Financial Year 2024 Half Yearly Report

For the period ended 31 December 2023

GENEX POWER...

CLEAN ENERGY ON DEMAND...

Genex Power Limited is an Australian publicly listed company on the ASX (trading under the code '**GNX**'), focused on developing a portfolio of renewable energy generation and storage projects across Australia. Genex's flagship asset is a 300MW clean energy hub in north Queensland, integrating large-scale solar with pumped storage hydro, with plans to add a further 258MW in wind generation capacity. The 'Kidston Clean Energy Hub' is a world first, an innovative integration of intermittent renewable energy with large-scale energy storage creating 'Renewable Energy On Tap'. Genex also owns and operates the 50MW Jemalong Solar Project, located near Forbes in NSW and the 50MW/100MWh Bouldercombe Battery Project in central Queensland. Following the acquisition of the up to 2GW Bulli Creek Battery and Solar Project in south-east Queensland in August 2022, Genex has a development pipeline of approximately 2.3GW of renewable energy and storage projects leaving it well placed in its strategy to become a leading renewable energy and storage company in Australia.

Below: Kidston Clean Energy Hub, North Queensland

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1. DIRECTORS' REPORT

The Directors present their report, together with the consolidated financial statements, of Genex Power Limited consisting of Genex Power Limited (referred to hereafter as '**Genex**', the '**Company**' or '**Parent Entity**') and the entities it controlled at the end of, or during, the six-month period ended 31 December 2023 (the '**Period**') (referred to hereafter as the '**Consolidated Entity**').

Directors

The following persons were Directors of Genex during the whole Period and up to the date of this report, unless otherwise stated:

Dr. Ralph Craven
Ms. Teresa Dyson
Mr. Simon Kidston
Mr. Ben Guo
Mr. Kenichi Seshimo

Company Secretary

Mrs. Ana Gomiero-Guthrie

Dividends

There were no dividends paid, recommended or declared during the current or previous full or half financial year.

Principal activities

The Consolidated Entity's principal activities during the Period comprised the operation of the 50MW Kidston Stage 1 Solar Farm (**KS1**) in Queensland and the 50MW Jemalong Solar Project (**JSP**) in NSW, the construction of the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2H**) and the 50MW/100MWh Bouldercombe Battery Project (**BBP**), which commenced operation in November 2023; and the development of the 258MW Kidston Stage 3 Wind Project (**K3W**) and up to 2GW multi-stage Bulli Creek Clean Energy Project (**BCP**), with all four projects located in Queensland.

Operating and financial review

Financial review

The Consolidated Entity's net loss after taxation attributable to the members of Genex was $3,170,493 (1H FY2023: profit of $1,101,635) and the total comprehensive loss attributable to the members of Genex was $6,890,864 for the Period (1H FY2023: gain of $2,644,715). The Directors of Genex have resolved not to recommend a dividend for the Period.

The loss per share for the Consolidated Entity for the Period was 0.23 cents per share (1H FY2023: earnings of 0.08 cents per share).

A summary of the financial performance and position of the Consolidated Entity during the Period is as follows:

- Revenue and other income of $10.41m, a decrease of 24% versus the prior corresponding period (1H FY2023: $13.64m), which was driven by lower pricing and seasonal intraday volatility in wholesale electricity markets (after a period of abnormally high pricing in the prior corresponding period);
- Net loss before tax of $3.17m (1H FY2023: net profit of $1.10m), principally attributable to lower pricing in wholesale electricity markets, increased project site costs resulting from the operational commencement of BBP, and escalated finance costs driven by the interest expense derived from the corporate loan facility which was fully drawn during the Period; and
- Cash and cash equivalents as at 31 December 2023 of $75.43m, including short-term deposits, leaves the Consolidated Entity well positioned to continue to progress the construction of K2H, the advancement of the K3W project at the Kidston Clean Energy Hub and the BCP project.

Solar portfolio review (KS1 and JSP)

The Period saw continued operation of KS1 and JSP, with both projects operating well despite changing weather patterns and seasonal intraday volatility impacting dispatch of generation and pricing of electricity generated. Generation performance for the Period is summarised as follows:

- KS1 generated 58,080MWh, a 3% decrease on the prior corresponding period (1H FY2023: 59,699MWh); and
- JSP generated 56,026MWh, a 12% increase on the prior corresponding period (1H FY2023: 50,192MWh).

K2H review

During the Period, Genex made significant progress on the construction of the flagship K2H project. Major construction milestones reached during the Period included:

- Full completion of the underground excavation of the Main Access Tunnel, construction adits 1, 2, 3, 4 and 5, the transformer hall and Isolated Phase Busduct breakthroughs into the powerhouse cavern, headrace tunnels 1 and 2 and all four vertical shafts including both water intake shafts;
- Excavation of the Powerhouse Cavern has continued to advance and was 97% complete as at 31 January 2024;
- Excavation of the tailrace tunnels toward the Powerhouse Cavern has continued with these tunnels over 75% complete as at 31 January 2024;
- Construction of the Wises Dam continues to progress with 90% of liner in place, with the intake canal structure the final stage and nearing completion. Dewatering operations to transfer water from Eldridge Pit to Wises Dam have continued and were approximately 65% complete with water now 60m below starting levels in Eldridge Pit as at 25 January 2024;
- The final stringing of conductor along the internal 275kV transmission line between the K2H switching station and Aurumfield (K2X) switchyards has been completed;
- Powerlink Queensland has made significant progress along the 185km 275kV transmission line from Kidston to Guybal Munjan (Mt Fox). Tower assembly and erection continues along the alignment, with conductor stringing having commenced from the Kidston end; and
- The Guybal Munjan (Mt Fox) substation was completed during the Period and the Aurumfield (K2X) substation has continued to progress well with completion scheduled in Q2 CY2024.

