



Genex



2023

Annual Report

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, 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 is constructing the 50MW/100MWh Bouldercombe Battery Project in central Queensland. With 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 2.25GW 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



CONTENTS

1. CHAIRMAN'S LETTER.....	4
2. CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS.....	9
3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT	15
3.1 Environment.....	15
3.2 Climate change position	16
3.3 Social.....	18
3.4 Governance	19
4. DIRECTORS' REPORT	20
5. AUDITOR'S INDEPENDENCE DECLARATION	34
6. REMUNERATION REPORT (AUDITED)	35
6.1 Letter from the People and Remuneration Committee Chair.....	35
6.2 Remuneration report overview.....	39
6.3 Remuneration governance.....	39
6.4 Executive remuneration	40
6.5 Link between company performance and reward.....	45
6.6 Non-executive Director remuneration	46
6.7 Executive Service Agreements.....	47
6.8 Statutory and share-based reporting.....	48
7. CONSOLIDATED FINANCIAL STATEMENTS	52
7.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income	53
7.2 Consolidated Statement of Financial Position	54
7.3 Consolidated Statement of Changes in Equity	55
7.4 Consolidated Statement of Cash Flows.....	56
7.5 Notes to the Consolidated Financial Statements.....	57
8. DIRECTORS' DECLARATION	115
9. INDEPENDENT AUDITOR'S REPORT.....	116
10. CORPORATE GOVERNANCE STATEMENT	120
11. ASX ADDITIONAL INFORMATION	137
CORPORATE DIRECTORY	141

1. CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the Board of Directors of Genex Power Limited (**Genex**), it is with great pleasure that I present to you the Annual Report for the financial year ended 30 June 2023 (**FY2023**).

With a diverse portfolio of renewable energy generation and storage projects, Genex is quickly becoming a leading renewable energy and storage company in Australia. Our projects span large-scale batteries, pumped storage hydro, solar, and wind, and are expected to provide clean energy to over 350,000 homes offsetting almost 2 million tonnes of CO₂ per annum by 2025. We continue to be proud of the contribution we are making to Australia's clean energy transition.

We achieved a number of major milestones during the financial year, in particular the energisation of our first battery energy storage project at Bouldercombe, which is our first storage asset connected to the National Electricity Market (**NEM**).

FY2023 – Delivering on our projects

Genex achieved energisation for the 50MW/100MWh Bouldercombe Battery Project (**BBP**), located near Rockhampton, Queensland in June 2023. This key milestone was delivered on-time and within budget, demonstrating Genex's ability to successfully manage complex projects. Energisation has enabled commencement of the commissioning phase, ahead of full operations before the summer season when electricity demand typically is at its peak.

The BBP is one of the first large-scale battery energy storage systems to be connected in Queensland and will store and supply up to 35,200MWh per annum. It will also support the security and reliability of the Queensland grid, while boosting the Company's existing revenue from our two operating 50MW solar projects at Kidston and Jemalong, which continue to perform well.

Significant progress was also made on the construction of the flagship 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2H**) in Queensland, which is on track to be energised toward the end of next year. Key work focused on the continued excavation of the Main Access Tunnel, Power Station Cavern and supporting construction adits, alongside the completion of the final preparation works for and commencement of liner placement for the Wises Dam. Construction faced a modest delay when regulation drilling caused an inflow of water in September 2022. To resolve the issue, the Main Access Tunnel was rerouted however there is not expected to be a material impact on the scheduled timeline for energisation in late calendar year 2024. K2H remains a critical project for the energy



transition in Australia, as the first pumped storage hydro project to be connected to the NEM in over 40 years, and the first to be developed and owned by a private sector participant.

Together with Electric Power Development Co., Ltd, (**J-POWER**), our 50% joint development partner, Genex significantly progressed the development works for the Kidston Stage-3 Wind Project (**K3W**). Goldwind Australia has been appointed as the preferred Wind Turbine Generator supplier and installer, submission of the grid connection application for the project has been completed and the initial layout design and optimisation has been significantly progressed. The total installed capacity of the project was increased from up to 200MW to up to 258MW. The project constitutes the final stage of the Kidston Clean Energy Hub, which represents a world first co-location of pumped storage hydro, wind and solar technologies.

Genex completed the acquisition of 100% of the development rights for the Bulli Creek Clean Energy Project (**BCP**) in August 2022, securing the next phase of the Company's growth. The project scope is for an up to 2GW, multi-stage battery and solar photovoltaic development in south-east Queensland. The project is located adjacent to a major Powerlink switching station on the Queensland-NSW Interconnector. Development will take place over several stages and Genex has been advancing the design layouts for staging options, while pursuing discussions with offtake counterparties to help inform the staging strategy.

In June, Genex entered into a joint development agreement with J-POWER for a 50% interest in the BCP, by way of upfront funding of up to \$8.5 million, to fast-track development activities at this exciting project. A final investment decision for stage one is currently targeted for the second half of calendar year 2024.



Above: 50MW/100MWh Bouldercombe Battery Project, Central Queensland

CEO succession

In May 2023, we announced the appointment of Craig Francis as Chief Executive Officer (**CEO**) to replace James Harding who is retiring after five years as Genex's CEO. Craig is an experienced leader with deep knowledge of the energy sector. He joined the Company in 2017 to lead the commercial development of our portfolio and has been Chief Financial Officer (**CFO**) since 2021. Craig takes up his role on 1 September 2023 with James continuing to support Genex as a consultant following his retirement, to ensure a smooth transition period. In August 2023, we announced the appointment of Patrick McCarthy as Genex's CFO, commencing in October 2023.

The Board would like to acknowledge James' significant contribution to Genex's development over the last seven years, including the last five as CEO. James led our transition from an early-stage development company to a significant Australian renewables' player with material revenue generation, an expanded portfolio of renewable and storage assets and what is soon to be the first pumped storage hydro facility in Australia in over 40 years. We are grateful he is going to continue to assist the Company as a consultant as the K2H project heads towards completion.

Proposed scheme of arrangement

In July 2022 Genex received a non-binding indicative proposal from a consortium of Skip Essential Infrastructure Fund¹ and Stonepeak Partners LLC² to acquire all of the ordinary shares on issue in Genex for \$0.23 in cash per Genex share. This initial proposal was rejected by the Board as we believed it undervalued Genex, and in August 2022 the consortium submitted a revised non-binding indicative proposal at a price of \$0.25 in cash per Genex share. The Board, on careful consideration (and in consultation with its advisers), provided the opportunity for the consortium to conduct due diligence.

Subsequently, the Company was advised in December 2022 that the consortium was not intending to pursue its indicative proposal. Accordingly, the Board of Genex ceased all discussions with the consortium in relation to its indicative proposal and a possible change of control transaction. Skip Essential Infrastructure Fund has maintained its shareholding in Genex.

J-POWER funding

At the end of the financial year Genex entered into a \$35 million corporate loan facility with one of its major shareholders, J-POWER, with the proceeds to be applied as standby funds to act as further support for the K2H construction contingency, and to replenish Genex

¹ Skip Enterprises Pty Ltd as trustee for the Farquhar Trust

² On behalf of certain of its managed funds and affiliated entities.

working capital which was contributed to the K2H project in late 2022 following the water ingress event in September 2022. The facility remained undrawn on 30 June 2023.

At the same time, the Company entered into a Joint Development Agreement with J-POWER for the Bulli Creek Clean Energy Project, providing up to \$8.5 million of funding, as previously detailed.

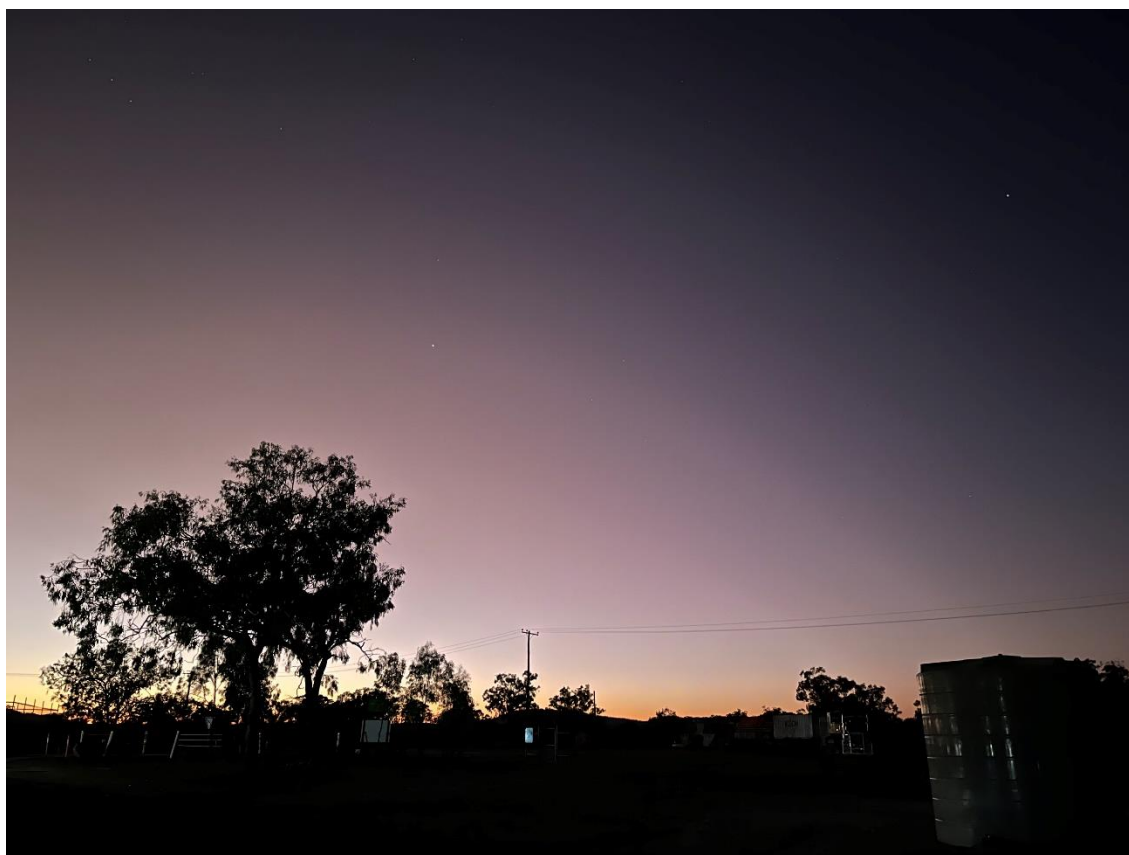
Our people, communities, and the environment

On behalf of the Board, I would like to thank all of our employees and contractor workforce for their contribution to the progress Genex made during the year.

We are proud of the role we play in creating job opportunities in our local communities, including 900 jobs at Kidston, with a particular focus on diversity and Indigenous engagement within our workforce and that of our contractors.

Genex embarks on extensive consultation through the life-cycle of projects to ensure we are responsive to our local communities, endeavouring to always act honestly and fairly.

We have a strict focus on minimising disturbance and a commitment to conserving and protecting the environment, as illustrated by the "Recycling and Reuse Programme" implemented at Kidston during the period.



Above: Dawn at Kidston, North Queensland

Outlook for FY2024

Looking ahead, with 400MW of committed projects, we have an enviable and diverse renewable energy project portfolio and remain committed to advancing our 2.25GW pipeline of projects. Our projects offer significant potential for growth and value creation, and we are confident in our ability to continue to deliver value to our shareholders and contribute to Australia's transition to a clean energy future.

There is no doubt that Genex is well placed to become a leading renewable energy and storage company in Australia.

Finally, on behalf of the Board, I would like to thank all shareholders for their continued support over the last year.

Yours faithfully,



Dr Ralph Craven
Independent Non-executive Chairman

2. CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

As Chief Executive Officer (**CEO**) of Genex Power Limited (**Genex** or the **Company**), I am pleased to present the Review of Operations for the financial year ended 30 June 2023 (**FY2023** or the **Period**). We reported several key developments over the year, including continued construction milestones for the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2H**), energisation of the 50MW/100MWh Bouldercombe Battery Project (**BBP**) and advancement of pipeline development opportunities. These achievements have us well on the path to becoming a leading renewable energy and storage company in Australia.



Construction at K2H continued throughout the year, with key recent work focused on continuing the excavation of the Main Access Tunnel (**MAT**), Power Station Cavern, and supporting construction adits. Other progress included completion of final preparation works for and commencement of liner placement for the Wises Dam. I am pleased to report we continue to make good progress and remain on schedule for energisation in 2H CY2024. While underground tunnelling activity was disrupted in late September 2022 following an ingress of high pressure water due to an unexpected geological feature, works have since progressed without further incident.

K2H is our flagship project and is at the heart of our Kidston Clean Energy Hub. It will be the first pumped storage hydro project to be developed in Australia in over 40 years, and the first developed by the private sector. Alongside the currently-operating 50MW Kidston Solar Project (**KS1**) it will create 300MW of renewable energy and storage capacity at Kidston, with potential for further capacity through the advanced development of the 258MW Kidston Stage 3 Wind Project (**K3W**).

Beyond the Kidston Clean Energy Hub the fully-operational 50MW Jemalong Solar Project (**JSP**), located in NSW, provides geographical diversification to our portfolio and generated 103,365MWh during the year (vs 107,561MWh in the previous year). In addition, our first large-scale Battery Energy Storage System (**BESS**), the 50MW/100MWh Bouldercombe Battery Project (**BBP**) in Central Queensland, achieved energisation on time and within budget, in June 2023. This project is now in the commissioning phase and we expect it to be fully operational ahead of the upcoming peak demand summer season. As the third project to be brought online in our portfolio and the first storage project, we expect it to deliver another step change in our revenues going into the 2024 financial year.

BBP is our first BESS project and one of the first large-scale BESS projects to be connected in Queensland. At completion it will store and supply up to 35,200MWh annually, and operate under an innovative Autobidder Offtake Agreement with Tesla Motors Australia Pty Ltd (**Tesla**), which will allow Genex to directly participate in revenue upside from significant volatility and wholesale market pricing events, while providing a level of guaranteed revenue to support project financing.

Genex also secured the next phase of our development pipeline during the Period, with the completion of the acquisition of the development rights for the up to 2GW multi-stage Bulli Creek Battery and Solar Project (**BCP**) in southern Queensland.

FY2023 was another productive year for Genex, and I would like to recognise the efforts of all our staff in Sydney, Brisbane, and Kidston for their hard work and dedication as we continue to deliver on the Company's strategy.

250MW Kidston Pumped Storage Hydro Project (K2H)

FY2023 represented another year of significant construction progress at the flagship K2H project, with the following major construction milestones:

- Continued progression of the underground works, with the following key milestones achieved:
 - Completion of Construction Adit 01 and commencement of Power Station Cavern excavation activities;
 - Completion of the Power Station Cavern roof crown;
 - Continued progression of the realigned MAT which was approximately 80% complete at Period-end;
 - Completion of excavation of two of the four vertical shafts (being the ventilation shaft and the cable shaft) by raiseboring, including reconfiguration of ventilation underground utilising the new ventilation shaft;
- Completion of the bulk earthworks for the construction of the Wises Dam, with the final preparation works being undertaken and liner placement having commenced at Period-end;
- Commencement of dewatering activities from Eldridge Pit into the new Wises Dam;
- Completion of the manufacture of the primary mechanical and electrical components for the underground power station by Andritz Hydro GmbH, with this equipment now either delivered to site or en-route to Australia at Period-end;
- Significant advancement of the surface connection infrastructure including the 275kV switching station and transmission towers to connect the underground power station to the Aurumfield (K2X) substation; and

- Completion of all final approvals and easement acquisitions by Powerlink Queensland for the 186km long 275kV transmission line from Kidston to Guybal Munjan (Mt Fox), with works significantly advanced on the Guybal Munjan and Aurumfield (K2X) substations and route clearing activities well advanced.



Above: Underground Power Station Cavern, 250MW Kidston Pumped Storage Hydro Project, North Queensland

Despite a water ingress event in September 2022 requiring a realignment of the MAT, which increased the overall cost of the K2H project by \$10 million to \$15 million (fully funded from project contingency and cash reserves), since this time works have progressed without further related incident. I would like to make special mention of the skill and effort with which our project team managed this incident.

As at the date of this report, the K2H project remains on schedule for energisation in 2H CY2024.

Solar portfolio – 50MW Kidston Solar Project (KS1) and 50MW Jemalong Solar Project (JSP)

The Period saw continued operation of KS1 and JSP, with both projects operating well despite a prolonged La Niña weather event impacting irradiance levels on the east coast of Australia. KS1 continued to perform well throughout the year as one of Australia's leading solar assets, delivering \$11.27 million in total revenue from net generation of 115,175MWh over the year.

Similarly, JSP performed well throughout the Period, generating renewable energy which is sold into the National Electricity Market on a merchant basis. This project delivered \$12.72 million in total revenue from net generation of 103,365MWh. Revenue was comprised of \$7.84 million from electricity sales and \$4.88 million from large-scale generation certificates for an average 'bundled' price of \$123/MWh. Jemalong's exposure to wholesale electricity prices allows the asset to benefit from resilient pricing for both wholesale electricity and large-scale generation certificates.

In August 2022, Genex completed the refinancing of the existing subordinated loan facility with Clean Energy Finance Corporation for the KS1 and JSP projects, and drawdown of the new \$16 million subordinated loan facility with Infradebt Pty Ltd.



Above: 50MW Jemalong Solar Farm, Central NSW

50MW/100MWh Bouldercombe Battery Project (BBP)

The BBP is the first large scale BESS project which is being developed as part of the Company's strategy to broaden our footprint in energy storage beyond K2H. During FY2023 Genex completed the construction of the BBP, the first standalone large-scale battery project in the Company's portfolio, including completion of both the installation of 40 Megapack battery modules from Tesla and the physical connection works for the Tesla Megapacks to the Powerlink Queensland Bouldercombe Substation.

Crucially, the project achieved the significant milestone of energisation in June 2023, and is now on track to commence full operations before the upcoming peak-demand summer season. As at the date of this report, the BBP is undergoing final commissioning and remains within budget.

258MW Kidston Stage 3 Wind Project (K3W)

During FY2023 Genex, alongside its 50% joint development partner Electric Power Development Co., Ltd (**J-POWER**), continued to advance the K3W project, with Goldwind Australia selected as the preferred Wind Turbine Generator supplier and installer. Following feasibility studies, it was decided to increase project capacity from up to 200MW to up to 258MW, and the grid connection application was lodged with Powerlink Queensland in December 2022. K3W was also declared a Prescribed Project by Queensland Government in early CY2023, which will allow Genex and J-POWER to expedite the approvals processes for the project.

Genex continues to advance the development workstreams for the K3W project with a view to making a final investment decision in CY2024.

Funding

In June 2023, Genex announced two material transactions with major shareholder J-POWER. The first was a new \$35 million corporate loan facility, with the proceeds to be applied as additional standby contingency funding to support the completion of the K2H project and replenishment of working capital, following the water ingress event in September 2022. The second transaction involved Genex entering into a joint development agreement with J-POWER for a 50% interest in the BCP, which provided for upfront funding of up to \$8.5 million and a further \$1 million in contributions to Genex by way of a development funding agreement.

As at 30 June 2023 Genex is fully funded to completion of construction of the BBP and the K2H projects, while having sufficient working capital to continue to advance its portfolio development activities.

Acquisition of up to 2GW Bulli Creek Clean Energy Project (BCP)

In August 2022, Genex announced that it had completed the acquisition of 100% of the development rights for the BCP, which represents an up to 2GW, multi-stage battery and solar photovoltaic development in south-east Queensland. The project was selected based upon its proximity to the Queensland-NSW Interconnector, strong marginal loss factors and significant scalable development potential. Per the above funding commentary, Genex is now jointly progressing development of multiple stages of the project alongside J-POWER, with a final investment decision for stage one currently targeted for 2H CY2024.

Summary and outlook

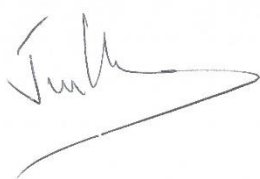
In summary, FY2023 has been another pivotal year for the Company as we made good progress on construction of our flagship project and achieved energisation of our first battery storage project. As we move in to FY2024, we continue to focus on:

- The continued and safe progression of construction activity at the K2H project;
- Completion of commissioning and full commercial operation of the BBP, expected ahead of the upcoming peak-demand summer season;
- Progression of the K3W project as the next stage of the Kidston Clean Energy Hub, as development workstreams continue to advance with a view to making a final investment decision in CY2024;
- Jointly progressing further development of multiple stages of the BCP alongside J-POWER, with a final investment decision for the first stage currently targeted for 2H CY2024; and
- New business and project opportunities that are consistent with the Genex development strategy.

I would again like to acknowledge the support received from the Federal Government, through the Northern Australia Infrastructure Facility and Australian Renewable Energy Agency, and also the Queensland State Government's support of the Kidston Clean Energy Hub.

As announced on 10 May 2023, I am retiring as CEO of Genex on 31 August 2023 after five years in the role, handing over to our current Chief Financial Officer, Craig Francis, who commences in the role from 1 September 2023. I would like to take the opportunity to express my sincere thanks to the Genex Board, the staff who have driven our outstanding achievements, and our shareholders for their support over the past five years and into the future. I am confident that I am leaving the Company in highly capable hands with Craig as CEO, and I look forward to supporting him and the Genex team in delivering another successful year in FY2024.

Yours faithfully,

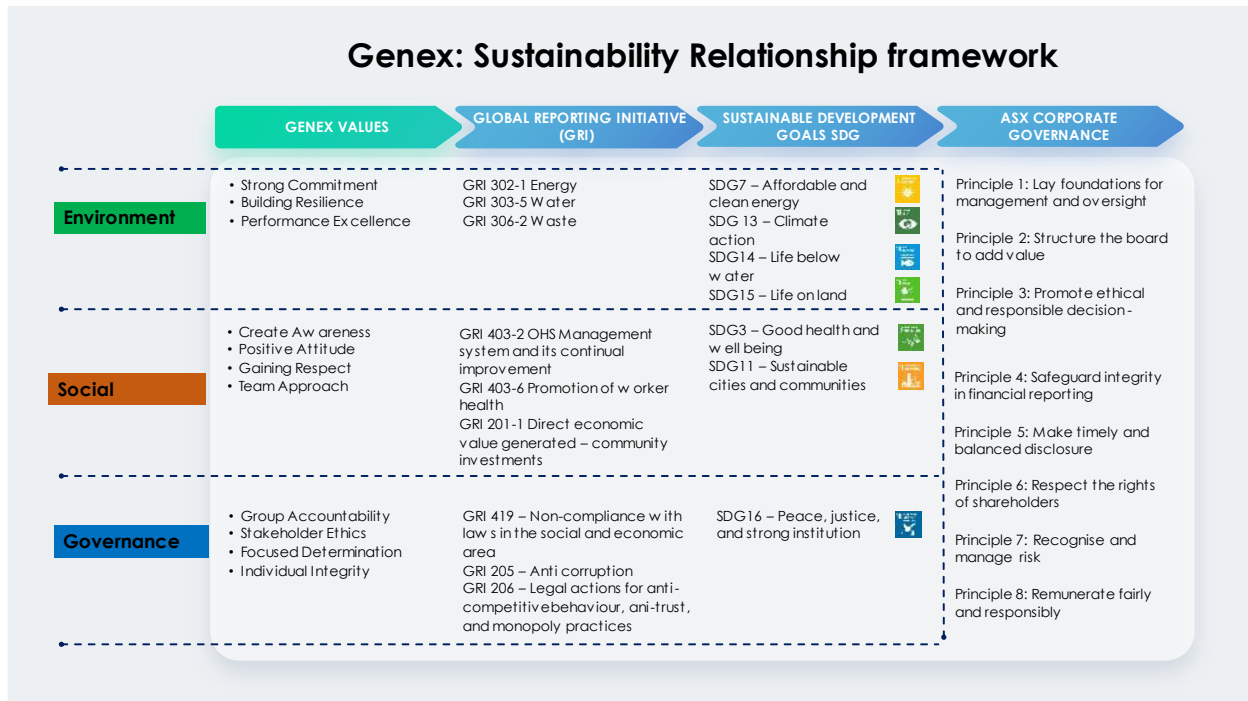


James Harding
Chief Executive Officer

3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

As a leading developer and operator of renewable energy generation and storage projects, Genex Power Limited (**Genex** or the **Company**) is committed to the highest standards of Environmental care, Social responsibility, and good Governance (**ESG**). Genex is pleased to present the Company's ESG Statement to our shareholders, summarising our commitment to maintaining the high standards of sustainability we have set and further improving how our business decisions and policies address opportunities to enhance sound ESG practises.

