

BOARD OF DIRECTORS & CEO

Non-Executive Chairman
Terry Stinson

Non-Executive Director
Grant Mooney

Non-Executive Director
Michael Fitzpatrick

Non-Executive Director
Anthony Shields

Chief Executive Officer
Jonathan Fievez

CONTACT DETAILS

www.carnegiece.com

enquiries@carnegiece.com

+61 8 6168 8400

21 North Mole Drive
North Fremantle WA 6159

PO Box 39
North Fremantle WA 6159

QUARTER HIGHLIGHTS

- Following completion of the Digital Development Pathway, Carnegie activated the next phase of its business strategy with greater focus on commercialisation of the CETO technology
- Awarded competitive EuropeWave Contract for €291k (A\$463k) to deliver Phase 1 activities including a concept design for a CETO deployment at a European site
- Subject to successful subsequent EuropeWave phases, this contract leads to the delivery and operation of a physical CETO prototype at a European test site – EMEC (Scotland) or BiMEP (Basque Country)
- \$3.4m MoorPower™ Scaled Demonstrator Project launched by Carnegie and Blue Economy CRC. Major aquaculture industry players are partners and most likely first adopters of MoorPower™ commercial product

CETO received significant validation of its technical and commercial potential via the selection of CETO Wave Energy Ireland as one of seven companies to deliver Phase 1 of the competitive EuropeWave programme. This exciting programme is designed to advance promising wave energy converters and, if successful in subsequent stages, would provide the company a contract to deliver and operate a CETO prototype in Europe.

The formal launch of the new MoorPower™ product (and associated Scaled Demonstrator Project) in October represents an important strategic expansion of our product portfolio that aligns with the company's strategic objectives and complements the CETO and Wave Predictor technologies. The Carnegie team is focused on delivering these products to market to realise the potential of wave energy technologies globally through CETO and aligned applications.

With the emergence of MoorPower™, Wave Predictor and the Mooring Tensioner projects and the recent award of the competitive EuropeWave contract, a new roadmap is being prepared and will soon be presented to shareholders covering key milestones for all product development streams.

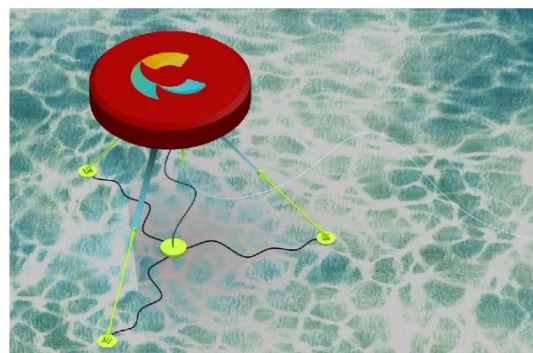
Who is Carnegie?

Carnegie develops ocean energy technologies to make the world more sustainable. The company provides commercially competitive technologies to enable the capture of wave energy to make electricity. Waves are an untapped energy source that is consistent, predictable and globally distributed and can be converted into clean, renewable electricity. The scale of the opportunity is significant, Ocean Energy Europe (OEE) forecasts significant growth for wave energy with a €653b market potential by 2050.

PRODUCTS

CETO

In early December, Carnegie announced that its wholly owned subsidiary, CETO Wave Energy Ireland Limited, was selected to receive a contract under the EuropeWave Pre-Commercial Procurement (PCP) programme. EuropeWave PCP is an innovative and competitive stage-gate programme being run by government agencies in Scotland and Spain. The programme is designed to address a specific challenge: *To advance promising wave energy converter systems to a point from which they can be developed to commercial exploitation through other national/regional programmes and/or private investment.*



saitec

YAVIN FOUR
CONSULTANTSJULIA F. CHOZAS
CONSULTING ENGINEER

CETO Wave Energy Ireland Limited was selected alongside six other companies to deliver Phase 1 of the programme after a competitive tender process focused on rigorous selection criteria including the performance, survivability, availability and affordability characteristics of the proposed systems. Subject to signing contracts, the Company will be paid €291k (A\$463k) to deliver required Phase 1 activities including undertaking tank testing and delivering a CETO concept design for deployment at the open-water facilities of the Biscay Marine Energy Platform (BiMEP) in the Basque Country and the European Marine Energy Centre (EMEC) in Scotland in Phase 3. Phase 1 commenced on the 3rd of January 2022 and runs for 7 months. This Phase will include a wave tank testing campaign at the Cantabria Coastal and Ocean Basin (CCOB) in Spain. The project is named “ACHIEVE” and comes from Advanced CETO for High Impact and Efficiency Validation in Europe.

