

20 October 2020

Rating  
**SPECULATIVE BUY**  
unchanged

Price Target  
**A\$0.30**  
unchanged

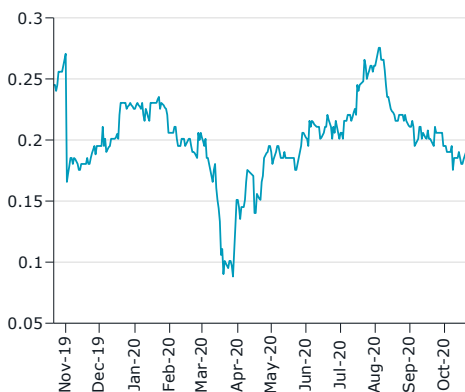
GNX-ASX

Price  
**A\$0.20**

**Market Data**

52-Week Range (A\$) :	0.08 - 0.28
Avg Daily Vol (000s) :	4,233
Market Cap (A\$M) :	97.1
Shares Out. (M) :	498.2
Dividend /Shr (AUC) :	0.0
Dividend Yield (%) :	0.0
Enterprise Value (A\$M) :	194

FYE Jun	2020A	2021E	2022E	2023E
Sales (A\$M)	10.3	16.6	58.0	94.1
EBITDA (A\$M)	1.8	7.5	33.9	53.9
EBIT (A\$M)	(6.2)	(0.3)	13.9	24.0
Net Income (A\$M)	(10.5)	(2.6)	11.1	17.2
Net Debt (Cash) (A\$M)	117	553	797	769
DPS (A\$)	0.00	0.00	0.00	0.00



Source: FactSet

Priced intraday 21 October 2020

Genex Power Ltd. is a power generation development company, which focuses on the production and storage of renewable energy. Its projects includes Kidston Solar, Kidston Pumped Hydro and Jemalong Solar.

James Bullen | Analyst | Canaccord Genuity (Australia) Ltd. | jbullen@cgf.com | +61.2.9263.2728

SepQ'20 update

GNX continued to progress its flagship pumped-hydro project during the quarter, and while it wasn't able to achieve financial close as hoped, a pathway to this milestone in DecQ is clearly present, in our view. The company ended the period with \$61mn in cash and \$196mn in debt.

We retain our SPECULATIVE BUY rating and \$0.30ps price target.

**Full transmission agreement the last major piece of the puzzle, in our view**

The QLD government has reconfirmed its commitment to contribute \$132mn to connect K2H to the grid and has provided a proposed operating and maintenance (O&M) cost sharing arrangement. We understand that under the proposal the O&M agreement will be broken in two: one covering K2H and a separate agreement for additional tie-ins beyond this.

With this framework in place we do not believe the negotiations between GNX and Powerlink will be impacted by the QLD Government entering "caretaker" mode ahead of the state election later this month.

While it appears likely, in our view, that GNX (along with Powerlink) will have to accept some form of contingent liability for O&M costs beyond K2H should no other generation assets connect this is far from a deal breaker given the potential of K2H. That said, it could slightly reduce the debt carrying capacity of the asset.

**Sell-down process continuing**

GNX has completed its competitive equity process and is in the final stages of concluding negotiations with a preferred equity partner to invest up to a 50% interest in the project. The company has indicated that the current negotiations with Powerlink should not impact this process.

**NAIF reaffirms commitment, contractors extend pricing validity**

Despite the delays, the Northern Australia Infrastructure Facility (NAIF) continues to support the Project and has advised Genex that the NAIF Board will extend its ~\$610mn funding offer to 31 January 2021. Key contractors have also extended their pricing validity for the \$700mn project.

**Kidston solar underperformance leads to O&M contractor change**

Generation of 30.7GWh was down 5% YoY and reflects a capacity factor of 28%. This was slightly below our 29% assumption and well below the >33% initially targeted. The project has averaged a 28% capacity factor since July 2018 so it is perhaps unsurprising that GNX and its O&M contractor UGL have parted ways, with GNX to receive "\$2.5mn in settlement of all outstanding matters in relation to UGL's involvement with KS1".

