

# APPENDIX 4D

## Australian Securities Exchange Half-Year Report

<b>Name of Entity</b>	Carnegie Clean Energy Limited
<b>ABN</b>	69 009 237 736
<b>Reporting Period</b>	31 December 2022
<b>Previous Corresponding Reporting Period</b>	31 December 2021

## Results for Announcement to the Market

	\$	Percentage increase / (decrease) over previous corresponding period
<b>Revenue from Ordinary activities</b>	329,755	36.2%
<b>Profit / (loss) from ordinary activities after tax attributable to members</b>	(775,406)	(34.7%)
<b>Net profit / (loss) for the period attributable to members</b>	(775,406)	(34.7%)
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Final Dividend</b>	nil	n/a
<b>Interim Dividend</b>	nil	n/a
<b>Record date for determining entitlements to the dividends (if any)</b>	n/a	
<b>Brief explanation of any of the figures reported above necessary to enable the figures to be understood:</b> n/a		

## Dividends

<b>Date the dividend is payable</b>	n/a
<b>Record date to determine entitlement to the dividend</b>	n/a
<b>Amount per security</b>	n/a
<b>Total Dividend</b>	nil
<b>Amount per security of foreign sourced dividend or distribution</b>	n/a
<b>Details of any dividend reinvestment plans in operation</b>	There is no dividend reinvestment plan.
<b>The last date for receipt of an election notice for participation in any dividend reinvestment plans</b>	n/a

**Net Tangible Asset Backing**

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

**Control Gained over Entities having a Material Effect**

Name of Entity (or group of entities)	n/a
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**Gain of Control of Entities having a Material Effect**

Name of Entity (or group of entities)	n/a
Date of the gain of control	n/a
The contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	
n/a	

**Details of Associates and Joint Venture Entities**

Name of Entity	Percentage Held		Share of Net Profit/(Loss)	
	Current Period	Previous Period	Current Period	Previous Period

**Foreign Entities Accounting Framework**

International Financial Reporting Standards
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**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	Yes
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
Not Applicable			

Print name: Grant Mooney  
Company Secretary  
Date: 14 February 2023

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**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

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**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2022**

# CONTENTS

Page No.

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DIRECTORS' REPORT .....	3
AUDITOR'S INDEPENDENCE DECLARATION .....	6
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	9
CONSOLIDATED STATEMENT OF CASH FLOWS.....	10
NOTES TO THE FINANCIAL STATEMENTS.....	11
DIRECTORS' DECLARATION .....	17
INDEPENDENT AUDITOR'S REVIEW REPORT.....	18

**CARNEGIE CLEAN ENERGY LIMITED**

**ABN 69 009 237 736**

**AND CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

**31 DECEMBER 2022**

The Directors present their report together with the interim condensed consolidated financial statements of Carnegie Clean Energy Limited ("the Company", or "Carnegie") and its controlled entities, ("the Consolidated Group", or "Group") for the half-year ended 31 December 2022.

**DIRECTORS**

The names of Directors who held office during or since the end of the half-year:

Mr Terry Stinson	(Chairman)
Mr Michael Fitzpatrick	(Non-Executive Director)
Mr Grant Mooney	(Non-Executive Director)
Mr Anthony Shields	(Non-Executive Director)

Directors were in office for the entire period and up to the date of this report unless otherwise stated.

**PRINCIPAL ACTIVITIES**

The principal activity of the Consolidated Group during the period was the development of the CETO Wave Energy Technology and MoorPower.

**OPERATING RESULTS**

The net loss after tax of the Consolidated Group for the half year ended 31 December 2022 amounted to \$775,406 (2021: net loss \$1,172,716).

**REVIEW OF OPERATIONS**

During the period to 31 December 2022, the Consolidated Group's activities included the following:

**Product Development**

Carnegie has secured several funded project contracts over the past few years which are supporting the Company's product development activities. These projects are highlighted in the Product Validation Roadmap, launched in mid-2022, which defines the activities to be progressed to validate Carnegie's products and their commercial readiness. The Roadmap builds on achievements of the previous Digital Development Pathway and is also fuelled by Carnegie's strategic partnerships. It is focused on Carnegie's core products, CETO and MoorPower, and includes complimentary products such as the Mooring Tensioner.

