



Recapitalisation Presentation

August 2019

Investor Presentation - Disclaimer



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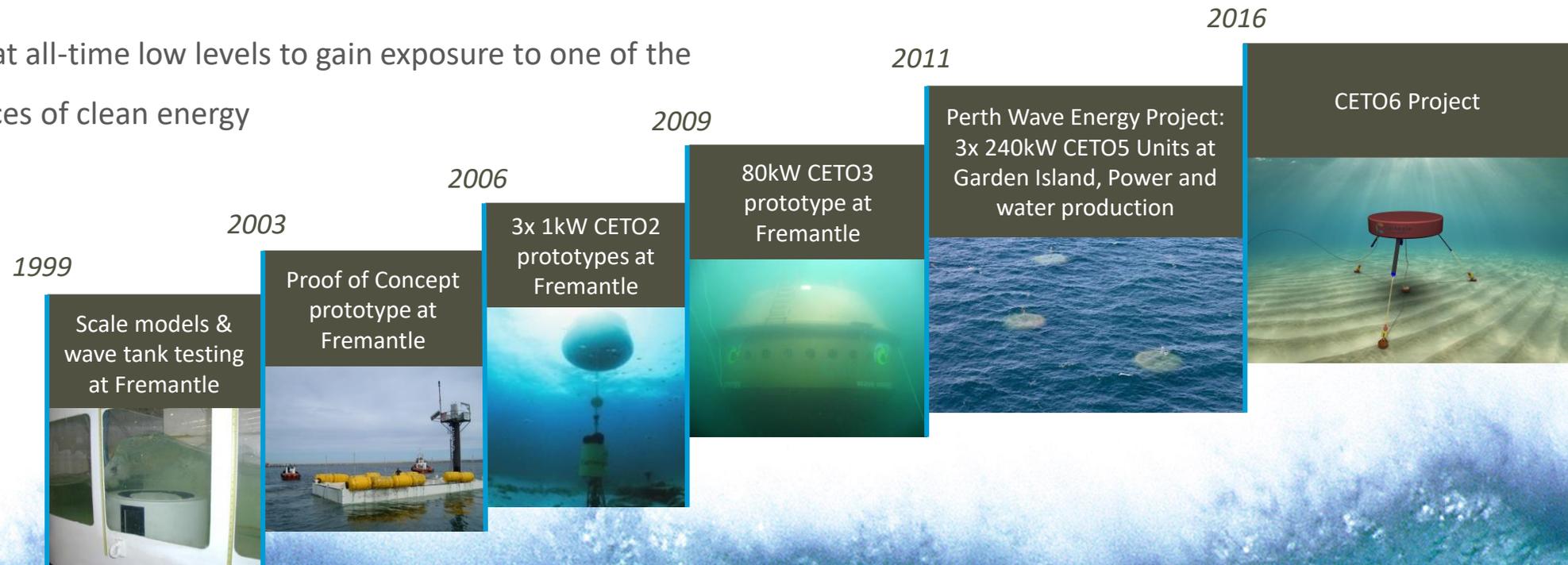
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Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this document

The new Carnegie

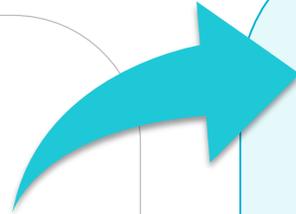
- Simplified balance sheet post administration, with vastly reduced costs and overheads
- Retained valuable assets
 - Leading position in wave energy - more than a decade of trialling and developing CETO
 - Garden Island Microgrid - 2MW solar-battery, desalination system and wave ready grid connection
- New development and commercialisation model utilising a low cost digital development pathway
- Opportunity to invest at all-time low levels to gain exposure to one of the largest untapped sources of clean energy



What's changed?