The Company has developed a 'Genex sustainability relationship framework' which outlines its ESG values, the relationship with the adopted Global Reporting Initiatives and Sustainable Development Goals as well as the relevant ASX Corporate Governance Principles.



3.1 Environment

We are a proud developer of sustainable renewable energy generation and storage projects. By 2025 our portfolio is expected to provide clean energy to over 350,000 homes while also removing almost 2 million tonnes of CO₂ per annum that would otherwise be emitted from the burning of fossil fuels. The further delivery of our up to 2.25GW development pipeline will provide a major step-change in our CO₂ abatement toward 2030 and beyond.

We are deeply cognisant of the unique local environments in which we operate. We have a strong focus on minimising the disturbance we create in our operations by:

- Committing to conserving and protecting the environments in which we operate, as illustrated by the 'Recycling and Reuse Programme' which is being implemented at the Kidston Clean Energy Hub;
- Rehabilitating a disused mine site to develop the sustainable and productive Kidston Clean Energy Hub;
- Increasing our focus on responsible sourcing of raw materials used in the construction of our assets; and
- Taking a careful approach to minimising our impact on ecology and cultural heritage in the development footprints of our pipeline projects.

3.2 Climate change position

Genex supports the Paris Agreement and its central aim to keep a global temperature rise this century well below 2 degrees celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees celsius. This includes support for Australia's updated Nationally Determined Contribution commitment made under the Paris Agreement to reduce greenhouse gas emissions by 43 percent below 2005 levels by 2030 which will put Australia on track to achieve net zero emissions by 2050. Genex will contribute by aiming to achieve 2 million tonnes of CO₂ abatement by 2025 through the development of its committed project portfolio.




Genex has developed a Sustainability Management Plan (**SMP**) which is being used to guide the Company in achieving its sustainability goals which will align with those in the Paris Agreement.

The SMP outlines the journey on which the Company will embark over a 3-year period, commenced in 2023, consisting of 6 phases:

- **Phase 1: Initial (Seeking clarity):** Understanding sustainability at the Company. The goal is to be a sustainable business, increase shareholder value, and convince shareholders and other key stakeholders of the benefits of embarking on the sustainability journey;
- **Phase 2: Developing (Enabling compliance):** Sustainable system development. Outline the role of sustainability champions within the Company for crucial visible leadership, and determine performance measurement (key performance indicators in accordance with global reporting initiative);
- **Phase 3: Engaging (Solicit engagement):** Ensure business case is understood. Ensure that sustainability initiatives are seen as investment opportunities (assess feasibility for each initiative). Sustainability being internalised among people and key processes;

- **Phase 4: Optimising (Embed sustainability):** Enhanced business value is created through sustainability initiatives. Sustainability is intrinsically linked to key business strategies with innovative approaches to sustainability;
- **Phase 5: Transforming (Review performance):** Recognised leaders in sustainability, commitment to sustainability is associated with the Genex brand. Sustainability is ingrained in our daily thinking and operating methods; and
- **Phase 6: Reporting (Communicate):** Develop reporting framework, determine reporting data, and develop sustainability report.

As part of the SMP, a sustainability relationship framework for ESG performance measurement has been established. The Company has identified 9 Global Reporting Initiatives (GRIs) and 7 Sustainable Development Goals (SDGs) which will be implemented as part of Phase 1 of the ESG journey. Reporting on Company performance will take place as part of Phase 6 of the ESG journey and is anticipated to be realised in 2025.

ESG Performance	Genex Values	Global Reporting Initiatives (GRI)	Sustainable Development Goals (SDG)	ASX Corporate Governance Principles
Environment	Strong Commitment Building Resilience Performance Excellence	GRI 302-1 Energy GRI 303-5 Water GRI 306-2 Waste	SDG7 - Affordable and clean energy SDG 13 - Climate Action SDG14 - Life below water SDG15 - Life on land 	Principle 1: Lay solid foundations for management and oversight. Principle 2: Structure the board to add value. Principle 3: Promote ethical and responsible decision-making.
Social	Create Awareness Positive Attitude Gaining Respect Team Approach	GRI 403-2 OHS Management system and its continual improvement. GRI 403-6 Promotion of worker health (and services available) e.g., employee assistance GRI 201-1 Direct economic value generated - community investments	SDG3 - Good health and well-being SDG11 - Sustainable cities and communities 	Principle 4: Safeguard integrity in financial reporting. Principle 5: Make timely and balanced disclosure. Principle 6: Respect the rights of shareholders.
Governance	Group Accountability Stakeholder Ethics Focused Determination Individual Integrity	GRI 419 - Non-compliance with laws and regulations in the social and economic area - Disclosures 101, 2 and 3 GRI 205 - Anti corruption GRI 206 - Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SDG16 - Peace, justice, and strong institution 	Principle 7: Recognise and manage risk. Principle 8: Remunerate fairly and responsibly.

The sustainability relationship framework for ESG performance measurement is subject to change resulting from new or updated legislation, Company growth, shareholder, and investor opportunities.

3.3 Social

We understand the fundamental importance of our social license to operate as an essential service provider in the transition to a net zero emissions energy future. Providing a safe working environment for our employees and contractors to work in, respecting the traditional owners of the land on which we operate, and helping to develop regional Australia, principally far north Queensland, are high priorities.

Job creation in our local communities

We are an equal opportunity employer in accordance with our Diversity Policy and as such, the Company does not discriminate based on racial origin, gender, age, ethnicity, marital status, disability, religious or philosophical beliefs, sexual preference or political affiliation.

We have a strong focus on job creation in the local communities in which we operate, by way of:

- Our Indigenous Engagement Strategy at the Kidston Clean Energy Hub, which is promoting Indigenous employment and procurement at the 250MW/2,000MWh Kidston Pumped Storage Hydro Project (**K2H**);
- 900 jobs which have been created around the Kidston Clean Energy Hub and along the transmission route to Guybal Munjan (Mt Fox) as part of the construction of the K2H project;
- 42 jobs which were created during the construction of the 50MW/100MWh Bouldercombe Battery Project;
- 151 jobs which were created for the construction of the 50MW Jemalong Solar Project, comprising 68% local, 22% female and 11% Indigenous personnel; and
- 170 jobs which were created during construction at the 50MW Kidston Stage 1 Solar Project, comprising 35% female and 15% Indigenous personnel.

The Indigenous population in the Kidston region is defined as the Ewamian People #3 and is represented by Ewamian Limited. Genex has maintained strong engagement with Ewamian Limited through the development of its projects at Kidston to date. As part of the development of the K2H project, Genex and Ewamian Limited developed an Indigenous Engagement Strategy to drive Indigenous employment and general engagement in the project. In accordance with this strategy a Sponsorship Agreement was developed between Ewamian Limited and Genex which provided for a contribution of \$536,500 by the Company towards funding the Talaroo Hot Springs Tourism Development.

Genex continues its close relationship with Ewamian Limited through its development of the 258MW Kidston Stage 3 Wind Project, including close engagement and collaboration on cultural heritage matters during design development.

3.4 Governance

Genex is committed to high standards of corporate governance. The Genex Board is responsible for Genex corporate governance and compliance. The Board's guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly, in accordance with the law, in the interests of shareholders, employees and other stakeholders.

Genex has adopted a Board Charter to give formal recognition of the Board's role and responsibilities and to specify how the Company is governed to promote Genex and protect the interests of shareholders, employees and the broader community. Genex has developed and implemented a suite of policies and codes of conduct to support our drive towards a culture of ethical business behaviour and responsible corporate activity. A select number of these policies provides as follows:

- An Audit and Risk Management Committee Charter to assist the Board of Directors of the Company in fulfilling its financial, risk management and general oversight responsibilities;
- A Code of Conduct relating to the Company's obligations to stakeholders where we endeavour to be recognised as an organisation committed to the highest ethical standards in business and the communities in which we operate. This incorporates our responsibilities to shareholders and the financial community, employment practices, fair trading and dealing, responsibilities to the individual, the community and compliance with all provisions of the Company's Constitution, the *Corporations Act 2001*, the ASX Listing Rules and all other applicable rules and legislation;
- A Securities Trading Policy which imposes constraints on key management personnel, as that term is defined in the Remuneration Report, and which extends to other senior personnel, in relation to dealing in the Company's shares or options, warrants, futures or other derivative financial products issued over or in respect of the Company's shares or options;
- A Continuous Disclosure Policy placing obligations and procedures on all Directors, employees and consultants of the Company to ensure the timely and balanced disclosure of all material matters concerning the Company in accordance with the ASX Listing Rules; and
- A Sustainability and Climate Change Policy which ensures the actions of the Company support its ability to demonstrate sustainability leadership and create long-term value for its shareholders and other stakeholders, and that the Company is committed to taking actions to assess and reduce its climate change impact.

Each of the Company's corporate policies is reviewed and updated annually, with the latest versions available at its website: www.genexpower.com.au.

4. 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 twelve-month period ended 30 June 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
 Mr. Yongqing Yu (retired 30 November 2022)

Company Secretary

Mr. Justin Clyne (retired 31 December 2022)
 Mrs. Ana Gomiero-Guthrie (appointed 21 December 2022)

Biographies of each of the current Directors and Company Secretary are detailed below.

Name: Dr. Ralph Craven

Title: Independent Non-executive Chairman

Qualifications: BE PhD, FIEAust, FIPENZ, FAICD

Special Responsibilities: Member of the Audit and Risk Management Committee and Chair of the People and Remuneration Committee

Other Current Directorships:

None

Former Directorships (last 3 years):

AusNet Services Limited (from 2014 to 2022)

Senex Energy Limited (from 2011 to 2022)



Experience and expertise:

Dr. Craven has been a full time non-executive director for over 15 years. He has broad experience in energy, resources, infrastructure and agribusiness. He has served on the boards of many companies, both listed and unlisted. His professional background encompasses electricity and gas businesses,

mining, commodities trading, the management of large-scale system operations at the national level and the delivery of major infrastructure projects. As a young engineer Dr. Craven was involved in the commissioning of the 500MW Wivenhoe Pumped Storage Hydro power station in southeast Queensland and the planning of the transmission required to integrate the power station into the Queensland high voltage network. He was also an early participant in the introduction of renewables into the National Electricity Market as a non-executive director on the Windlab board prior to it being listed on the ASX.

Dr. Craven was a Non-executive Director of Senex Energy Limited (ASX: SXY) for over 10 years and AusNet Services Limited (ASX: AST) for over 8 years. Both these companies were taken over via Schemes of Arrangement in early 2022. Some of his previous roles include being a Non-executive Director and Chairman of Tully Sugar, Ergon Energy Corporation Limited and Stanwell Corporation Limited, Non-executive Director and Deputy Chairman of Arrow Energy Limited, Non-executive Director of Mitchell Services Limited and for six years a Non-executive Director on the Council Board of the International Electrotechnical Commission.

Dr. Craven has international experience from roles in Switzerland, Canada and as Chief Executive Officer of Transpower New Zealand Limited. Other senior executive roles included being General Manager of Shell Coal Pty Ltd and Executive Director of NRG Asia Pacific Limited.

Name: Teresa Dyson

Title: Non-executive Director

Qualifications: LLB (Hons), BA, MTax, MAppFin, GAICD

Special Responsibilities: Chair of the Audit and Risk Management Committee and Member of the People and Remuneration Committee

Other Current Directorships:

Seven West Media Limited (from 2017)

Shine Justice Limited (from 2020)

Entyr Limited (from 2023)

Former Directorships (last 3 years):

None



Experience and expertise:

Teresa is a Non-executive Director and Audit and Risk Committee Chair of ASX-listed Seven West Media Ltd (2017 – present) and Shine Justice Ltd (ASX: SJL) from February 2020 to present and a Non-executive Director of Entyr Ltd (ASX: ETR) from February 2023. Teresa is also a Director of Energy Qld Ltd, Brighter Super, National Housing Finance and Investment Corporation and the Gold Coast Hospital and Health Board. She is a member of the Takeovers Panel and a former member of the Foreign Investment Review Board. Teresa has broad legal experience across infrastructure, financial structuring, social infrastructure and taxation law. Teresa has previously been Chair of the Board of Taxation and a Partner of Ashurst and Deloitte and was named Woman Lawyer of the Year in 2011 by the Women Lawyers Association of Queensland.

Name: Simon Kidston

Title: Non-executive Director

Qualifications: BCom, GradDipAppFin, MAICD

Special Responsibilities: Member of the People and Remuneration Committee

Other Current Directorships:

Lithium Plus Minerals Limited (from 2021)

QC Copper and Gold Inc. (from 2022)

Q Mines Limited (from 2023)

Former Directorships (last 3 years):

None



Experience and expertise:

Simon is the co-founder of Genex. He has a track record of building companies including the successful ASX-listing of Endocoal Limited and Carabella Resources Limited.

In addition, Simon has more than 30 years' investment banking experience in Australia and overseas with groups such as Macquarie Bank Limited, HSBC and Helmsec Global Capital Limited. During this period, he assisted companies to grow by accessing capital, negotiating strategic relationships and undertaking acquisitions. He has a Bachelor of Commerce degree and is a Member of the Australian Institute of Company Directors.

Name: Ben Guo

Title: Non-executive Director

Qualifications: BCom, Finance (Hons 1st) and Accounting

Special Responsibilities: None

Other Current Directorships:

None

Former Directorships (last 3 years):

None



Experience and expertise:

Ben has over 10 years' management experience in Australia. He was a founding director of Genex where he held the position of CFO until 2021. Ben is currently a director of Permagen, a carbon project development business based in Australia. Prior to joining Genex, he was a director at Helmsec Global Capital Limited as well as being the CFO of Estrella Resources Limited.

Name: Kenichi Seshimo
Title: Non-executive Director
Qualifications: BSc, Electrical Engineering (KEIO University)
Special Responsibilities: Member of the Audit and Risk Management Committee
Other Current Directorships:
 None
Former Directorships (last 3 years):
 None



Experience and expertise:

Kenichi has worked in the electric power development and energy industry, in different countries, for more than 30 years. He commenced his career with a leading Japanese trading company where he was involved in various international electric power projects. This included a period based in Ho Chi Minh City, Vietnam as project manager responsible for the delivery of a gas combined cycle development.

Kenichi has been working with Electric Power Development Co., Ltd (**J-POWER**) since 2004. During his time at J-POWER, Kenichi has been involved in a number of project development and management roles including as a Non-executive Director with CBK (750MW), a pumped storage hydro power project company based in the Philippines, a Non-executive Director of the Chia Hui gas fired power project company (450MW) in Taiwan, Chief Executive Officer of PT Bhimansena Power Indonesia responsible for the delivery of 2 x 1,000MW ultra super critical coal thermal power projects (project cost US\$4 billion) in Indonesia and more recently as Chief Operating Officer of J-POWER Australia Pty Limited.

Name: Ana Gomiero-Guthrie
Title: General Counsel and Company Secretary
Qualifications: PGDIP (University of Sydney), LL.M (King’s College London and IBMEC Sao Paulo), LLB (Universidade de Sao Paulo – USP)



Experience and expertise:

Ana has more than 15 years’ experience advising on corporate and banking and finance transactions, with a focus on project and infrastructure finance across wind, solar, battery and pumped hydro. She was previously a Special Counsel with global law firm Baker & McKenzie in Sydney, Chicago and Sao Paulo and was a partner and head of the banking and finance team at a Brazilian law firm. Ana has practiced in Australia, Brazil and the United States. She joined Genex as General Counsel in November 2021 and became Genex’s General Counsel and Company Secretary in 2022.

Dividends

There were no dividends paid, recommended or declared during the current or previous 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**), 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

For the period ended 30 June 2023, the Consolidated Entity's net loss after taxation attributable to the members of Genex was \$1,027,645 (FY2022: net loss of \$4,063,429) and the total comprehensive loss attributable to the members of Genex was \$732,366 (FY2022: total comprehensive gain of \$19,734,428). The Directors of Genex have resolved not to recommend a dividend for the period ended 30 June 2023.

The loss per share for the Consolidated Entity for the Period was 0.07 cents per share (FY2022: loss of 0.35 cents).

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

- Revenue and other income of \$24.65m, a decrease of 9% versus the prior corresponding period (FY2022: \$27.19m), was driven by a return to more stable pricing in wholesale electricity markets and the absence of one-off revenue items observed in the prior period;
- Net loss before tax of \$1.03m, driven by lower revenues and one-off costs associated with corporate activity during the period, offset by improved cost control (FY2022: net loss of \$4.06m); and
- Cash and cash equivalents as at 30 June 2023 of \$49.59m (30 June 2022: \$62.85m), excluding term deposits or bank guarantees, leaves the Consolidated Entity well positioned to continue to progress the construction of K2H and BBP, and the advancement of the K3W project at the Kidston Clean Energy Hub and the BCP in southern Queensland.

Solar portfolio review (KS1 and JSP)

The Period saw continued operation of KS1 and JSP, with both projects operating well despite persisting La Niña weather patterns. Generation performance for the Period is summarised as follows:

- KS1 generated 115,175MWh, a 1% decrease on the prior corresponding period (FY2022: 115,957MWh); and
- JSP generated 103,365MWh, a 4% decrease on the prior corresponding period (FY2022: 107,561MWh); and
- Both solar farms underperformed the prior corresponding period largely as a consequence of a prolonged La Niña weather event impacting irradiance levels on the east coast of Australia.

K2H review

During the Period, Genex made significant advancements in the construction of its flagship K2H project, with principal activities focused on underground excavation works, the Wises Dam works and the associated transmission infrastructure to connect the project to the National Electricity Market.

On 25 September 2022, Genex's engineering, procurement and construction (**EPC**) contractor encountered high pressure water in the underground workings via two drill-holes at the Main Access Tunnel (**MAT**) face, where a zone of high quality but fractured rock appeared to be encountered. This resulted in a period of ceased excavation activity while the underground workings were dewatered and the drill-holes plugged, before activities resumed on the critical path excavation of Construction Adit 01 to allow access for commencement of excavation of the Powerhouse Cavern. After a program of reverse cycle diamond drill exploration boreholes were completed underground, it was determined by Genex and its EPC contractor that the best course of action was to re-design the path of the MAT away from the zone into safer geology. This resulted in a realignment of the MAT and an overall increase in the cost of the K2H project by \$10 million to \$15 million, which was fully funded from project contingency and Genex cash reserves. Since this time, the works have progressed without further incidence of high pressure water underground.

Notwithstanding this event, the Company continued to make significant progress on the construction of the project, having reached the following major construction milestones:

- Continued progression of the underground works, with the following key milestones achieved:
 - Completion of Construction Adit 01 and commencement of Power Station Cavern excavation activities;
 - Completion of the Power Station Cavern roof crown;

- Continued progression of the realigned MAT which was approximately 80% complete at Period-end;
- Completion of excavation of two of the four vertical shafts (being the ventilation shaft and the cable shaft) by raiseboring, including reconfiguration of ventilation underground utilising the new ventilation shaft;
- Completion of the bulk earthworks for the construction of the Wises Dam, with the final preparation works being undertaken and commencement of liner placement having occurred at Period-end;
- Commencement of dewatering activities from Eldridge Pit into the new Wises Dam;
- Completion of the manufacture of the primary mechanical and electrical components for the underground power station by Andritz Hydro GmbH, with this equipment now either delivered to site or en-route to Australia at Period-end;
- Significant advancement of the surface connection infrastructure including the 275kV switching station and transmission towers to connect the underground power station to the Aurumfield (K2X) substation; and
- Completion of all final approvals and easement acquisitions by Powerlink Queensland for the 186km long 275kV transmission line from Kidston to Guybal Munjan (Mt Fox), with works significantly advanced on the Guybal Munjan and Aurumfield substations and route clearing activities well advanced.

As at the date of this report, the K2H project remains on schedule for energisation in 2H CY2024.

BBP review

During the Period, Genex also significantly advanced the construction of the BBP, the first standalone large-scale battery project in the Company's portfolio, with the following major milestones achieved:

- Completion of the installation of the 40 Megapack battery modules from Tesla Motors Australia Pty Ltd (**Tesla**);
- Completion of the physical connection works for the Tesla Megapacks to the Powerlink Queensland Bouldercombe Substation; and
- In June 2023, successful energisation was achieved for the project within schedule and budget.

As at the date of this report, the BBP is undergoing final commissioning and remains within budget.

K3W review

During the Period, alongside its 50% joint development partner Electric Power Development Co., Ltd (**J-POWER**), Genex continued to advance the K3W project, with the following key milestones achieved:

- Selection of Goldwind Australia as preferred Wind Turbine Generator supplier and installer;
- Following continued feasibility studies, a decision was taken to increase the project capacity from up to 200MW to up to 258MW; and
- Lodgement of the grid connection application with Powerlink Queensland.

Genex continues to advance the development workstreams for the K3W project with a view to making a final investment decision in CY2024.

Other material events during the Period

Other material events which occurred during the Period included:

- On 10 August 2022, Genex completed the acquisition of the BCP;
- On 16 August 2022, Genex completed the refinancing of the existing subordinated loan facility with Clean Energy Finance Corporation for the KS1 and JSP projects, and drawdown of the new \$16 million subordinated loan facility with Infradebt Pty Ltd;
- On 25 July 2022, the Company received a non-binding indicative proposal from a consortium of Skip Essential Infrastructure Fund³ and Stonepeak Partners LLC⁴ (the **Consortium**) for the acquisition of 100% of Genex shares at a price of \$0.23 per share. Since the proposal was received:
 - On 1 August 2022, Genex announced that its Board had rejected the proposal on the basis that it undervalued Genex and therefore was not in the best interest of shareholders, but that it was willing to engage constructively with the Consortium to explore whether the Consortium could submit a revised proposal that was capable of being recommended to Genex shareholders by the Board;
 - On 17 August 2022, Genex announced that it had received a revised non-binding indicative proposal from the Consortium for the acquisition of 100% of Genex shares at a price of \$0.25 per share and otherwise on similar terms to the initial proposal. The announcement noted that after careful consideration of the revised proposal (including consultation with Genex's advisers), the Board considered that it was in the interests of Genex shareholders as a whole to engage further with the Consortium. Accordingly,

³ Skip Enterprises Pty Ltd as trustee for the Farquhar Trust

⁴ On behalf of certain of its managed funds and affiliated entities.

the Board decided to provide the Consortium with the opportunity to conduct confirmatory due diligence in order to assist the Consortium to provide a binding proposal to the Board. The provision of due diligence was on a non-exclusive basis and subject to the terms of a confidentiality agreement between the Consortium and Genex; and

- On 28 December 2022, Genex announced that after a prolonged period of due diligence that the Consortium had failed to submit a binding offer to the Board and as a result the Board had terminated discussions with the Consortium;
- On 10 May 2023, Genex announced that James Harding would retire as Chief Executive Officer (**CEO**) as of 31 August 2023, with current Chief Financial Officer (**CFO**), Craig Francis, to be appointed as CEO from 1 September 2023; and
- On 30 June 2023, Genex announced two material transactions with J-POWER as follows:
 - Genex announced that it had entered into a \$35 million corporate loan facility, with J-POWER with the proceeds to be applied as additional standby contingency funding to support the completion of the K2H project and toward replenishment of Genex working capital; and
 - Genex also announced that it had entered into a joint development agreement with J-POWER for the BCP which provided for upfront funding of up to \$8.5 million and a further \$1 million in contributions to Genex by way of a development funding agreement.