- CETO: During the period, the team continued advancing the CETO technology towards commercialisation through design and testing activities undertaken in the EuropeWave Pre-Commercial Procurement (PCP) programme. In this programme, the team is delivering a CETO concept design for potential deployment at the open-water facilities of the Biscay Marine Energy Platform (BiMEP) in the Basque Country or the European Marine Energy Centre (EMEC) in Scotland if selected to deliver Phase 3.

The team successfully completed Phase 1 of the programme in July 2022 with submission of all required deliverables to the EuropeWave Buyers group including outputs related to the CETO design activities, wave tank testing and commercial and certification tasks.

In September 2022, Carnegie's wholly owned subsidiary, CETO Wave Energy Ireland Limited was awarded a contract for Phase 2 of the EuropeWave PCP programme. Phase 2 activities commenced immediately including Front End Engineering Design (FEED), wave tank testing, power take off component testing and related certification and commercialisation activities. Phase 2 runs from the end of September 2022 to June 2023. Following this, three of the five contractors from Phase 2 will be selected for the third and final deployment phase of the programme.

**DIRECTORS' REPORT**

**31 DECEMBER 2022**

**REVIEW OF OPERATIONS (continued)**

**Product Development (continued)**

- **MoorPower:** In parallel with CETO development, the team has been progressing design and manufacturing activities on its MoorPower technology. MoorPower is a CETO derived wave energy product designed for moored vessels which offers a solution to the challenge of securing clean and reliable energy for offshore activities, reducing reliance on diesel generation. Funding of \$1.35m was awarded from the Blue Economy Cooperative Research Centre (CRC) to deliver a Moor Power Scaled Demonstrator Project. Over the 2 years of this Project, Carnegie will design, install and operate a scaled demonstrator of the MoorPower technology offshore from its headquarters and research facility in North Fremantle, Western Australia.

During the period, Carnegie and its collaborative partners undertook design for both the Scaled Demonstrator (to be demonstrated in Western Australia) and an intended future commercial scale design. Carnegie also secured a barge for the Scaled Demonstrator trial and commenced works on the barge to prepare it for installation of the MoorPower system. Deployment is expected to occur in early 2023.

The Project is being delivered in collaboration with a consortium of partners including two of Australia's largest aquaculture companies, Huon Aquaculture and Tassal Group. Additional industry and academic partners include DNV GL Australia, Advanced Composite Structures Australia, University of Tasmania, Climate KIC/Australian Ocean Energy Group, AMC Search and University of Queensland.

- **Mooring Tensioner:** During the period, testing occurred in the development of one of Carnegie's complimentary products, the Mooring Tensioner. The Blue Economy CRC supported Mooring Tensioner for Wave Energy Converters (MoTWEC) Project has developed a Mooring Tensioner that delivers passive tension for CETO and MoorPower products. Fatigue testing of the Mooring Tensioner prototype is ongoing and will be followed by the design and integration of a prototype into the power take-off systems of the MoorPower and EuropeWave CETO prototypes.

**Garden Island Microgrid**

- Carnegie's Garden Island Microgrid asset, a 2MW solar array with a 2MW/0.5MWh battery energy storage system, continues to operate and provide clean, reliable energy to HMAS Stirling, Australia's largest naval base. Department of Defence purchases all the power produced by the plant under Carnegie's Power Supply Agreement. Carnegie owns the Large-Scale Generation Certificates (LGCs) created from the system's eligible electricity generation and captures additional revenue from the sale of these LGCs.

**Corporate**

- Carnegie held its Annual General Meeting (AGM) on Tuesday, 22 November 2022, and all resolutions were passed. At the AGM the Company's CEO, Jonathan Fiévez provided an updated presentation, and shareholders received a demonstration of the CETO and MoorPower products deployed through virtual reality.
- Carnegie team members presented at several local and international conferences including the International Conference on Ocean Energy (San Sebastian, Spain), World Renewable Energy Congress (Perth) and Edge: Engineering Ocean Solutions Forum (Perth). The team also hosted an Investor Webinar for the Capital Markets community on Wednesday, 2 November 2022, to provide an update on the Company's strategy and recent progress.