Old Carnegie

- ☪ Cash draining EMC solar engineering business
- ☪ CETO wave technology being developed through capital and time intensive iterative physical prototyping design process
- ☪ Unsustainable overhead structure
- ☪ Competing capital demands for wave R&D and EMC working capital to deliver contracts



Recapitalised Carnegie

- ☪ EMC solar engineering business removed – retained value in CETO IP, Garden Island Microgrid
- ☪ Building on +10 years expertise in CETO to tap into the vast, undeveloped wave energy resource
- ☪ 2-year digital development pathway to utilise new technologies and machine learning, reducing design time and less capital cost
- ☪ Commercialisation model of pursuing licence agreement with large scale OEM to support physical build once designed.
- ☪ Streamlined business, with reduced headcount and lower operating costs

Led by a highly experienced team



Chairman – Terry Stinson

Over 35 years of executive leadership experience with innovation companies globally. Formerly the Chief Executive Officer and Managing Director of Orbital Corporation Ltd.



Non-Executive Director and Company Secretary – Grant Mooney

Extensive experience in the areas of corporate and project management since. Serves as a Director to several ASX listed companies across a variety of industries including technology and resources.



Non-Executive Director – Mike Fitzpatrick

Over 40 years in the financial services sector and former director of a range of companies including Rio Tinto. Committed to sustainability, Mike has invested in renewable energy and related technology.



Non-Executive Director (proposed) – Anthony Shields

The Managing Director of Asymmetric Investment Management Pty Ltd. Prior to Asymmetric Anthony worked for Deutsche Bank in equity and derivatives sales and trading.



Chief Executive Officer – Jonathan Fiévez

Jonathan has served Carnegie for 11 years and has extensive knowledge about the industry, CETO technology and company operations.



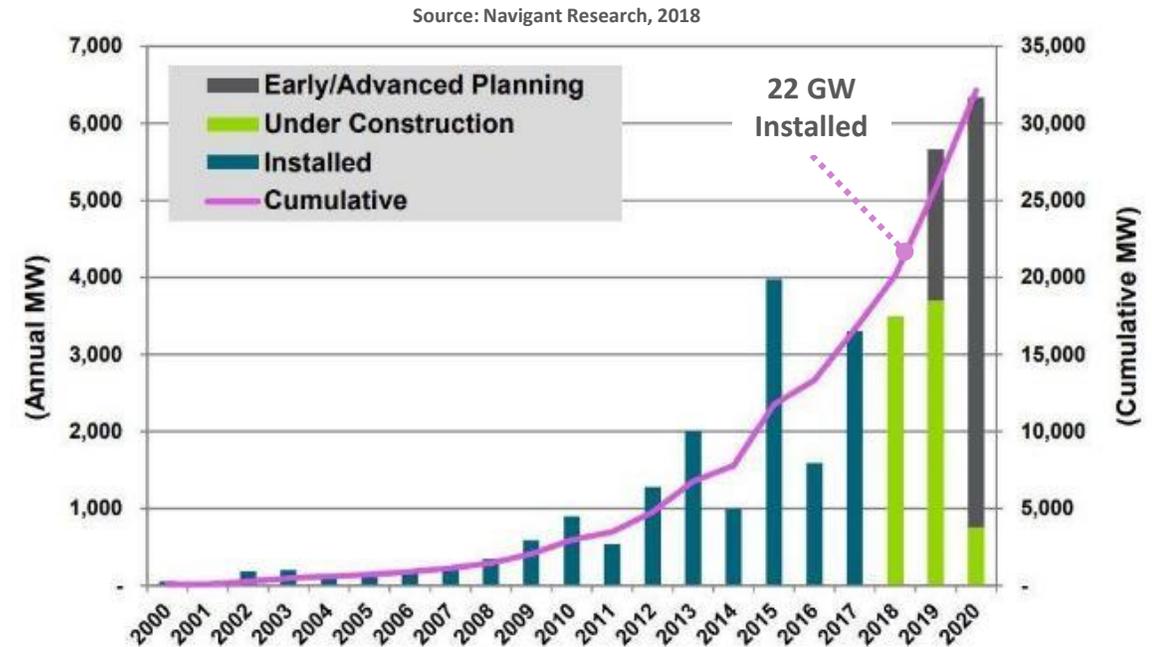
Demonstrated pathway – offshore wind

Offshore wind – wave energy’s best analogy

First mover wins...