**Jemalong solar 85% complete on track for DecQ start-up**

Construction activities at Jemalong continued across the quarter, largely unaffected by the COVID-19 pandemic, with construction now well advanced and approximately 85% of the tasks from the construction schedule ongoing or complete (75% at end JunQ). The company has indicated it is on track for DecQ start-up, but given the slower rate of recent progress we do see risks to this. The project's generation remains uncontracted.

Figure 1: Genex financial summary

FY Jun 30	2019	2020	2021E	2022E	2023E	2019	2020	2021E	2022E	2023E	
<b>PROFIT &amp; LOSS (A\$m)</b>											
Revenue	11	10	17	58	94	<b>KEY PRICING ASSUMPTIONS</b>					
Operational Costs	-4	-4	-3	-18	-34	NSW Electricity Prices (\$/MWh)	85.2	78.8	66.4	65.8	66.2
Other income	5	2	3	3	3	SA Electricity Prices (\$/MWh)	79.0	74.5	71.3	73.1	75.0
Corporate & Other	-6	-7	-9	-9	-9	WA Electricity Prices (\$/MWh)	50.0	50.0	50.9	52.2	53.5
<b>EBITDA</b>	<b>6</b>	<b>2</b>	<b>7</b>	<b>34</b>	<b>54</b>	LGC Prices (\$/LGC)	52.6	45.0	21.3	12.8	8.2
DD&A	-6	-8	-8	-20	-30	<b>REALISED PRICES</b>					
Other	0	0	0	0	0	Bundled price (\$/MWh)	82.3	77.8	126.4	118.0	110.9
<b>EBIT</b>	<b>-1</b>	<b>-6</b>	<b>0</b>	<b>14</b>	<b>24</b>	<b>GENERATION FORECASTS</b>					
Financing Income	0	0	1	1	1	Australian Generation (GWh)	131	132	131	492	848
Financing Costs	-5	-4	-3	-4	-8	<b>Total (GWh)</b>	<b>131</b>	<b>132</b>	<b>131</b>	<b>492</b>	<b>848</b>
<b>NPBT</b>	<b>-5</b>	<b>-11</b>	<b>-3</b>	<b>11</b>	<b>17</b>						
Tax	0	0	0	0	0						
<b>Normalised NPAT</b>	<b>-5</b>	<b>-11</b>	<b>-3</b>	<b>11</b>	<b>17</b>						
Sig Items, Discon Ops & Mins	0	0	0	0	0						
<b>Reported NPAT</b>	<b>-5</b>	<b>-11</b>	<b>-3</b>	<b>11</b>	<b>17</b>						
Effective income tax rate	0%	0%	0%	0%	0%	<b>PER SHARE DATA</b>					
<b>CASHFLOW (A\$m)</b>						Average Shares (Diluted, M)					
Cash receipts	16	10	17	58	94	255	356	482	498	498	
Payments to suppliers	-9	-11	-11	-26	-42	EOP Shares (Diluted, mn)	312	402	498	498	
Interest received	0	0	1	1	1	Normalised EPS (A¢/sh)	-2.2	-3.0	-0.5	2.2	3.5
Interest paid	-4	-3	-3	-4	-8	CF PS (A¢/sh)	0.2	-1.2	-0.2	1.0	8.9
Other	-2	0	-4	-24	-1	FCF PS (A¢/sh)	-4.6	-11.8	-94.9	-48.9	5.6
<b>Operating Cashflow</b>	<b>1</b>	<b>-4</b>	<b>-1</b>	<b>5</b>	<b>45</b>	<b>RATIOS</b>					
Payments for PP&E	53	18	0	0	0	Dividend Yield	0%	0%	0%	0%	0%
Payments for Intangible Assets	-6	0	0	0	0	PE	-9.1	-6.6	-36.3	8.7	5.6
Payments for Growth Developments	-60	-56	-452	-232	-1	PCF (Debt Adj)	13.0	-63.2	56.0	13.0	1.9
Asset Sales / (Purchases)	0	0	0	0	0	EV / EBITDA	28.1	110.5	86.9	26.4	16.1
Other	0	0	-4	-16	-15	Gearing (ND / ND + E)	92%	91%	96%	98%	98%
<b>Investing Cashflow</b>	<b>-12</b>	<b>-38</b>	<b>-457</b>	<b>-248</b>	<b>-17</b>	Net Debt / EBITDA	17.2x	66.2x	73.9x	23.5x	14.3x
Share Issuance / (Buyback)	2	21	21	0	0	Interest Cover	-0.2x	-1.5x	-0.1x	3.6x	3.0x
Drawdown / (Repayment) of Debt	-1	86	436	244	-26	ROE (Reported Profit / Av Equity)	-46%	-106%	-15%	56%	103%
Dividends	0	0	0	0	0	ROIC	-1%	-5%	0%	2%	3%
Other	3	-3	0	0	0	ROACE	0%	-2%	0%	1%	2%
<b>Financing Cashflow</b>	<b>4</b>	<b>104</b>	<b>458</b>	<b>244</b>	<b>-26</b>	FCF Yield	-24%	-61%	-487%	-251%	29%
Surplus / Defecit	-8	62	0	0	2						
<b>BALANCE SHEET (A\$m)</b>						<b>DIVIDEND AND FRANKING</b>					
Current Assets	6	69	73	97	100	Dividend (A¢/sh)	0	0	0	0	0
Non-Current Assets	129	185	629	842	814	Payout ratio	0%	0%	0%	0%	0%
<b>Total Assets</b>	<b>135</b>	<b>254</b>	<b>702</b>	<b>939</b>	<b>913</b>	Franking Balance (A\$m)	0	0	0	0	0
Current Liabilities	8	31	45	52	51	<b>VALUATION</b>					
Non-Current Liabilities	118	211	634	870	845	<b>Risked</b>		<b>Unrisked</b>			
<b>Total Liabilities</b>	<b>126</b>	<b>243</b>	<b>679</b>	<b>922</b>	<b>897</b>	K1-Solar	0.06	0.06			
<b>Net Assets</b>	<b>8</b>	<b>11</b>	<b>23</b>	<b>17</b>	<b>17</b>	K2-Solar	0.04	0.06			
Total Cash	3	65	65	65	68	K2-Hydro	0.08	0.08			
Total Debt	100	182	619	862	836	K2 Developer margin	0.09	0.09			
<b>Net Debt</b>	<b>96</b>	<b>117</b>	<b>553</b>	<b>797</b>	<b>769</b>	Jemalong	0.03	0.04			
						<b>TOTAL</b>	<b>0.30</b>	<b>0.33</b>			
						PREMIUM/(DISCOUNT)	0.0				
						<b>PRICE TARGET</b>	<b>0.30</b>				