Genex continues to forecast energisation of the project to occur in 2H CY2024.

BBP review

During the Period BBP, the first standalone large-scale battery project in the Company's portfolio, became operational. Key events during the Period include:

- On 28 June 2023, energisation of BBP was achieved;
- On 26 September 2023, while still in the commissioning phase, 1 of the 40 Megapack units caught fire. Established protocols were followed and the fire was contained. In the period following the fire event, Tesla Motors Australia Pty Ltd (**Tesla**) undertook a root cause analysis on the incident which concluded that the fire was caused by a fault which occurred on the AC side of the Megapack unit. The fault then propagated to the battery modules within the Megapack. In order to mitigate against a further

event, Tesla undertook replacement of two identified power electronics units and out of caution, physical inspection of the power electronics within the remainder of units at the Project site. Genex also implemented upgrades to breaker control setting response times to further mitigate against a potential future event. In addition, Tesla undertook to replace the damaged Megapack unit and out of an abundance of caution also replaced the adjacent Megapack which had suffered some damage to its thermal insulation;

- On 10 November 2023, these checks were successfully completed and the BBP commenced full operation with 38 of its 40 Megapacks. The Autobidder Offtake Agreement also commenced on 10 November 2023;
- Works were completed by Tesla for the installation of the 2 replacement Megapacks in early December 2023 and following completion of final testing, the project was fully operational at its full 50MW/100MWh capacity from 12 December 2023; and
- During the Period following commencement of operations, BBP dispatched 3,221MWh (before accounting for energy consumption for charging), which provided for net revenue of $1.10m, equating to an average of $341 net revenue per MWh exported. BBP also earned a further $0.15m in pre-commissioning revenues following energisation on 28 June 2023.

Despite the fire incident, the project was completed within budget and in time to capture the major price events over the key summer season.

K3W review

Alongside its 50% joint development partner, Electric Power Development Co., Ltd (**J-POWER**), Genex significantly progressed the development works associated with the K3W project during the Period with the following milestones achieved:

- Signing of a 15-year offtake agreement with Stanwell Corporation for 50% of the output of K3W;
- Signing of a 10-year offtake agreement with EnergyAustralia Pty Ltd for 30% of the output of K3W;
- Continuation of key studies and site investigations required as part of the planning and environmental approval process for K3W;
- Progression of layout design and optimisation with Goldwind Australia and shortlisted balance of plant contractors;
- Progression of grid studies as part of the connection application process with Powerlink Queensland; and
- Genex and J-POWER continue to target a Final Investment Decision on K3W in CY2024.

BCP review

Alongside its 50% joint development partner, J-POWER, Genex further progressed the development works associated with the BCP project, principally focussing on a first stage solar farm of up to 775MW. The following milestones were achieved during the Period:

- Signing of a 25-year offtake agreement with a wholly owned subsidiary of Fortescue Ltd for 337.5MW of solar capacity; and
- After the Period end, PCL Constructors Pty Ltd (**PCL**) were selected as the preferred Engineering, Procurement, and Construction (**EPC**) contractor for the Bulli Creek Solar Project with the signing of an Early Contractor Involvement agreement.

Significant changes in the state of affairs

In the six months to 31 December 2023, Genex made significant progress in the construction of K2H, commenced operations for BBP in November 2023, and continued to advance the development of the K3W project and BCP projects.

Matters subsequent to the end of the Period

The following material events occurred subsequent to the end of the Period:

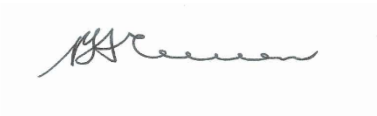
- Appointment of PCL as preferred EPC contractor for the Bulli Creek Solar Project; and

Apart from the above, there have been no material events or circumstances which have arisen since 31 December 2023 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on the following page.

On behalf of the Directors,



Dr. Ralph Craven
Independent Non-executive Chairman
26 February 2024
Sydney, Australia

Ernst & Young
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Auditor's independence declaration to the directors of Genex Power Limited

As lead auditor for the review of Genex Power Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b) No contraventions of any applicable code of professional conduct in relation to the review; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Genex Power Limited and the entities it controlled during the financial period.

Ernst & Young

Ryan Fisk
Partner
26 February 2024

3. CONSOLIDATED FINANCIAL STATEMENTS

The interim financial statements cover Genex Power Limited as a Consolidated Entity consisting of Genex Power Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Genex Power Limited's functional and presentation currency.

Genex Power Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered Office
Suite 12.03, Level 12
35 Clarence St
Sydney NSW 2000

A description of the nature of the Consolidated Entity's operations and its principal activities is included in the Directors' Report, which is not part of the financial statements. Defined terms in the Directors' Report have the same meaning as used in the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 February 2024. The Directors have the power to amend and reissue the financial statements.