Significant changes in the state of affairs

In the 12 months to 30 June 2023, Genex made significant progress in the construction of K2H and BBP, the latter of which successfully completed energisation on schedule in June 2023, and continued to advance the development of the K3W and BCP projects.

Significant events after the balance date

The following material events have occurred since Period-end:

- On 1 August 2023, Genex announced the appointment of Patrick McCarthy as CFO of the Company, commencing from 16 October 2023.

Unless disclosed elsewhere in the consolidated financial statements, there have been no other material events or circumstances which have arisen since 30 June 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.

Likely developments and expected results

Genex is currently focussed on the continued delivery of the construction of K2H and commissioning of BBP, while rapidly progressing the development of K3W and the BCP.

Environmental regulation

Australia is experiencing the impacts of climate change, which vary across the country. Australia's climate is projected to continue to change into the future as outlined in the State of the Climate report produced by the Bureau of Meteorology and CSIRO. Some of the impacts cited in the report include:

- Australia's climate has warmed by about 1.4 degrees celsius since 1910, leading to an increase in the frequency of extreme heat events;
- Warming has occurred across Australia in all months, with both day and night-time temperatures increasing;
- This long-term warming trend means that most years are now warmer than almost any observed during the 20th century; and
- Australia's warmest year on record was 2019, and the seven years from 2013 to 2019 all rank among the nine warmest years.

Genex supports Australia's updated Nationally Determined Contribution (**NDC**) commitment made under the Paris Agreement to the Executive Secretary of the United Nations Framework Convention on Climate Change (**UNFCCC**) to reduce greenhouse gas emissions by 43 percent below 2005 levels by 2030 which will put Australia on track to achieve net zero emissions by 2050. Genex will contribute by aiming to achieve 2 million tonnes of CO₂ abatement by 2025 through the development of its committed project portfolio.

Genex supports the Paris Agreement's central aim to keep a global temperature rise this century well below 2 degrees celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees celsius. Genex is supportive of the Paris Agreement's objectives and overall global efforts to achieve the aims set out thereunder. Genex is in the early stages of developing a Sustainability Management Plan (**SMP**) which will be used to guide the company in achieving its sustainability goals which will align with those in the Paris Agreement. In Genex's 2023 Annual Report the Company has provided a detailed summary of the SMP, its objectives and what it will measure against the Paris Agreement objectives.

The Kidston Clean Energy Hub site is covered by Mining Lease No. 3347 and Environmental Authority (**EA**) No. EPML000817013, which were originally granted to Kidston Gold Mines Limited (**KGML**) under the *Environmental Protection Act (1994) (QLD) (EP Act)* at a time when KGML was a subsidiary of Barrick Gold Corporation and the site was operated as a gold mine. The EA has operative provisions relating to:

- General;
- Air;
- Water;
- Noise and vibration;
- Regulated dams; and
- Land and rehabilitation.

The K2H project also operates within Appendix 1 Imposed Conditions stipulated in the Coordinator-General's Office (**CGO**) evaluation report on the impact assessment. The report was prepared pursuant to section 34L of the *State Development and Public Works Organisation Act 1971 (Old) (SDPWO Act)*. Appendix 1 of the report outlines the conditions imposed by the Coordinator-General under section 54B of the SDPWO Act and includes:

- Schedule 1 – Water Releases;
- Schedule 2 – Community and stakeholder engagement; and
- Schedule 3 – Third Party Audit.

In accordance with section 54B(3) of the SDPWO Act, the CGO has nominated the Department of Environment and Science (**DES**) (the administering authority for the EP Act) as the entity with jurisdiction for the conditions listed in Appendix 1, Schedule 1 – Water Releases of the evaluation report.

Some of the provisions of the EA are inconsistent with Genex's current use of the site as an operator and developer of diverse renewable energy and storage projects. Genex, in agreement with DES, has entered into an Environmental Evaluation process with a view to amending certain provisions of the EA to be consistent with Genex's current site use. On 22 December 2022, DES made the decision to accept the Environmental Evaluation Report prepared by Genex.

The completion of the Environmental Evaluation has highlighted the fact that the current EA framework applicable to KGML is not fit for purpose. As a result, a process of surrendering the current EA and Mining Lease (ML3347) has been proposed to the various Government Departments including DES, OCG, Department of Resources (**DOR**), Queensland Treasury (**QT**) and the Financial Provisioning Scheme (**FPS**) Manager. Genex has proposed a shift in environmental regulation from the mining framework to the contaminated land framework in the EP Act. All existing and future environmental risks associated with historic mining activities on the land can be appropriately regulated by the Administering Authority (DES) under the contaminated land provisions of the EP Act, including enforcement actions.

Genex and DES, in consultation with the OCG, have established a team to manage the process of exploring alternative options to the current EA framework. This approach has replaced the requirement to submit a Progressive Rehabilitation and Closure Plan (**PRCP**) that meets the requirements in sections 126C and 126D of the EP Act pursuant to section 754 of the EP Act by 16 September 2024.

Share options

Unissued shares

As at the date of this report, there were 14,500,000 unissued ordinary shares under option and 9,660,586 unissued shares pursuant to unvested performance rights. Refer to the [Remuneration Report](#) for further details of the options and performance rights outstanding for Key Management Personnel (**KMP**).

Option holders and unvested performance rights holders do not have any right, by virtue of the option, to participate in any share issuance of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year, no Directors, employees or executives have exercised any options to acquire fully paid ordinary shares in Genex.

Indemnification and insurance of directors and officers

The Company has agreed to indemnify all the Directors and executive officers of the Company for costs incurred, in their capacity as a Director or an executive, for which they may be held personally liable, except where there is a lack of good faith.

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the Directors and executives of Genex against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement (for an unspecified amount) against claims by third parties arising from the audit, to the extent that the relevant claim has not been finally determined to have resulted from the auditors' negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Non-audit services

Certain non-audit services were provided by the Company's auditor, Ernst & Young Australia during the Period, for which Ernst & Young Australia received or are due to receive the amounts detailed in the table below:

SERVICES	\$
Advisory	52,125
Tax services (covering tax compliance and transactional tax services)	101,885
Assurance related	10,400
Total	164,410

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Directors' meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	BOARD		AUDIT AND RISK MANAGEMENT COMMITTEE		PEOPLE AND REMUNERATION COMMITTEE	
	Held ⁵	Attended	Held ¹	Attended	Held ¹	Attended
Dr. Ralph Craven	27	27	4	4	3	3
Ms. Teresa Dyson	27	24	4	4	3	3
Mr. Simon Kidston	27	27	N/A	N/A	3	3
Mr. Ben Guo	27	26	N/A	N/A	N/A	N/A
Mr. Kenichi Seshimo	26	23	4	4	N/A	N/A
Mr. Yongqing Yu	16	-	N/A	N/A	N/A	N/A

Committee membership

As at the date of this report, the Company had an Audit and Risk Management Committee and a People and Remuneration Committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

AUDIT AND RISK MANAGEMENT COMMITTEE	PEOPLE AND REMUNERATION COMMITTEE
Ms. Teresa Dyson (Chair)	Dr. Ralph Craven (Chair)
Dr. Ralph Craven	Ms. Teresa Dyson
Mr. Kenichi Seshimo	Mr. Simon Kidston

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
25 August 2023
Sydney, Australia

⁵ 'Held' represents the number of meetings held during the time the director was in office or was a member of the relevant committee, or otherwise at meetings where the director was permitted to attend and not absented for conflict of interest reasons



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Genex Power Limited

As lead auditor for the audit of the financial report of Genex Power Limited for the financial year ended 30 June 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink that reads "Ernst & Young" in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads "Ryan Fisk" in a cursive style.

Ryan Fisk
Partner
25 August 2023

6. REMUNERATION REPORT (AUDITED)

6.1 Letter from the People and Remuneration Committee Chair

Dear Shareholder,

As Chair of the Board and People and Remuneration Committee, I am pleased to present the Remuneration Report for the year ended 30 June 2023 (**FY2023**). The FY2023 Remuneration Report details our remuneration framework for our Executive Key Management Personnel and Directors (**KMP**) and explains how FY2023 remuneration outcomes for executive KMP align with our recent performance, long-term strategic objectives, and reflect our current size and operational complexity.

At our 2022 Annual General Meeting (**AGM**), 25.3% of votes cast by shareholders were against the FY2022 Remuneration Report, resulting in a 'first strike'. As such, we have also outlined the Board's considered response to the first strike against the FY2022 Remuneration Report.

Overview of FY2023

FY2023 was a busy year for Genex. While we continued to progress the delivery of our portfolio and the growth of our project pipeline, the Company entertained a non-binding indicative offer from a consortium of Skip Essential Infrastructure Fund⁶ and Stonepeak Partners LLC⁷ (the **Consortium**) to acquire 100% of Genex shares during an extended period from July 2022 until discussions were terminated in late December 2022. The engagement with the Consortium required considerable Board and Management time in addition to the everyday business of running the Company. The 2022 AGM took place in the midst of the engagement with the Consortium. During the time the Company was engaging with the Consortium, Genex's construction contractors encountered an unforeseen geological issue at the Company's flagship Kidston Pumped Storage Hydro Project. This event resulted in an increase to the project costs by \$10 million to \$15 million. Genex together with our EPC contractor partners managed this event in such a way that tunnelling resumed within 2 weeks, the issue mitigated by a re-routing of the main access tunnel works and the timeline for energisation in 2H CY2024 maintained.

Notwithstanding these two events occurring in parallel, the Board and Management successfully ensured the delivery of several strategic imperatives during FY2023. Our key financial and non-financial highlights for FY2023 were:

⁶ Skip Enterprises Pty Ltd as trustee for the Farquhar Trust

⁷ On behalf of certain of its managed funds and affiliated entities.

- Completion of the refinancing of the subordinated loan facility for the 50MW Kidston Solar Farm and 50MW Jemalong Solar Farm as announced on 1 July 2022;
- Acquisition of the up to 2GW Bulli Creek Clean Energy Project as announced on 10 August 2022;
- Appointment of Goldwind Australia as the preferred Wind Turbine Generator supplier and installer for the 258MW Kidston Stage 3 Wind Project as announced on 24 November 2022;
- Energisation of the 50MW/100MWh Bouldercombe Battery Project as announced on 28 June 2023;
- Completion of a \$44.5m funding package with Electric Power Development Co., Ltd (**J-POWER**) including a corporate loan facility and joint development agreement for the Bulli Creek Clean Energy Project, as announced on 30 June 2023;
- Continued progress with the construction activities for the 250MW/2,000MWh Kidston Pumped Storage Hydro Project, including commencement of the Power Station Cavern excavation activities, completion of the earthworks and commencement of liner placement for Wises Dam, and continued progress on the supporting connection infrastructure to connect the project to the National Electricity Market; and
- Continuing focus on cost control, resulting in positive operating cash flow of \$4.3m for the full FY2023.

Summary of FY2023 remuneration outcomes

A summary of the key remuneration outcomes for executive KMP for FY2023 are as follows:

- Following a comprehensive remuneration review, the Chief Executive Officer (**CEO**), Chief Financial Officer (**CFO**) and Chief Operating Officer (**COO**) received fixed remuneration increases of approximately 5%, 17% and 5%, respectively, in FY2023; and
- As a result of the Company's strong project delivery and financial performance in FY2023, the CEO achieved 80% of his maximum short-term incentive (**STI**) opportunity in FY2023, with the CFO and COO earning 85% and 84.5%, respectively.

Response to 'first strike' at the 2022 AGM

The Board is disappointed that Genex received a 'first strike' against the FY2022 Remuneration Report, however, we acknowledge the concerns of shareholders and proxy advisors. During FY2023, the Board undertook an extensive review of Genex's executive remuneration arrangements with the assistance of external advisors, taking into account the feedback received and Genex's growth and maturity profile.

The review also considered the remuneration practices of industry peers of comparable size and operational complexity to Genex. The review informed changes to our remuneration disclosures and practices from FY2023, ensuring an appropriate balance between market expectations and the need to attract and retain high calibre executive talent to continue the successful execution of our business strategy and growth. Below is a summary of the primary concerns raised by stakeholders regarding the FY2022 Remuneration Report, and how the Board has responded:

CONCERN	BOARD'S RESPONSE
Absence of a formal long-term incentive (LTI) plan for executives, with options previously granted to executives in an ad hoc manner, without additional performance hurdles.	<p>Considering this feedback and reflecting the growth and maturity of the Company, a formal LTI plan was introduced for executive KMP in FY2023, with the first grants under this framework made in May 2023.</p> <p>The new plan is better aligned with market practice, including annual grants of performance rights; a three-year performance period; individual limits; and vesting subject to performance against two metrics.</p>
Insufficient disclosure of STI plan terms, including measures, relative weightings and outcomes against measures.	The FY2023 Remuneration Report provides enhanced disclosure of the STI plan terms (refer to section 6.4). Section 6.5 discloses the CEO's FY2023 STI scorecard; with details of each performance measure, their relative weighting, and performance relative to targets.
Insufficient disclosure of the terms of prior option grants to executives, including performance and vesting conditions, and individual limits.	The key terms of the FY2023 LTI plan are disclosed in the FY2023 Remuneration Report (refer to section 6.4). All previously issued options to executive KMP have expired.

Executive KMP change

In May 2023, we were pleased to announce the appointment of Craig Francis as the Company's new CEO, effective from 1 September 2023. Craig, currently Genex's CFO, will succeed James Harding, who will retire on 31 August 2023 after serving in the role for five years. Following his retirement, James will continue to support Genex as a consultant to ensure a smooth transition period. On 1 August 2023, Genex announced the appointment of Patrick McCarthy as CFO, commencing on 16 October 2023.

On 1 August 2023, the Board announced Mr Francis' CEO service agreement with the following key terms:

- Ongoing agreement with no fixed term, effective 1 September 2023;
- Fixed annual remuneration of \$485,000 plus superannuation;
- Annual maximum STI opportunity of 40% of fixed remuneration;

- Annual maximum LTI opportunity of 100% of fixed remuneration, subject to two performance conditions assessed over a 3-year performance period; and
- 5 weeks' annual leave entitlement.

Full details of Mr Francis' remuneration arrangements will be disclosed in the FY2024 Remuneration Report.

Introduction of a minimum shareholding policy

To assist in aligning the interests of non-executive directors with those of our shareholders, we have decided to formally adopt a minimum shareholding policy, taking effect from August 2023. The policy requires non-executive directors to hold Genex shares equal in value to 100% of their annual director fee (excluding committee fees), to be accumulated within three years commencing the later of 23 August 2023 or their date of appointment.

Conclusion

The Board is confident that the changes applied to our remuneration structures and disclosures appropriately considers the feedback from key stakeholders, whilst remaining fit-for-purpose for our size and circumstances. We will continue to regularly engage with shareholders regarding the appropriateness of our remuneration framework and consider opportunities to evolve our practices as we continue to grow and mature.

We thank you for your support and welcome your feedback at the 2023 AGM.

Yours faithfully,



Dr Ralph Craven
Independent Non-executive Chairman of the Board and People and Remuneration Committee

6.2 Remuneration report overview

The Directors of Genex present the Remuneration Report (the **Report**) for the Company and its controlled entities for the year ended 30 June 2023. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the *Corporations Act 2001*. The Report details the remuneration arrangements for Genex's KMP comprising:

- Non-executive Directors (**NEDs**); and
- Senior executives (**executives**).

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Consolidated Entity.

The table below outlines the KMP of Genex during the Period:

	POSITION	TERM AS KMP
<u>NEDs</u>		
R Craven	Non-executive Chair	Full financial year
T Dyson	Non-executive Director	Full financial year
S Kidston	Non-executive Director	Full financial year
B Guo	Non-executive Director	Full financial year
K Seshimo	Non-executive Director	Full financial year
Y Yu	Non-executive Director	Up to 30 November 2022
<u>Executives</u>		
J Harding	Chief Executive Officer	Full financial year
A McGhie	Chief Operating Officer	Full financial year
C Francis	Chief Financial Officer	Full financial year

6.3 Remuneration governance

The Board is responsible for determining and reviewing remuneration arrangements for the Directors and executives.

Remuneration principles

The following principles guide the Board's decisions about executive remuneration at Genex:

Fairness	Provide a fair level of reward to all employees
Transparency	Build a culture of achievement by transparent links between reward and performance
Alignment	Promote mutually beneficial outcomes by aligning employee, stakeholder and shareholder interests

People and Remuneration Committee

The People and Remuneration Committee is responsible for reviewing and providing recommendations to the Board regarding the remuneration packages of KMP. The committee assesses the appropriateness of the nature and amount of remuneration of KMP on an annual basis with reference to the remuneration guiding principles and market movements. The committee may seek both internal and external advice when considered necessary to fulfil its responsibilities.

External advisors

The People and Remuneration Committee may consider advice from external remuneration advisors to provide independent professional advice on remuneration matters when required. When independent external advice is obtained, the Board has an engagement policy in place that ensures any advice received is free from undue influence from KMP. During FY2023, the People and Remuneration Committee engaged with an external remuneration consultant seeking benchmarking information to guide discussions regarding the appropriate movement in fixed remuneration for FY2024.

6.4 Executive remuneration

Policy

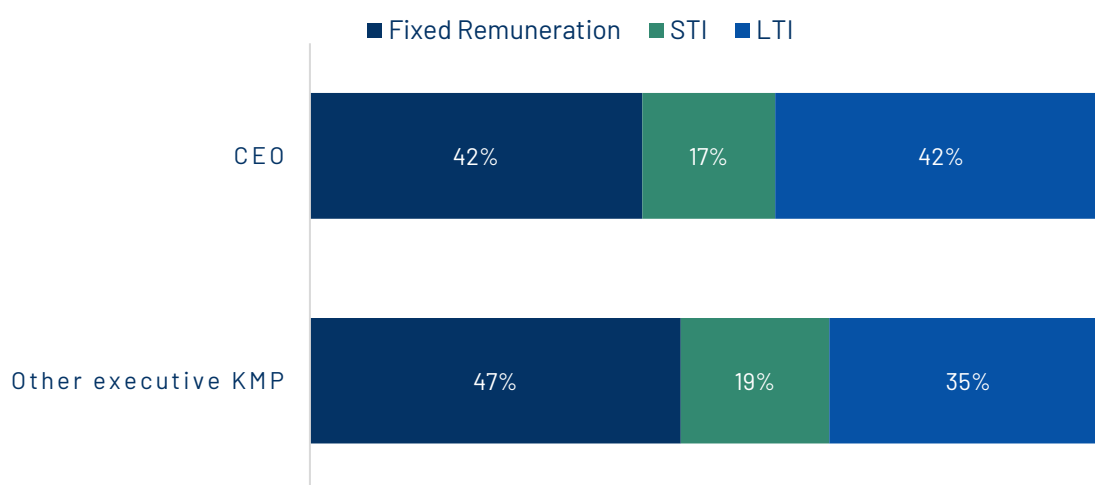
Genex's executive and senior executive remuneration policy is designed to attract, retain and motivate executives with the aim to align the corporate goals and strategic objectives of the Company with the remuneration paid to executives, and therefore considers both short-term and long-term compensation. The Company also recognises that much is required of our small team of executives to accomplish the goals the Company has set for itself.

In determining the nature and amount of executive remuneration, the People and Remuneration Committee takes into consideration Genex's financial and operational performance along with industry and market conditions. Alongside Genex's unique company circumstances, the People and Remuneration Committee also considers external remuneration data from select peers, comparable in size and operational complexity, to inform decisions surrounding the quantum and nature of executive remuneration. Peer groups are typically comprised of Australian listed companies, operating in the same or similar industry as Genex, and comparable in terms of market capitalisation, total assets, revenue and/or EBITDA.

Remuneration packages for the executives include a mix of fixed remuneration that is appropriate to their position and responsibilities; and performance-based remuneration, in a way that aligns with the business strategy. The fixed component consists of base salary and superannuation. The variable remuneration component consists of a short-term incentive (**STI**) and long-term incentive (**LTI**).

Remuneration mix

The following displays the mix between fixed remuneration, STI and LTI at maximum opportunity levels for FY2023 for executive KMP:



Notes:

(1) While the CEO, James Harding, had a LTI opportunity for FY2023, he was not granted a LTI in FY2023 in light of his retirement on 31 August 2023.

(2) Other executive KMP include the CFO and COO.

Fixed remuneration

Fixed remuneration is comprised of base salary and superannuation. It is Genex's policy that fixed remuneration should be fair and reasonable and should take into account the core performance requirements and expectations of the role, the surrounding labour market, as well as the individual's calibre, tenure, and experience.

During FY2023, the People and Remuneration Committee engaged an external consultant to conduct a review of fixed remuneration arrangements for executive KMP, in light of the prevailing inflationary environment. As a result of this review, it was determined that increasing the fixed remuneration was necessary to retain and reward executive KMP for the value they bring to the organisation during a critical period of growth. Specifically, the Board approved a 5% increase for the CEO and COO, with a 17% increase approved for the CFO.

The fixed remuneration of each executive KMP is outlined below, along with any changes that occurred during FY2023. Each KMP is also entitled to redirect superannuation payable above the general concessional contributions cap to ordinary earnings, at their election.

ROLE	FY2022	FY2023	% CHANGE
Chief Executive Officer	\$420,000 + superannuation	\$441,000 + superannuation	+5%
Chief Operating Officer	\$400,000 + superannuation	\$420,000 + superannuation	+5%
Chief Financial Officer	\$360,000 + superannuation	\$420,000 + superannuation	+17%

Short-term incentives

The following table outlines Genex's STI plan that applied during FY2023:

Purpose	The purpose of the STI plan is to provide at-risk remuneration to executives to incentivise performance to deliver against annual company objectives.												
Eligibility	Executive KMP and select senior managers.												
Opportunity	The maximum FY2023 STI opportunity for all executive KMP is 40% of their fixed remuneration.												
Performance period	1 July 2022 – 30 June 2023												
Vehicle	STI is delivered in the form of a cash payment, after the release of the Company's audited financial results.												
Performance measures	<p>STI outcomes are determined by measurement against a scorecard of key performance indicators (KPIs), with measures specific to each individual.</p> <p>The KPIs contained in the scorecard are set by the Board at the beginning of each financial year, considering Genex's annual business plan and strategic goals, as well as role-specific performance objectives. Due to the prolonged engagement with the Consortium, the adoption of KPIs for FY2023 was deferred until they were formally adopted for KMP in December 2022.</p> <p>For FY2023, the CEO's scorecard contained the following KPIs and weightings:</p> <table border="1"> <tbody> <tr> <td>Health, safety and environment (HSE)</td> <td>15%</td> </tr> <tr> <td>Corporate measures</td> <td>20%</td> </tr> <tr> <td>Project delivery</td> <td>20%</td> </tr> <tr> <td>Project development</td> <td>20%</td> </tr> <tr> <td>Project pipeline</td> <td>10%</td> </tr> <tr> <td>Individual performance</td> <td>15%</td> </tr> </tbody> </table>	Health, safety and environment (HSE)	15%	Corporate measures	20%	Project delivery	20%	Project development	20%	Project pipeline	10%	Individual performance	15%
Health, safety and environment (HSE)	15%												
Corporate measures	20%												
Project delivery	20%												
Project development	20%												
Project pipeline	10%												
Individual performance	15%												
	Refer to section 6.5 for detail on the FY2023 STI outcomes for the CEO.												
Cessation of employment	The payment of any STI outcomes is subject to the executive remaining employed for the full performance period.												
Board discretion	The payment and quantum of any STI award to the executive remains at the Board's absolute discretion.												