Source: Company Reports, Canaccord Genuity estimates

**Figure 2: Valuation build-up**

Asset	Equity %	Net Capacity MW	Risk %	Risky FCF to equity	
				A\$m	A\$ps
K1-Solar	100%	50	100%	30.0	0.06
<b>GENERATION</b>		<b>50</b>		<b>30.0</b>	<b>0.06</b>
K2-Solar	50%	135	60%	18.0	0.04
K2-Hydro	50%	125	100%	41.5	0.08
K2 Hydro Developer Margin			100%	34.4	0.07
K2 Solar Developer Margin			60%	8.1	0.02
Jemalong	100%		90%	16.2	0.03
<b>DEVELOPMENT ASSETS</b>		<b>260</b>		<b>118.2</b>	<b>0.24</b>
Premium / (Discount)					0.00
<b>PRICE OBJECTIVE</b>					<b>0.30</b>

Source: Company Reports, Canaccord Genuity estimates

## Appendix: Important Disclosures

### Analyst Certification

Each authoring analyst of Canaccord Genuity whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research, and (iii) to the best of the authoring analyst's knowledge, she/he is not in receipt of material non-public information about the issuer.

Analysts employed outside the US are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

### Sector Coverage

Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

### Investment Recommendation

Date and time of first dissemination: October 20, 2020, 23:30 ET

Date and time of production: October 20, 2020, 23:30 ET

### Target Price / Valuation Methodology:

Genex Power Limited - GNX

Our price target is based on a sum-of-the-parts analysis.

### Risks to achieving Target Price / Valuation:

Genex Power Limited - GNX

**Energy policy risk:** Australian energy policy has been extremely politicized over the last decade. Policy changes (both at a federal and state level) have occurred on numerous occasions. While we are hopeful that the NEG can provide the certainty craved by industry this outcome is far from certain.

**Regulatory approval risk:** Kidston is subject to a number of regulatory approvals which could slow the pace of development or even result in the project being cancelled. The classification of the project as "critical infrastructure" lowers this risk in our view.