3.1 Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE 6 MONTHS ENDED	NOTES	31 DECEMBER 2023	31 DECEMBER 2022
		$	$
Revenue			
Sale of electricity and environmental products and lease income	4	9,317,070	12,727,276
Other income	4	1,088,679	909,954
Total revenue		**10,405,749**	**13,637,230**
Expenses			
Project site costs		2,918,427	1,963,800
Employment expenses		2,217,725	2,010,645
Share-based payments	5	210,000	-
Administrative expenses		2,261,115	1,999,619
Depreciation		4,648,035	4,892,802
Total expenses		**12,255,302**	**10,866,866**
Operating gain/(loss)		**(1,849,553)**	**2,770,364**
Finance costs	6	(3,613,075)	(2,384,898)
Finance income		1,616,809	716,169
Share of profit of joint ventures	9	675,326	-
Gain/(loss) before tax		**(3,170,493)**	**1,101,635**
Income tax expense		-	-
Gain/(loss) after income tax expense attributable to the owners of Genex Power Limited		**(3,170,493)**	**1,101,635**
Other comprehensive income (OCI) to be reclassified to profit or loss in subsequent periods (net of tax)			
Net gain/(loss) on cash flow hedges	10	(3,720,361)	1,543,080
Total comprehensive gain/(loss) attributable to the owners of Genex Power Limited		**(6,890,854)**	**2,644,715**
Loss per share			
Basic loss per share (cents)		(0.23)	0.08
Diluted loss per share (cents)		(0.23)	0.08

3.2 Interim Consolidated Statement of Financial Position

AS AT	NOTES	31 DECEMBER 2023	30 JUNE 2023
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	7	75,425,202	49,589,224
Trade and other receivables	10	4,849,096	3,725,508
Inventory		506,900	234,350
Prepayments		2,816,784	2,595,094
Total Current Assets		**83,597,982**	**56,144,176**
Non-Current Assets			
Bond, deposits and bank guarantee	10	124,354,534	128,295,703
Property, plant and equipment	8	713,708,673	637,369,498
Right of use assets		4,126,990	3,937,206
Investment in joint ventures	9	6,292,326	3,135,000
Other non-current financial assets	10, 11	13,885,023	17,605,384
Other assets		2,170,251	2,876,734
Total Non-Current Assets		**864,537,797**	**793,219,525**
TOTAL ASSETS		**948,135,779**	**849,363,701**
LIABILITIES			
Current Liabilities			
Trade and other payables	10	13,496,479	15,770,201
Interest-bearing loans and borrowings	10, 11	162,275,278	15,260,647
Interest payables	10	2,511,935	1,089,361
Government grant		443,712	443,712
Provisions		608,847	2,426,139
Current lease liabilities	10, 11	788,082	770,597
Total Current Liabilities		**180,124,333**	**35,760,657**
Non-Current Liabilities			
Interest-bearing loans and borrowings	10, 11	563,028,671	601,914,504
Government grant		5,750,075	5,973,144
Non-current lease liabilities	10, 11	3,758,347	3,555,572
Rehabilitation and restoration provision		3,804,311	3,804,311
Other non-current liabilities		209,838	214,455
Total Non-Current Liabilities		**576,551,242**	**615,461,986**
TOTAL LIABILITIES		**756,675,575**	**651,222,643**
NET ASSETS		**191,460,204**	**198,141,058**
EQUITY			
Share capital		240,572,998	240,572,998
Share-based payment reserves		4,796,353	4,586,353
Cash flow hedge reserve	10, 11	13,885,023	17,605,384
Accumulated losses		(67,794,170)	(64,623,677)
TOTAL EQUITY		**191,460,204**	**198,141,058**

3.3 Interim Consolidated Statement of Changes in Equity

FOR THE 6 MONTHS ENDED 31 DECEMBER 2023	NOTES	ISSUED CAPITAL	OPTIONS RESERVES	CASH FLOW HEDGE RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
		$	$	$	$	$
As at 1 July 2023		**240,572,998**	**4,586,353**	**17,605,384**	**(64,623,677)**	**198,141,058**
Loss after income tax		-	-	-	(3,170,493)	(3,170,493)
Cash flow hedge reserve	10	-	-	(3,720,361)		(3,720,361)
Total comprehensive gain/(loss) for the period		**240,572,998**	**4,586,353**	**13,885,023**	**(67,794,170)**	**191,250,204**
Share-based payments	6	-	210,000	-	-	210,000
As at 31 December 2023		**240,572,998**	**4,796,353**	**13,885,023**	**(67,794,170)**	**191,460,204**

