

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 2023
Previous Corresponding Reporting Period	30 June 2022

Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
Revenue from Ordinary activities	448,603	25.7%
Profit / (loss) from ordinary activities after tax attributable to members	(630,396)	(72.5%)
Net profit / (loss) for the period attributable to members	(630,396)	(67.2%)
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 from ordinary activities was \$630,396. The Directors do not intend to declare a dividend as no profit was made during the year ended 30 June 2023. 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

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Net Tangible Asset Backing

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

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 2023, a 15 year forecast was utilised in a financial model. The valuation methodology uses a 'relief from royalty' method. There was a reduction in the carrying value of the CETO IP from \$14.5 million to \$14.3 million during the year, this is due to receiving 2022 financial year R&D tax refund and Blue Economy CRC grant funding, which has been offset against the carrying amount of the CETO IP.

Commentary on the Results for the Period

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

During the 2023 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 Project encountered some equipment and operational issues which have constrained the output of the system during the year. Subsequent to the end of the financial year Carnegie resolved a dispute with a supplier in relation to solar Panel issues, resulting in Carnegie receiving a sum of \$1,534,648.
- Over the year, the exercise of unlisted options to the value of \$540,000 was added to the Company's cash reserves, providing additional funding to deliver on the technology pathway.
- Carnegie held its Annual General Meeting on 22 November 2022. All resolutions were passed on a poll.

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:

- (\$630,396) loss for the continuing operations.

Discussion of trends in performance:

During the financial year, Carnegie progressed its products in line with the Product Validation Roadmap for core CETO and MoorPower product development. The Roadmap outlines activities delivered during 2023 (and continuing into future years) to validate Carnegie's products. This validation process is an important stage in the commercialisation pathways of our products.

Carnegie has made strong progress to validate its core CETO and MoorPower technologies through delivery of projects that have support from key partners and funding bodies. CETO Wave Energy Ireland's participation in the EuropeWave PCP Programme and Carnegie's MoorPower Projects are key mechanisms being utilised to validate the technologies in this Roadmap. These activities are supported by the Company's strong partner ecosystem, which includes Hewlett Packard Enterprise and Blue Economy Cooperative Research Centre (CRC).

A core product focus during the year was CETO, Carnegie's core technology, a submerged point absorber type wave energy converter which converts ocean waves into zero-emission electricity. The CETO technology was progressed as intended via the Digital Development Pathway and Product Validation Roadmap during the year. The technical and commercial promise of the CETO technology has been reaffirmed by the successful selection in the competitive €22.5m EuropeWave PCP Programme for the advancement of wave energy technologies. Carnegie's wholly owned subsidiary CETO Wave Energy Ireland (CWEI), along with a strong consortium of partners, was selected to deliver Phase 1 and subsequently, was awarded a Phase 2 contract in September 2022. During the year, under these EuropeWave contracts, CWEI completed the Phase 1 and Phase 2 activities and subsequently submitted a bid to deliver Phase 3.

The other core product focus during the year was MoorPower, a CETO derived wave energy product designed to deliver a sustainable energy supply for marine industries operating at a fixed moored location, reducing the reliance on diesel. During the year, the MoorPower team completed the design of the MoorPower scaled demonstrator, acquired a barge to be utilised for the demonstrator, prepared the barge for installation of the MoorPower system, manufactured and procured the MoorPower system components and commenced testing of the core elements of the prototype at its research facility. Final testing and assembly works are underway in advance of deployment just offshore from Carnegie's research facility in Western Australia.

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. During the year, four hundred (400) solar panels were replaced on the array. This work was undertaken following the receipt of an insurance claim paid due to a storm event.

Globally, recognition of climate change continues to grow and there is also growing movement behind offshore renewables. Full decarbonisation is essential to meet the targets and Carnegie's technologies are applicable to many hard-to-abate markets. International support for wave energy has also been increasing and new funding opportunities emerged, particularly in Europe.

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)	
		2023	2022

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	No	The accounts have been subject to review	No
The accounts are in the process of being audited or subject to review	Yes	The accounts have not yet been audited or reviewed	No
<p>This report is based on draft financial accounts for the year ended 30 June 2023 which are in the process of being 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>The accounts are in the process of being audited but are not subject to review or will likely be subject to dispute or qualification.</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
N/A	

Print name: Jonathan Fievez
 Chief Executive Officer
 Date: 31 August 2023

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