**Pricing risk:** Electricity and green credit pricing are historically volatile. While this risk can be mitigated by securing long-term offtake agreements for relevant parts of the project, this could result in lower ultimate returns.

**Technology risk:** Pumped hydro and solar PV are mature technologies. Future advances in other technologies used to generate, manage and store electricity (e.g., large-scale battery storage) may be more efficient and/or more cost-effective and could adversely impact GNX's finances.

**Development risk:** the construction of a large development in remote QLD carries both budget and schedule risks. We believe the company will seek to minimise these risks through appropriate contracting strategies.

**Operational risk:** GNX will be subject to operational risks which are beyond its control. Operations may be curtailed or cancelled as a result of adverse weather conditions, mechanical difficulties, shortages or cost increases of consumables, external services failure (including energy and water supply), IT system failures etc. This risk is partially mitigated by having an experienced management team and using experienced contractors to plan for and manage such events.

**Key personnel risk:** A number of staff in GNX's management team has significant energy and/or hydroelectric industry experience and expertise. If one or more of these key personnel were to depart, it may be difficult to replace them adequately, in which case there could be an adverse effect on GNX's ability to execute its strategic plans.

**Financing risk:** GNX will require future financing to pursue its development plans. There is no guarantee that funding will be available on satisfactory terms, which could result in the Kidston Project not proceeding.

**Distribution of Ratings:**

**Global Stock Ratings (as of 10/20/20)**

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	541	62.47%	55.08%
Hold	166	19.17%	40.36%
Sell	9	1.04%	33.33%
Speculative Buy	127	14.67%	78.74%
	866*	100.0%	

\*Total includes stocks that are Under Review

**Canaccord Genuity Ratings System**

**BUY:** The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

**HOLD:** The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

**SELL:** The stock is expected to generate negative risk-adjusted returns during the next 12 months.

**NOT RATED:** Canaccord Genuity does not provide research coverage of the relevant issuer.

"Risk-adjusted return" refers to the expected return in relation to the amount of risk associated with the designated investment or the relevant issuer.

**Risk Qualifier**

**SPECULATIVE:** Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.

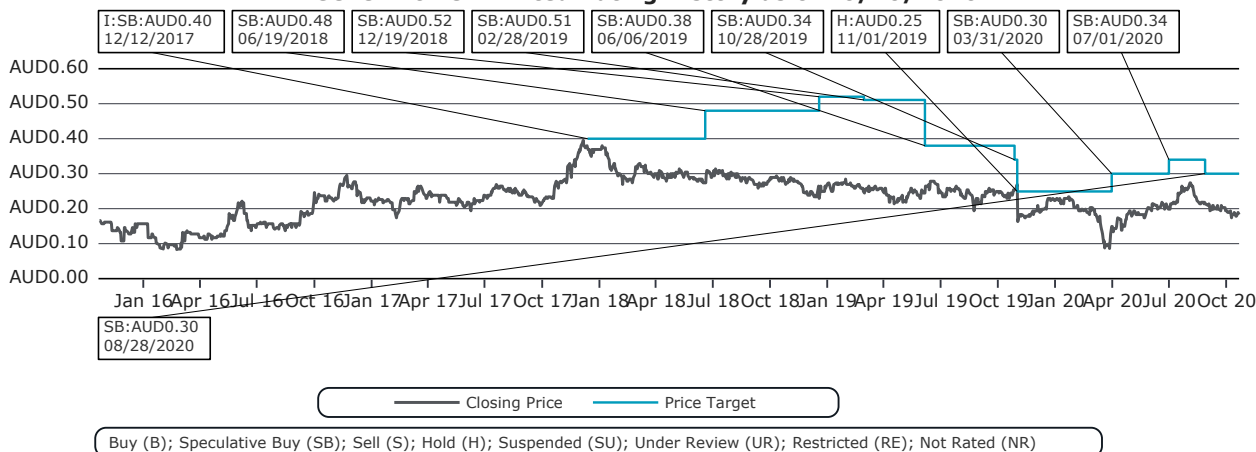
**12-Month Recommendation History (as of date same as the Global Stock Ratings table)**

A list of all the recommendations on any issuer under coverage that was disseminated during the preceding 12-month period may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures-mar.canaccordgenuity.com/EN/Pages/default.aspx>

**Required Company-Specific Disclosures (as of date of this publication)**

Canaccord Genuity or one or more of its affiliated companies intend to seek or expect to receive compensation for Investment Banking services from Genex Power Limited in the next three months.