The EuropeWave PCP is a collaboration between Wave Energy Scotland (WES), a subsidiary of the Scottish Government’s Highlands and Islands Enterprise, and the Basque Energy Agency (EVE). Winning a spot in this competitive program is a further validation of CETO’s strong technical position within the industry. Following the conclusion of Phase 1, another rigorous selection process will be conducted, with five companies out of the seven selected for Phase 2, and subsequently, three

companies selected for the third and final phase which will be a contract to deliver and operate a prototype device at either BiMEP or EMEC.

Part of the evaluation criteria includes calculation of the cost of energy of the technology to determine its commercial potential. Standardised methodologies exist for this economic assessment which the ACHIEVE team will follow and submit at each selection gate.

During the quarter, the team also completed the CETO Digital Development Pathway, an internal project to optimise CETO performance and cost. This project delivered significant cost reductions and performance improvements which put CETO in a strong position to win the EuropeWave contract. It will also facilitate discussions around commercial sites and applications for CETO.

In addition, the technical team at Carnegie is excited about receiving access to the Pawsey Supercomputing Centre's new supercomputer Setonix for 2022. Through a joint application with our partners at the University of Adelaide, the team has secured over 3.1 million core hours, which is equivalent to a common quad-core PC running continuously for 90 years! These resources will be used towards multiple projects including MoorPower™, EuropeWave and advancement of the Wave Predictor.

MoorPower™

In October, Carnegie launched the MoorPower™ Scaled Demonstrator project in conjunction with prominent research institute, the Blue Economy Cooperative Research Centre (Blue Economy CRC). Award of the funding and the calibre of partners validates the commercial and technical merit of the technology.

MoorPower™ is a CETO derived wave energy product designed for moored vessels and offers a solution to the challenge of securing clean and reliable energy for offshore activities, reducing reliance on diesel electricity generation. The initial target market for MoorPower™ is offshore vessels such as feeding barges for the aquaculture sector, but the future market is broader and includes many other offshore operations that require energy.



Impression of the MoorPower™ system aboard a feeder barge

Over the next 2 years, Carnegie will design, develop, build and operate a scaled demonstrator of the MoorPower™ technology to be deployed just offshore from its headquarters and research facility in North Fremantle, Western Australia. This \$3.4m MoorPower™ Scaled Demonstrator project will be delivered with funding support from the Blue Economy CRC and in close collaboration with a consortium of partners including two of Australia's largest aquaculture companies, Huon Aquaculture and Tassal Group. Academic and industry partners include DNV GL Australia, Advanced Composite Structures Australia, University of Tasmania, Climate KIC/Australian Ocean Energy Group, AMC Search and University of Queensland. The project is supported by \$1.35m cash from the Blue Economy CRC, \$265k cash from Carnegie and \$1.8m of in-kind support from the project partners.



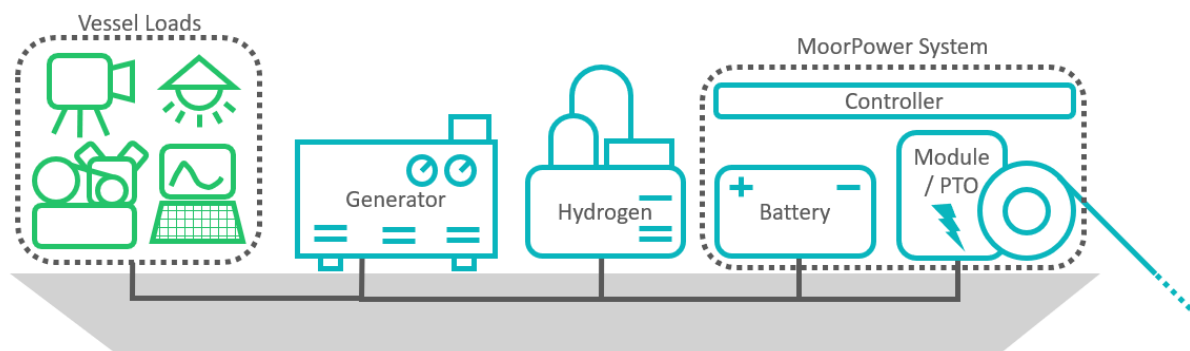
Carnegie's marine contractor taking advantage of the recent calm summer seas to undertake preparatory work on the site where MoorPower™ will be deployed.

