

APPENDIX 4E

Preliminary Financial Report to the Australian Securities Exchange

Name of Entity	Carnegie Clean Energy Limited
ABN	69 009 237 736
Financial Year Ended	30 June 2022
Previous Corresponding Reporting Period	30 June 2021

Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
Revenue from Ordinary activities	321,938	428.2%
Profit / (loss) from ordinary activities after tax attributable to members	(2,294,017)	175.6%
Net profit / (loss) for the period attributable to members	(1,924,680)	106.5%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	n/a
Interim Dividend	Nil	n/a
Record date for determining entitlements to the dividends (if any)	n/a	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Net loss for the period includes a profit from discontinued operations of \$369,337.		
The Directors do not intend to declare a dividend as no profit was made during the year ended 30 June 2022. No dividends were paid during the financial year.		

Dividends

Date the dividend is payable	n/a
Record date to determine entitlement to the dividend	n/a
Amount per security	n/a
Total Dividend	Nil
Amount per security of foreign sourced dividend or distribution	n/a
Details of any dividend reinvestment plans in operation	None
The last date for receipt of an election notice for participation in any dividend reinvestment plans	n/a

Net Tangible Asset Backing

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security (cents per share)	0.04	0.05

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

The carrying value of the CETO intellectual property is tested every 12 months or when there is a significant change in the model, by an independent accounting firm. For the financial year 2022, a 15 year forecast was utilised in a financial model. The valuation methodology uses a '*relief from royalty*' method. There was an increase in the carrying value of the CETO IP from \$14.3 million to \$14.5 million during the year, due to the expenditure during the period less the 2020 and 2021 financial year R&D tax refund received.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects:

During the 2022 year:

- Under Carnegie's Power Supply Agreement, the Department of Defence continues to purchase all of the power produced by the Garden Island Microgrid. The team continues to work through some equipment and operational issues which have constrained the output of the system during the year.
- Carnegie received a research and development tax incentive cash rebate from the Australian Tax Office of \$608,835.56 in relation to eligible research and development expenditure incurred in the year ended 30 June 2020 and year ended 30 June 2021.
- Over the year, the exercise of unlisted options to the value of \$600,000 was added to the Company's cash reserves, providing additional funding to deliver on the technology pathway.
- Carnegie held its Annual General Meeting on 23 November 2021. All resolutions were passed on a poll.
- Carnegie sold the gold royalty rights held by the Company over part of the Higginsville Gold Project in Western Australia. The rights were sold in the prior year to Karora Resources Limited for \$1 million cash, which was received in the year ended 30 June 2022.

Returns to shareholders including distributions and buy backs:

n/a

Significant features of operating performance:

n/a

The results of segments that are significant to an understanding of the business as a whole:

The segment losses after tax for the year were:

- (\$2,294,017) loss for the continuing operations.
- 369,337 profit from discontinued operations, relating to distributions from the EMC and Carnegie Creditors Trusts.

Discussion of trends in performance:

In the 2022 financial year, Carnegie completed its digital development pathway and achieved step change improvements in the performance and economics of the CETO wave energy converter. The method of development continued to use advanced computational methods to home in on an improved design which was regularly tested in the virtual environment. This proved to be both effective, rapid and much lower cost than physical construction. During the year, Carnegie's wholly owned subsidiary was selected as 1 of 7 contractors to deliver Phase 1 of the EuropeWave Programme. In this work, the team delivered design and tank testing activities. If selected to continue into Phases 2 and 3, this programme would lead to the deployment of a CETO prototype at a European wave site.

Carnegie aims to find development support through collaborations and funding opportunities. As a participant in Australia's Blue Economy Co-operative Research Centre (BE-CRC), Carnegie secured support for the demonstration of a new spin-off wave energy technology, MoorPower. MoorPower is an integrated wave energy system for offshore demand applications such as offshore aquaculture. As part of the BE CRC supported project, Carnegie will work with leading aquaculture partners such as Huon and Tassal and will design, build and deploy a MoorPower scaled demonstrator offshore from the company's research facility in North Fremantle.

During the year, the team also progressed the design and construction of the BE-CRC supported Mooring Tensioner Project. The Mooring Tensioner is a key component of the CETO power take-off (PTO), which also has broader application in the marine sector. A collaboration with Hewlett Packard Enterprise (HPE) is also providing significant support in the development of a reinforcement learning controller for CETO.

The team also continues to identify and pursue other spin-off opportunities for certain aspects of the technology and know-how. For example, the wave predictor is a key component to the advanced controller but has been shown to have much broader application as a stand-alone product.

The Garden Island Microgrid continues to operate and sell power to the Department of Defence under an existing Electricity Supply Agreement. Some operational and equipment issues remain and temporarily constrain the output of the system. However, the team continues to work to resolve these issues in order to remove those temporary constraints.

Globally, climate change has come back into focus and there is also growing movement behind offshore renewables. Full decarbonisation is essential to meet the targets and Carnegie's technology is applicable to many hard-to-abate markets. European support for wave energy has also been increasing and new funding opportunities emerged.

Entities purchased/sold during the last financial year

Name of Entity	Date Control Gain/Lost	Details

Investments in Associates and Joint Ventures

Name	% Holding	Contribution to Profits / (Loss)	
		2022	2021

Audit/Review Status

This report is based on accounts to which one of the following applies: (Mark with "YES" or "NO")			
The accounts have been audited	Yes	The accounts have been subject to review	No
The accounts are in the process of being audited or subject to review	No	The accounts have not yet been audited or reviewed	No
<p>This report is based on financial accounts for the year ended 30 June 2022 which have been audited. There are no disputes or qualification to the financial accounts that the Board is aware of.</p>			
<p>If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:</p> <p>n/a</p>			
<p>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</p> <p>n/a</p>			

Attachments forming part of Appendix 4E

Attachment #	Details
1	Financial Report for the year ended 30 June 2022 (audited)

Print name: Jonathan Fievez
 Chief Executive Officer
 Date: 25 August 2022