Long-term incentives

Historically, Genex has not operated a formal LTI plan, instead granting ad-hoc options to incentivise and retain key staff, with the last of these options expiring in February 2023. At the 2022 AGM, Genex received a 'first strike', with the lack of a formal LTI plan strongly influencing this outcome. Considering this feedback and reflecting the growth and maturity of the Company, a formal LTI plan was introduced for executive KMP in FY2023, which will constitute rolling 3-year annual grants of performance rights from FY2023 onwards.

The FY2023 LTI was granted to the CFO and COO on 10 May 2023. No FY2023 grant was made to the CEO in consideration of his retirement in August 2023.

The features of this plan are outlined below:

Purpose	The purpose of the LTI plan is to align executive remuneration with long-term shareholder value creation and incentivise performance against long-term company objectives.
Eligibility	Executive KMP and select senior managers.
Opportunity	The maximum LTI opportunity for FY2023 was 75% of fixed remuneration for the CFO and COO. The CEO had an opportunity of 100% of fixed remuneration, however was not granted any LTI during FY2023 due to his impending retirement from the Company on 31 August 2023.
Performance period	10 May 2023 – 10 May 2026
Vehicle	LTI is delivered in the form of performance rights (zero exercise price options).
Number of instruments	<p>The number of instruments granted has been determined using the following formula:</p> $\frac{\text{Maximum LTI opportunity (\%)} \times \text{Fixed remuneration (\$)}}{\text{Value per right (\$)}}$ <p>For the purposes of LTI calculation, the value of each right has been determined using a 10-day volume weighted-average price (VWAP) leading up to the date of the award (i.e., face value).</p>

Vesting conditions

LTI outcomes will be determined by measurement against the following vesting conditions:

1. Absolute total shareholder return (**aTSR**) - 50% weighting.
2. Project approval to final investment decision (**FID**) - 50% weighting.

Tranche 1 - aTSR

The vesting of performance rights in Tranche 1 will be determined in accordance with the following vesting scale:

Absolute TSR growth	% of tranche vesting
Less than 8% p.a.	0%
8% p.a.	25%
Between 8% and 15% (inclusive) p.a.	Between 25%-75%, with pro-rata vesting within this range
>15% p.a.	100%

TSR is calculated as the sum of Genex's share price appreciation during the performance period and dividends (during periods of nil dividends, TSR is equal to share price appreciation). The starting TSR is calculated using a 10-day VWAP leading up to the date of award. For the FY2023 award, this was determined as \$0.1607. The ending TSR for which absolute TSR growth will be determined is to be measured using a 10-day VWAP leading up to the vesting date.

aTSR was selected as a measure because it incentivises executives to drive positive returns and aligns executive reward with long-term shareholder value creation.

Tranche 2 - Project approval to FID

The vesting of performance rights in Tranche 2 will be determined in accordance with the following vesting scale:

Project approval to FID (following grant date)	% of tranche vesting
The Board approves 1 new project to FID which is \geq 250MW of capacity	25%
The Board approves 2 new projects to FID with total capacity between 250MW and 900MW (inclusive)	Between 25%-75%, with pro-rata vesting within this range (based on capacity).
The Board approves 3 new projects to FID with total capacity >900MW	100%

Project approval to FID was selected as a measure because it provides direct alignment with Genex's long-term strategy of developing a portfolio of renewable energy generation and storage projects across Australia, which in the opinion of the Board will ultimately lead to increased shareholder value.

Change of control

In the event of a change of control, the Board retains absolute discretion to determine the treatment of any unvested awards. This may include pro-rata vesting, or full or partial acceleration of vesting.

Cessation of employment

Where a participant who holds unvested performance rights becomes a leaver, all unvested performance rights will automatically be forfeited, unless the Board determines otherwise.

Malus and clawback

If the award is viewed as inappropriate given the circumstances that prevail over the measurement period, such as in the case of harm to Genex's stakeholders for which the Participant is accountable, the Board may in its discretion deem all unvested performance rights to have been forfeited.

Board discretion

The vesting and quantum of any LTI award to executives remains at the Board's absolute discretion.

6.5 Link between company performance and reward

Company performance

The following table outlines Genex's financial performance in FY2023 and the previous four financial years, intended to assist in demonstrating the link between performance and reward.

	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue	15,954,845	12,258,011	21,650,296	27,192,840	24,648,806
EBITDA	5,588,257	1,765,527	9,684,349	13,819,122	11,158,256
NPAT	(5,477,931)	(10,534,250)	(18,725,873)	(4,063,429)	(1,027,645)
Net Cash Flows from Operating Activities	521,559	(4,103,604)	(5,193,944)	6,728,555	4,280,014
Share price (30 June)	0.255	0.185	0.220	0.115	0.150
Market capitalisation (in millions) (30 June)	96.88	70.35	235.38	159.30	207.78

STI outcomes

The following table outlines the FY2023 STI outcomes for the CEO:

CATEGORY	MEASURE	WEIGHTING	TARGET	PERFORMANCE	OUTCOME
HSE	Safety	7.5%	Threshold (25%): zero serious incidents. Target (50%): less than or equal to 2 lost time injuries and zero serious incidents.	1 lost time injury recorded for the year and zero serious incidents.	15%
	Environment	7.5%	Stretch (100%): less than or equal to 1 lost time injury and zero serious incidents.		
Corporate measures	Corporate budget	10%	Actual performance is within the FY23 budget	Achieved in full	10%
	Project development budget	5%	Actual performance is within the FY23 budgets for K3W and BCBP/BCSP	Partially achieved	2.5%
	KGM budget	5%	Actual performance is within the FY23 budget	Partially achieved	4%

CATEGORY	MEASURE	WEIGHTING	TARGET	PERFORMANCE	OUTCOME
Project delivery	K2H and BBP	20%	Delivery of K2H and BBP projects to construction schedule on time and budget	Partially achieved	12.5%
Project development	K3W	10%	Project development milestones on offtake, procurement and approvals	Partially achieved	7.5%
	BCBP	10%	Project development milestones on offtake, procurement and grid studies	Achieved	10%
Project pipeline	Delivery of new projects	10%	Delivery of new 'confirmed' projects to fill up the pipeline	Partially achieved	7.5%
Individual	Individual performance	15%	Subject to Board review	Partially achieved	11%
CEO FY2023 Scorecard Outcome					80%

The following table outlines the STI earned with respect to performance during FY2023 for all executive KMP:

KMP	MAXIMUM STI OPPORTUNITY AS A % OF FIXED REMUNERATION	% OF MAXIMUM STI AWARDED	% OF MAXIMUM STI FORFEITED	VALUE STI AWARDED
J Harding (CEO)	40%	80%	20%	\$155,938
A McGhie (COO)	40%	84.5%	15.5%	\$156,866
C Francis (CFO)	40%	85%	15%	\$157,794

LTI outcomes

There are no outstanding grants of options and no options or performance rights vested to KMP during FY2023.

6.6 Non-executive Director remuneration

The Company's director fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity. Director fees reflect the demands and responsibilities of the directors. Director fees consist of base fees for all directors and an additional fee for the Chair of the Audit and Risk Management Committee. The payment of a fee as the chair of a committee recognises the additional time commitment required by the Committee Chair who serves on that committee. Dr Craven does not, nor has at anytime during his tenure as a director on the Genex board, received a fee in respect of chairing the People and Remuneration Committee. NEDs receive fees only and do not participate in any performance-related incentive awards.

Director fees are determined within an aggregate fee pool limit, which is periodically approved by shareholders at the Company's AGM. The current maximum aggregate amount that may be paid to Directors for their services is \$600,000 per annum. This approved amount is to be divided as agreed amongst the Directors and if in default of agreement, then in equal shares.

Directors may be paid additional fees or other amounts as the People and Remuneration Committee determines where they render or are called upon to perform extra services or to make any special exertions in connection with the affairs of Genex as occurred in the relevant financial year. Directors may also be reimbursed for any disbursements or any other out of pocket expenses properly incurred as a result of their directorship or any special duties.

The following table outlines the director fees that applied during FY2023, inclusive of superannuation:

ROLE/FUNCTION	MAIN BOARD	AUDIT & RISK MANAGEMENT	PEOPLE & REMUNERATION
Chair	\$180,000 plus superannuation	\$15,000 plus superannuation	N/A
Member	\$90,000 plus superannuation	N/A	N/A

6.7 Executive Service Agreements

Each executive KMP has entered an employment contract with the Group. Details of the relevant contracts are set out below:

EXECUTIVE KMP	DURATION OF SERVICE AGREEMENT	NOTICE PERIOD	TERMINATION ENTITLEMENTS (WITHOUT CAUSE)	TERMINATION ENTITLEMENTS (WITH CAUSE)
J Harding (CEO)	Ongoing	3 months (by either party)	Accrued annual and long service leave entitlements	Accrued annual and long service leave entitlements
C Francis (CFO)	Ongoing	3 months (by either party)	Accrued annual and long service leave entitlements	Accrued annual and long service leave entitlements
A McGhie (COO)	Ongoing	3 months (by either party)	Accrued annual and long service leave entitlements	Accrued annual and long service leave entitlements

6.8 Statutory and share-based reporting

KMP remuneration for the years ended 30 June 2023 and 30 June 2022

KMP remuneration is summarised in the tables below for FY2023 and FY2022. The additional payments relate to exertion fees to Directors and STI payments to executives (which are presented on an accrual basis). The share-based payments relate to the valuation of options issued in prior years to Directors and executives and performance rights issued to executives in the Period. The employee entitlements relate to annual leave and long service leave entitlements. As noted above the Board and management of Genex was fully engaged with the Consortium from mid- July 2022 until late December 2022. During this period the Board conducted an additional 12 formal board meetings to deal with the Consortium’s proposal as well as normal meetings to properly manage other unexpected matters such as the water ingress event in September 2022.

FY2023	SHORT-TERM BENEFITS			POST-EMPLOYMENT	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	TOTAL REMUNERATION
\$	SALARY & FEES	ADDITIONAL PAYMENTS	EMPLOYEE ENTITLEMENTS	SUPER-ANNUATION	EMPLOYEE ENTITLEMENTS	PERFORMANCE RIGHTS	
<u>NEDs</u>							
R Craven	180,000	63,000	-	25,515	-	-	268,515
T Dyson	105,000	11,250	-	12,206	-	-	128,456
S Kidston	90,000	27,000	-	12,285	-	-	129,285
B Guo	90,000	19,125	-	11,458	-	-	120,583
K Seshimo	-	-	-	-	-	-	-
Y Yu	-	-	-	-	-	-	-
Subtotal	465,000	120,375	-	61,464	-	-	646,839
<u>Executives</u>							
J Harding	459,815	155,938	42,288	27,490	13,547		699,078
A McGhie	436,609	156,866	40,274	27,491	12,835	11,351	685,426
C Francis	436,607	157,794	40,274	27,493	16,708	11,351	690,227
Subtotal	1,333,031	470,598	122,836	82,474	43,090	22,702	2,074,731
Total	1,798,031	590,973	122,836	143,938	43,090	22,702	2,721,570

FY2022	SHORT-TERM BENEFITS			POST-EMPLOYMENT	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	TOTAL REMUNERATION
	\$	SALARY & FEES	ADDITIONAL PAYMENTS	EMPLOYEE ENTITLEMENTS	SUPER-ANNUATION	EMPLOYEE ENTITLEMENTS	
<u>NEDs</u>							
R Craven	160,000	-	-	16,000	-	-	176,000
M Addison	26,667	-	-	2,667	-	-	29,334
T Dyson	95,000	-	-	9,500	-	-	104,500
S Kidston	40,000	-	-	4,000	-	-	44,000
B Guo	60,000	-	-	6,000	-	-	66,000
K Seshimo	-	-	-	-	-	-	-
Y Yu	-	-	-	-	-	-	-
<u>Executive Directors</u>							
S Kidston	547,505 ⁸	67,320	-	27,499	-	-	642,324
B Guo	454,566 ⁹	191,680 ¹⁰	-	40,875	-	-	687,121
Subtotal	1,383,738	259,000	-	106,541	-	-	1,749,279
<u>Executives</u>							
J Harding	438,667	147,520	16,448	23,333	22,829	-	648,797
A McGhie	416,667	158,400	21,342	23,333	17,577	-	637,319
C Francis	372,001	150,480	14,668	23,999	8,698	-	569,846
Subtotal	1,227,335	456,400	52,458	70,665	49,104	-	1,855,962
Total	2,611,073	715,400	52,458	177,206	49,104	-	3,605,241

⁸ Includes executive salary, a termination payment when Mr. Kidston retired as an executive and consultancy fees

⁹ Includes executive salary and a termination payment when Mr. Guo retired as an executive

¹⁰ Includes STI payments paid in FY2022 relating to services performed in FY2021

Shareholdings¹¹ of KMP for the year ended 30 June 2023

	BALANCE AS AT 1 JULY 2022	GRANTED AS REMUNERATION	ON EXERCISE OF OPTIONS	PURCHASES	SOLD	BALANCE AS AT 30 JUNE 2023
R Craven	1,048,188	-	-	-	-	1,048,188
T Dyson	585,856	-	-	-	-	585,856
S Kidston	8,663,827	-	-	-	-	8,663,827
B Guo	2,170,681	-	-	250,000	-	2,420,681
K Seshimo	-	-	-	-	-	-
Y Yu	-	-	-	-	-	-
J Harding ¹²	801,776	-	-	-	-	801,776
A McGhie	-	-	-	-	-	-
C Francis	42,553	-	-	-	-	42,553
Total	13,312,881	-	-	250,000	-	13,562,881

Option holdings of KMP for the year ended 30 June 2023

	BALANCE AS AT 1 JULY 2022	GRANTED AS REMUNERATION	OPTIONS EXERCISED	EXPIRED	BALANCE AS AT 30 JUNE 2023
R Craven	4,000,000	-	-	-	4,000,000
T Dyson	1,500,000	-	-	-	1,500,000
S Kidston	3,000,000	-	-	-	3,000,000
B Guo	3,000,000	-	-	-	3,000,000
K Seshimo	-	-	-	-	-
Y Yu	-	-	-	-	-
J Harding	2,600,000	-	-	(2,600,000)	-
A McGhie	-	-	-	-	-
C Francis	2,000,000	-	-	(2,000,000)	-
Total	16,100,000	-	-	(4,600,000)	11,500,000

Performance rights holdings of KMP for the year ended 30 June 2023

	BALANCE AS AT 1 JULY 2022	GRANTED AS REMUNERATION	PERFORMANCE RIGHTS VESTED	PERFORMANCE RIGHTS LAPSED	BALANCE AS AT 30 JUNE 2023
R Craven	-	-	-	-	-
T Dyson	-	-	-	-	-
S Kidston	-	-	-	-	-
B Guo	-	-	-	-	-
K Seshimo	-	-	-	-	-
Y Yu	-	-	-	-	-
J Harding	-	-	-	-	-
A McGhie	-	2,165,993	-	-	2,165,993
C Francis	-	2,165,993	-	-	2,165,993
Total	-	4,331,986	-	-	4,331,986

End of Remuneration Report (Audited)

¹¹ Includes shares held directly, indirectly and beneficially by KMP

¹² Shares are held beneficially by spouse

7. CONSOLIDATED FINANCIAL STATEMENTS

The 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 25 August 2023. The Directors have the power to amend and reissue the financial statements.

7.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE	NOTES	2023	2022
		\$	\$
Revenue			
Sale of electricity and environmental products and lease income	<u>7</u>	23,759,426	24,800,511
Other income	<u>7</u>	889,380	2,392,329
Total revenue		24,648,806	27,192,840
Expenses			
Project site costs		3,779,075	4,296,547
Project consulting costs		219,466	278,719
Employment expenses	<u>8</u>	4,774,134	5,573,210
Share-based payments	<u>9</u>	58,206	-
Administrative expenses	<u>10</u>	4,659,669	3,225,242
Depreciation	<u>17, 22</u>	9,467,607	10,145,774
Total expenses		22,958,157	23,519,492
Operating gain		1,690,649	3,673,348
Finance costs	<u>11</u>	(4,425,926)	(7,826,287)
Finance income		1,707,632	89,510
Loss before tax		(1,027,645)	(4,063,429)
Income tax expense	<u>12</u>	-	-
Loss after income tax expense attributable to the owners of Genex Power Limited		(1,027,645)	(4,063,429)
Other comprehensive income (OCI) to be reclassified to profit or loss in subsequent periods (net of tax)			
Net gain on cash flow hedges	<u>23</u>	295,279	23,797,857
Total comprehensive gain/(loss) attributable to the owners of Genex Power Limited		(732,366)	19,734,428
Loss per share	<u>13</u>		
Basic loss per share		(0.07)	(0.35)
Diluted loss per share		(0.07)	(0.35)

7.2 Consolidated Statement of Financial Position

AS AT 30 JUNE	NOTES	2023	2022
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	<u>14</u>	49,589,224	62,854,694
Trade and other receivables	<u>15, 23</u>	3,725,508	3,307,454
Inventory		234,350	172,500
Prepayments		2,595,094	3,209,608
Total Current Assets		56,144,176	69,544,256
Non-Current Assets			
Bond, deposits and bank guarantee	<u>16, 23</u>	128,295,703	71,942,519
Property, plant and equipment	<u>17</u>	637,369,498	448,797,252
Right of use assets	<u>22</u>	3,937,206	3,217,940
Investment in joint ventures	<u>18</u>	3,135,000	-
Other non-current financial assets	<u>23, 24</u>	17,605,384	17,310,105
Other assets	<u>19</u>	2,876,734	6,376,869
Total Non-Current Assets		793,219,525	547,644,685
TOTAL ASSETS		849,363,701	617,188,941
Liabilities			
Current Liabilities			
Trade and other payables	<u>23</u>	15,770,201	13,634,135
Interest-bearing loans and borrowings	<u>20, 23, 24</u>	15,260,647	26,461,544
Interest payables	<u>23</u>	1,089,361	1,465,889
Government grant	<u>21</u>	443,712	442,500
Provisions		2,426,139	2,238,880
Current lease liabilities	<u>22, 23, 24</u>	770,597	483,443
Total Current Liabilities		35,760,657	44,726,391
Non-Current Liabilities			
Interest-bearing loans and borrowings	<u>20, 23, 24</u>	601,914,504	358,752,182
Government grant	<u>21</u>	5,973,144	6,416,856
Non-current lease liabilities	<u>22, 23, 24</u>	3,555,572	3,034,065
Rehabilitation and restoration provision		3,804,311	3,804,311
Other non-current liabilities		214,455	140,118
Total Non-Current Liabilities		615,461,986	372,147,532
TOTAL LIABILITIES		651,222,643	416,873,923
NET ASSETS		198,141,058	200,315,018
Equity			
Share capital	<u>25</u>	240,572,998	242,072,998
Share-based payment reserves	<u>25</u>	4,586,353	4,528,147
Cash flow hedge reserve	<u>23, 25</u>	17,605,384	17,310,105
Accumulated losses		(64,623,677)	(63,596,232)
Total Equity		198,141,058	200,315,018

7.3 Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023	NOTES	ISSUED CAPITAL	UNISSUED CAPITAL	OPTIONS RESERVES	CASH FLOW HEDGE RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2022		240,572,998	1,500,000	4,528,147	17,310,105	(63,596,232)	200,315,018
Loss after income tax		-	-	-	-	(1,027,645)	(1,027,645)
Cash flow hedge reserve	<u>23</u>	-	-	-	295,279	-	295,279
Total comprehensive gain/(loss) for the period		240,572,998	1,500,000	4,528,147	17,605,384	(64,623,877)	199,582,652
Shares issued during the period net issue costs	<u>25</u>	-	-	-	-	-	-
Other		-	(1,500,000)	-	-	200	(1,499,800)
Share-based payments	<u>9</u>	-	-	58,206	-	-	58,206
Balance at 30 June 2023		240,572,998	-	4,586,353	17,605,384	(64,623,877)	198,141,058

FOR THE YEAR ENDED 30 JUNE 2022	NOTES	ISSUED CAPITAL	UNISSUED CAPITAL	OPTIONS RESERVES	CASH FLOW HEDGE RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2021		195,786,112	-	4,528,147	(6,487,752)	(59,532,803)	134,293,704
Loss after income tax		-	-	-	-	(4,063,429)	(4,063,429)
Cash flow hedge reserve	<u>23</u>	-	-	-	23,797,857	-	23,797,857
Total comprehensive gain/(loss) for the period		195,786,112	-	4,528,147	17,310,105	(63,596,232)	154,028,132
Shares issued during the period net issue costs	<u>25</u>	44,786,886	-	-	-	-	44,786,886
Other equity contribution	<u>25</u>	-	1,500,000	-	-	-	1,500,000
Share-based payments	<u>9</u>	-	-	-	-	-	-
Balance at 30 June 2022		240,572,998	1,500,000	4,528,147	17,310,105	(63,596,232)	200,315,018

7.4 Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE	NOTES	2023	2022
		\$	\$
Operating activities			
Receipts from customers		28,508,914	27,230,274
Payments to suppliers		(13,130,833)	(9,986,929)
Payments to employees		(4,743,612)	(4,937,349)
Interest received		1,707,632	89,510
Interest and other costs of finance paid		(8,085,952)	(6,293,488)
Government grants and tax incentives		23,865	626,537
Net cash flows from operating activities	<u>14</u>	4,280,014	6,728,555
Investing activities			
Purchase of property, plant and equipment		(240,846,834)	(234,724,212)
Funds invested into term deposit		(353,185)	(102,608)
Proceeds from disposal of term deposit		-	4,458,242
Development expenditures		-	(2,753,837)
Investment in joint ventures		(2,865,000)	-
Net cash flows used in investing activities		(244,065,019)	(233,122,415)
Financing activities			
Proceeds from issues of shares	<u>25</u>	-	47,004,800
Transaction costs related to issues of shares	<u>25</u>	-	(2,439,605)
Proceeds from borrowings	<u>23</u>	254,819,571	212,779,155
Repayment of borrowings	<u>23</u>	(27,980,036)	(13,886,486)
Transaction costs related to borrowings	<u>23</u>	(320,000)	(906,400)
Proceeds from joint development agreements	<u>25</u>	-	1,250,000
Net cash flows from financing activities		226,519,535	243,801,464
Net increase / (decrease) in cash and cash equivalents for the period		(13,265,470)	17,407,604
Cash and cash equivalents at beginning of the period		62,854,694	45,447,090
Cash and cash equivalents at end of the period	<u>14</u>	49,589,224	62,854,694

7.5 Notes to the Consolidated Financial Statements

Note 1. Corporate information

The consolidated financial statements of the Consolidated Entity for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 25 August 2023.

Genex is a for profit 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.

Information on the Consolidated Entity's structure is provided in Note 6. Information on other related party relationships of the Consolidated Entity is provided in Note 29.