FOR THE 6 MONTHS ENDED 31 DECEMBER 2022	NOTES	ATTRIBUTED TO EQUITY HOLDERS OF THE PARENT						NON-CONTROLLING INTEREST[1]	TOTAL EQUITY
		ISSUED CAPITAL	UNISSUED CAPITAL	OPTIONS RESERVES	CASH FLOW HEDGE RESERVE	ACCUMULATED LOSSES	SUBTOTAL		
		$	$	$	$	$	$	$	$
As at 1 July 2022		**240,572,998**	**1,500,000**	**4,528,147**	**17,310,105**	**(63,596,232)**	**200,315,018**	**-**	**200,315,018**
Profit after income tax		-	-	-	-	1,101,635	1,101,635	-	1,101,635
Cash flow hedge reserve		-	-	-	1,543,080		1,543,080	-	1,543,080
Total comprehensive gain/(loss) for the period		**240,572,998**	**1,500,000**	**4,528,147**	**18,853,185**	**(62,494,597)**	**202,959,733**	**-**	**202,959,733**
Share-based payments	6	-	-	-	-	-	-	-	-
Acquisition of BCP		-	-	-	-	-	-	1,666,667	1,666,667
As at 31 December 2022		**240,572,998**	**1,500,000**	**4,528,147**	**18,853,185**	**(62,494,597)**	**202,959,733**	**1,666,667**	**204,626,400**

[1] The accounting treatment of entities related to K3W and BCP was assessed at 30 June 2023 in light of the respective joint development agreements with J-POWER, whereby the entities were assessed as being jointly controlled and therefore treated as equity investments since 30 June 2023.

3.4 Interim Consolidated Statement of Cash Flows

FOR THE 6 MONTHS ENDED	NOTES	31 DECEMBER 2023	31 DECEMBER 2022
		$	$
Operating activities			
Receipts from customers		9,317,412	15,404,698
Payments to suppliers		(7,112,034)	(5,793,080)
Payments to employees		(3,073,212)	(2,850,757)
Interest received		1,616,810	716,169
Interest and other costs of finance paid		(4,586,499)	(3,837,751)
Government grants and tax incentives		25,211	13,341
Net cash from / (used in) operating activities		**(3,812,312)**	**3,652,620**
Investing activities			
Purchase of property, plant and equipment		(71,818,820)	(146,786,868)
Development expenditures		-	(404,887)
Investment in joint ventures		(2,752,000)	-
Acquisition of BCP		-	(2,662,397)
Cash flows from loans to other entities		450,518	-
Net cash used in investing activities		**(74,120,302)**	**(149,854,152)**
Financing activities			
Proceeds from borrowings		111,551,659	171,130,271
Repayment of borrowings		(7,083,067)	(22,194,658)
Transaction costs related to loans and borrowings		(700,000)	(320,000)
Net cash from financing activities		**103,768,592**	**148,615,613**
Net increase / (decrease) in cash and cash equivalents for the period		**25,835,978**	**2,414,081**
Cash and cash equivalents at beginning of the period		49,589,224	62,854,694
Cash and cash equivalents at end of the period	7	**75,425,202**	**65,268,775**

3.5 Notes to the Interim Consolidated Financial Statements

Note 1. Corporate information

The interim consolidated financial statements of the Consolidated Entity for the six months ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 26 February 2024.

Genex is a for profit public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The registered office is located in Sydney, Australia. The Consolidated Entity's principal activities are the development and commercialisation of renewable energy generation and storage projects.

Note 2. Significant accounting policies

2.1 Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with *IAS 34 Interim Financial Reporting*.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Consolidated Entity's annual financial statements as at 30 June 2023 released to the ASX on 25 August 2023.

2.2 Going concern

The Consolidated Entity has prepared the interim consolidated financial statements on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business. The interim consolidated financial statements show a net loss from ordinary activities before tax of $3.17m for the six months ending 31 December 2023 (1H FY2023: net profit of $1.10m) and a net asset position of $191.46m including cash and cash equivalents of $75.43m (30 June 2023: $198.14m including cash and cash equivalents of $49.59m).

As at 31 December 2023, the Consolidated Entity has net current liabilities of $96.53m (30 June 2023: net current assets of $20.38m). This is a result of the Consolidated Entity's KS1 and JSP senior debt and subordinated debt of $147.19m and $10.92m (30 June 2023: $151.18m and $11.93m) respectively becoming due in full on 17 December 2024. As repayment of both facilities is due within 12 months, the total of $158.11m is classified as a current liability in the interim consolidated financial statements.

The project finance market in the renewable energy sector is well developed. An advanced program of work to refinance the KS1 and JSP debt facilities is underway in the ordinary course of business. The existing senior banking syndicate is actively engaged in supporting the refinancing process which is being undertaken with the assistance of experienced external financial advisers. The refinancing is expected to be completed before 30 June 2024.

Together with the Consolidated Entity's joint development partner, J-POWER, it has two advanced development projects, BCP and K3W, which will have a combined capital requirement in excess of $2 billion. Both projects are anticipated to reach financial close in FY2025. To address the capital requirements for each of these projects, the Consolidated Entity and J-POWER are actively implementing a strategy to sell down interests in each of the projects to new equity investors which will generate immediate cash flows to support the business and facilitate the Consolidated Entity utilising the proceeds to fund its share of the equity requirements of each project. Each transaction is expected to have a positive impact on the Consolidated Entity's liquidity position and funding the future growth of the Consolidated Entity.

Both the refinancing of the existing KS1 and JSP debt facilities and the equity sell-down processes are subject to inherent risks, including foreign exchange movements, interest rate movements, escalation of construction costs, changes in long term forecast wholesale power and large-scale generation certificate (**LGC**) prices, regulatory change, environmental and operating costs, which may impact the realised value of these transactions.