**DIRECTORS' REPORT**  
**31 DECEMBER 2022**

**SIGNIFICANT EVENTS SUBSEQUENT TO THE HALF-YEAR END**

On 20 January 2023, the company received a part payment of \$235,078 from an insurance claim relating to storm damage at the company's Garden Island operations. This amount has been accrued at 31 December 2022.

Other than this, there has been no matter or circumstance that has arisen after balance date that has significantly affected or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the half year ended 31 December 2022 can be found on page 6.

Signed on 15 February 2023 in accordance with a resolution of the Board of Directors.



**GRANT MOONEY**  
Director



**TERRY STINSON**  
Director

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Carnegie Clean Energy Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
15 February 2023



**N G Neill**  
Partner

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**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Note	Consolidated Group	
		31.12.2022	31.12.2021
		\$	\$
<b>Revenue</b>			
Sales revenue	3	302,289	226,797
		302,289	226,797
<b>Other income</b>			
Net loss on disposal of fixed assets		-	(2,498)
Other income	3	262,544	17,756
		262,544	15,258
<b>Expenses</b>			
Depreciation and amortisation expense	4	(144,688)	(140,419)
Employee and directors' expenses		(384,560)	(390,195)
Employee share-based payments		(205,357)	(560,515)
Finance costs		(5,036)	-
Professional fees		(113,262)	(68,159)
Research costs		(40,312)	-
Occupancy and administrative expenses		(446,640)	(270,512)
Other expenses from ordinary activities		(384)	87
Total expenses		(1,340,239)	(1,429,713)
Loss before income tax		(775,406)	(1,187,658)
Income tax benefit/(expense)		-	-
<b>Loss for the period from continuing operations</b>		(775,406)	(1,187,658)
Loss from discontinued operations	14	-	14,942
<b>Net Loss for the period</b>		<b>(775,406)</b>	<b>(1,172,716)</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign controlled entities		15,495	(2,789)
<b>Total comprehensive loss for the period</b>		<b>(759,911)</b>	<b>(1,175,505)</b>
<i>Total comprehensive loss attributable to:</i>			
Members of the parent entity		<b>(759,911)</b>	<b>(1,175,505)</b>
<b>Earnings per share from continuing operations</b>			
Basic loss per share (cents per share)		(0.005)	(0.008)
Diluted loss per share (cents per share)		(0.005)	(0.008)
<b>Earnings per share from discontinued operations</b>			
Basic loss per share (cents per share)		-	(0.000)
Diluted loss per share (cents per share)		-	(0.000)

The accompanying notes form part of these financial statements.

**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	Consolidated Group	
		31.12.2022	30.06.2022
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		3,826,219	4,095,035
Trade and other receivables	6	346,378	138,692
<b>TOTAL CURRENT ASSETS</b>		<b>4,172,597</b>	<b>4,233,727</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	539,938	539,729
Other financial assets		12,414	12,414
Property, plant and equipment	7	2,102,184	2,084,953
Leased assets – right of use	5	138,716	173,395
Intangible assets	8	14,693,846	14,475,353
<b>TOTAL NON-CURRENT ASSETS</b>		<b>17,487,098</b>	<b>17,285,844</b>
<b>TOTAL ASSETS</b>		<b>21,659,695</b>	<b>21,519,571</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	335,987	406,777
Short-term provisions		133,514	153,765
Lease liability	10	69,358	69,358
<b>TOTAL CURRENT LIABILITIES</b>		<b>538,859</b>	<b>629,900</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions		68,536	57,739
Lease liability	10	63,179	98,257
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>131,715</b>	<b>155,996</b>
<b>TOTAL LIABILITIES</b>		<b>670,574</b>	<b>785,896</b>
<b>NET ASSETS</b>		<b>20,989,121</b>	<b>20,733,675</b>
<b>EQUITY</b>			
Issued capital	11	209,071,175	208,261,175
Reserves		1,649,294	1,564,990
Accumulated losses		(189,731,348)	(189,092,490)
<b>TOTAL EQUITY</b>		<b>20,989,121</b>	<b>20,733,675</b>

The accompanying notes form part of these financial statements.