Carnegie is excited to work with the project team to deliver value to the blue economy sector and our shareholders. Further information about MoorPower™ and the project was made available during a recorded webinar, which is available on [Carnegie's website](#).

Mr Mark Asman, Head of Aquaculture, Tassal Group, has stated, *“As population increases, wild harvest stocks decrease, and farming land and freshwater is restricted, aquaculture is providing a source of renewable protein farmed through sustainable practices.*

“Partnerships like this ensure our industry continues to deliver the benefits of high-performance sustainable innovation, research and development (R&D) and change practices.

“Through the introduction of novel oceanic renewable energy sources, aquaculture will continue to offer healthy seafood produced with a low carbon footprint.”



Schematic of the MoorPower™ system in a feeder barge application

CORPORATE

In October, Carnegie released its Annual Report which is available on the company's website. Carnegie's Annual General Meeting (AGM) was held on Tuesday, 23 November 2021, where the company's CEO, Jonathan Fiévez also provided an updated presentation, available on [Carnegie's website](#). All resolutions were passed at the meeting.

In December, Carnegie noted a change of address for the company's share registry, Automic Group. With effect from Monday 20 December, the Automic Perth office relocated to Level 5, 191 St. George's Terrace, Perth WA 6000. All other contact information remains unchanged.

FINANCIAL NOTES

At the end of the Quarter, the company had approximately \$4.6m in cash reserves. It is noted that careful management of company funds and assets continues and has meant that significant progress has been made with highly efficient use of capital. The company remains debt free and in a strong position financially.

Note 6 to Appendix 4C:

Payments to related parties of the entity and their associates were made during the quarter. In total, approximately \$60k was paid to Directors and associates for salaries, superannuation and contracted services.

This announcement has been authorised by the Chairman and Company Secretary.

For more information

Carnegie Clean Energy Limited
+61 8 6168 8400
enquiries@carnegiece.com
www.carnegiece.com

About EuropeWave



EuropeWave PCP is an innovative R&D programme for wave energy technology, which runs from 2022 to 2026. It will combine over €22.5m of national, regional and EU funding to drive a competitive Pre-Commercial Procurement (PCP) programme for wave energy.

Match-funded by the EU's Horizon 2020 programme, it is a collaboration between Wave Energy Scotland (WES) and the Basque Energy Agency (EVE). This collaboration is closely aligned with the decarbonisation, industrial and competitiveness objectives of the European Green Deal, and is part of a range of actions being taken to meet the European Commission's targets of 100MW of ocean energy by 2025 and at least 1GW by 2030.

This is part of the EuropeWave project that has received funding from the European Union's Horizon 2020 Research and Innovation Programme under grant agreement No 883751. <https://www.europewave.eu/>

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

CARNEGIE CLEAN ENERGY LIMITED

ABN

69 009 237 736

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	614	1,730
1.2 Payments for		
(a) research and development	(88)	(152)
(b) product manufacturing and operating costs	(73)	(103)
(c) advertising and marketing	-	(4)
(d) leased assets	(21)	(42)
(e) staff costs	(380)	(802)
(f) administration and corporate costs	(90)	(296)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	-	123
1.8 Other		
1.9 Net cash from / (used in) operating activities	(32)	460
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(2)	(2)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	15	16
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other		
2.6	Net cash from / (used in) investing activities	13	14

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	300	600
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(6)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	297	594

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,421	3,631
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(32)	460
4.3	Net cash from / (used in) investing activities (item 2.6 above)	13	14
4.4	Net cash from / (used in) financing activities (item 3.10 above)	297	594
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	4,696	4,696

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,696	2,421
5.2	Call deposits	3,000	2,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,696	4,421

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(59)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(32)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,694
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,694
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	<div style="border: 1px solid black; padding: 5px; margin-top: 5px;">147 quarters</div>
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer:</div>	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer:</div>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Answer:</div>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: By Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.