- 1991 – Bonus Energy provides ~5 MW of turbines to world’s first offshore wind farm
- 2004 – Bonus Energy acquired by Siemens
- 2015 – Siemens supplies 63% of the 11 GW of installed offshore turbines
- 2018 – 22 GW of offshore wind deployed; ~5 GW in 2018 (2018 construction actuals beat forecast in plot)
- 2019 – More than 2500 turbines in the North Sea

Capacity of Offshore Wind projects online, under construction and in planning as at 2017.



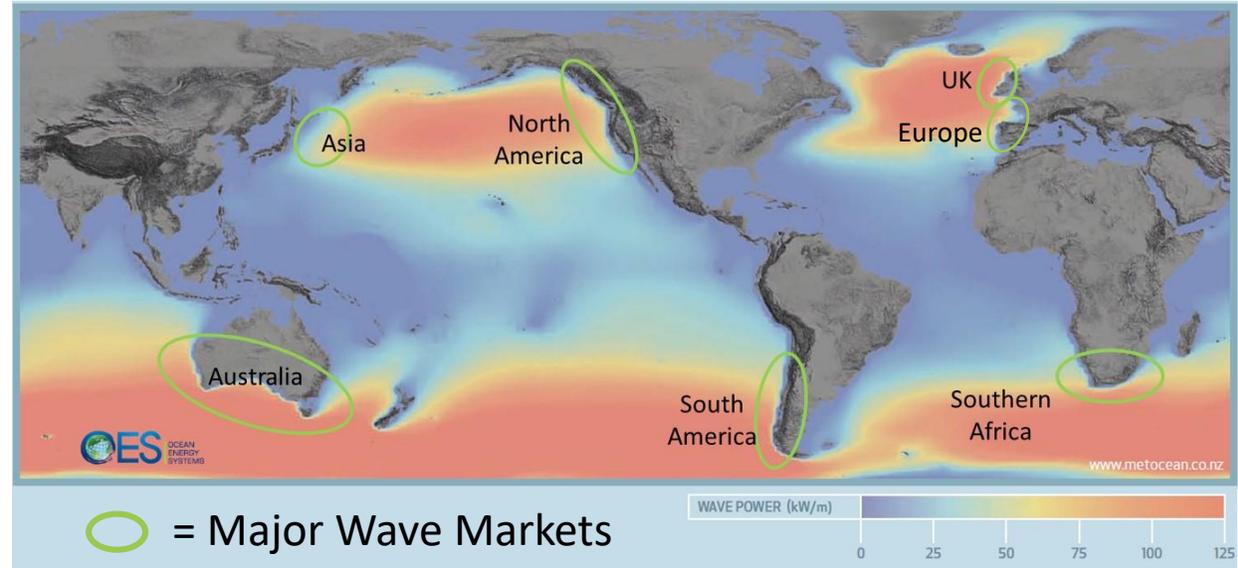
Industrialisation of Offshore Wind led to purpose-built vessels installing each turbine in under 24 hours



