ASX RELEASE
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THIRD QUARTER FY20 ACTIVITY REPORT

Infigen (ASX: IFN) today presents its Activity Report for the three months ended 31 March 2020. All figures in this report are unaudited.

	Unit	Q3 FY20	Q3 FY19	Variance %	FYTD FY20	FYTD FY19	Variance %
Production sold from Owned Renewable Energy Assets[1]	GWh	398	405	-2%	1,413	1,277	11%
Production purchased and sold from Contracted Renewable Energy Assets[2]	GWh	39	25	n/m	94	64	n/m
Renewable Energy Generation sold	GWh	436	430	1%	1,508	1,342	12%
Net revenue[3]	**$ million**	**54.3**	**46.6**	**17%**	**188.5**	**165.8**	**14%**

Infigen's strategy is to supply Australian commercial and industrial customers with clean energy under firm contracts. This strategy is enabled by our fleet of owned and contracted wind farms, our portfolio of fast-start firming assets, and our energy markets capability. This strategy positions Infigen to take advantage of the opportunities that arise from the ongoing clean energy transition in Australia, a transition driven by economics, engineering and the inexorable retirement of Australia's ageing coal fired fleet.

Given the health, social and economic impacts of COVID-19 in Australia, Infigen is announcing the four core principles that have guided, and will continue to guide, the implementation of our strategy in the current conditions. We also provide some additional information regarding their application to our business activities today. The four core principles are:

(1) The safety and wellbeing of our people is always our first priority;
(2) A strong financial position is central to our long-term success;
(3) Our customers are our partners and where we can, we are committed to helping them through this downturn; and
(4) Capital is allocated to balance accretive growth, security holders returns and deleveraging, and necessarily considers changing economic and project risks.

Managing Director, Ross Rolfe, AO, said: "These principles are at the core of how we conduct our business and will continue to guide us through this period of uncertainty. The principles allow us to build on our strengths, maintain business momentum and ensure we are well placed to continue to lead the clean energy transition in more certain times. Applying them to today's highly uncertain energy markets, we are re-calibrating the pace of near term investment. This results in a higher retention of cash over the near term, ensuring we can continue to lead the clean energy transition in Australia."

1. The safety and wellbeing of our people is always our first priority

Infigen's first priority will always be the safety and wellbeing of our people. Of Infigen's 86 staff members, 78 are based in head office, including our Operations and Control Centre, and 8 are based at Infigen's operating sites, where site specific work arrangements are in place. Infigen implemented remote working for all head

[1] Production sold from Owned Renewable Energy Assets includes the impact of marginal loss factors.
[2] Contracted Renewable Energy Assets refers to production acquired under run of plant PPAs where Infigen is the offtaker.
[3] Net revenue is reported as gross revenue minus the cost of sales. Net revenue includes the contribution of Owned Renewable Energy Assets, Contracted Renewable Energy Assets and Firming Assets.

office staff from Monday, 16 March. To date, this arrangement has had no observable impact on Infigen's usual business activities.

At Infigen's seven owned wind farms, the site managers are taking additional safety precautions, including minimising time spent on site and restricting in person contact with communities. Infigen's fleet of owned wind farms are under long term operations and maintenance agreements with either General Electric or Vestas. These contracts are structured in a manner that aligns the parties in pursuing sustainably high levels of plant availability. GE and Vestas are global diversified suppliers who are well placed to manufacture and procure spare and replacement parts as necessary to meet the expected ongoing maintenance requirements. In the event an unexpected component failure occurs and a replacement part for a turbine was unable to be procured, the turbines can be individually isolated, allowing the remainder of the wind farm to continue to produce.

At Smithfield OCGT, split shifts are in place, with site activity generally limited to safety measures and preventative maintenance, enabling the ongoing reliability of the three individual units.

To date, there have been no material impacts of COVID-19 on the operational performance of Infigen's owned wind farms or firming assets. If required, our fleet of owned wind farms and the Smithfield OCGT can be operated remotely for a period of time.

Consistent with government advice that social distancing measures may be in place for a prolonged period of time, Infigen has also acted early to adapt its people, culture and communication activities to the remote environment. This has included a range of initiatives designed to maintain employee safety, wellbeing, engagement and productivity through this period of remote working. Management is intensely focused on caring for our people, and is committed to retaining our diverse, engaged and high-performance culture through this challenging time.

2. **A strong financial position is central to our long-term success**

As at 31 March 2020, Infigen's consolidated Net Debt was $454m. Unrestricted cash was $140m with an additional $20m available via an undrawn working capital facility. All figures are unaudited. Preserving this financial position will enable us to take advantages of opportunities as and when the market normalises.

Infigen has two credit facilities: the Corporate Facility and the Bodangora Project Finance Facility. Together these provide Infigen with a stable source of medium to long term funding.

- The Corporate Facility is secured against six owned wind assets and the SA Battery. It contains two financial covenants: a Net Debt to EBITDA covenant of 5.25x until 18 April 2021 (and 5.0x thereafter) and a Debt Service Coverage Ratio (DSCR) covenant of 1.15x. The Corporate Facility matures in April 2023.
- The Bodangora Project Finance Facility is secured against the Bodangora wind farm and fully amortises over the period to its maturity in 2034. This facility therefore has no refinancing event. Debt service under the facility is supported by the Power Purchase Agreement with EnergyAustralia for 60% of the electricity and LGCs produced by the wind farm until December 2030. The facility has a DSCR covenant of 1.2x.

These two facilities position the business to navigate a prolonged period of market disruption.