**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

<b>Consolidated Group</b>	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Foreign Currency Reserve</b>	<b>Option Reserve</b>	<b>Total</b>
<b>Balance at 1.7.2021</b>	207,661,175	(187,177,810)	37,087	925,883	21,446,335
Loss for the period	-	(1,172,716)	-	-	(1,172,716)
Other comprehensive loss	-	-	(2,789)	-	(2,789)
<b>Total comprehensive loss for the period</b>	-	(1,172,716)	(2,789)	-	(1,175,505)
<b>Transactions with owners</b>					
Expired options	-	10,000	-	(10,000)	-
Share issued from exercise of options	600,000	-	-	-	600,000
Share issue costs	(4,751)	-	-	-	(4,751)
Share-based payment expense	-	-	-	560,515	560,515
<b>Total transactions with owners</b>	595,249	10,000	-	550,515	1,155,764
<b>Balance at 31.12.2021</b>	<b>208,256,424</b>	<b>(188,340,526)</b>	<b>34,298</b>	<b>1,476,398</b>	<b>21,426,594</b>
<b>Balance at 1.7.2022</b>	208,261,175	(189,092,490)	28,090	1,536,900	20,733,675
Loss for the period	-	(775,406)	-	-	(775,406)
Other comprehensive loss	-	-	15,495	-	15,495
<b>Total comprehensive loss for the period</b>	-	(775,406)	15,495	-	(759,911)
<b>Transactions with owners</b>					
Expired options	-	136,548	-	(136,548)	-
Shares issued upon exercise of options	810,000	-	-	-	810,000
Share-based payment expense	-	-	-	205,357	184,508
<b>Total transactions with owners</b>	810,000	136,548	-	68,809	994,508
<b>Balance at 31.12.2022</b>	<b>209,071,175</b>	<b>(189,731,348)</b>	<b>43,585</b>	<b>1,605,709</b>	<b>20,989,121</b>

The accompanying notes form part of these financial statements.

**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	332,519	249,478
Receipts from royalty sale	-	1,100,000
Interest received	19,453	7,596
Payments to suppliers and employees	(1,046,334)	(515,433)
Receipts from R&D Tax Rebate	-	106,575
Net cash (used in)/provided by operating activities	(694,362)	948,216
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for development of asset	(933,001)	(791,178)
Receipts for development of asset	623,697	358,632
Purchase of property, plant and equipment	(40,072)	(1,351)
Net cash used in investing activities	(349,376)	(433,897)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issue of shares	810,000	600,000
Share issue costs	-	(4,751)
Payments for leases	(35,078)	(47,162)
Net cash provided by financing activities	774,922	548,087
Net increase/(decrease) in cash held	(268,816)	1,062,406
Cash and cash equivalents at beginning of financial period	4,095,035	3,633,171
Cash and cash equivalents at end of financial period	3,826,219	4,695,577

The accompanying notes form part of these financial statements.

**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of Compliance**

These interim condensed financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. The Consolidated Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This condensed half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, they cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Consolidated Group as in the full annual financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Carnegie Clean Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

These interim financial statements were authorised for issue on 14 February 2023.

**b) Basis of Preparation**

The interim financial statements have been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new and revised standards effective 1 July 2022 outlined in Note 2.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing the interim financial statements, the significant judgements made by management in applying the Consolidated Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report for the year ended 30 June 2022.

**NOTE 2: NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Group and mandatory for the current reporting period. As a result of this review the Directors have determined that there is no material impact on the group of the new Standards and Interpretations mandatory for the current reporting period and, therefore, no change is necessary to Consolidated Group accounting policies.

*Standards and Interpretations in issue not yet effective*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet mandatory. As a result of this review the Directors have determined that there will be no material impact of the Standards and Interpretations in issue not yet mandatory and they have not been early adopted.