**Genex Power Limited Rating History as of 10/20/2020**



**Past performance**

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

**Online Disclosures**

Up-to-date disclosures may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures.canaccordgenuity.com/EN/Pages/default.aspx>; or by sending a request to Canaccord Genuity Corp. Research, Attn: Disclosures, P.O. Box 10337 Pacific Centre, 2200-609 Granville Street, Vancouver, BC, Canada V7Y 1H2; or by sending a request by email to [disclosures@cgf.com](mailto:disclosures@cgf.com). The reader may also obtain a copy of Canaccord Genuity's policies and procedures regarding the dissemination of research by following the steps outlined above.

### **General Disclaimers**

See "Required Company-Specific Disclosures" above for any of the following disclosures required as to companies referred to in this report: manager or co-manager roles; 1% or other ownership; compensation for certain services; types of client relationships; research analyst conflicts; managed/co-managed public offerings in prior periods; directorships; market making in equity securities and related derivatives. For reports identified above as compendium reports, the foregoing required company-specific disclosures can be found in a hyperlink located in the section labeled, "Compendium Reports." "Canaccord Genuity" is the business name used by certain wholly owned subsidiaries of Canaccord Genuity Group Inc., including Canaccord Genuity LLC, Canaccord Genuity Limited, Canaccord Genuity Corp., and Canaccord Genuity (Australia) Limited, an affiliated company that is 80%-owned by Canaccord Genuity Group Inc.

The authoring analysts who are responsible for the preparation of this research are employed by Canaccord Genuity Corp. a Canadian broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal, or Canaccord Genuity LLC, a US broker-dealer with principal offices located in New York, Boston, San Francisco and Houston, or Canaccord Genuity Limited., a UK broker-dealer with principal offices located in London (UK) and Dublin (Ireland), or Canaccord Genuity (Australia) Limited, an Australian broker-dealer with principal offices located in Sydney and Melbourne.

The authoring analysts who are responsible for the preparation of this research have received (or will receive) compensation based upon (among other factors) the Investment Banking revenues and general profits of Canaccord Genuity. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific Investment Banking activities, or to recommendations contained in the research.

Some regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of research. This research has been prepared in accordance with Canaccord Genuity's policy on managing conflicts of interest, and information barriers or firewalls have been used where appropriate. Canaccord Genuity's policy is available upon request.

The information contained in this research has been compiled by Canaccord Genuity from sources believed to be reliable, but (with the exception of the information about Canaccord Genuity) no representation or warranty, express or implied, is made by Canaccord Genuity, its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Canaccord Genuity has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Canaccord Genuity's judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

From time to time, Canaccord Genuity salespeople, traders, and other professionals provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Canaccord Genuity's affiliates, principal trading desk, and investing businesses also from time to time make investment decisions that are inconsistent with the recommendations or views expressed in this research.

This research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this research may not be eligible for sale in some jurisdictions. This research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Canaccord Genuity, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or relating to any use of the information contained in this research.

### **Research Distribution Policy**

Canaccord Genuity research is posted on the Canaccord Genuity Research Portal and will be available simultaneously for access by all of Canaccord Genuity's customers who are entitled to receive the firm's research. In addition research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Canaccord Genuity's customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

### **Short-Term Trade Ideas**

Research Analysts may, from time to time, discuss "short-term trade ideas" in research reports. A short-term trade idea offers a near-term view on how a security may trade, based on market and trading events or catalysts, and the resulting trading opportunity that may be available. Any such trading strategies are distinct from and do not affect the analysts' fundamental equity rating for such stocks. A short-term trade idea may differ from the price targets and recommendations in our published research reports that

reflect the research analyst's views of the longer-term (i.e. one-year or greater) prospects of the subject company, as a result of the differing time horizons, methodologies and/or other factors. It is possible, for example, that a subject company's common equity that is considered a long-term 'Hold' or 'Sell' might present a short-term buying opportunity as a result of temporary selling pressure in the market or for other reasons described in the research report; conversely, a subject company's stock rated a long-term 'Buy' or 'Speculative Buy' could be considered susceptible to a downward price correction, or other factors may exist that lead the research analyst to suggest a sale over the short-term. Short-term trade ideas are not ratings, nor are they part of any ratings system, and the firm does not intend, and does not undertake any obligation, to maintain or update short-term trade ideas. Short-term trade ideas are not suitable for all investors and are not tailored to individual investor circumstances and objectives, and investors should make their own independent decisions regarding any securities or strategies discussed herein. Please contact your salesperson for more information regarding Canaccord Genuity's research.

