ASX RELEASE

Infigen Energy
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Infigen Energy Limited ABN 39 105 051 616
Infigen Energy Trust ARSN 116 244 118
www.infigenenergy.com

22 August 2019

APPENDIX 4E AND 2019 ANNUAL REPORT

Attached are the following reports relating to Infigen Energy (ASX: IFN):

- Appendix 4E (Preliminary Final Report for the year ended 30 June 2019)
- Infigen Energy 2019 Annual Report

ENDS

For further information please contact:

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About Infigen Energy

Infigen is leading Australia's transition to a clean energy future. Infigen generates and sources renewable energy, increases the value of intermittent renewables by firming, and provides customers with clean, reliable and competitively priced energy solutions.

Infigen generates renewable energy from its owned wind farms in New South Wales (NSW), South Australia (SA) and Western Australia (WA). Infigen also sources renewable energy from third party renewable projects under its 'Capital Lite' strategy. Infigen increases the value of intermittent renewables by firming them from its Smithfield OCGT in Western Sydney, NSW, and its 25MW/52MWh Battery at Lake Bonney, SA, where commercial operations are expected to commence in H1 FY20.

Infigen's energy retailing licences are held in the National Electricity Market (NEM) regions of Queensland, New South Wales (including the Australian Capital Territory), Victoria and South Australia.

Infigen is a proud and active supporter of the communities in which it operates.

For further information, please visit: www.infigenenergy.com

INFIGEN ENERGY

Appendix 4E – Preliminary Final Report for the year ended 30 June 2019

Name of entity:	**Infigen Energy (ASX: IFN), a stapled entity comprising Infigen Energy Limited ('IEL') (ABN 39 105 051 616) and Infigen Energy Trust ('IET') (ARSN 116 244 118)**

Reporting period

Current Period:	1 July 2018 – 30 June 2019
Previous Corresponding Period:	1 July 2017 – 30 June 2018

Results for announcement to the market

	% Movement	30 June 2019 $'000	30 June 2018 $'000
Revenues from ordinary activities	Up 15.1%	257,506	223,755
Profit from ordinary activities after tax attributable to members	Down 10.5%	40,891	45,673
Net profit for the period attributable to members	Down 10.5%	40,891	45,673

Dividends or distributions

Infigen declared a distribution of one cent per security in relation to the six-months period ended 30 June 2019 (30 June 2018: Nil).

Net tangible asset backing per security

	30 June 2019	30 June 2018
Net tangible assets per stapled security	50 cents	48 cents

Associates and joint venture entities

Name of entity	Percentage holding	
	30 June 2019	30 June 2018
Forsayth Wind Farm Pty Limited	50%	50%
Infigen Suntech Australia Pty Limited	50%	50%
RPV Developments Pty Limited	32%	32%

Control gained over entities during the period

- Lake Bonney BESS Pty Limited was incorporated on 19 July 2018
- Cherry Tree Project Trust was established on 22 November 2018
- Infigen Energy (NSW) Power Holdings Pty Limited was incorporated on 16 May 2019
- Infigen Energy Smithfield Holdings Pty Limited was incorporated on 16 May 2019
- Smithfield Land Holdings Pty Limited was incorporated on 16 May 2019
- Visy Power Generation Pty Ltd was acquired on 23 May 2019 and renamed Smithfield Power Generation Pty Ltd on that date

Control lost over entities during the period

- Cherry Tree Wind Farm Pty Ltd was sold to a third party on 18 December 2018
- Cherry Tree Project Trust was sold to a third party on 18 December 2018

Entity unstapled and de-listed during the period

- As approved by members on 16 November 2018, the shares of Infigen Energy (Bermuda) Limited ('IEBL') were unstapled from the securities of IEL and IET, and IEBL was thereafter de-listed from the ASX and internalised to become a wholly owned subsidiary company of IEL, effective 22 November 2018

For all other information required by Appendix 4E, please refer to the following documents lodged with the Australian Securities Exchange (ASX) on 22 August 2019:

- ASX Release
- Annual Report
- Annual Results Presentation

Annual Report 2019.

