APPENDIX 4E

Preliminary Unaudited Financial Report to the Australian Securities Exchange

Name of Entity	Carnegie Clean Energy Limited
ABN	69 009 237 736
Financial Year Ended	30 June 2020
Previous Corresponding Reporting Period	30 June 2019

Results for Announcement to the Market

	$	Percentage increase / (decrease) over previous corresponding period
Revenue from Ordinary activities	117,668	(78.0%)
Profit / (loss) from ordinary activities after tax attributable to members	(1,812,383)	(95.9%)
Net profit / (loss) for the period attributable to members	(275,522)	(99.5%)

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 $1,536,861.

The Directors do not intend to declare a dividend as no profit was made during the year ended 30 June 2020. 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)	0.03	(0.19)

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

The profit from discontinued operations arose mainly from the moving of creditors and accruals to the Creditors Trust as a result of the Deed of Company Arrangement. The administration fee of $1.4 million paid to Korda Mentha reduced the profit from discontinued operations. For further details refer to Note 30 of the Financial Report lodged with ASX 27/8/2020.

The carrying value of the CETO intellectual property is tested each six (6) months by an independent accounting firm. For the financial year 2020, a 15 year forecast was utilised in a reworked financial model. The valuation methodology uses a '*relief from royalty*' method. There was a reduction in the carrying value of the CETO IP from $15.0 million to $14.6 million during the year, due to government grants received being 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 2020 year, the Group took significant steps to advance and restructure its business including

- Carnegie successfully completed its Recapitalisation, raising $5.5 million from Shareholders and new third party investors through an Entitlement Offer and Shortfall Offer.
- Carnegie's Deed of Company Arrangement effectuated on 28 October 2019 and Administrators Korda Mentha resigned as the Deed Administrators.
- The Creditors Trust was established on behalf of Carnegie's creditors with $1.4 million from Carnegie's Recapitalisation.
- Carnegie was reinstated to official quotation on the ASX on 31 October 2019.
- Carnegie continued to progress the development of the CETO technology along the CETO technology pathway outlined in the Prospectus Recapitalisation Plan, including advancing innovation opportunities which have potential to improve the performance of CETO through greater energy capture, more efficient conversion into electricity, higher system reliability, and reduction in cost.
- Garden Island Microgrid commenced operations in August 2019. Under the Company's Power Supply Agreement, the Department of Defence is purchasing all of the power produced by the plant.
- Teething issues and panel failures were addressed during the year and resulted in constraints to generation of the solar plant.
- In early April the plant was disconnected due to infrastructure changes on the Naval Base and which impacted on revenues generated from the solar plant. This was expected but out of Carnegie's control. Reconnection is expected in Q3 2020.

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: • (\$1,812,383) loss for the continuing operations. • \$1,536,861 profit from discontinued operations, relating to Administration and moving creditors to the Creditors Trust.
Discussion of trends in performance: In the 2020 financial year Carnegie returned to its core strength in the development of wave energy technology. With a lean operation, a clear business model and valuable assets retained, Carnegie's team set about stabilising the business and progressing the CETO technology along the digital development pathway. The issue of climate change continued to grow in importance during 2020. Businesses and governments alike are increasing their decarbonisation efforts and are looking to support technologies that can deliver this outcome and demonstrate their commitment to the challenge. Carnegie's development of CETO is consistent with this endeavour and application of the technology to sectors beyond large scale grids is being progressed. The digital development pathway has a much lower demand on capital as demonstrated over the 2020 financial year. This approach will continue in the new financial year and capital will be augmented with government grants and other non-dilutive support where possible. The Garden Island Microgrid continues to be an important asset to generate revenue from the solar and provides a site for future wave projects. The 2 MW solar array commenced operating August 2019 and provided revenues to Carnegie under its power purchase agreement with Department of Defence, but was disconnected to allow a planned infrastructure upgrade at the naval base to occur, adversely affecting revenues. Reconnection should occur later in 2020 together with improvements in operation of the plant to maximise the performance and value of the asset.
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: n/a

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)	
		2020	2019

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
This report is based on financial accounts for the year ended 30 June 2020 which have been audited. There are no disputes or qualification to the financial accounts that the Board is aware of.			
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: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments forming part of Appendix 4E

Attachment #	Details
1	Financial Report for the year ended 30 June 2020 (audited) announced 27 August 2020: https://www.asx.com.au/asxpdf/20200827/pdf/44lzdhxnc738r1.pdf

Print name: Jonathan Fievez
Chief Executive Officer
Date: 27 August 2020