**CARNEGIE CLEAN ENERGY LIMITED**

**ABN 69 009 237 736**

**AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 3: REVENUE AND OTHER INCOME**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>\$</b>	<b>\$</b>
<i>Sales revenue</i>		
Electricity sales	302,289	226,797
	302,289	226,797
<i>Other income</i>		
Interest income	20,076	5,834
Sublease of office	7,390	7,705
Insurance payout	235,078	-
Overseas consulting income	-	4,217
	262,544	17,756

**NOTE 4: DEPRECIATION**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>\$</b>	<b>\$</b>
Depreciation – property, plant and equipment	110,009	100,479
Depreciation – right of use asset	34,679	39,940
	144,688	140,419

**NOTE 5: RIGHT-OF-USE ASSETS**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>\$</b>	<b>\$</b>
Cost	208,075	248,014
Accumulated depreciation	(69,359)	(74,619)
Closing balance at end of the period	138,716	173,395

	<b>Consolidated Group</b>	
	<b>Half-year to 31.12.2022</b>	<b>Year to 30.06.2022</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation - Premises</b>		
Balance at the beginning of period	173,395	39,940
Additions	-	208,074
Depreciation expense	(34,679)	(74,619)
Closing Balance at end of the period	138,716	173,395

**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 6: TRADE AND OTHER RECEIVABLES**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Trade receivables	83,796	108,187
GST receivable	17,935	38,659
Prepayments	-	791
Insurance payout receivable	235,078	-
Other receivables	9,570	4,178
	346,378	138,692
<b>NON-CURRENT</b>		
Security deposits	539,938	539,729
	539,938	539,729

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT**

	<b>Consolidated Group</b>	
	<b>Half-year to 31.12.2022</b>	<b>Year to 30.06.2022</b>
	<b>\$</b>	<b>\$</b>
<i>Movements for the period</i>		
Balance at the beginning of period	2,084,953	2,092,948
Additions	127,240	201,263
Disposals	-	(349)
Depreciation expense	(110,009)	(208,909)
Carrying amount at the end of period	2,102,184	2,084,953

**NOTE 8: INTANGIBLE ASSETS**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>\$</b>	<b>\$</b>
<i>CETO technology development asset</i>		
Opening Balance at beginning of period	14,475,353	14,274,621
Subsequent development expenditure – CETO Technology	842,190	1,213,793
Other grants received	(623,697)	(626,131)
R&D tax incentive	-	(608,836)
Reversal of accrual for R&D prior year	-	221,906
Balance as at the end of the period	14,693,846	14,475,353

**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 9: TRADE AND OTHER PAYABLES**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	153,124	221,096
Accruals	182,863	185,681
	335,987	406,777

**NOTE 10: LEASE LIABILITY**

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>\$</b>	<b>\$</b>
Current lease liability	69,358	69,358
Non-current lease liability	63,179	98,257
Total lease liability	132,537	167,615

	<b>Consolidated Group</b>	
	<b>Half-year to 31.12.2022</b>	<b>Year to 30.06.2022</b>
	<b>\$</b>	<b>\$</b>
<i>Movements for the period</i>		
Opening balance at beginning of period	167,615	47,162
Liabilities incurred during the period (i)	-	208,074
Principal repayments	(35,078)	(87,621)
Closing balance at end of period	132,537	167,615

(i) Extension of Fremantle office lease to 31 December 2024.

**NOTE 11: SHARE CAPITAL**

	<b>Consolidated Group</b>	
	<b>Half-year to 31.12.2022</b>	<b>Year to 30.06.2022</b>
	<b>No.</b>	<b>No.</b>
<b>a. Ordinary shares number</b>		
At the beginning of reporting period	15,102,573,710	14,702,573,710
Options exercised during the year	540,000,000	400,000,000
At reporting date	15,642,573,710	15,102,573,710



**CARNEGIE CLEAN ENERGY LIMITED**

**ABN 69 009 237 736**

**AND CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 11: SHARE CAPITAL (CONTINUED)**

	<b>Consolidated Group</b>	
	<b>Half-year to 31.12.2022</b>	<b>Year to 30.06.2022</b>
<b>b. Ordinary shares \$</b>	<b>\$</b>	<b>\$</b>
At the beginning of reporting period	208,261,175	207,661,175
Shares issued during the year	-	-
Options exercised during the year (net of issue costs)	810,000	600,000
At the end of the financial period	209,071,175	208,261,175

**NOTE 12: RELATED PARTY TRANSACTIONS**

Company secretarial services have been provided by Mooney & Partners Pty Ltd, a company associated with Mr Grant Mooney during the period. These transactions were under normal commercial terms and the total fees paid were \$30,000 (2021: \$24,000).