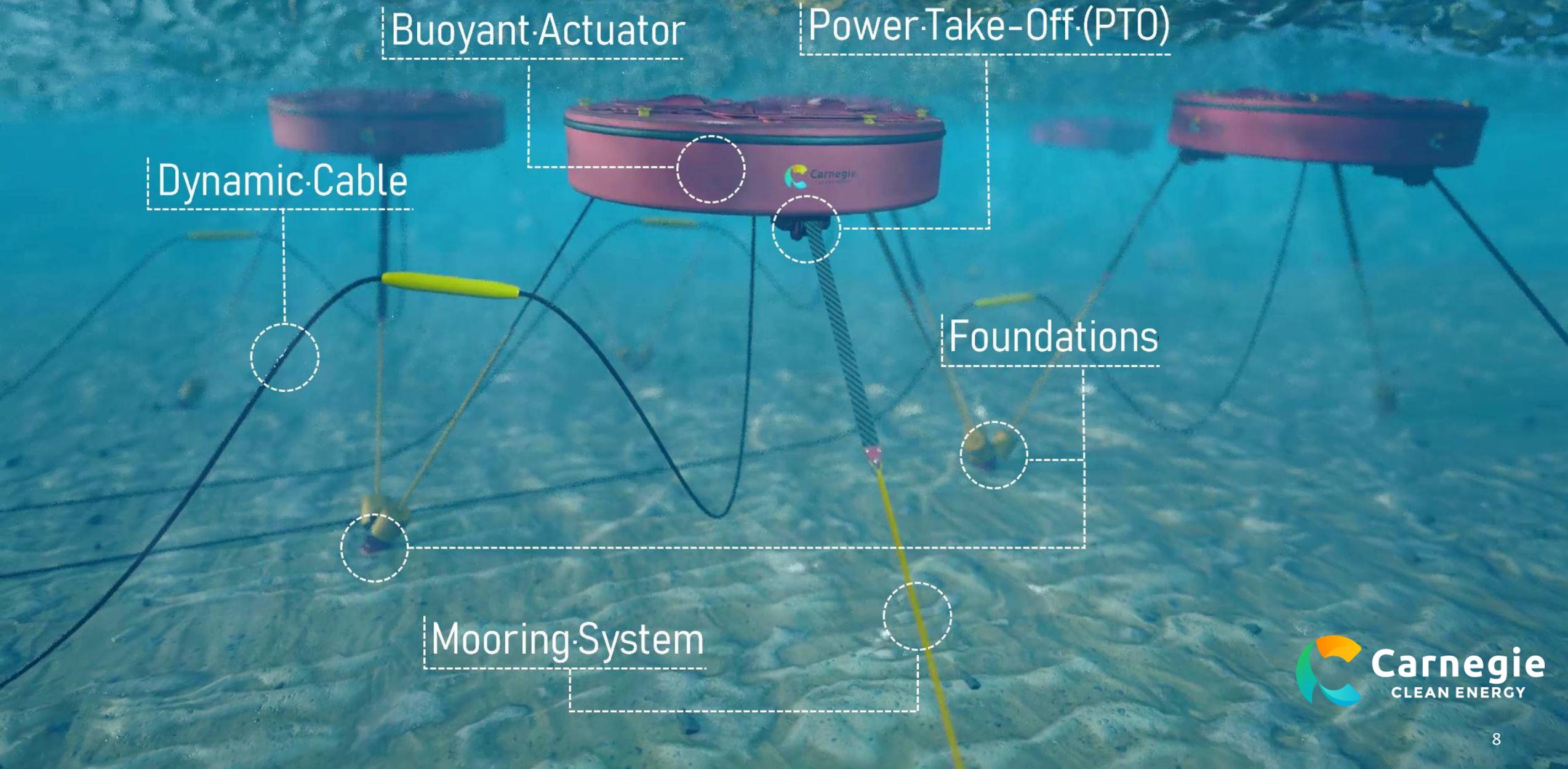
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Wave energy – why is it attractive?

- Enormous untapped global resource, particularly in Australia
- Wave energy available at Australia's shoreline is 5x the countries' consumption
- Wave power has 1/3 the variability of wind power. Can be forecast three-times further ahead than wind
- 24 hour energy, highly complementary to other renewables
- Most sites in close proximity to large power consumers



Carnegie's current technology



Buoyant Actuator

Power Take-Off (PTO)