**For Canadian Residents:**

This research has been approved by Canaccord Genuity Corp., which accepts sole responsibility for this research and its dissemination in Canada. Canaccord Genuity Corp. is registered and regulated by the Investment Industry Regulatory Organization of Canada (IIROC) and is a Member of the Canadian Investor Protection Fund. Canadian clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Corp. in their particular province or territory.

**For United States Persons:**

Canaccord Genuity LLC, a US registered broker-dealer, accepts responsibility for this research and its dissemination in the United States. This research is intended for distribution in the United States only to certain US institutional investors. US clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity LLC. Analysts employed outside the US, as specifically indicated elsewhere in this report, are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity LLC and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

**For United Kingdom and European Residents:**

This research is distributed in the United Kingdom and elsewhere Europe, as third party research by Canaccord Genuity Limited, which is authorized and regulated by the Financial Conduct Authority. This research is for distribution only to persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restrictions in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This material is not for distribution in the United Kingdom or elsewhere in Europe to retail clients, as defined under the rules of the Financial Conduct Authority.

**For Jersey, Guernsey and Isle of Man Residents:**

This research is sent to you by Canaccord Genuity Wealth (International) Limited (CGWI) for information purposes and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This research has been produced by an affiliate of CGWI for circulation to its institutional clients and also CGWI. Its contents have been approved by CGWI and we are providing it to you on the basis that we believe it to be of interest to you. This statement should be read in conjunction with your client agreement, CGWI's current terms of business and the other disclosures and disclaimers contained within this research. If you are in any doubt, you should consult your financial adviser.

CGWI is licensed and regulated by the Guernsey Financial Services Commission, the Jersey Financial Services Commission and the Isle of Man Financial Supervision Commission. CGWI is registered in Guernsey and is a wholly owned subsidiary of Canaccord Genuity Group Inc.

**For Australian Residents:**

This research is distributed in Australia by Canaccord Genuity (Australia) Limited ABN 19 075 071 466 holder of AFS Licence No 234666. To the extent that this research contains any advice, this is limited to general advice only. Recipients should take into account their own personal circumstances before making an investment decision. Clients wishing to effect any transactions in any financial products discussed in the research should do so through a qualified representative of Canaccord Genuity (Australia) Limited. Canaccord Genuity Wealth Management is a division of Canaccord Genuity (Australia) Limited.

**For Hong Kong Residents:**

This research is distributed in Hong Kong by Canaccord Genuity (Hong Kong) Limited which is licensed by the Securities and Futures Commission. This research is only intended for persons who fall within the definition of professional investor as defined in the Securities and Futures Ordinance. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Recipients of this report can contact Canaccord Genuity (Hong Kong) Limited. (Contact Tel: +852 3919 2561) in respect of any matters arising from, or in connection with, this research.

**Additional information is available on request.**

Copyright © Canaccord Genuity Corp. 2020 – Member IIROC/Canadian Investor Protection Fund

Copyright © Canaccord Genuity Limited. 2020 – Member LSE, authorized and regulated by the Financial Conduct Authority.

Copyright © Canaccord Genuity LLC 2020 – Member FINRA/SIPC

Copyright © Canaccord Genuity (Australia) Limited. 2020 – Participant of ASX Group, Chi-x Australia and of the NSX. Authorized and regulated by ASIC.

All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Canaccord Genuity Corp., Canaccord Genuity Limited, Canaccord Genuity LLC or Canaccord Genuity Group Inc. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of the entities listed above.

**None of the material, nor its content, nor any copy of it, may be altered in any way, reproduced, or distributed to any other party including by way of any form of social media, without the prior express written permission of the entities listed above.**