Director Grant Mooney and Chief Executive Officer Jonathan Fievez jointly own solar energy microgrid operation and maintenance company Secure Energy Pty Ltd (previously EMC Asset Management Pty Ltd) (Secure Energy). Secure Energy provides operation and maintenance services to Carnegie to maintain the Garden Island Solar Battery System. For the period, EMCAM was paid \$94,223 inclusive of GST for those services (2021: \$81,780).

**NOTE 13: SHARE OPTIONS**

530,000,000 options were issued during the half year to the CEO, the Chairman and other staff under the Company's Employee Incentive Plan. The following options were on issue during the period:

	<b>Consolidated Group</b>	
	<b>Half-year to 31.12.2022</b>	<b>Year to 30.06.2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance 4,031,500,000 (30 June 2022: 4,339,500,000,000) options	1,536,900	962,970
Options issued (530,000,000 options)	205,357	583,930
Options exercised (540,000,000 options)	-	-
Options forfeited/expired (575,500,000 options)	(136,548)	(10,000)
Closing balance 3,446,500,000 (30 June 2022: 4,031,500,000 options)	1,605,709	1,536,900

For the options granted during the half-year ended 31 December 2022, the valuation model inputs used to determine the fair value at the grant date are outlined below. The options vest subject to the volume-weighted price of Carnegie's shares exceeding \$0.003 over a continuous period of 3 months. The options were valued using a barrier up-and-in trinomial pricing model with a Parisian barrier adjustment.

<b>Grant date</b>	<b>Expiry date</b>	<b>Share price at grant date (\$)</b>	<b>Exercise price (\$)</b>	<b>Expected volatility</b>	<b>Dividend yield</b>	<b>Risk-free interest rate</b>	<b>Fair value at grant date (\$)</b>
28 Oct 2022	28 Sep 2024	0.002	0.003	110%	0.00%	2.85 %	\$258,000
22 Nov 2022	25 Nov 2024	0.0015	0.003	110%	0.00%	3.13%	\$60,000

The fair value of these options will be brought to account over the vesting period.

**CARNEGIE CLEAN ENERGY LIMITED**

**ABN 69 009 237 736**

**AND CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

**NOTE 14: PROFIT FROM DISCONTINUED OPERATIONS**

On 14 March 2019, Energy Made Clean Pty Ltd (EMC) was placed into voluntary administration. After holding meetings with creditors, the Administrators are taking steps to liquidate EMC. In addition, the loss from Northam Solar farm was also classified as a discontinued operation. On 28 October 2019 the Deed of Company Arrangement was effectuated, and debts and asset sales were moved to the creditors trust. The total amounts paid or received in this or prior period relate to residual issues.

	<b>Consolidated Group</b>	
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>\$</b>	<b>\$</b>
Profit for the financial year from discontinued operations	-	14,942
Profit from discontinued operations	-	14,942

**NOTE 15: FAIR VALUE**

The fair value of financial assets and liabilities measured at fair value on a non-recurring basis approximate their carrying amount at balance date.

**NOTE 16: EVENTS SUBSEQUENT TO THE HALF-YEAR END**

On 20 January 2023, the company received a part payment of \$235,078 from an insurance claim relating to storm damage at the company's Garden Island operations. This amount has been accrued at 31 December 2022.

Other than this, there has been no matter or circumstance that has arisen after balance date that has significantly affected or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**CARNEGIE CLEAN ENERGY LIMITED**  
**ABN 69 009 237 736**  
**AND CONTROLLED ENTITIES**

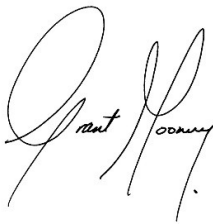
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**DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 16, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards AASB 134: Interim Financial Reporting; and
  - b. give a true and fair view of the Consolidated Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**GRANT MOONEY**  
Director



**TERRY STINSON**  
Chairman

Dated this 15<sup>th</sup> day of February 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Carnegie Clean Energy Limited

### Report on the Condensed Interim Financial Report

#### *Conclusion*

We have reviewed the accompanying interim financial report of Carnegie Clean Energy Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Carnegie Clean Energy Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**15 February 2023**



**N G Neill**  
**Partner**