worth \$1.9 billion. Based on proponents' drawdown schedules, the bulk of this funding is expected to be drawn over the next 2-3 years.

NAIF's investment is forecast to support around 9,000 jobs and generate around \$8.8 billion in economic benefit to the north.