Note 2. Significant accounting policies

2.1 Basis of preparation

This financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**).

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in Australian Dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

The Consolidated Entity has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Consolidated Entity presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. The consolidated financial statements present reclassified comparative information where required for consistency with the current year's presentation.

Compliance with International Financial Reporting Standards (IFRS)

This financial report also complies with IFRS as issued by the International Accounting Standards Board (**IASB**).

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2023. Control is achieved when the Consolidated Entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Consolidated Entity controls an investee if, and only if, the Consolidated Entity has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Consolidated Entity has less than a majority of the voting or similar rights of an investee, the Consolidated Entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Consolidated Entity's voting rights and potential voting rights.

The Consolidated Entity re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Consolidated Entity obtains control over the subsidiary and ceases when the Consolidated Entity loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements from the date the Consolidated Entity gains control until the date the Consolidated Entity ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (**OCI**) are attributed to the equity holders of the Company of the Consolidated Entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Consolidated Entity's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Consolidated Entity are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Consolidated Entity loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

a) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Consolidated Entity's investments in its joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Consolidated Entity's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Consolidated Entity's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Consolidated Entity's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Consolidated Entity recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Consolidated Entity and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Consolidated Entity's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Consolidated Entity. When necessary, adjustments are made to bring the accounting policies in line with those of the Consolidated Entity.

b) Current versus non-current classification

The Consolidated Entity presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Classified as cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Consolidated Entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Fair value measurement

The Consolidated Entity measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Consolidated Entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Consolidated Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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; or
- 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 in the financial statements 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.

For purposes of fair value disclosures, the Consolidated Entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

d) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Consolidated Entity expects to be entitled in exchange for those goods or services. The Consolidated Entity has generally concluded that it is the principal in its revenue arrangements, because it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to inventory.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of electricity and environmental products

Revenue from the sale of electricity and environmental products is recognised at the point in time when control of the asset is transferred to the buyer and the Consolidated Entity has the right to be compensated.

e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

g) Share-based payments

Employees and Directors of the Consolidated Entity receive remuneration in the form of share-based payments, whereby they render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 9.

That cost is recognised as an expense in the statement of profit or loss, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the Consolidated Entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in [Note 13](#)).

h) Taxes

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Australia where the Consolidated Entity operates and generates taxable income.

Australian Tax consolidation legislation

Genex and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2005.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The head entity has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Consolidated Entity relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emissions.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if facts and circumstances change or new information arises. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Consolidated Entity offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Goods and Services Tax (GST)

Expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

i) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash at bank and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits which are freely available for use, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Consolidated Entity's cash management.

j) Inventories

Inventories reflect Large Scale Generation Certificates (**LGCs**) which have been generated but not yet sold. LGCs received by the energy market regulator are initially recognised as inventory at fair value, with a corresponding gain recognised as other income in profit or loss. Upon sale, the difference between the sale price and the book value of inventory is recorded as a component of revenue.

k) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Consolidated Entity depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Renewable energy projects: 20 to 30 years;
- Right-of-use assets: over the lease term;
- Land: indefinite;
- Motor vehicle: less than 5 years; and
- Furniture and fittings: less than 5 years.

The Consolidated Entity reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Consolidated Entity considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted retrospectively, if appropriate.

Work in progress capital assets

Work in progress capital assets represent project construction costs incurred prior to commencement of a project's operation. Work in progress capital assets are not depreciated until the assets are held ready for use on a commercial basis.

l) Leases

The Consolidated Entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Consolidated Entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Consolidated Entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Consolidated Entity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Consolidated Entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Consolidated Entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Consolidated Entity and payments of penalties for terminating the lease, if the lease term reflects the Consolidated Entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Consolidated Entity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accrual of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Consolidated Entity applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

As a lessor

Leases in which the Consolidated Entity does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m) Provisions

General

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Consolidated Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Rehabilitation and restoration provision

The Consolidated Entity records the present value of the estimated cost of legal and constructive obligations to rehabilitate mining lease areas as a rehabilitation and restoration provision, initially in the period in which the obligation is incurred. The nature of rehabilitation activities includes dismantling and removing structures, rehabilitating mines, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation and revegetation of affected areas. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on a discount rate, where appropriate. Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred. The unwinding of the effect of discounting the provision is recorded as a finance charge in the profit or loss. The carrying amount capitalised as part of mining assets is depreciated or amortised over the life of the related asset.

Annual leave and long service leave provision

A liability is recognised for benefits accruing to employees in respect of annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised for annual leave and any other short term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled in respect of services provided by employees up to the reporting date. Consideration is also given to on-costs.

Liabilities recognised in respect of long service leave and any other long term employee benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary levels, historical employee turnover rates and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

n) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i) Initial recognition and measurement

At initial recognition, financial assets are classified as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Consolidated Entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Consolidated Entity has applied the practical expedient, the Consolidated Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Consolidated Entity has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (**SPPI**)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Consolidated Entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Consolidated Entity commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This is the category most relevant to the Consolidated Entity. Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Consolidated Entity's financial assets at amortised cost includes trade and other receivables, and bonds, deposits and bank guarantees.

The Consolidated Entity does not presently hold the other three categories of measurement of financial assets.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Consolidated Entity's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Consolidated Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Consolidated Entity has transferred substantially all the risks and rewards of the asset, or (b) the Consolidated Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Consolidated Entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Consolidated Entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Consolidated Entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Consolidated Entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Consolidated Entity could be required to repay.

iv) Impairment

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions: [Note 3](#)
- Trade receivables: [Note 15](#)

The Consolidated Entity recognises an allowance for expected credit losses (**ECLs**) for all debt instruments not held at fair value through profit or loss. ECLs are calculated based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Consolidated Entity expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Consolidated Entity applies a simplified approach in calculating ECLs. Therefore, the Consolidated Entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Consolidated Entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Consolidated Entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Consolidated Entity may also consider a financial asset to be in default when internal or external information indicates that the Consolidated Entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Consolidated Entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Consolidated Entity's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (loans and borrowings).

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Consolidated Entity. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to [Note 20](#) and [Note 23](#).

The Consolidated Entity does not presently hold the measurement of financial liabilities at fair value through profit or loss.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified; such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Consolidated Entity uses derivative financial instruments, principally interest rate swaps, to hedge its interest rate exposures in certain circumstances. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For purposes of hedge accounting, hedges are classified as:

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Consolidated Entity formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Consolidated Entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Consolidated Entity actually hedges and the quantity of the hedging instrument that the Consolidated Entity actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Consolidated Entity designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The Consolidated Entity uses interest rate swaps as hedges of its exposure to interest rate risk in forecast transactions and firm commitments in certain circumstances. The ineffective portion relating to interest rate swaps is recognised as other expense. Refer to [Note 23](#) for more details.

The amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction.

p) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions [Note 3](#)
- Property, plant and equipment [Note 17](#)

The Consolidated Entity assesses bi-annually, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Consolidated Entity bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Consolidated Entity's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a minimum period of five years, however given the long term and predictable nature of the Consolidated Entity's operations, these are generally extended to cover the useful life of each CGU.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Consolidated Entity estimates the assets' or CGUs' recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The Consolidated Entity assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase manufacturing costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount.

2.4 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the full financial year ended 30 June 2023.

Note 3. Significant accounting judgements, estimates and assumptions

The preparation of the Consolidated Entity's consolidated financial statements requires management to make certain judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities (and the accompanying disclosures) and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Consolidated Entity's exposure to risks and uncertainties includes:

- Capital management [Note 5](#); and
- Financial instruments risk management and policies [Note 23](#).

Judgements

In the process of applying the Consolidated Entity's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Consolidated Entity as lessee

The Consolidated Entity determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Consolidated Entity has several lease contracts that include extension and termination options. The Consolidated Entity applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Consolidated Entity reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Consolidated Entity included the renewal period as part of the lease term for leases with shorter non-cancellable period (i.e. three to five years). The Consolidated Entity typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases with longer non-cancellable periods (i.e. 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Joint venture arrangements in which the Consolidated Entity holds 100% shareholding

The Consolidated Entity considers that it has joint control in Genex (Kidston Wind) Pty Ltd and Bulli Creek Hold Co. Pty Ltd, even though it holds 100% of the total issued ordinary shares in each entity. This determination is derived from the joint development agreements that have been established for K3W and BCP. These agreements stipulate that material decisions relating to project development activities require unanimous consent from the contractual parties sharing control, with each party maintaining an equal 50% economic interest in the respective arrangements.

The assessments made in respect of these entities has involved evaluating the substance of contractual arrangements, joint control, rights and obligations of the parties involved, as well as the nature and extent of their decision-making rights.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Consolidated Entity has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Consolidated Entity. Such changes will be reflected in revisions to such assumptions in future periods when they occur.

Impairment of non-financial assets

The Consolidated Entity is required to evaluate the assessment of impairment indicators (internal and external) and make judgements in assessing the factors that are required to be evaluated as part of the impairment indicators assessment. This includes reviewing significant changes that may have an adverse effect on the Consolidated Entity. The performance of non-current assets is impacted by environmental, technological, market, economic, legal or environmental changes in which the Consolidated Entity operates.

The significant judgements, estimates and assumptions applied by management when testing for impairment includes forecast electricity and LGC prices, generation profiles, marginal loss factors and discount rates.

Provision for expected credit losses of trade and other receivables

The Consolidated Entity uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Consolidated Entity's historical observed default rates. The Consolidated Entity will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For example, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Consolidated Entity's historical credit loss experience and consensus forecast economic conditions may also not be representative of a customer's actual default in the future.

Leases - Estimating the incremental borrowing rate

If the Consolidated Entity cannot readily determine the interest rate implicit in a lease, it uses its incremental borrowing rate (**IBR**) to measure lease liabilities. The IBR is the rate of interest that the Consolidated Entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Consolidated Entity 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). Where required to do so, the Consolidated Entity estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Consolidated Entity uses the Black-Scholes option valuation model, the Binomial Option Pricing Tree and or the Monte-Carlo Statistical Scenario Analysis. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in [Note 9](#).

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Consolidated Entity has \$63,600,949 (30 June 2022: \$50,636,551) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Consolidated Entity. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Consolidated Entity has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details on taxes are disclosed in [Note 12](#).

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (**DCF**) model methodology. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See [Note 23](#) for further disclosures.

Development costs

The Consolidated Entity capitalises costs for project development. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a project development has reached a defined milestone according to an established project management model. At 30 June 2023, the carrying amount of capitalised development costs was \$nil (FY2022: \$1,254,889).

Provision for rehabilitation and restoration

The Consolidated Entity has established provisions for rehabilitation and restoration obligations associated with its mining lease. This provision is based on estimates derived from the assessments of Queensland's Department of Environment and Science on the expected costs and timelines required to fulfil the Consolidated Entity's legal and constructive obligations. The estimates take into consideration factors such as regulatory requirements, technological advancements, inflation, and environmental considerations.

Note 4. Segment information

Management has determined that the Consolidated Entity has one reportable segment; being the development, construction and operation of renewable energy generation and storage projects in Australia, for the year ended 30 June 2023.

Note 5. Capital management

For purposes of the Consolidated Entity's capital management, capital includes share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Consolidated Entity's capital management is to maximise shareholder value.

The Consolidated Entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants under its interest-bearing loans and borrowings. The Consolidated Entity monitors capital using a gearing ratio, which is "net debt" divided by total capital plus net debt. The Consolidated Entity includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Interest-bearing loans and borrowings	617,175,151	385,213,726
Trade and other payables	15,770,201	13,634,135
Interest payables	1,089,361	1,465,889
Less: cash and cash equivalents	49,589,224	(62,854,694)
Net debt	683,623,937	337,459,056
Equity	198,141,058	200,315,018
Total capital	198,141,058	200,315,018
Capital and net debt	881,764,995	537,774,074
Gearing ratio	77.53%	62.75%

Note 6. Consolidated entity information

Parent

The Parent Entity is Genex Power Limited, incorporated and domiciled in Australia.

Subsidiaries

The consolidated financial statements of the Consolidated Entity include:

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	% INTEREST 2023	% INTEREST 2022
Genex (Kidston) Pty Limited	Holding company	Australia	100.00%	100.00%
Kidston Gold Mines Limited	Landowner	Australia	100.00%	100.00%
Genex Solar Holding Co Pty Limited*	Holding company	Australia	99.99%	99.99%
Genex (Solar) Pty Limited*	KS1 operation	Australia	99.99%	99.99%
Kidston Solar Holding Co Pty Limited*	Holding company	Australia	99.99%	99.99%
Kidston Solar Co Pty Limited*	KS1 operation	Australia	99.99%	99.99%
Kidston Solar Finance Co Pty Limited*	Financial operation	Australia	99.99%	99.99%
Jemalong PV Holdings Pty Limited	Holding company	Australia	100.00%	100.00%
Jemalong PV Asset Pty Limited	JSP operation	Australia	100.00%	100.00%
Jemalong Networks Pty Limited	JSP operation	Australia	100.00%	100.00%
Genex (Kidston Hydro) Pty Limited	Holding company	Australia	100.00%	100.00%
Kidston Hydro Hold Co Pty Limited	Holding company	Australia	100.00%	100.00%
Kidston Hydro Project Co Pty Ltd	K2H project development	Australia	100.00%	100.00%
Genex (Storage) Pty Ltd	Holding company	Australia	100.00%	100.00%
Como Energy (Bouldercombe) Pty Ltd	Holding company	Australia	100.00%	100.00%
Bouldercombe Battery Project Co Pty Ltd	BBP project development	Australia	100.00%	100.00%
BBP Finance Co. Pty Ltd**	Financial operation	Australia	100.00%	100.00%
Genex (Bulli Creek) Pty Ltd***	Holding company	Australia	100.00%	N/A

* These companies are 99.99% owned by Genex (Kidston) Pty Limited. The remaining 0.01% is held by Michael Addison. The 0.01% held by Michael Addison was acquired by Genex (Kidston) Pty Ltd on 1 July 2023.

** This is a new entity incorporated during the year ended 30 June 2022.

*** This is a new entity incorporated during the year ended 30 June 2023.

Joint arrangement in which the Consolidated Entity is a joint venturer

The Consolidated Entity has joint control in the following entities. For more details, refer to [Note 3](#) and [Note 18](#).

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	% INTEREST 2023	% INTEREST 2022
Genex (Kidston Wind) Pty Ltd	Holding company	Australia	100.00%	100.00%
Bulli Creek Hold Co. Pty Ltd	Holding company	Australia	100.00%	100.00%
K3W Hold Co. Pty Ltd***	Holding company	Australia	100.00%	N/A
K3W Project Co. Pty Ltd***	K3W project development	Australia	100.00%	N/A
K3W Finance Co. Pty Ltd***	Financial operation	Australia	100.00%	N/A
BCS Hold Co. Pty Ltd***	Holding company	Australia	100.00%	N/A
BCS Project Co. Pty Ltd***	BCP project development (solar)	Australia	100.00%	N/A
BCS Finance Co. Pty Ltd***	Financial operation	Australia	100.00%	N/A
BCB Hold Co. Pty Ltd***	Holding Company	Australia	100.00%	N/A
BCB Project Co. Pty Ltd***	BCP project development (battery)	Australia	100.00%	N/A
BCB Finance Co. Pty Ltd***	Financial operation	Australia	100.00%	N/A
Bulli Creek Solar Farm Pty Ltd****	Holding company for BCP development rights	Australia	75.00%	N/A

*** This is a new entity incorporated during the year ended 30 June 2023.

**** A 75% interest in this entity was acquired by Bulli Creek Hold Co. Pty Ltd during the year ended 30 June 2023

Note 7. Revenue

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
KS1 lease revenue	11,274,611	12,804,613
JSP generation revenue	7,836,536	7,612,650
JSP LGC sales	4,648,279	4,383,248
Sale of electricity and environmental products and lease income	23,759,426	24,800,511
ARENA government grant	442,500	884,041
Liquidated damages	-	875,123
LGCs on hand	234,350	172,500
Avoided TUOS	193,181	250,813
Fuel tax credit	17,393	185,787
Others	1,956	24,065
Other income	889,380	2,392,329
Total revenue	24,648,806	27,192,840

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 large-scale generation certificates generated by KS1 are transferred to the Queensland Government as consideration for providing the guaranteed floor price.

Liquidated damages

For the year ended 30 June 2022, performance and delay liquidated damages were made by Energy Solutions Pty Ltd (trading as Beon) for delays to Practical Completion of the JSP project (as stated in the *Quarterly Activities Report* released to the ASX on 20 October 2021). As practical completion was achieved on 30 June 2021, no further liquidated damages were incurred during the Period.

Note 8. Employment expense

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Wages and salaries	3,944,459	5,012,737
Defined contribution superannuation expense	367,998	381,463
Payroll tax	245,539	219,436
Employee entitlements	142,521	(72,612)
Fringe benefit tax	57,927	11,624
Workers' compensation	12,873	18,121
Staff training	2,817	2,441
Total employment expenses	4,774,134	5,573,210

Note 9. Share-based payments

The expense recognised for employee services received during the year is shown in the following table:

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Expense arising from equity-settled share-based payment transactions	58,206	-
Total expense arising from share-based payment transactions	58,206	-

There were no cancellations or modifications to the existing awards for the year ended 30 June 2023 and 30 June 2022.

Share options

Movements during the Period

The following table illustrates the number and weighted average exercise prices (**WAEP**) of, and movements in, share options during the Period:

	2023 Number	2023 WAEP	2022 Number	2022 WAEP
Outstanding at 1 July	19,350,000	0.36	37,250,000	0.34
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(4,850,000)	0.40	(17,900,000)	0.33
Outstanding at 30 June	14,500,000	0.34	19,350,000	0.36
Exercisable at 30 June	14,500,000	0.34	19,350,000	0.36

On 13 February 2023, 4,850,000 share options expired (WAEP: \$0.40).

Terms of share options

The following tables outline the terms attached to the outstanding option plans for the years ended 30 June 2023 and 30 June 2022:

FOR THE YEAR ENDED 30 JUNE 2023		DIRECTORS OPTIONS	
Number		14,500,000	
Value per option (\$)		\$0.1500	
Subscription price per option (\$)		\$Nil	
Each option is convertible into		1 ordinary share in the Parent Entity	
Exercise price per option		\$0.34	
Vesting condition		Vesting on issue date	
Issue date		10 September 2019	
Expiry date		10 September 2024	
Option exercise period		At any time from date of vesting	
Other conditions		None	

FOR THE YEAR ENDED 30 JUNE 2022		MANAGEMENT OPTIONS	DIRECTORS OPTIONS
Number		4,850,000	14,500,000
Value per option (\$)		\$0.1296	\$0.1500
Subscription price per option (\$)		\$Nil	\$Nil
Each option is convertible into		1 ordinary share in the Parent Entity	1 ordinary share in the Parent Entity
Exercise price per option		\$0.40	\$0.34
Vesting condition		The options vest in 2 separate tranches upon the achievement of 3 milestones. If a milestone is not achieved, the options for that milestone will lapse unvested. As at 30 June 2022, all options have vested.	Vesting on issue date
Issue date		23 February 2018	10 September 2019
Expiry date		13 February 2023	10 September 2024
Option exercise period		At any time from date of vesting	At any time from date of vesting
Other conditions		None	None

Valuation of share options

The following tables list the inputs to the models used for the outstanding plans for the years ended 30 June 2023 and 30 June 2022:

FOR THE YEAR ENDED 30 JUNE 2023		DIRECTORS OPTIONS
Weighted average fair values at the measurement date (\$)		\$0.1500
Dividend yield (%)		Nil
Expected volatility (%)		40.00%
Risk-free interest rate (%)		0.84%
Expected life of share options		5 Years
Weighted average share price (\$)		\$0.25
Model used		Black Scholes Model

FOR THE YEAR ENDED 30 JUNE 2022	MANAGEMENT OPTIONS	DIRECTORS OPTIONS
Weighted average fair values at the measurement date (\$)	\$0.1296	\$0.1500
Dividend yield (%)	Nil	Nil
Expected volatility (%)	60.00%	40.00%
Risk-free interest rate (%)	2.40%	0.84%
Expected life of share options	5 Years	5 Years
Weighted average share price (\$)	\$0.29	\$0.25
Model used	Black Scholes Model	Black Scholes Model

Performance Rights

Movements during the Period

The following table illustrates the number of, and movements in, performance rights during the Period:

	2023 Number	2022 Number
Outstanding at 1 July	-	-
Granted during the year	9,660,586	-
Forfeited during the year	-	-
Vested during the year	-	-
Outstanding at 30 June	9,660,586	-

Terms of performance rights

The performance rights have been issued in two tranches, with the terms summarised below:

FOR THE YEAR ENDED 30 JUNE 2023		MANAGEMENT PERFORMANCE RIGHTS	
Number		7,097,494	
Value per performance right (\$)	\$0.1015		\$0.1650
Subscription price per performance right (\$)		\$Nil	
Each performance right is convertible into	1 ordinary share in the Parent Entity		
Exercise price per performance right		\$Nil	
All performance rights will vest 3 years from the date of grant, subject to the below criteria:			
Vesting condition	Criteria 1: Absolute total shareholder return (aTSR) (total 50%):	Criteria 2: New projects to Final Investment Decision (FID) (total 50%):	
	<ul style="list-style-type: none"> 12.5% will vest if the aTSR is at least 8% p.a.; 25.0% will vest if the aTSR is greater than 8% p.a. and less than or equal to 15% p.a. and pro-rata within this range; 12.5% will vest if the aTSR is greater than 15% p.a. 	<ul style="list-style-type: none"> 12.5% will vest if Board approves 1 new project to FID greater than or equal to 250MW; 25.0% will vest if Board approves 2 new projects to FID with total capacity greater than 250MW and up to 900MW with pro-rata occurring within this range; 12.5% will vest if Board approves 3 new projects to FID with total capacity greater than 900MW. 	
Issue date		10 May 2023	

aTSR means the total shareholder return relative to the ARV. ARV means the award reference VWAP of \$0.1607.

FOR THE YEAR ENDED 30 JUNE 2023		K2H PROJECT TEAM PERFORMANCE RIGHTS	
Number		2,563,092	
Value per performance right (\$)	\$0.1650		\$0.1015
Subscription price per performance right (\$)		\$Nil	
Each performance right is convertible into	1 ordinary share in the Parent Entity		
Exercise price per performance right		\$Nil	

Vesting condition	Criteria 1: Achieving Provisional Acceptance (total 50%): 50% vest on the date that Genex (or its related bodies corporate) issues a notice of Provisional Acceptance under the Engineering, Procurement and Construction Contract for the Kidston Pumped Storage Hydro Project dated 31 March 2021.	Criteria 2: aTSR (total 50%): Up to 50% will vest on the 3 year anniversary date of the award on the basis of the below criteria:
		<ul style="list-style-type: none"> • 12.5% will vest if the aTSR is at least 8% p.a.; • 25.0% will vest if the aTSR is greater than 8% p.a. and less than or equal to 15% p.a. and pro-rata within this range; • 12.5% will vest if the aTSR is greater than 15% p.a.
Issue date	10 May 2023	

aTSR means the total shareholder return relative to the ARV. ARV means the award reference VWAP of \$0.1607.

There were nil performance rights on issue at 30 June 2022.