Dynamic Cable

Foundations

Mooring System

Innovations in development

New innovations aiming to deliver a step-change in economics

Machine Learning / Artificial Intelligence

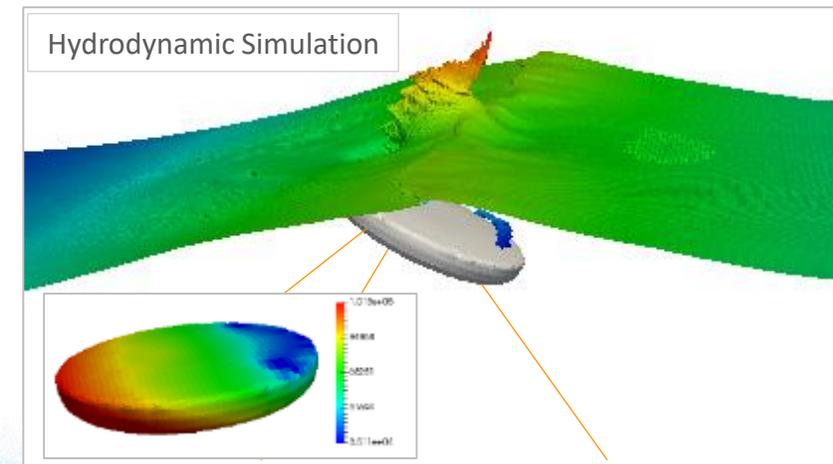
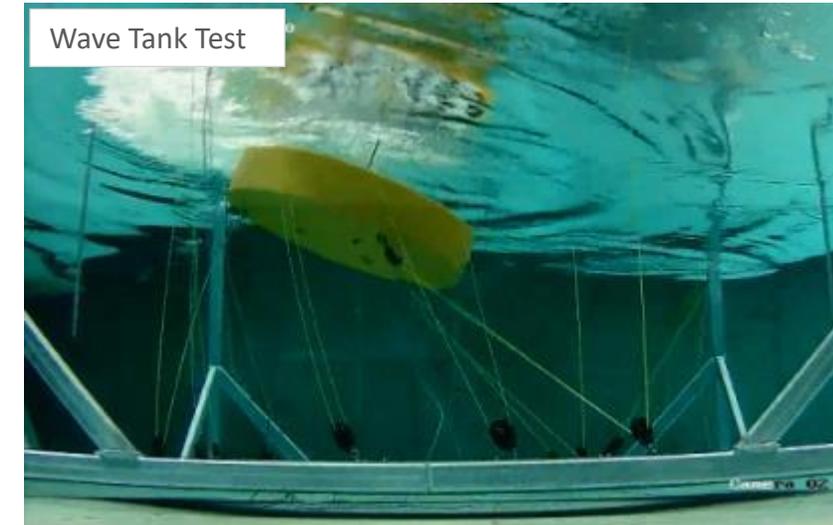
- Increases energy capture through intelligent control by neural networks
- Minimises costly extreme motions and avoids damaging high sea states
- Significantly reduces simulation time

Advanced Power Conversion (PTO)

- Aligns with advanced motion-to-electrical energy conversion technology (i.e. EVs,)
- Leverage rapidly advancing EV and wind turbine generator technology