Given there is risk that the refinancing of the existing KS1 and JSP debt facilities may be unsuccessful, the part equity sale of the projects is not successfully achieved, or neither transaction is able to be achieved on acceptable terms, there is a material uncertainty regarding the Consolidated Entity's ability to continue as a going concern. In this circumstance, the Consolidated Entity may be required to realise its assets and extinguish its liabilities other than in the normal course of the business, at amounts different to those stated in the interim consolidated statement of financial position.

The interim consolidated financial statements do not include an adjustment relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that would be necessary should the Consolidated Entity not continue as a going concern.

2.3 New standards, interpretations and amendments adopted by the Consolidated Entity

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Consolidated Entity's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of new standards effective as of 1 July 2023. The Consolidated Entity has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time during the Period, but do not have an impact on the interim consolidated financial statements of the Consolidated Entity.

Where required, the prior year balances were restated for comparative purposes.

AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current (AASB 101 Presentation of Financial Statements)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Earlier application is permitted.

The amendments clarify the requirements for classifying liabilities as current or noncurrent, specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists;
- Management intention or expectation does not affect the classification of liabilities; and
- In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

The Consolidated Entity has assessed the impact the amendments may have on the current practice and whether existing loan agreements may require renegotiation.

AASB 2021-2 Amendments to AASs – Definition of Accounting Estimates (AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Earlier application is permitted.

The amendments clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy. The distinction is necessary as their treatment and disclosure requirements are different. Critically, a change in an accounting estimate is applied prospectively whereas a change in an accounting policy is generally applied retrospectively. The new definition also provides that 'accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty'.

The amendments had no impact on the Consolidated Entity's interim consolidated financial statements.

Note 3. Segment information

Management has determined that the Consolidated Entity had one reportable segment; being the development, construction and operation of renewable energy generation and storage projects in Australia, for the six months ended 31 December 2023.

Note 4. Revenue

FOR THE 6 MONTHS ENDED 31 DECEMBER	2023	2022
	$	$
KS1 lease revenue	4,184,730	6,392,689
JSP LGC sales	2,015,329	2,055,946
JSP generation revenue	1,871,071	4,278,641
BBP arbitrage revenue	892,500	-
BBP Frequency Control Ancillary Services (FCAS) revenue	353,440	-
Sale of electricity and environmental products and lease income	**9,317,070**	**12,727,276**
LGCs on hand	506,900	565,400
Development management fee	250,000	-
ARENA government grant	223,068	223,068
Avoided TUOS	81,400	114,617
Fuel tax credit	25,211	6,869
Others	2,100	-
Other income	**1,088,679**	**909,954**
Total revenue	**10,405,749**	**13,637,230**

KS1 lease revenue

This relates to revenue earned by KS1 from sales of electricity in the wholesale spot market which, under the Solar 150 Price Support Deed between the Consolidated Entity and the Queensland Government, is subject to a guaranteed floor price per megawatt hour where payments may be made by the Queensland Government to the Consolidated Entity. Under the Solar 150 Price Support Deed, all LGCs generated by KS1 are transferred to the Queensland Government as consideration for providing the guaranteed floor price.

Note 5. Share-based payments

The share-based payment expense recognised for employee services received during the Period is shown in the following table:

FOR THE 6 MONTHS ENDED 31 DECEMBER	2023	2022
	$	$
Expense arising from equity-settled share-based payment transactions	210,000	-
Total expense arising from share-based payment transactions	**210,000**	**-**

There were no cancellations or modifications to the awards for the six months ended 31 December 2023 and 31 December 2022.

Note 6. Finance Costs

FOR THE 6 MONTHS ENDED 31 DECEMBER	2023	2022
	$	$
Interest on KS1 and JSP senior debt	1,859,756	1,635,225
Interest on J-POWER corporate loan	1,115,004	-
Interest on KS1 and JSP subordinated debt	517,198	653,201
Interest on lease	94,299	83,972
KS1 and JSP subordinated debt agent fee	26,818	12,500
Total finance costs	**3,613,075**	**2,384,898**

Note 7. Cash and cash equivalents

For purposes of the interim statement of cash flows, cash and cash equivalents comprise the following:

	31 DECEMBER 2023	30 JUNE 2023
	$	$
Cash at bank	24,945,138	49,589,224
Short-term deposits	50,480,064	-
Total cash and cash equivalents	**75,425,202**	**49,589,224**

Note 8. Property, plant and equipment

	31 DECEMBER 2023	30 JUNE 2023
	$	$
K2H	487,312,413	411,425,209
KS1	84,130,631	86,625,968
JSP	79,485,953	81,182,250
BBP	58,479,964	53,825,880
Pre-development assets	3,918,777	3,918,777
Land	380,935	380,935
Motor vehicle	-	10,479
Furniture and fittings	-	-
Total property, plant and equipment	**713,708,673**	**637,369,498**

There were no disposals by the Consolidated Entity during the Period and during the six months ended 31 December 2022.