Valuation of performance rights

The following tables list the inputs to the models used for the performance right tranches for the years ended 30 June 2023:

FOR THE YEAR ENDED 30 JUNE 2023	MANAGEMENT PERFORMANCE RIGHTS		K2H PROJECT TEAM PERFORMANCE RIGHTS	
Weighted average fair values at the measurement date (\$)	\$0.1015	\$0.1650	\$0.1650	\$0.1015
Number of iterations	100,000	N/A	N/A	100,000
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	55.00%	55.00%	55.00%	55.00%
Risk-free interest rate (%)	3.072%	3.072%	3.072%	3.072%
Expected life of share options	N/A	N/A	N/A	N/A
Weighted average share price (\$)	\$0.165	\$0.165	\$0.165	\$0.165
Model used	Monte Carlo Model	Black Scholes Model	Black Scholes Model	Monte Carlo Model

Note 10. Administrative expenses

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Insurance	1,116,295	991,405
Audit, accounting and tax	523,929	542,539
Compliance and regulatory	521,296	643,503
General administration	365,928	364,855
Legal and consultancy related to refinancing	296,711	-
General legal and consultancy	200,874	337,850
Marketing	100,520	204,385
Travel	92,855	77,114
Occupancy	84,912	63,591
Project Hector	1,356,349	-
Total administrative expenses	4,659,669	3,225,242

Project Hector expenditure related to costs incurred during the proposed scheme of arrangement transaction which was considered during the Period, including responding to the consortium and providing due diligence.

Note 11. Finance costs

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Interest on KS1 and JSP senior debt	3,009,665	6,127,745
Interest on KS1 and JSP subordinated debt	1,224,539	1,539,528
Interest on lease	191,722	140,451
KS1 and JSP subordinated debt commitment fee	-	18,563
Total finance costs	4,425,926	7,826,287

Note 12. Income tax

The major components of income tax expense for the years ended 30 June 2023 and 30 June 2022 are set out as follows:

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Current income tax		
Current income tax charge	-	-
Deferred tax		
Relating to origination and reversal of temporary differ	-	-
Income tax expense reported in the statement of profit or loss	-	-

Deferred tax

Deferred tax relates to the following:

	2023	2022
	\$	\$
Attributable to:		
Depreciation for tax purposes	(4,246,210)	(3,863,706)
Capitalised interest	(4,503,573)	(1,844,082)
Share based payments	1,375,906	1,358,444
Leases	116,689	89,870
Government grant	1,925,057	2,057,807
Accrued revenue	-	(170,090)
Accruals and provisions	2,365,280	2,294,759
Losses available for offsetting against future taxable income	2,966,851	76,998
Net deferred tax liabilities	-	-
Reflected in the statement of financial position as follows:		
Deferred tax assets	9,930,944	6,843,261
Deferred tax liabilities	(9,930,944)	(6,843,261)
Deferred tax liabilities, net	-	-
Deferred tax expense in profit or loss	-	-

The Consolidated Entity has accumulated tax losses (tax effected) of \$63,600,949¹³ (30 June 2022: \$50,636,551) that are available indefinitely for offsetting against future taxable profits of the Consolidated Entity in which the losses arose. Additionally, there are \$39,249,668 (30 June 2022: \$39,249,668) of transferred tax losses (tax effected) that can be utilised subject to the available fraction.

Deferred tax assets have not been fully recognised in respect of the tax losses as they may not be used to offset taxable profits elsewhere in the Consolidated Entity, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Tax consolidation

Members of the tax consolidated group and the tax sharing arrangement

Genex Power Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2005. Genex Power Limited is the head entity of the tax consolidated group.

¹³ Subject to FY2023 income tax return

Genex Solar Holding Pty Limited (99.99% owned by Genex Power Limited) and Genex (Solar) Pty Limited formed a separate tax consolidated group in 2017. Genex Solar Holding Pty Limited is the head entity of this tax consolidated group.

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Kidston Solar Finance Co Pty Ltd, Kidston Solar Holding Trust, Kidston Solar Property Trust and Bulli Creek Solar Farm Pty Ltd are separate tax entities.

Tax effect accounting by members of the tax consolidated group

Measurement method adopted under AASB Interpretation 1052 Tax Consolidation Accounting

The head entity and the controlled entities in each respective tax consolidated group continue to account for their own current and deferred tax amounts. The head entity has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in *AASB 112 Income Taxes*. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement, the funding of tax within the tax consolidated group is based on accounting profit, which is not an acceptable method of allocation under *AASB Interpretation 1052*. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call. To the extent that there is a difference between the amount charged under the tax funding agreement and the allocation under *AASB Interpretation 1052*, the head entity accounts for these as equity transactions with the subsidiaries.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Note 13. Loss per share

Basic loss per share is calculated by dividing the loss after income tax expense attributable to the owners of the Parent Entity by the weighted average number of ordinary shares outstanding during the Period.

Diluted loss per share is calculated by dividing the loss after income tax expense attributable to the owners of the Parent Entity by the weighted average number of ordinary shares outstanding during the Period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. However, given the loss position of the Consolidated Entity, share options have not been taken into account in the diluted loss per share calculation since they are anti-dilutive.

The following table reflects the loss and share data used in the basic and diluted loss per share calculations:

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Loss after income tax expense attributable to the owners of Parent Entity	(1,027,645)	(4,063,429)
Weighted average number of ordinary shares for basic loss per share¹⁴	1,385,177,140	1,173,214,164
Effects of dilution from:		
Share options	14,500,000	19,350,000
Performance rights	1,376,303	-
Weighted average number of ordinary shares adjusted for the effect of dilution	1,401,053,443	1,192,564,164
Loss per share		
Basic loss per share	(0.07)	(0.35)
Diluted loss per share	(0.07)	(0.35)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

¹⁴ The weighted average number of shares takes into account the weighted average effect of the rights issue during the prior year

Note 14. Cash and cash equivalents

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

	30 JUNE 2023	30 JUNE 2022
	\$	\$
Cash at bank	49,589,224	62,854,694
Total cash and cash equivalents	49,589,224	62,854,694

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Cash flow reconciliation

For purposes of the statement of cash flows, reconciliation of net profit before tax to net cash flows from operations:

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Loss before tax	(1,027,645)	(4,063,429)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment expenses	9,467,607	10,145,774
Share-based payment expense	58,206	-
Finance income	(1,707,632)	(89,510)
Finance costs	4,425,926	7,826,287
LGCs on hand	(234,350)	(172,500)
Movements in provisions and government grant	(180,904)	1,029,483
Working capital adjustments:		
Movements in trade and other receivables and trade and other payables	(3,241,576)	10,446,471
Movements in other assets and liabilities	3,098,702	(12,190,043)
Interest received	1,707,632	89,510
Interest paid	(8,085,952)	(6,293,488)
Income tax paid	-	-
Net cash flows from operating activities	4,280,014	6,728,555

Note 15. Trade and other receivables

	30 JUNE 2023	30 JUNE 2022
	\$	\$
Trade receivables	2,764,759	3,300,982
Other receivables	960,749	6,472
Allowance for ECL	-	-
Total trade and other receivables	3,725,508	3,307,454

Other receivables as at 30 June 2023 related to contractual rights to receive funds from joint ventures.

Trade receivables are generally due for settlement within 30 days. As at 30 June 2023 and 30 June 2022, there are no trade receivables either past due or impaired.

Note 16. Bond, deposits and bank guarantee

	30 JUNE 2023	30 JUNE 2022
	\$	\$
K2H financial security	117,000,000	61,000,000
BBP financial security	10,306,500	10,306,500
BBP Autobidder offtake bank guarantee	350,000	-
KS1 connection bond	231,818	231,819
Sydney office bank guarantee	181,073	214,854
AEMO bank guarantee	140,000	20,000
KS1 removal and security defects bond	42,000	42,000
Brisbane office bank guarantee	26,312	26,312
K3W land bond	12,000	12,000
K3W make good bank guarantee	6,000	6,000
Construction camp bank guarantee	-	83,034
Total bond, deposits and bank guarantee	128,295,703	71,942,519

Financial securities

Financial securities are cash amounts which are paid to, and held by, Powerlink Queensland as financial security. For K2H, this relates to construction security for the transmission infrastructure being constructed by Powerlink Queensland under a Generator Connection and Access Agreement. For BBP, this relates to construction security for the connection interface works being constructed by Powerlink Queensland under the Bi-directional Service Provider Connection and Access Agreement.

Note 17. Property, plant and equipment

	30 JUNE 2023	30 JUNE 2022
	\$	\$
K2H	411,425,209	257,029,840
KS1	86,625,968	91,774,716
JSP	81,182,250	84,450,494
BBP	53,825,880	11,177,287
Pre-development assets	3,918,777	3,918,777
Land	380,935	380,935
Motor vehicle	10,479	65,203
Furniture and fittings	-	-
Total property, plant and equipment	637,369,498	448,797,252

	K2H	KS1	JSP	BBP	PRE-DEVELOPMENT ASSETS	LAND	MOTOR VEHICLE	FURNITURE AND FITTINGS	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
At 1 July 2021	103,813,334	120,349,275	103,349,171	-	3,918,777	380,935	25,320	56,732	331,893,544
Additions	153,216,506	-	1,765,137	9,989,710	-	-	109,448	-	165,080,801
Transfer ¹⁵	-	-	-	1,187,577	-	-	-	-	1,187,577
Disposals	-	-	-	-	-	-	(25,320)	(13,498)	(38,818)
At 30 June 2022	257,029,840	120,349,275	105,114,308	11,177,287	3,918,777	380,935	109,448	43,234	498,123,104
Additions	154,395,369	389,114	225,522	42,648,593	-	-	-	-	197,658,598
At 30 June 2023	411,425,209	120,738,389	105,339,830	53,825,880	3,918,777	380,935	109,448	43,234	695,781,702

	K2H	KS1	JSP	BBP	PRE-DEVELOPMENT ASSETS	LAND	MOTOR VEHICLE	FURNITURE AND FITTINGS	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Depreciation and impairment									
At 1 July 2021	-	(22,982,548)	(16,500,000)	-	-	-	(25,320)	(37,603)	(39,545,471)
Depreciation	-	(5,592,011)	(4,163,814)	-	-	-	(44,245)	(19,129)	(9,819,199)
Disposals	-	-	-	-	-	-	25,320	13,498	38,818
At 30 June 2022	-	(28,574,559)	(20,663,814)	-	-	-	(44,245)	(43,234)	(49,325,852)
Depreciation	-	(5,537,862)	(3,493,766)	-	-	-	(54,724)	-	(9,086,352)
At 30 June 2023	-	(34,112,421)	(24,157,580)	-	-	-	(98,969)	(43,234)	(58,412,204)

	K2H	KS1	JSP	BBP	PRE-DEVELOPMENT ASSETS	LAND	MOTOR VEHICLE	FURNITURE AND FITTINGS	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net book value									
At 30 June 2022	257,029,840	91,774,716	84,450,494	11,177,287	3,918,777	380,935	65,203	-	448,797,252
At 30 June 2023	411,425,209	86,625,968	81,182,250	53,825,880	3,918,777	380,935	10,479	-	637,369,498

¹⁵ This transfer relates to the BBP development cost being reclassified as property, plant and equipment following the commencement of construction in February 2022.

Capitalised borrowing costs

K2H is financed by a debt facility with Northern Australia Infrastructure Facility (**NAIF**). Borrowing costs on the debt facility are to be capitalised until the construction of the K2H is completed. The carrying amount of the debt facility at 30 June 2023 was \$412,778,025 (30 June 2022: \$198,350,237). The amount of borrowing costs capitalised during the year ended 30 June 2023 was \$7,835,618 (FY2022: \$2,201,224).

BBP is financed by a senior debt and letter of credit facility with Infradebt. Borrowing costs on the debt facility are to be capitalised until the construction of the BBP is completed. The carrying amount of the debt facility at 30 June 2023 was \$41,280,296 (30 June 2022: \$9,429,086). The amount of borrowing costs capitalised during the year ended 30 June 2023 was \$1,394,929 (FY2022: \$230,582).

Disposals of motor vehicles

During the year ended 30 June 2022, the Consolidated Entity sold one utility vehicle with a total net carrying amount of nil for a cash consideration of \$5,737. The net gains on this disposal were recognised as part of the other income in the statement of profit or loss.

Note 18. 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 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 consolidated financial statements are set out below:

SUMMARISED STATEMENT OF FINANCIAL POSITION OF K3WJV		30 JUNE 2023
		\$
Current assets, including cash and cash equivalents and trade receivables		265,208
Non-current assets, including development costs		4,794,687
Current liabilities, including trade and other payables		(2,289,648)
Equity		2,770,247
Consolidated Entity's carrying amount of the investment		635,000

There was no statement of profit or loss during the Period.

The K3WJV had no contingent liabilities or commitments as at 30 June 2023. K3WJV cannot distribute its profits without the consent from the two venture partners.

BCP joint venture

On 10 August 2022, the Consolidated Entity completed the acquisition of 100% of the development rights of BCP by way of an acquisition of 75% of the issued share capital of Bulli Creek Solar Farm Pty Ltd, for a cost of \$5,000,000. As at 31 December 2022, the transaction was assessed and treated as an asset acquisition as it fell outside the scope of AASB 3 *Business Combinations*. The Consolidated Entity has elected to measure the non-controlling interests in the acquiree at fair value.

On 30 June 2023, the Consolidated Entity entered into a joint development agreement with J-POWER for a 50% economic interest in the Bulli Creek Hold Co. Pty Ltd and its subsidiaries (referred to hereafter as '**BCPJV**'), a joint venture involved in the development of the BCP. The Consolidated Entity's interest in BCPJV is accounted for using the equity method in the 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 consolidated financial statements are set out below:

SUMMARISED STATEMENT OF FINANCIAL POSITION OF BCPJV		30 JUNE 2023
		\$
Current assets, including trade receivables		540,000
Non-current assets, including development costs and acquisition costs		7,511,644
Current liabilities, including trade and other payables		(1,384,977)
Non-controlling interest		(1,666,667)
Equity		5,000,000
Consolidated Entity's carrying amount of the investment		2,500,000

There was no statement of profit or loss during the Period.

The BCPJV had no contingent liability or commitments as at 30 June 2023. BCPJV cannot distribute its profits without the consent from the two venture partners.

Note 19. Other assets

	30 JUNE 2023	30 JUNE 2022
	\$	\$
K3W development costs	-	1,254,889
Prepaid insurance	2,876,734	5,121,980
Total other assets	2,876,734	6,376,869

During the Period, the Consolidated Entity derecognised the related assets, liabilities and all components of equity of K3W.

Note 20. Interest-bearing loans and borrowings

	30 JUNE 2023	30 JUNE 2022
	\$	\$
Current		
KS1 and JSP senior debt	6,674,215	6,961,379
KS1 and JSP subordinated debt	4,266,432	17,180,165
BBP senior debt	4,320,000	2,320,000
Total current interest-bearing loans and borrowings	15,260,647	26,461,544
Non-Current		
KS1 and JSP senior debt	144,508,246	153,292,859
KS1 and JSP subordinated debt	7,667,937	-
K2H senior debt	412,778,025	198,350,237
BBP senior debt	36,960,296	7,109,086
Total non-current interest-bearing loans and borrowings	601,914,504	358,752,182

KS1 and JSP senior debt

The Consolidated Entity has a senior debt facility of \$175 million with Westpac, DZ Bank and NORD/LB. The interest rate for both Tranche A and Tranche B is the aggregate of BBSY bid and a fixed margin per annum. Both Tranche A and Tranche B will be repaid by 17 December 2024. The facility is secured against the underlying assets comprising KS1 and JSP.

KS1 and JSP subordinated debt

The Consolidated Entity has a subordinated debt facility of \$16 million with the Infradebt Pty Ltd and its related entities. The interest rate is a fixed rate per annum for the term of the loan. The facility will be repaid by 17 December 2024. The facility is secured against the equity shareholding of the Consolidated Entity in KS1 and KSP.

K2H senior debt

The Consolidated Entity has a senior debt facility of \$610 million with NAIF. At 30 June 2023, the undrawn committed facility was \$200.7 million. The interest rate is a fixed interest rate per annum for the term of the loan. The repayment will commence from 15 June 2025. The facility is secured against the underlying assets comprising K2H.

BBP senior debt

The Consolidated Entity has a senior debt facility of \$45.3 million with Infradebt Pty Ltd and its related entities, comprising a construction loan facility of \$35 million and a letter of credit facility of \$10.3 million. At 30 June 2023, the undrawn committed facility was \$3 million. The interest rate of the Construction Facility is the aggregate of the PIK margin and fixed rate per annum and the interest rate of LC Facility is the aggregate of BBSY Bid and fixed margin per annum. The repayment will commence from 31 March 2024. The facility is secured against the underlying assets comprising BBP.

J-POWER corporate loan

The Consolidated Entity has a corporate loan facility of \$35 million with J-POWER. At 30 June 2023, the undrawn committed facility was \$35 million. The interest rate of the corporate loan facility is a fixed rate per annum for the term of the loan. The maturity date of the corporate loan is 31 December 2026. The facility is secured against the underlying assets comprising Genex's interests in K3W and BCP.

Note 21. Government grant

	2023	2022
	\$	\$
At 1 July	6,859,356	7,301,856
Received during the year	-	441,541
Released to the statement of profit or loss	(442,500)	(884,041)
At 30 June	6,416,856	6,859,356
Current	443,712	442,500
Non-Current	5,973,144	6,416,856

The Consolidated Entity received an Australian Renewable Energy Agency (**ARENA**) grant of \$9 million during the year ended 30 June 2017 towards the funding of KS1. This grant is recognised in other income, over the life of the project (20 years) on a straight-line basis. The Consolidated Entity has also signed a further agreement with ARENA which provides for a grant of \$20 million which shall be provided on satisfaction of certain construction milestones for K2H. This grant is not presently recognised in the Consolidated Entity's financial statements.

Note 22. Leases

As a lessee

The Consolidated Entity has lease contracts for land and office rents. Leases of land generally have lease terms between 3 and 30 years, while office rents generally have lease terms between 3 and 5 years. The Consolidated Entity's obligations under its leases are secured by the issue of unconditional and irrevocable bank guarantees. Generally, the Consolidated Entity is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options.

The Consolidated Entity also has leases of office equipment with low value. The Consolidated Entity applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases. The amount recognised in profit or loss for the Period was \$11,389.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	TOTAL
	\$
Right-of-use assets	
At 1 July 2021	3,885,845
Additions	237,806
Lease modification	(150,360)
Depreciation expense	(326,574)
Capitalised depreciation	(428,777)
At 30 June 2022	3,217,940
Additions	1,261,270
Lease modification	215,630
Depreciation expense	(381,255)
Capitalised depreciation	(376,379)
At 30 June 2023	3,937,206

Set out below are the carrying amounts of lease liabilities and the movements during the Period:

	TOTAL
	\$
Lease liabilities	
At 1 July 2021	4,118,152
Additions	237,806
Lease modification	(150,360)
Accretion of interest through profit or loss	140,451
Accretion of interest through capital expenditures	56,897
Payments	(885,438)
At 30 June 2022	3,517,508
Additions	1,261,270
Lease modification	215,630
Accretion of interest through profit or loss	191,722
Accretion of interest through capital expenditures	38,715
Payments	(898,676)
At 30 June 2023	4,326,169
Current	770,597
Non-Current	3,555,572

The maturity analysis of lease liabilities is disclosed in [Note 23](#).

The following are the amounts recognised in profit or loss:

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Depreciation expense of right-of-use assets	381,254	326,574
Interest expense on lease liabilities	191,722	140,451
Total amount recognised in profit or loss	572,976	467,025

Note 23. Financial assets and financial liabilities

Financial assets

	30 JUNE 2023	30 JUNE 2022
	\$	\$
Derivatives designated as hedging instruments		
Interest rate swaps	17,605,384	17,310,105
Debt instruments at amortised cost		
Trade and other receivables	3,725,508	3,307,454
Bond, deposits and bank guarantee	128,295,703	71,942,519
Total financial assets¹⁶	149,626,595	92,560,078
Total current	3,725,508	3,307,454
Total non-current	145,901,087	89,252,624

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

	MATURITY	30 JUNE 2023	30 JUNE 2022
		\$	\$
Interest-bearing loans and borrowings			
Current interest-bearing loans and borrowings			
Lease liabilities	Jun 2024	770,597	483,443
Interest-bearing loans and borrowings			
KS1 and JSP senior debt	Apr 2024	6,674,215	6,961,379
KS1 and JSP subordinated debt	Apr 2024	4,266,432	17,180,165
BBP senior debt	Jun 2024	4,320,000	2,320,000
Total current interest-bearing loans and borrowings		16,031,244	26,944,987

¹⁶ Financial assets, other than cash and short-term deposits, held by the Consolidated Entity

	MATURITY	30 JUNE 2023	30 JUNE 2022
Non-current interest-bearing loans and borrowings			
Lease liabilities	2024-2048	3,555,572	3,034,065
Interest-bearing loans and borrowings			
KS1 and JSP senior debt	Dec 2024	144,508,246	153,292,859
KS1 and JSP subordinated debt	Dec 2024	7,667,937	-
K2H senior debt	May 2036	412,778,025	198,350,237
BBP senior debt	Sep 2035	36,960,296	7,109,086
J-POWER corporate loan	Dec 2026	-	-
Total non-current interest-bearing loans and borrowings		605,470,076	361,786,247
Total interest-bearing loans and borrowings		621,501,320	388,731,234
		30 JUNE 2023	30 JUNE 2022
		\$	\$
Other financial liabilities			
Financial liabilities at amortised cost, other than interest-bearing loans and borrowings			
Trade and other payables		15,770,201	13,634,135
Interest payables		1,089,361	1,465,889
Total other financial liabilities		16,859,562	15,100,024
Total current		16,859,562	15,100,024
Total non-current		-	-

Hedging activities and derivatives

The Consolidated Entity is exposed to certain risks relating to its ongoing business operations. The primary risk managed using derivative instruments is interest rate risk.

The Consolidated Entity's risk management strategy and how it is applied to manage risk are also explained below in this note.

Derivatives designated as hedging instruments - cash flow hedges

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.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swap contracts match the terms of the variable rate loan (i.e. notional amount, maturity, payment and reset dates). The Consolidated Entity has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap contracts is identical to the hedged risk components. To test the hedge effectiveness, the Consolidated Entity uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments;
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items; or
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

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.