Infigen Energy

Image:
Capital Wind Farm, NSW

Front page:
Run With The Wind,
Woodlawn Wind Farm, NSW

Contents.

Infigen Energy Limited
ACN 105 051 616

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ARSN 116 244 118

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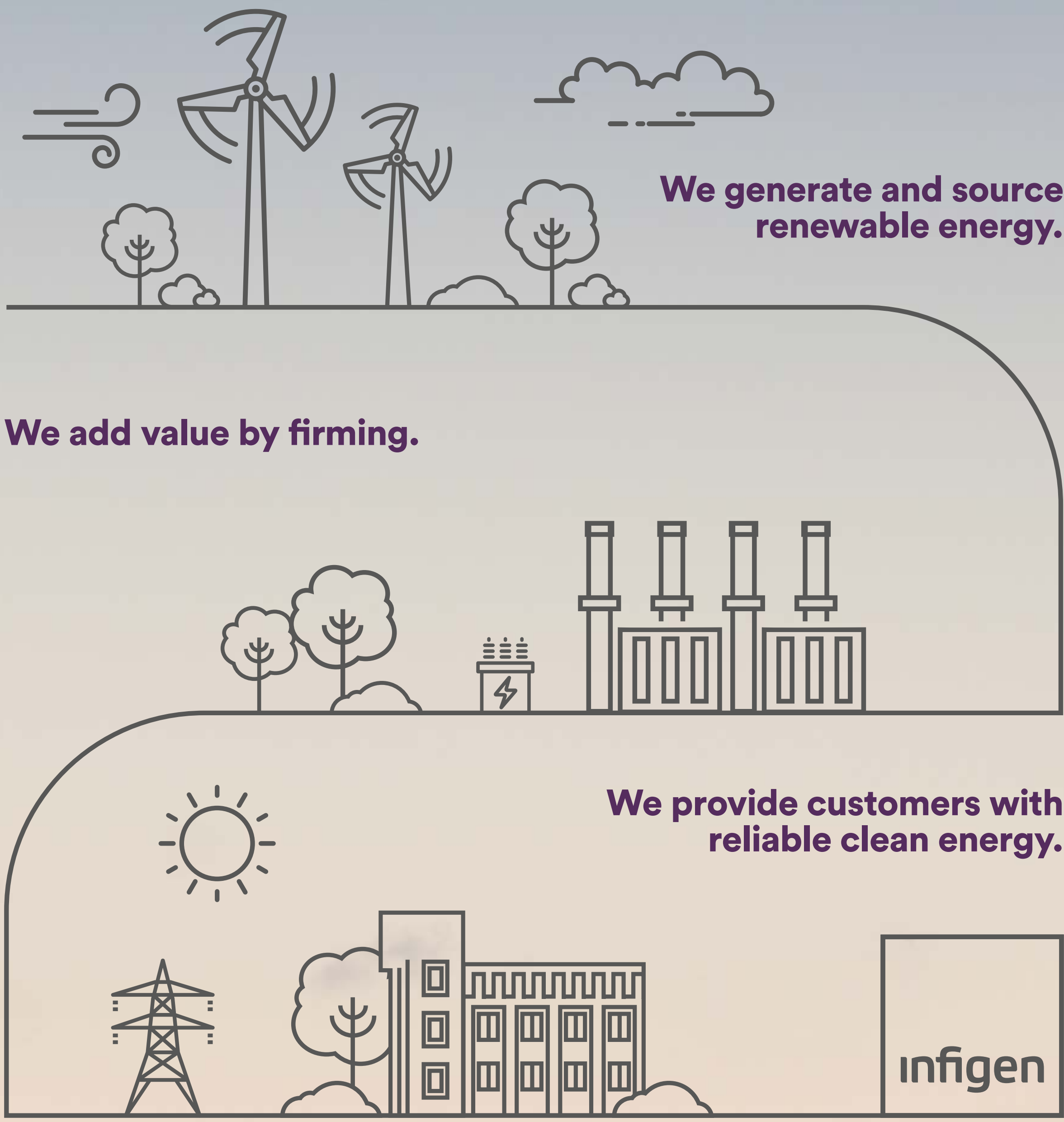
Our Strategy.