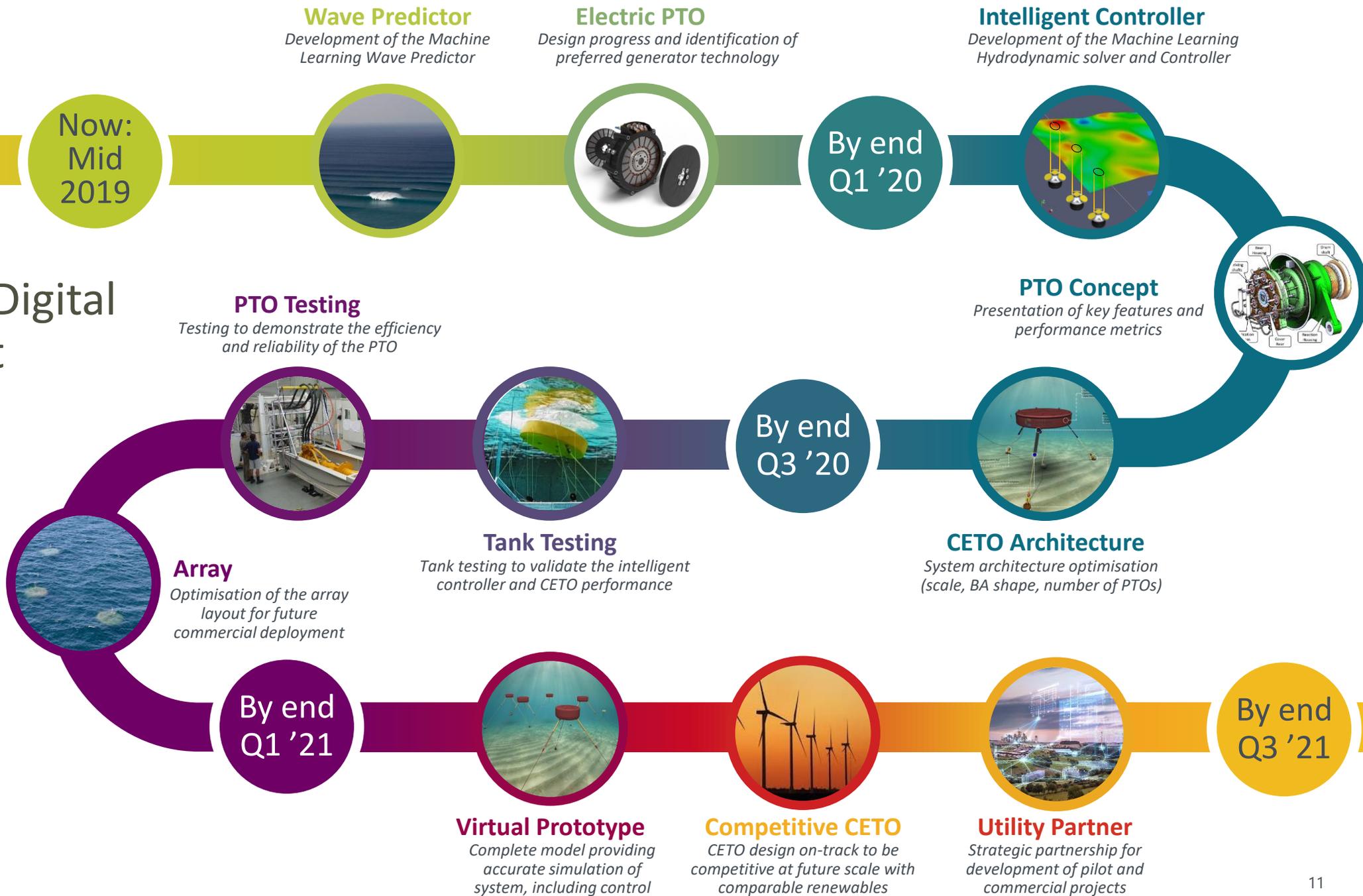
Hydrodynamic Simulation

- Innovative buoy shape and features deliver next level performance
- Design evolving swiftly through supercomputer use



CETO 2-year Digital Development Pathway Plan

2019-2021



Funding to deliver on plan



The Entitlement Offer gives funding to execute the plan

Use of Funds (does not include revenue [#])	Subscription Level		
	MIN (50%)	75%	MAX (100%)
CETO Wave Energy Technology Development	2,203,404	2,840,404	3,250,404
Garden Island Microgrid	456,220	456,220	456,220
Administration & Overheads	993,786	1,021,786	1,041,786
Administration Process Costs	1,400,000	1,400,000	1,400,000
Early Repayment of Notes	-	1,000,000	2,000,000
Costs of Offer	234,500	250,000	275,000
General Working Capital	212,090	1,631,590	3,102,400
Total	5,500,000	8,600,000	11,525,810

Note:# This table is directly from the Prospectus and therefore revenue is not able to be included

Restructured position at re-listing



- Simplified Balance sheet
- Cash at bank \$3.85 million after costs (minimum raise)
- 100% ownership of revenue generating Garden Island asset – value +\$4 million at 31 December 2018
- Convertible Notes (mature March 2021) up to \$2.825 million
- Existing shareholders to retain majority of the Company

	Minimum Raise	75% subscription	100% subscription
Shares on Issue	11.1 Billion	14.2 Billion	17.7 Billion
Issue Price	0.1 cent	0.1 cent	0.1 cent
Market Cap	\$11.1 Million	\$14.2 Million	\$17.7 Million
Cash	\$3.85 Million	\$6 Million	\$7.8 Million
Debt (Convertible Notes)	\$2.825 Million	\$1.825 Million	\$0.825 Million

Ability to deliver on this plan

- Recognised +10 year leader in wave energy technology
- Early mover in one of the world's largest untapped sources of clean energy
- Established industry and government alliances
- Streamlined business, strong passionate team committed to success
- Clear, cost effective digital development pathway
- Project development partners to be targeted for large-scale commercialisation
- Technology licensing and royalty arrangements to be established for future revenue



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