The Consolidated Entity is holding the following interest rate swap contracts:

30 JUNE 2023	TERM INTEREST RATE SWAPS	NOVATION INTEREST RATE SWAPS
Counterparty	NORD/LB, DZ Bank and Westpac	NORD/LB, DZ Bank
Currency	Australian Dollar	Australian Dollar
Notional	\$106,014,489	\$50,173,549
Effective date	17 Dec 2019	1 Oct 2019
Maturity date	17 Jan 2030	1 Jan 2027
Leg	Receive float; Pay fix	Receive float; Pay fix
Rate (%)	1.5525%	3.2350%
Margin (%)	0.05%	0.05%
Frequency	Quarterly	Quarterly
Day count	Act / 365 fixed	Act / 365 fixed
Cash flow derivative assets	\$16,088,096	\$1,517,288

30 JUNE 2022	TERM INTEREST RATE SWAPS	NOVATION INTEREST RATE SWAPS
Counterparty	NORD/LB, DZ Bank and Westpac	NORD/LB, DZ Bank
Currency	Australian Dollar	Australian Dollar
Notional	\$118,652,609	\$47,885,148
Effective date	17 Dec 2019	1 Oct 2019
Maturity date	17 Jan 2030	1 Jan 2027
Leg	Receive float; Pay fix	Receive float; Pay fix
Rate (%)	1.5525%	3.2350%
Margin (%)	0.05%	0.05%
Frequency	Quarterly	Quarterly
Day count	Act / 365 fixed	Act / 365 fixed
Cash flow derivative assets	\$16,457,210	\$852,895

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:

FOR THE YEAR ENDED 30 JUNE 2023	TOTAL HEDGING GAIN/(LOSS) RECOGNISED IN OCI	INEFFECTIVENESS RECOGNISED IN PROFIT OR LOSS	COST OF HEDGING RECOGNISED IN OCI	GAIN/(LOSS) RECLASSIFIED FROM OCI TO PROFIT OR LOSS
	\$	\$	\$	\$
Term interest rate swaps	(369,114)	-	-	509,297
Novation interest rate swaps	664,393	-	-	(769,020)
Total	295,279	-	-	(259,723)

FOR THE YEAR ENDED 30 JUNE 2022	TOTAL HEDGING GAIN RECOGNISED IN OCI	INEFFECTIVENESS RECOGNISED IN PROFIT OR LOSS	COST OF HEDGING RECOGNISED IN OCI	GAIN/(LOSS) RECLASSIFIED FROM OCI TO PROFIT OR LOSS
	\$	\$	\$	\$
Term interest rate swaps	17,523,880	-	-	(1,779,402)
Novation interest rate swaps	6,273,977	-	-	(1,449,716)
Total	23,797,857	-	-	(3,229,118)

Financial instruments risk management objectives and policies

The Consolidated Entity's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Consolidated Entity's operations. The Consolidated Entity's principal financial assets, other than derivatives, include trade and other receivables, and bond, deposits and bank guarantees that derive directly from its operations. The Consolidated Entity also enters into derivative transactions.

The Consolidated Entity is exposed to interest rate risk, credit risk and liquidity risk. The Consolidated Entity's Board and senior management oversees the management of these risks. Specifically, this oversight is to ensure that the Consolidated Entity's financial risk activities are 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 Board reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Consolidated Entity's exposure to the risk of changes in market interest rates relates primarily to the Consolidated Entity's long-term debt obligations with floating interest rates.

The Consolidated Entity manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Consolidated Entity's policy is to maintain borrowings at fixed rates of interest of not less than 75%, dependent upon period length. To manage this, the Consolidated Entity enters into either fixed rate loans or interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 30 June 2023, after taking into account the effect of interest rate swaps, approximately 98% of the Consolidated Entity's borrowings are at a fixed rate of interest (30 June 2022: 98%).

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. 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.

At 30 June 2023, the Consolidated Entity invests solely on 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's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2023 and 30 June 2022 is the carrying amounts as illustrated in Note 23 except for derivative financial instruments.

Liquidity risk

Liquidity risk is the risk that a business will have insufficient funds to meet its financial commitments in a timely manner. The two key elements of liquidity risk are short-term cash flow risk and long-term funding risk. The Consolidated Entity monitors its risk of a shortage of funds 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.

The table below summarises the maturity profile of the Consolidated Entity's financial liabilities based on contractual undiscounted payments:

30 JUNE 2023	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
		\$	\$	\$	\$	\$
Interest-bearing loans and borrowings						
KS1 and JSP senior debt	-	1,474,373	5,199,842	148,371,357	-	155,045,572
KS1 and JSP subordinated debt	-	1,206,291	2,171,966	8,796,166	-	12,174,423
K2H senior debt	-	-	-	75,624,426	357,806,004	433,430,430
BBP senior debt	-	-	4,320,000	17,000,000	21,000,000	42,320,000
J-POWER corporate loan	-	-	-	-	-	-
Interest	-	1,542,333	4,395,314	41,834,514	54,939,708	102,711,869
Lease liabilities	-	243,504	717,185	1,718,970	3,689,748	6,369,407
Trade and other payables	-	17,859,046	-	-	-	17,859,046
Net liquidity exposure	-	22,325,547	16,804,307	293,345,433	437,435,460	769,910,747

30 JUNE 2022	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	> 5 YEARS	TOTAL
		\$	\$	\$	\$	\$
Interest-bearing loans and borrowings						
KS1 and JSP senior debt	-	1,604,196	5,357,183	155,045,571	-	162,006,950
KS1 and JSP subordinated debt	-	17,283,432	-	-	-	17,283,432
K2H senior debt	-	-	-	51,569,029	152,930,539	204,499,568
BBP senior debt	-	-	2,320,000	-	8,000,000	10,320,000
Interest	-	741,346	2,215,637	5,407,691	3,366,050	11,730,724
Lease liabilities	-	160,096	481,350	1,213,603	3,619,390	5,474,439
Trade and other payables	-	13,634,135	-	-	-	13,634,135
Net liquidity exposure	-	33,423,205	10,374,170	213,235,894	167,915,979	424,949,248

Changes in liabilities arising from financing activities

	1 JULY 2022	CASH FLOWS					LOAN RECLASSIFICATION	ADJUSTMENT DUE TO EIR	30 JUNE 2023
		PROCEEDS FROM BORROWINGS	REPAYMENT OF BORROWINGS	ESTABLISHMENT FEE	CAPITALISED INTEREST				
	\$	\$	\$	\$	\$	\$	\$	\$	
Current									
Interest-bearing loans and borrowings									
KS1 and JSP senior debt	6,961,379	-	(6,961,379)	-	-	6,674,215	-	6,674,215	
KS1 and JSP subordinated debt	17,180,165	-	(17,193,080)	-	-	4,266,432	12,915	4,266,432	
K2H senior debt	-	-	-	-	-	-	-	-	
BBP senior debt	2,320,000	2,000,000	-	-	-	-	-	4,320,000	
Non-current									
Interest-bearing loans and borrowings									
KS1 and JSP senior debt	153,292,859	-	-	-	-	(6,674,215)	(2,110,398)	144,508,246	
KS1 and JSP subordinated debt	-	16,000,000	(3,825,577)	(320,000)	-	(4,266,432)	79,946	7,667,937	
K2H senior debt	198,350,237	206,819,571	-	-	7,402,486	-	205,731	412,778,025	
BBP senior debt	7,109,086	30,000,000	-	-	-	-	(148,790)	36,960,296	
Total liabilities from financing activities	385,213,726	254,819,571	(27,980,036)	(320,000)	7,402,486	-	(1,960,596)	617,175,151	

	1 JULY 2021	CASH FLOWS					LOAN RECLASSIFICATION	ADJUSTMENT DUE TO EIR	30 JUNE 2022
		PROCEEDS FROM BORROWINGS	REPAYMENT OF BORROWINGS	ESTABLISHMENT FEE	CAPITALISED INTEREST				
	\$	\$	\$	\$	\$	\$	\$	\$	
Current									
Interest-bearing loans and borrowings									
KS1 and JSP senior debt	6,687,985	-	(8,000,486)	-	-	8,273,880	-	6,961,379	
KS1 and JSP subordinated debt	1,047,572	-	(5,886,000)	-	-	20,408,922	1,609,671	17,180,165	
K2H senior debt	-	-	-	-	-	-	-	-	
BBP senior debt	-	-	-	-	-	2,320,000	-	2,320,000	
Non-current									
Interest-bearing loans and borrowings									
Solar farms senior debt	161,605,396	-	-	-	-	(8,273,880)	(38,657)	153,292,859	
Solar farms subordinated debt	20,408,922	-	-	-	-	(20,408,922)	-	-	
K2H senior debt	-	202,459,155	-	(6,100,000)	2,040,413	-	(49,331)	198,350,237	
BBP senior debt	-	10,320,000	-	(906,400)	-	(2,320,000)	15,486	7,109,086	
Total liabilities from financing activities	189,749,875	212,779,155	(13,886,486)	(7,006,400)	2,040,413	-	1,537,169	385,213,726	

Note 24. Fair value measurement

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

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	-

AS AT 30 JUNE 2022	CARRYING AMOUNT	FAIR VALUE MEASUREMENT USING		
		QUOTED PRICE IN ACTIVE MARKETS (LEVEL 1)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)
	\$	\$	\$	\$
Liabilities measured at fair value				
Interest rate swaps	17,310,105	-	17,310,105	-
Liabilities for which fair values are disclosed				
Interest-bearing loans and borrowings	385,213,726	-	385,213,726	-
Lease liabilities	3,517,508	-	3,517,508	-

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 30 June 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.

There were no transfers between Level 1 and Level 2, and no transfers into or out of Level 3 during the years ended 30 June 2023 and 30 June 2022.

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 25. Equity

Share capital

	30 JUNE 2023		30 JUNE 2022	
	Shares	\$	Shares	\$
Ordinary shares issued and fully paid	1,385,177,140	240,572,998	1,385,177,140	240,572,998
Other equity contribution	-	-	-	1,500,000
Total	1,385,177,140	240,572,998	1,385,177,140	242,072,998

Each share has a no par value.

During the year ended 30 June 2023, there were no issuances of ordinary shares. Share capital was however decreased by \$1,500,000 relating to other equity contributions from J-POWER under the joint development agreement for K3W.

	DATE	SHARES	ISSUE PRICE	TOTAL
			\$	\$
At 30 June 2021		1,069,900,045		195,786,112
Equity raising	28/02/2022	266,666,667	\$0.15	40,000,000
Share purchase plan	22/03/2022	48,610,428	\$0.14	7,004,800
Other equity contribution		-		1,500,000
Equity raising fees		-		(2,217,914)
At 30 June 2022		1,385,177,140		242,072,998
Other equity contribution		-		(1,500,000)
At 30 June 2023		1,385,177,140		240,572,998

Share-based payment reserves

	SHARE-BASED PAYMENT
	\$
At 30 June 2021	4,528,147
Share-based payments expense during the year	-
At 30 June 2022	4,528,147
Share-based payments expense during the year	58,206
At 30 June 2023	4,586,353

Share-based payments

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to Directors and employees, including KMP, as part of their remuneration. Refer to Note 9 for further details of these plans.

OCI

The only OCI item in equity is the cash flow hedge reserve originated from interest rate swap contracts. At 30 June 2023, the net of tax value is \$17,605,384 (30 June 2022: (\$17,310,105)).

Note 26. Information relating to Genex Power Limited (Parent Entity)

	30 JUNE 2023	30 JUNE 2022
	\$	\$
Current assets	3,155,918	18,049,792
Total assets	201,193,670	202,445,605
Current liabilities	2,184,494	1,943,315
Total liabilities	3,052,612	2,130,587
Share capital	240,572,998	240,572,998
Share-based payment reserves	4,586,353	4,528,147
Accumulated losses	(47,018,293)	(44,786,127)
Total Equity	198,141,058	200,315,018

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Loss after income tax expense	13,774,279	19,242,252
Total comprehensive loss of the Parent Entity	13,774,279	19,242,252

The Parent Entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 27. Auditors' remuneration

The auditor of the Consolidated Entity is Ernst & Young Australia.

FOR THE YEAR ENDED 30 JUNE	2023	2022
	\$	\$
Fees for auditing the statutory financial report of the Consolidated Entity	228,534	203,865
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	10,400	17,160
Other services:		
Tax compliance	64,400	41,400
Transactional tax services	37,485	57,000
Advisory	52,125	150,008
Total	392,944	469,433

Note 28. Commitments and contingencies

Capital commitments

At 30 June 2023, the Consolidated Entity has capital commitments of \$227,772,350 (30 June 2022: \$437,855,756), comprising K2H of \$221,097,075 (30 June 2022: \$389,440,369) and BBP of \$6,675,275 (30 June 2022: \$48,415,387).

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. 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 30 June 2023 nor at the date of these consolidated financial statements.

Note 29. Related party transactions

At 30 June 2022 the Consolidated Entity recognised certain related party transactions with J-POWER in its 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* and therefore no related party transactions have been disclosed for the Period

Compensation of KMP of the Consolidated Entity

Disclosures relating to KMP remuneration are set out in the [Remuneration Report](#).

Note 30. Events after the reporting period

The following material events have occurred since Period end:

- On 1 August 2023, Genex announced the appointment of Patrick McCarthy as CFO of the Company, commencing from 16 October 2023.

Unless disclosed elsewhere in the consolidated financial statements, there have been no other material events or circumstances which have arisen since 30 June 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.

Note 31. Standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2023. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, that are applicable or may have a material impact on the Consolidated Entity, are set out below.

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 non-current, 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 is currently assessing the impact the amendments will have on 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 are not expected to have a material impact on the Consolidated Entity's financial statements.

8. DIRECTORS' DECLARATION

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

1. In the opinion of the Directors:

- (a) the financial statements and notes of Genex Power Limited for the financial year ended 30 June 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 30 June 2023 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in [Note 2.1](#); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

On behalf of the Board



Dr Ralph Craven
Independent Non-executive Chairman
25 August 2023
Sydney, Australia

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

Report on the audit of the financial report

Opinion

We have audited the financial report of Genex Power Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying Value of Property, Plant and Equipment

Why significant	How our audit addressed the key audit matter
<p>As at 30 June 2023, the Group recognised Property, Plant and Equipment of \$637.4m.</p> <p>The recognition and recoverability of the Group's Property, Plant and Equipment was considered a key audit matter due to the value of the asset relative to total assets, and the significant judgements and assumptions involved in the Group's assessment of whether any indicators of impairment were present, as required by AASB 136 <i>Impairment of Assets</i>.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Assessed whether the methodology and factors considered by the Group to identify indicators of impairment or impairment reversals met the requirements of Australian Accounting Standards. - Selected a sample of the construction costs capitalised to Property, Plant and Equipment and agreed these to the supporting supplier invoices, cash payments and assessed whether the cost was appropriately capitalised in accordance with Australian Accounting Standards. - Assessed the adequacy of the Property, Plant and Equipment related disclosures included in the Notes to the financial report including those made with respect to judgements and estimates.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

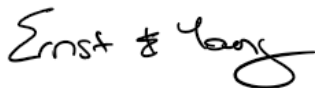
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 35 to 51 of the directors' report for the year ended 30 June 2023.


In our opinion, the Remuneration Report of Genex Power Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Ryan Fisk
Partner
Sydney
25 August 2023

10. CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement (**CGS**) is provided by the Directors of Genex pursuant to ASX Listing Rule 4.10.3 and reports against the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' 4th Edition (the **Recommendations**) including the 8 principles and 35 specific recommendations included therein. This CGS was approved by a resolution of the Board of the Company dated 25 August 2023 and is effective as at the same date and is in addition to and supplements the Company's Appendix 4G which is lodged with the ASX together with this Annual Report to Shareholders.

**PRINCIPLE 1:
LAY SOLID FOUNDATIONS FOR MANAGEMENT
AND OVERSIGHT**

A LISTED ENTITY SHOULD CLEARLY DELINEATE THE RESPECTIVE ROLES AND RESPONSIBILITIES OF ITS BOARD AND MANAGEMENT AND REGULARLY REVIEW THEIR PERFORMANCE.

Recommendations

<p>1.1 A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>(a) The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities and functions of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Director (MD) or equivalent which is currently the CEO.</p> <p>The Board Charter also specifically outlines the role of the Board, the Company's Chair, Individual Directors and the MD/CEO. Each function and its responsibility are outlined in the Board Charter and in various sections of this this Corporate Governance Statement, both of which are available on the Company's website.</p> <p>The role and responsibility of the Board, the Company's Chair, Individual Directors and the MD/CEO is outlined in the following paragraphs of the Company's Board Charter:</p> <ul style="list-style-type: none"> • The Board – Paragraph 3.1; • The Chair – Paragraph 8.1; • The Individual Directors – Paragraph 8.2; and • The MD/CEO – Paragraph 8.3. <p>(b) The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, purpose, values, policies, practices, goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include those matters particularised in paragraph 3.1 of the Company's Board Charter.</p>
--	---

**PRINCIPLE 1:
LAY SOLID FOUNDATIONS FOR MANAGEMENT
AND OVERSIGHT**

A LISTED ENTITY SHOULD CLEARLY DELINEATE THE RESPECTIVE ROLES AND RESPONSIBILITIES OF ITS BOARD AND MANAGEMENT AND REGULARLY REVIEW THEIR PERFORMANCE.

The MD/CEO is separately responsible for the ongoing management of the Company in accordance with the strategy, purpose, values, policies and programs approved by the Board as outlined in paragraph 8.3.

1.2 A listed entity should:

(a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward for election as a director; and

(b) provide securityholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

(a) Prior to the nomination of prospective on-executive directors for election or re-election, the Board must obtain from the prospective candidate:

- details of other commitments of the prospective candidate (including the potential for any actual or perceived conflicts of interest at the time of the candidate's appointment or in the foreseeable future) and an indication of the time involved; and
- an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of non-executive directors of the Company.

All of the Company's current Directors have undergone bankruptcy and police checks and appropriate checks will also be undertaken prior to the appointment of any new directors to the Board or any new candidates for election.

(b) When a candidate is placed before shareholders for election or re-election as a director, the names of candidates submitted is accompanied by the following information to enable shareholders to make an informed decision in relation to that vote:

- biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate;
- details of relationships between the candidate and the Company, and the candidate and Directors of the company;
- whether the Board considers the person to be independent;
- other directorships held;
- particulars of other positions which involve significant time commitments;
- the term of office currently served by any director subject to re-election;
- for new candidates, confirmation that the Company has conducted appropriate checks into the candidate's background and experience and whether those checks have revealed any information of concern that might affect the person's ability to perform the role or a shareholder's decision on how to vote on a resolution for the appointment of that candidate;
- a statement as to whether the Board supports the election or re-election of the candidate and the reasons why; and
- any other particulars required by law.

**PRINCIPLE 1:
LAY SOLID FOUNDATIONS FOR MANAGEMENT
AND OVERSIGHT**

A LISTED ENTITY SHOULD CLEARLY DELINEATE THE RESPECTIVE ROLES AND RESPONSIBILITIES OF ITS BOARD AND MANAGEMENT AND REGULARLY REVIEW THEIR PERFORMANCE.

<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>The Company currently has Executive Service Agreements in place with its CEO, COO and CFO. In addition, the Company has a Letter of Appointment with each of its Non-executive Directors other than Mr Kenichi Seshimo who is a shareholder representative and does not receive any remuneration from Genex. All remunerated Directors provide their services as directors to the entity in an individual capacity and may also provide any additional exertion type services through a service entity.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Secretary is accountable to the Board through the Chair on all governance matters and also on all matters to do with the proper functioning of the Board. The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes, procedures and policies run efficiently and effectively, and the Secretary's role of responsibilities is outlined in paragraph 8.4 of the Board Charter.</p>
<p>1.5 A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) Through its board or a committee of the board, set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior 	<p>(a) The Company has established a Diversity Policy as part of its Corporate Governance Plan. The Policy details the Board's commitment to providing an inclusive workplace and recognises the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences can bring to the Company. The Company has a commitment to gender diversity and female participation is sought in all areas of the Company's business. Decisions relating to promotion, leadership development and flexible work arrangements are based on merit and reinforce the importance of equality in the workplace. Ongoing monitoring of Company policies and culture is undertaken to make sure they do not hold any group back in their professional development.</p> <p>(b) While the Company has not yet set measurable objectives for achieving gender diversity with respect to the composition of its board, senior executives or workforce generally, the Company aims to achieve gender diversity in all areas of its business.</p> <p>(c)(1) As stated in (b) above, the Company has not yet set measurable objectives in terms of a specific quota or ratio but adopts an approach of aiming to achieve gender diversity in every new appointment to the board, at senior executive level or in the workforce generally.</p> <p>(c)(2) The Company is making progress towards gender diversity with female board and senior executive appointments. The Company will continue to strive for gender diversity and will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so. The Board regularly reviews its policy and practical approach in achieving gender diversity to determine its adequacy for current circumstances and make appropriate recommendations where required. The</p>

**PRINCIPLE 1:
LAY SOLID FOUNDATIONS FOR MANAGEMENT
AND OVERSIGHT**

A LISTED ENTITY SHOULD CLEARLY DELINEATE THE RESPECTIVE ROLES AND RESPONSIBILITIES OF ITS BOARD AND MANAGEMENT AND REGULARLY REVIEW THEIR PERFORMANCE.

executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or

(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.

Company’s Corporate Governance Statement each year contains an update on the Company’s compliance with the ASX’s recommendations and the Company’s Diversity Policy.

Each year, the Company reviews and, where appropriate, updates its Diversity Policy to ensure that it not only reflects the Company’s approach to gender diversity but also to state that in employing new people it recognises that people differ not just on the basis of gender, race or ethnicity, but also other dimensions such as lifestyle, cultural or socio-economic background, education, physical ability, age, marital or and family status, perspective and experience.

The latest version of the policy also reflects the Company’s expanded approach to ensure a culture that supports diversity. The Company supports flexible work practices (including part time positions) to best accommodate business, family or personal choices where practicable and aims to provide opportunities for employees on extended parental leave to maintain their connection with the entity, for example, by offering them the option (without any obligation) to receive all-staff communications and to attend work functions and training programs.

In order to have an inclusive workplace, discrimination, harassment, vilification and victimisation cannot and will not be tolerated.

(c)(3)(A) The Company currently has 17 employees and 1 consultant with 7 of these in total, women. The Company has 3 women in Senior Executive positions with the definition of a “senior executive” according to generally well-known market practice and definitions. The Company has 1 female director. This will continue to be reviewed in accordance with each review of the Board’s skills and requirements in accordance with the Company’s Diversity Policy.

(c)(3)(B) The entity is not a “relevant employer”.

1.6 A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(a) The Chair is responsible for overseeing the:

- evaluation and review of the performance of the Board and its committees (other than the Chair); and
- evaluation and review of the performance of individual Directors (other than the Chair);

The Chair should disclose the process for evaluating the performance of the Board, its committees and individual Directors.

**PRINCIPLE 1:
LAY SOLID FOUNDATIONS FOR MANAGEMENT
AND OVERSIGHT**

A LISTED ENTITY SHOULD CLEARLY DELINEATE THE RESPECTIVE ROLES AND RESPONSIBILITIES OF ITS BOARD AND MANAGEMENT AND REGULARLY REVIEW THEIR PERFORMANCE.

(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The Board (other than the Chair) is responsible for the:

- evaluation and review of the performance of the Chair; and
- review of the effectiveness and programme of Board meetings.

The process for the performance evaluation of the Board, its Committees and Directors generally involves an internal review. From time to time as the Company's needs and circumstances require, the Board may commission an external review of the Board, and its composition.

(b) An outsourced external review of the Board was undertaken in early 2022 in accordance with the Company's formal protocols.

1.7 A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and

(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

(a) The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.

(b) A formal evaluation occurred immediately post the end of FY2023 in accordance with formal protocols established by the Company.

**PRINCIPLE 2:
STRUCTURE THE BOARD TO BE EFFECTIVE
AND ADD VALUE**

THE BOARD OF A LISTED ENTITY SHOULD BE OF AN APPROPRIATE SIZE AND COLLECTIVELY HAVE THE SKILLS, COMMITMENT AND KNOWLEDGE OF THE ENTITY AND THE INDUSTRY IN WHICH IT OPERATES, TO ENABLE IT TO DISCHARGE ITS DUTIES EFFECTIVELY, AND TO ADD VALUE.

Recommendations

2.1 The board of a listed entity should:

(a) have a nomination committee which:

(a) The Board, as a whole, currently serves as the Company's Nomination Committee. Terms and conditions of employees are negotiated by the MD/CEO for recommendation to the Board. As the Company grows in size it is planned that the Company will implement a separate Nomination Committee with its own separate Nomination Committee charter.