Note 9. Investment in joint ventures

K3W joint venture

The Consolidated Entity's interest in Genex (Kidston Wind) Pty Ltd and its subsidiaries (referred to hereafter as '**K3WJV**'), is assessed to be a joint venture, the principal activity being the development of the K3W project. The Consolidated Entity's interest in K3WJV is accounted for using the equity method in the interim consolidated financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and the carrying amount of the investment in the interim consolidated financial statements are set out below:

SUMMARISED STATEMENT OF FINANCIAL POSITION OF K3WJV	31 DECEMBER 2023
	$
Current assets, including cash and cash equivalents and trade receivables	165,928
Non-current assets, including development costs	8,204,147
Current liabilities, including trade and other payables	(95,473)
Equity	**8,274,602**
Consolidated Entity's carrying amount of the investment	**3,387,301**

SUMMARISED STATEMENT OF PROFIT OR LOSS OF K3WJV	FOR THE 6 MONTHS ENDED 31 DECEMBER 2023
	$
Finance income, including Interest received	1,842
Administrative expenses	(1,240)
Profit before tax	**602**
Income tax expense	-
Profit for the period	**602**
Consolidated Entity's share of profit for the period	**301**

The K3WJV had no contingent liabilities or commitments as at 31 December 2023. K3WJV cannot distribute its profits without the consent from the two venture partners.

BCP joint venture

The Consolidated Entity's interest in Bulli Creek Hold Co. Pty Ltd and its subsidiaries (referred to hereafter as '**BCPJV**'), is assessed to be a joint venture, the principal activity being the development of the BCP project. The Consolidated Entity's interest in BCPJV is accounted for using the equity method in the interim consolidated financial statements. Summarised financial information of the joint venture, based on its IFRS financial statements, and the carrying amount of the investment in the interim consolidated financial statements are set out below:

SUMMARISED STATEMENT OF FINANCIAL POSITION OF BCPJV	31 DECEMBER 2023
	$
Current assets, including cash and cash equivalents and trade receivables	1,485,049
Non-current assets, including development costs and acquisition costs	7,763,388
Current liabilities, including trade and other payables	(613,458)
Non-controlling interest	(1,486,667)
Equity	**7,148,312**
Consolidated Entity's carrying amount of the investment	**2,905,025**

SUMMARISED STATEMENT OF PROFIT OR LOSS OF BCPJV	FOR THE 6 MONTHS ENDED 31 DECEMBER 2023
	$
Other income	1,350,000
Finance income, including Interest received	49
Profit before tax	**1,350,049**
Income tax expense	-
Profit for the period	**1,350,049**
Consolidated Entity's share of profit for the period	**675,025**

The BCPJV had no contingent liability or commitments as at 31 December 2023. BCPJV cannot distribute its profits without the consent from the two venture partners.

Note 10. Financial assets and financial liabilities

Financial assets

Set out below, is an overview of financial assets, other than cash and short-term deposits, held by the Consolidated Entity as at 31 December 2023 and 30 June 2023:

	31 DECEMBER 2023	30 JUNE 2023
	$	$
Derivatives designated as hedging instruments		
Interest rate swaps	13,885,023	17,605,384
Debt instruments at amortised cost		
Trade and other receivables	4,849,096	3,725,508
Bond, deposits and bank guarantee	124,354,534	128,295,703
Total financial assets	**143,088,653**	**149,626,595**
Total current	**4,849,096**	**3,725,508**
Total non-current	**138,239,557**	**145,901,087**

Derivatives designated as hedging instruments reflect the positive change in fair value of interest rate swaps, designated as cash flow hedges to hedge against movements in interest rates.

Debt instruments at amortised cost include trade and other receivables, and bond, deposits and bank guarantees.

Financial liabilities

	31 DECEMBER 2023	30 JUNE 2023
	$	$
Interest-bearing loans and borrowings		
Current interest-bearing loans and borrowings		
Lease liabilities	788,082	770,597
Interest-bearing loans and borrowings		
KS1 and JSP senior debt	147,187,556	6,674,215
KS1 and JSP subordinated debt	10,917,722	4,266,432
BBP senior debt	4,170,000	4,320,000
Total current interest-bearing loans and borrowings	**163,063,360**	**16,031,244**
Non-current interest-bearing loans and borrowings		
Lease liabilities	3,758,347	3,555,572
Interest-bearing loans and borrowings		
KS1 and JSP senior debt	-	144,508,246
KS1 and JSP subordinated debt	-	7,667,937
K2H senior debt	491,777,538	412,778,025
BBP senior debt	36,748,227	36,960,296
J-POWER corporate loan	34,502,906	-
Total non-current interest-bearing loans and borrowings	**566,787,018**	**605,470,076**
Total interest-bearing loans and borrowings	**729,850,378**	**621,501,320**

	31 DECEMBER 2023	30 JUNE 2023
	$	$
Other financial liabilities		
Financial liabilities at amortised cost, other than interest-bearing loans and borrowings		
Trade and other payables	13,496,479	15,770,201
Interest payables	2,511,935	1,089,361
Total other financial liabilities	**16,008,414**	**16,859,562**
Total current	**16,008,414**	**16,859,562**
Total non-current	**-**	**-**

Risk management activities

Cash flow hedges for interest rate risks

The Consolidated Entity has designated interest rate swap contracts as hedges for long-term loan financing for the construction of JSP and refinancing of KS1 portfolio facility.