3. **Our customers are our partners and where we can, we are committed to helping them through this downturn.**

Over the last three years, Infigen has grown and diversified its commercial and industrial customer base, resulting in a strong customer contract position. Infigen has approximately 70% of its expected renewable energy volumes contracted for the next three financial years and a strong contracted position for forward sales of LGCs.

As indicated on slide 6 of the H1FY20 results presentation, Infigen has a growing and increasingly diversified customer base, with no single customer representing more than 20% of Infigen's total electricity volumes. Infigen assesses the credit of prospective customers before entering into electricity and LGC supply contracts and monitors the financial health of its customers on an ongoing basis.

In order to manage the demand variation inherent in most businesses, and in line with industry standard contracting practises, commercial and industrial customer contracts often contain upwards and downwards quantity adjustments. For Infigen's existing customer portfolio, these adjustments range from zero to twenty percent, calculated annually. In line with Infigen's commitment to being the clean energy retailer of choice for Australian businesses, we will work constructively with our customers on their changing energy needs. Infigen will apply a case-by-case approach where required, and will collaborate with customers in a manner that is fair, mutually beneficial and sustainable for the long term.

4. **Capital is allocated to balance accretive growth, security holders returns and deleveraging and necessarily considers changing economic and project risks**

Given recent market disruption, Infigen has taken several decisive steps designed to safeguard the interests of all our stakeholders through this economic downturn.

First, Infigen remains committed to, but is re-calibrating the timing of, the delivery of the 600-700MW of targeted nameplate renewable energy capacity growth. The decision to adjust the rate of growth is in line with Infigen's Capital Management Strategy of ensuring any growth initiatives are accretive, meet Infigen's hurdle rate and properly price economic and financial risks. The decision to re-accelerate the growth strategy is one that will be made when Infigen has confidence in the timeframe over which market conditions will normalise. In the short term, this decision minimises Infigen's exposure to wholesale electricity prices.

Secondly, Infigen is deferring the timeline for a Final Investment Decision (FID) in relation to the Flyers Creek Wind Farm. Infigen had targeted the financial close of Flyers Creek on or about 30 June 2020. The decision to defer FID is due to a range of risks that arise from the COVID-19 crisis, including risks related to financing, construction, and commissioning, through this period of economic and social disruption, along with a more subdued wholesale electricity price outlook. Based on Infigen's front end engineering and design process, the underlying strengths of this asset are unchanged; namely that Flyers Creek Wind Farm is located close to large electricity load, with a compelling wind resource, in one of the nation's most opportunity rich electricity markets, NSW. As and when the market normalises, consideration of FID for Flyers Creek Wind Farm – either on Balance Sheet or Capital Lite – will be evaluated within the context of our Capital Management Strategy.

Thirdly, Infigen is deferring the relocation of the 120MW South Australian Gas Turbines (SAGTs) by at least one year to CY22, or later if circumstances require. Relocation requires the development of a six kilometre gas pipeline and a 1.5 kilometre 66kV transmission line and was previously expected in CY21. Infigen will continue to finalise all necessary development approvals and progress the necessary connection arrangements so that when market conditions normalise, relocation can be completed with minimal execution risk. A corollary of a deferral of the relocation is lower near-term capital expenditure, as the majority of the $55m capital expenditure budget will be reprofiled. Due to a number of factors relating to disruptions associated with COVID-19, Infigen now expects the lease of the SAGTs to commence early in Q1FY21.

Over the medium term, Australia's National Electricity Market will continue to transition towards higher levels of generation from renewables, higher investment in firming assets, and increased demand for clean energy or carbon offset solutions. Infigen intends to retain its leadership of the clean energy transition in these challenged times. Accordingly, while cautiously approaching investment, Infigen continues to evaluate growth opportunities on a case by case basis and will actively consider opportunities that meet its risk-adjusted return requirements.

Infigen reiterates FY20 outlook:

Infigen reiterates its FY20 outlook statements from the H1FY20 results presentation. This includes approximately 1.9TWh of renewable energy generation to be sold in FY20, with approximately 52% sold at

$78/MWh to C&I customers, 30% sold at $50/MWh to PPA customers, and remaining volumes sold via the merchant channel, with lower merchant revenues expected than in FY19. Infigen reiterates that 100% of its expected FY20 LGCs are contracted at an average sales price of $54 per certificate. Infigen continues to anticipate Asset Operating Costs of approximately $50-55m and Business Operating Costs of approximately $25m.

Looking further ahead, the combined forces of lower domestic economic activity and lower global energy prices, have contributed to a substantial step down in forward prices for wholesale electricity. Although Infigen's proactive contracting strategy for electricity and LGCs moderates the impact of these factors, they are nevertheless likely to contribute to low merchant electricity revenues in FY21.

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This announcement was authorised by: Managing Director and Chief Executive Officer, Ross Rolfe, AO.

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About Infigen

Infigen is leading Australia's transition to a clean energy future. Infigen generates and sources renewable energy, increases the value of intermittent renewables by firming, and provides customers with clean, reliable and competitively priced energy solutions.

Infigen generates renewable energy from its owned wind farms in New South Wales (NSW), South Australia (SA) and Western Australia (WA). Infigen also sources renewable energy from third party renewable projects under its 'Capital Lite' strategy. Infigen's strategy is to increase the value of intermittent renewables by firming them from its Smithfield OCGT Facility in Western Sydney, NSW, its 25 MW/52 MWh battery at Lake Bonney, SA, and the South Australian Gas Turbines from the commencement of the lease of those assets.

Infigen's energy retailing licences are held in the National Electricity Market (NEM) regions of Queensland, New South Wales (including the Australian Capital Territory), Victoria and South Australia.

Infigen is a proud and active supporter of the communities in which it operates.

For further information, please visit: www.infigenenergy.com