**PRINCIPLE 2:
STRUCTURE THE BOARD TO BE EFFECTIVE
AND ADD VALUE**

THE BOARD OF A LISTED ENTITY SHOULD BE OF AN APPROPRIATE SIZE AND COLLECTIVELY HAVE THE SKILLS, COMMITMENT AND KNOWLEDGE OF THE ENTITY AND THE INDUSTRY IN WHICH IT OPERATES, TO ENABLE IT TO DISCHARGE ITS DUTIES EFFECTIVELY, AND TO ADD VALUE.

- (1) has at least three members, a majority of whom are independent directors; and
- (2) is chaired by an independent director, and disclose:
- (3) the charter of the committee;
- (4) the members of the committee; and
- (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR**

(b) While the Board does not currently comply with this recommendation, given the stage of the Company's operations and relatively small number of employees, the Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time.

The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:

- accounting;
- finance;
- business;
- legal, regulatory and compliance;
- the renewable energy industry;
- Managing Director / CEO level experience; and
- relevant technical expertise.

- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board shall review the range of expertise of its members on a regular basis and ensure that it has operational and technical expertise relevant to the operation of the Company.

- 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The Board will determine the procedure for the selection and appointment of new Directors and the re-election of incumbents in accordance with the Company's Constitution, the ASX Listing Rules and having regard to the ability and independence of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction, purpose and values of the Company.

The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:

**PRINCIPLE 2:
STRUCTURE THE BOARD TO BE EFFECTIVE
AND ADD VALUE**

THE BOARD OF A LISTED ENTITY SHOULD BE OF AN APPROPRIATE SIZE AND COLLECTIVELY HAVE THE SKILLS, COMMITMENT AND KNOWLEDGE OF THE ENTITY AND THE INDUSTRY IN WHICH IT OPERATES, TO ENABLE IT TO DISCHARGE ITS DUTIES EFFECTIVELY, AND TO ADD VALUE.

- accounting;
- finance;
- business;
- legal, regulatory and compliance
- the renewable energy industry;
- Managing Director-level experience; and
- relevant technical expertise.

The mix of skills of the current Board is set out on the Company's website.

<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>(a) Currently only 2 of the 5 Directors are considered to be independent given that Simon Kidston and Ben Guo were previously Executive Directors and Kenichi Seshimo is a representative of a large shareholder of the Company. The independent Directors are Dr Ralph Craven, the Company's Non-Executive Chair, and Ms Teresa Dyson, both Non-Executive Directors.</p> <p>(b) Not applicable. While each of the Directors have received grants of options approved by shareholders in the past, these have not had any specific performance hurdles or vesting milestones attached other than an exercise price well above the share price as at the date of the grant. Additionally, while the independent Directors have received payments for services rendered over and above their duties as Non-executive Independent Directors, these are not performance-based payments but payments for actual exertion services provided on an arm's length basis and not of sufficient duration for the independence of these directors to be compromised.</p> <p>(c) The Directors were appointed to the Board as follows:</p> <p>Dr Ralph Craven – 29 May 2015 Mr Simon Kidston – 1 August 2013 Mr Ben Guo – 25 October 2013 Ms Teresa Dyson – 7 May 2018 Mr Kenichi Seshimo – 18 May 2021</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Company does not currently have a majority of independent directors however the Board is of the view that notwithstanding that it does not currently comply with this recommendation it nonetheless has the appropriate mix of skills and experience for the Company's present stage of operations. The Company does however have a majority of non-executive directors with all 5 filling that role.</p>

**PRINCIPLE 2:
STRUCTURE THE BOARD TO BE EFFECTIVE
AND ADD VALUE**

THE BOARD OF A LISTED ENTITY SHOULD BE OF AN APPROPRIATE SIZE AND COLLECTIVELY HAVE THE SKILLS, COMMITMENT AND KNOWLEDGE OF THE ENTITY AND THE INDUSTRY IN WHICH IT OPERATES, TO ENABLE IT TO DISCHARGE ITS DUTIES EFFECTIVELY, AND TO ADD VALUE.

2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Company's current Chair is Dr Ralph Craven who is an independent director and is not engaged in any executive role within the Company.

2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

Pursuant to the Company's Board Charter the Board must implement an appropriate induction and education process for new Board appointees and senior executives to enable them to gain a better understanding of:

- the Company's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives; and
- the role of Board committees.

Existing directors are required to participate in development initiatives from time to time including in relation to health and safety.

**PRINCIPLE 3:
INSTIL A CULTURE OF ACTING LAWFULLY,
ETHICALLY AND RESPONSIBLY**

A LISTED ENTITY SHOULD INSTIL AND CONTINUALLY REINFORCE A CULTURE ACROSS THE ORGANISATION OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY.

Recommendations

3.1 A listed entity should articulate and disclose its values.

(a) The Company's Corporate Governance Plan includes the following policies and charters which provide a framework for decisions and actions in relation to ethical conduct in employment.

- Board Charter;
- Audit and Risk Management Committee Charter;
- Code of Conduct - Obligations to Stakeholders;
- Code of Conduct - Directors and Key Officers;
- Continuous Disclosure Policy;
- People and Remuneration Committee Charter;
- Securities Trading Policy;
- Diversity Policy;

**PRINCIPLE 3:
INSTIL A CULTURE OF ACTING LAWFULLY,
ETHICALLY AND RESPONSIBLY**

**A LISTED ENTITY SHOULD INSTIL AND CONTINUALLY REINFORCE A CULTURE ACROSS THE
ORGANISATION OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY.**

- Whistleblower Policy;
- Modern Slavery Policy; and
- Environmental Policy.

(b) A copy of each charter and policy, including the codes of conduct relating to Directors, Senior Executives and employees is available on the Company's website.

3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	(a) The Company has a "Code of Conduct for Directors and Key Officers" which includes senior executives and employees; and (b) Any material breaches of this policy are brought directly before the Board.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	(a) The Company has a whistleblower policy; and (b) Any material breaches of this policy are brought directly before the Board.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	(a) The Company has a policy titled "Code of Conduct – the Company's obligations to Stakeholders" which operates as the Company's anti-bribery and corruption policy; and (b) Any material breaches of this policy are brought directly before the Board.

**PRINCIPLE 4:
SAFEGUARD THE INTEGRITY OF CORPORATE
REPORTS**

**A LISTED ENTITY SHOULD HAVE APPROPRIATE PROCESSES TO VERIFY THE INTEGRITY OF ITS
CORPORATE REPORTS.**

Recommendations

4.1	The board of a listed entity should:	(a) The Company has an Audit and Risk Management Committee which:
	(a) have an audit committee which:	(1) has 3 members being Ms Teresa Dyson, Dr Ralph Craven and Mr Kenichi Seshimo. All of the committee members are non-executive directors and a majority of the committee being Ms Teresa Dyson and Dr Ralph Craven are independent.
	(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	(2) is chaired by an independent director being Ms Teresa Dyson who is not the Chair of the board.
	(2) is chaired by an independent director, who is not the chair of the board, and disclose:	(3) A copy of the policy titled "Charter of the Audit and Risk Management Committee of Genex Power Limited" is available on the Company's website.
	(3) the charter of the committee;	(4) The relevant qualifications and experience of the Committee members is available on the Company's website.
	(4) the relevant qualifications and experience of the members of the committee; and	(5) The Committee met 5 times in the financial year with all persons who were members of the committee at the time each meeting was held being in attendance.
	(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR	(b) Not applicable.
	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external	

**PRINCIPLE 4:
SAFEGUARD THE INTEGRITY OF CORPORATE
REPORTS**

**A LISTED ENTITY SHOULD HAVE APPROPRIATE PROCESSES TO VERIFY THE INTEGRITY OF ITS
CORPORATE REPORTS.**

auditor and the rotation of the audit engagement partner.

4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board ensures and has received on each occasion that it approves the Company's statutory accounts, the appropriate declarations and assurances including a declaration from the CEO and CFO that the Company's accounts have been kept in accordance with section 295A of the *Corporations Act 2001* and received such declarations in the financial year.

4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company ensures that a copy of every announcement to the market is sent to every Board member and senior executive for review and comment prior to release to the ASX which includes the Company's Appendix 4C and associated commentary every quarter and each such announcement states that it has been approved by the Board. The Board is of the view that having each announcement reviewed includes an appropriate and necessary level of oversight of all statements made to the market.

In certain circumstances, for matters of a non-material nature and where full Board review and approval are not feasible, such announcements may be stated as approved by the CEO.

**PRINCIPLE 5:
MAKE TIMELY AND BALANCED DISCLOSURE**

A LISTED ENTITY SHOULD MAKE TIMELY AND BALANCED DISCLOSURE OF ALL MATTERS CONCERNING IT THAT A REASONABLE PERSON WOULD EXPECT TO HAVE A MATERIAL EFFECT ON THE PRICE OR VALUE OF ITS SECURITIES.

Recommendations

5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	The Company has a continuous disclosure program/policy in place designed to ensure compliance with the ASX Listing Rules on continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Company Secretary ensures that a copy of all market announcements is provided to the Board either immediately before or immediately after release to the ASX. This practice has been adopted by the Company since its listing in 2015.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	As stated in the responses to 4.3 and 5.2, the Company ensures that a copy of every announcement to the market is sent to every Board member and senior executive for review and comment prior to release to the ASX which includes any new and substantive investor presentation. The Company Secretary also ensures that a copy of the investor presentation is provided to the Board either immediately before or immediately after release to the ASX.

**PRINCIPLE 6:
RESPECT THE RIGHTS OF SECURITY HOLDERS**

A LISTED ENTITY SHOULD PROVIDE ITS SECURITY HOLDERS WITH APPROPRIATE INFORMATION AND FACILITIES TO ALLOW THEM TO EXERCISE THEIR RIGHTS AS SECURITY HOLDERS EFFECTIVELY.

Recommendations

6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company's Corporate Governance Plan includes a shareholder communications strategy which aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. This is contained within the Company's policies titled "Code of Conduct - Obligations to Stakeholders" and "Continuous Disclosure Policy". The policies are available on the Company's website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in 6.1.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in 6.1. The Company also encourages shareholders to attend the Company's Annual General Meeting (AGM) in person and to ask questions of the Board and the Auditor and/or to submit questions in

**PRINCIPLE 6:
RESPECT THE RIGHTS OF SECURITY HOLDERS**

A LISTED ENTITY SHOULD PROVIDE ITS SECURITY HOLDERS WITH APPROPRIATE INFORMATION AND FACILITIES TO ALLOW THEM TO EXERCISE THEIR RIGHTS AS SECURITY HOLDERS EFFECTIVELY.

writing in advance. A proposed change to the Company's constitution to allow AGMs to be held both in person and online, was rejected by shareholders at its AGM in 2021.

- | | | |
|-----|--|---|
| 6.4 | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands. | The Company has implemented a policy of ensuring that all resolutions at an AGM or Extraordinary General Meeting are decided by a poll. |
| 6.5 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | The Company has such a practice already in place for all shareholders. |

**PRINCIPLE 7:
RECOGNISE AND MANAGE RISK**

A LISTED ENTITY SHOULD ESTABLISH A SOUND RISK MANAGEMENT FRAMEWORK AND PERIODICALLY REVIEW THE EFFECTIVENESS OF THAT FRAMEWORK.

Recommendations

- | | | |
|-----|--|---|
| 7.1 | The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director, and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met | (a) The Board in conjunction with the Audit and Risk Management Committee determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

(1) has 3 members being Ms Teresa Dyson, Dr Ralph Craven and Mr Kenichi Seshimo. All of the committee members are non-executive and a majority of the committee being Ms Teresa Dyson and Dr Ralph Craven are independent.

(2) is chaired by an independent director being Ms Teresa Dyson who is not the Chair of the Board.

(3) A copy of the policy titled "Charter of the Audit and Risk Management Committee of Genex Power Limited" is available on the Company's website.

(4) The members of the committee are Ms Teresa Dyson (Chair), Dr Ralph Craven (Member) and Mr Kenichi Seshimo (member). |
|-----|--|---|

**PRINCIPLE 7:
RECOGNISE AND MANAGE RISK**

A LISTED ENTITY SHOULD ESTABLISH A SOUND RISK MANAGEMENT FRAMEWORK AND PERIODICALLY REVIEW THE EFFECTIVENESS OF THAT FRAMEWORK.

throughout the period and the individual attendances of the members at those meetings; **OR**

- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

(5) The Committee met 5 times during the reporting period with all members as constituted at the time in attendance.

(b) Not applicable.

7.2 The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

- (b) disclose, in relation to each reporting period, whether such a review has taken place.

(a) The Company has established policies for the oversight and management of material business risks. The Audit and Risk Management Committee Charter of the Company is available on the Company's website. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Board in conjunction with the Audit and Risk Management Committee. The Board and Audit and Risk Management Committee are required to assess risk management and associated internal compliance and control procedures and will be responsible for ensuring the process for managing risks is integrated within business planning and management activities. Reports on risk management are to be provided to the Board by the Audit and Risk Management Committee at the first Board meeting subsequent to each Committee meeting.

(b) A formal review of the Company's risk management framework occurs at every Audit and Risk Management Committee and Board meeting with the committee and Board reviewing and prioritising the top risks faced by the Company as advised by the Company's Management Risk Committee in conjunction with the Audit and Risk Management Committee. A formal review and planning session analysing and assessing the Company's risk register occurred a number of times through the reporting period between the Audit and Risk Management Committee and the management executive team.

7.3 A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; **OR**

- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually

(a) The Company has engaged a specialist internal audit firm to exercise the internal audit function in conjunction with a full time CFO to ensure a level of segregation particularly in relation to processes and procedures around such things as payment authorisations and limits of authority. The internal audit plan is set and managed by the Audit and Risk Management Committee and the internal auditor reports periodically to the Audit and Risk Management Committee regarding the progress against the internal audit plan.

(b) Not applicable.

**PRINCIPLE 7:
RECOGNISE AND MANAGE RISK**

A LISTED ENTITY SHOULD ESTABLISH A SOUND RISK MANAGEMENT FRAMEWORK AND PERIODICALLY REVIEW THE EFFECTIVENESS OF THAT FRAMEWORK.

improving the effectiveness of its governance, risk management and internal control processes.

7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	The Company is subject to a range of material economic and environmental risks as a developer and operator of a number of diverse renewable energy projects in different jurisdictions within Australia and emphasises the summary of non-exclusive risks outlined in the Company's Replacement Prospectus lodged with ASIC on 10 June 2015 and in the Company's presentations released periodically to the ASX. In relation to any potential, but as yet unknown, environmental risk, the Company has undertaken an Environmental Evaluation Process in conjunction with the Queensland Department of Environment and Science and is now proceeding with an agreed process with the department to surrender the current Environmental Authority over the Kidston site in Queensland and transition the site to the contaminated land framework under the <i>Environmental Protection Act 1994</i> .
-----	---	--

**PRINCIPLE 8:
REMUNERATE FAIRLY AND RESPONSIBLY**

A LISTED ENTITY SHOULD PAY DIRECTOR REMUNERATION SUFFICIENT TO ATTRACT AND RETAIN HIGH QUALITY DIRECTORS AND DESIGN ITS EXECUTIVE REMUNERATION TO ATTRACT, RETAIN AND MOTIVATE HIGH QUALITY SENIOR EXECUTIVES AND TO ALIGN THEIR INTERESTS WITH THE CREATION OF VALUE FOR SECURITY HOLDERS AND WITH THE ENTITY'S VALUES AND RISK APPETITE.

Recommendations

8.1	The board of a listed entity should:	(a) The Board has established a separate People and Remuneration Committee which:
	(a) have a remuneration committee which:	(1) has 3 members being Dr Ralph Craven, Ms Teresa Dyson and Mr Simon Kidston. 2 members of the committee being Dr Ralph Craven and Ms Teresa Dyson are independent.
	(1) has at least three members, a majority of whom are independent directors; and	(2) the Committee is chaired by an independent director being Dr Ralph Craven.
	(2) is chaired by an independent director, and disclose:	(3) A copy of the People and Remuneration Committee Charter is available on the Company's website.
	(3) the charter of the committee;	(4) The members of the committee are Dr Ralph Craven, Ms Teresa Dyson and Mr Simon Kidston.
	(4) the members of the committee; and	(5) The Committee met 3 times in the financial year with all members being present at each meeting of the Committee they were entitled to attend.

**PRINCIPLE 8:
REMUNERATE FAIRLY AND RESPONSIBLY**

A LISTED ENTITY SHOULD PAY DIRECTOR REMUNERATION SUFFICIENT TO ATTRACT AND RETAIN HIGH QUALITY DIRECTORS AND DESIGN ITS EXECUTIVE REMUNERATION TO ATTRACT, RETAIN AND MOTIVATE HIGH QUALITY SENIOR EXECUTIVES AND TO ALIGN THEIR INTERESTS WITH THE CREATION OF VALUE FOR SECURITY HOLDERS AND WITH THE ENTITY'S VALUES AND RISK APPETITE.

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR**

(b) Not applicable.

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Committee distinguishes the structure of non-executive directors' remuneration from that of senior executives. The Company's Constitution and the <i>Corporations Act 2001</i> also provides that the remuneration of non-executive directors will not be more than the aggregate fixed sum determined by a general meeting. The Board, upon recommendation from the People and Remuneration Committee, has historically been responsible for determining the remuneration of senior executives.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>(a) A summary of the Company's policy on prohibiting transactions in associated products which operate to limit the risk of participating in unvested entitlements under any equity-based remuneration scheme is contained within the People and Remuneration Committee Charter.</p> <p>(b) Paragraph 6.2 (3) of the Company's People and Remuneration Committee Charter states:</p> <p><i>"...The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with the Company's constitution and any thresholds approved by the Company's shareholders. Committee members must be aware at all times of the limitations of equity-based remuneration. The terms of such schemes should clearly prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under these schemes. The exercise of any entitlements under these schemes should be timed to coincide with any trading windows under the Company's securities trading policy..."</i></p>

ADDITIONAL RECOMMENDATIONS

- | | | |
|-----|---|-----------------|
| 9.1 | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the process it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | Not applicable. |
|-----|---|-----------------|
-

11. ASX ADDITIONAL INFORMATION

The following information is provided pursuant to Listing Rule 4.10 and is current as 15 August 2023 (unless otherwise stated):

Ordinary shares

1,385,177,140 fully paid ordinary shares are held by 8,050 shareholders.

Shareholder voting rights are specified in clause 10.14 of the Company's Constitution lodged with the ASX on 6 July 2015. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

The number of shareholders, by size of holding, in each class are:

	HOLDERS	TOTAL UNITS	PERCENTAGE
1 - 1,000	173	20,833	0.000%
1,001 - 5,000	2,015	6,730,835	0.490%
5,001 - 10,000	1,192	9,363,761	0.680%
10,001 - 100,000	3,492	138,462,768	9.990%
100,001 and over	1,178	1,230,598,943	88.840%
Total	8,050	1,385,177,140	100.000%

There were 153 shareholders with an unmarketable parcel of shares being a holding of less than 3,571 shares each for a combined total of 7,153 shares based on a closing price of \$0.14 per share as at 14 August, 2023, representing 0.00052% of the shares on issue on that day.

Substantial shareholders

	TOTAL UNITS	PERCENTAGE	DATE OF NOTICE
SKIP EIF ENTERPRISES PTY LTD <SKIP EIF A/C>	276,896,318	19.990%	25/07/2022
JPGA Partners Pty Ltd	106,990,005	7.724%	19/05/2021

Twenty largest shareholders

	TOTAL UNITS	PERCENTAGE
SKIP EIF ENTERPRISES PTY LTD <SKIP EIF A/C>	276,896,318	19.990%
JPGA PARTNERS PTY LTD	106,990,005	7.724%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	95,574,398	6.900%
CITICORP NOMINEES PTY LIMITED	82,371,074	5.947%
BNP PARIBAS NOMS PTY LTD <DRP>	66,457,820	4.798%
BERNE NO 132 NOMINEES PTY LTD <718434 A/C>	33,936,840	2.450%
BERNE NO 132 NOMINEES PTY LTD <718999 A/C>	33,936,840	2.450%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,120,498	1.741%
ASIA ECOENERGY DEVELOPMENT LIMITED	23,678,750	1.709%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	15,109,654	1.091%
DOWNING DOMAIN INVESTMENTS PTY LTD <DOWNING FAMILY A/C>	12,477,982	0.901%
ASIA ECOENERGY DEVELOPMENT LIMITED	12,000,000	0.866%
DANAWA (INV) PTY LTD <DANAWA SUPER FUND A/C>	10,000,000	0.722%
HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	9,208,188	0.665%
DANAWA (INV) PTY LTD <DANAWA S/F A/C>	9,150,000	0.661%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,763,933	0.633%
SPLENDID STUFF PTY LTD	7,046,599	0.509%
MR ROBERT DOWNING & MRS CHRISTINE DOWNING <ROB & CHRIS DOWNING S/F A/C>	5,784,000	0.418%
KFT CAPITAL PTY LIMITED <GUNDIMAINA A/C>	5,350,000	0.386%
MRS JILLIAN MARIA NOEL TAYLOR	4,614,194	0.333%
Total	843,467,093	60.892%

Options on issue

14,500,000 options are held by 6 option holders.

Option holders do not have the right to vote at a general meeting of shareholders until such time as the options have been converted into ordinary shares in the Company.

The number of option holders, by size of holding, in each class are:

Exercisable at \$0.34 expiring 10 September 2024

	HOLDERS	TOTAL UNITS	PERCENTAGE
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	6	14,500,000	100%
Total	6	14,500,000	100%

Option holders with more than 20% of this class of option are:

	TOTAL UNITS	PERCENTAGE
ESCR INVESTMENTS PTY LTD <THE CRAVEN FAMILY A/C>	4,000,000	27.586%
LIGUO CAPITAL PTY LIMITED <BENJO FAMILY A/C>	3,000,000	20.690%
DANAWA (INV) PTY LTD <DANAWA S/F A/C>	3,000,000	20.690%
Total	10,000,000	68,966%

Performance rights on issue

9,660,586 performance rights are held by 10 performance right holders.

Performance rights do not have the right to vote at a general meeting of shareholders until such time as the performance rights have vested and converted into ordinary shares in the Company.

The number of performance right holders, by size of holding, in each class are:

Corporate tranche vesting on 10 May 2026

	HOLDERS	TOTAL UNITS	PERCENTAGE
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	7	7,097,494	100.000%
Total	7	7,097,494	100.000%

Performance right holders with more than 20% of this class of performance rights are:

	TOTAL UNITS	PERCENTAGE
Jacquelyn Pagano	2,165,993	30.518%
Melanie Graham McGhie	2,165,993	30.518%
Total	4,331,986	61.035%

K2H tranche 50% vesting on 10 May 2026 and 50% vesting on the date of K2H provisional acceptance

	HOLDERS	TOTAL UNITS	PERCENTAGE
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 and over	3	2,563,092	100.000%
Total	3	2,563,092	100.000%

Performance right holders with more than 20% of this class of performance rights are:

	TOTAL UNITS	PERCENTAGE
Louise Amy Ford	1,299,596	50.704%
Angela Mary Berton	902,497	35.211%
Total	2,202,093	85.915%

Other disclosures

There are no shares or options subject to escrow.

There is no current on-market buy-back.

There are no issues of securities approved for the purposes of Item 7 of section 611 of the *Corporations Act 2001* which have not yet been completed.

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

Mrs Ana Gomiero-Guthrie

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Suite 12.03, Level 12
35 Clarence St
Sydney NSW 2000
Telephone: +61 2 9048 8850
Email: info@genexpower.com.au

WEBSITE

www.genexpower.com.au

ASX CODE

GNX

AUDITORS

Ernst & Young
200 George Street
Sydney NSW 2000
Telephone: +61 2 9248 4481
Website: www.ey.com/au/en/home

SHARE REGISTRY

Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au