The terms of the interest rate swap contracts have been negotiated to match the terms of the forecast transactions. Both parties to the contracts have fully cash collateralised the interest rate swap contracts and therefore, effectively eliminated any credit risk associated with the contracts (both the counterparty's and Consolidated Entity's own credit risk). Consequently, the hedges were assessed to be highly effective.

During the Period, a mark-to-market loss of $3,720,361 relating to the interest rate swap contracts, as a result of derivative valuation, is recognised in other comprehensive income.

Other risk management activities

The Consolidated Entity's Board and senior management oversees the management of its financial risks. Specifically, this oversight is to ensure that the Consolidated Entity's financial risk management framework is governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Consolidated Entity's policies and risk objectives.

The Consolidated Entity is not significantly exposed to credit risk from its operating activities (primarily trade receivables) given the counterparties with whom it engages and the nature of the trading, however is exposed to credit risk from its financing activities, including deposits with banks. As at 31 December 2023, the Consolidated Entity invests solely in term deposits with banks that are graded in AA- or higher category by Standard & Poor's and therefore, are considered to be very low credit risk investments.

The Consolidated Entity monitors its liquidity risk using cash flow forecasting and assessment of funding facilities. The Consolidated Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of debt facilities, operating cash flows and its available working capital. The Consolidated Entity's policy also requires the maintenance of a readily available liquidity buffer over certain forecast periods to meet any unforeseen liquidity issues.

Note 11. Fair value measurement

The following table provides the fair value measurement hierarchy of the Consolidated Entity's financial assets and financial liabilities.

AS AT 31 DECEMBER 2023	CARRYING AMOUNT	FAIR VALUE MEASUREMENT USING		
		QUOTED PRICE IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
	$	$	$	$
Assets measured at fair value				
Interest rate swaps	13,885,023	-	13,885,023	-
Liabilities for which fair values are disclosed				
Interest-bearing loans and borrowings	725,303,949	-	725,303,949	-
Lease liabilities	4,546,429	-	4,546,429	-

AS AT 30 JUNE 2023	CARRYING AMOUNT	FAIR VALUE MEASUREMENT USING		
		QUOTED PRICE IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
	$	$	$	$
Assets measured at fair value				
Interest rate swaps	17,605,384	-	17,605,384	-
Liabilities for which fair values are disclosed				
Interest-bearing loans and borrowings	617,175,151	-	617,175,151	-
Lease liabilities	4,326,169	-	4,326,169	-

The fair values of cash, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Interest rate swaps

The Consolidated Entity enters into derivative financial instruments principally with financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest spot and forward rates and yield curves. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty risk and the Consolidated Entity's own non-performance risk. As at 31 December 2023, the mark-to-market value of derivative positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Consolidated Entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between Level 1 and Level 2, and no transfers into or out of Level 3 during the Period.

There were no changes in the Consolidated Entity's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the Period.

Note 12. Commitments and contingencies

Capital commitments

As at 31 December 2023, the Consolidated Entity has capital commitments of $155,671,061 (30 June 2023: $227,772,350), comprising K2H of $154,028,887 and BBP of $1,642,174, following continued capital expenditures for K2H and BBP during the Period.

Guarantee

The Parent Entity has provided a completion guarantee for the benefit of the Queensland State (represented by the NAIF) which remains in effect until the completion of construction of the K2H project.

Contingent liabilities

The Consolidated Entity is involved in the construction and operation of large-scale renewable energy generation and storage projects. It therefore in the ordinary course of business, deals with claims, variations and other requests for payment from a wide range of contractors. The Consolidated Entity manages these, and their validity, in accordance with the terms of its underlying contracts. As at the date of the preparation of the financial statements, the Directors consider that it is not probable that the outcome of any individual matters will have a material adverse impact on the business. As such none of the financial implications of these matters have been provided for in the financial statements. In this context, the Consolidated Entity does not consider it has any contingent liabilities as at 31 December 2023 nor at the date of these consolidated financial statements.

Note 13. Related party transactions

Aa at 31 December 2022 the Consolidated Entity recognised certain related party transactions with J-POWER in its interim financial statements. Following reassessment of the factors and circumstances concerning the relationship with J-POWER as at 30 June 2023, it was determined that J-POWER is not considered to be a related party for purposes of *AASB 124 Related Party Disclosures*.

The following table provides the total amount of transactions that have been entered into with related parties during the six months ended 31 December 2023 and 31 December 2022, as well as balances with related parties as at 31 December 2023 and 30 June 2023:

	FOR THE 6 MONTHS ENDED	SALES TO RELATED PARTIES
		$
Joint venture in which the Parent Entity is a venturer		
BCPJV	31 December 2023	250,000
	31 December 2022	-

The Company also provided compensation to its key management personnel in accordance with existing contractual arrangements.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

The following table provides the loans outstanding from related parties as at 31 December 2023 and 30 June 2023:

	AS AT	AMOUNTS OWED BY RELATED PARTIES
		$
Joint venture in which the Parent Entity is a venturer		
K3WJV	31 December 2023	-
	30 June 2023	84,000
BCPJV	31 December 2023	478,458
	30 June 2023	844,977

Note 14. Events after the reporting period

The following material events occurred subsequent to the end of the Period:

- Appointment of PCL as preferred EPC contractor for the Bulli Creek Solar Project; and

Apart from the above, there have been no material events or circumstances which have arisen since 31 December 2023 that have significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

4. DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Genex Power Limited, I state that:

In the opinion of the Directors:

(a) the interim financial statements and notes of the Consolidated Entity for the half-year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

   ii. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Dr. Ralph Craven
Independent Non-executive Chairman
26 February 2024
Sydney, Australia

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Independent auditor's review report to the members of Genex Power Limited

Conclusion

We have reviewed the accompanying half-year financial report of Genex Power Limited (the Company) and its subsidiaries (collectively the Group), which comprises the interim consolidated statement of financial position as at 31 December 2023, the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which describes the principal conditions that raise doubts about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

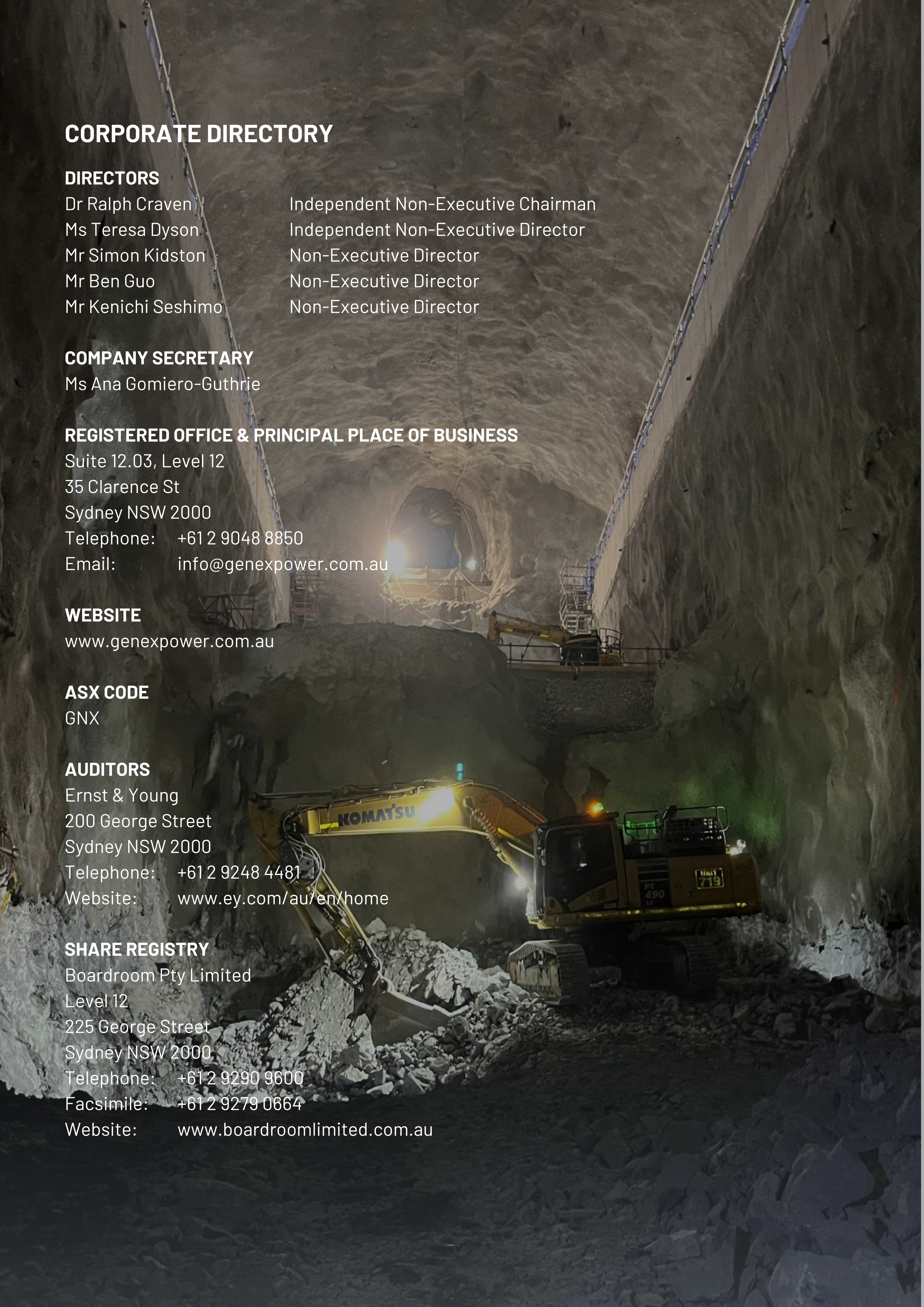
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Ryan Fisk
Partner
Sydney
26 February 2024



CORPORATE DIRECTORY

DIRECTORS

Dr Ralph Craven	Independent Non-Executive Chairman
Ms Teresa Dyson	Independent Non-Executive Director
Mr Simon Kidston	Non-Executive Director
Mr Ben Guo	Non-Executive Director
Mr Kenichi Seshimo	Non-Executive Director

COMPANY SECRETARY

Ms Ana Gomiero-Guthrie

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