We generate and source renewable energy.

We add value by firming.

We provide customers with reliable clean energy.

About Infigen Energy.

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Image:
Capital Wind Farm, NSW

We are leading Australia's transition to a clean energy future.

	Asset	Nameplate capacity (MW)	State	
Owned Renewable Energy Assets				**Commercial Operation date**
1	Alinta Wind Farm	89.1	WA	Jul 2006
2	Lake Bonney 1 Wind Farm	80.5	SA	Mar 2005
3	Lake Bonney 2 Wind Farm	159.0	SA	Sept 2008
4	Lake Bonney 3 Wind Farm	39.0	SA	Jul 2010
5	Capital Wind Farm	140.7	NSW	Jan 2010
6	Capital East Solar Farm	0.1	NSW	Sept 2013
7	Woodlawn Wind Farm	48.3	NSW	Oct 2011
8	Bodangora Wind Farm	113.2	NSW	Feb 2019
Contracted Renewable Energy Assets				**Contract start date**
9	Kiata Wind Farm	31.1	VIC	Sept 2018
10	Cherry Tree Wind Farm	57.6	VIC	Expected H1FY21
Total Renewable Energy Assets		**759.0**		
Firming Assets				**Acquisition / Commercial Operation date**
11	Smithfield OCGT	123.0	NSW	Acquired May 2019
12	SA Battery	25MW/52MWh	SA	Expected H1FY20

Image:
Capital Wind Farm, NSW

Clean power solutions for Commercial and Industrial customers.

2019 Highlights.

Renewable Energy Generation increased 20% ↑

1,775
Gigawatt Hours

Underlying EBITDA increased 11% ↑

$165.3
Million

Net Operating Cash Flow increased 44% ↑

$144.3
Million

NPAT decreased 10% ↓

$40.9
Million

Net Assets per Security increased 2% ↑

¢61
Cents

Reintroduced distributions ↑

¢1.0
Cent per security for half year

infigen

Increased Renewable Energy Generation by 20%

Completed Bodangora Wind Farm adding 113MW of new owned capacity in NSW.

Increased electricity volumes sold to C&I customers by 19% and invested in enhanced customer service capabilities.

Agreed terms for the Capital Lite development of Cherry Tree Wind Farm, providing 58MW of contracted capacity in VIC for 15 years post completion.

Established Physical Firming Portfolio

Acquired Smithfield OCGT facility for $74m, a 123MW fast-start gas fired generator in NSW.

Constructed the SA Battery, which will provide 25MW/52MWh of fast response firming in SA.

Smithfield positions Infigen to source an additional 300-400MW of renewable energy capacity.

Delivered Capital Management Strategy

Reintroduced distributions at 1 cent per security per half year, paid from free cash flow.

Investing in accretive growth projects that are expected to exceed our 12% post tax levered equity return target.

Repaid $41.2m of gross debt in line with amortisation schedule.

Safety.

Infigen's first priority is the safety of the people and the communities in which it operates. Infigen is committed to achieving its goal of zero harm.

Infigen adopts a combination of engineering solutions, as well as human practices and behaviours, to reduce or eliminate safety risks from our operating assets. Individual responsibility for the safety of ourselves and our colleagues is at the core of our organisational values and drives our efforts to continuously improve our safety performance.

Safety performance

Twelve-months ended	2019	2018	Change
Lost Time Injury (LTI)	-	1	(1)
Lost Time Injury Frequency Rate (LTIFR)	-	2.6	(2.6)
Total Recordable Injury Frequency Rate (TRIFR)	8.7	13.0	(4.3)

Infigen's safety performance is measured on a rolling 12-month basis, in accordance with standards of Safe Work Australia.

There were no recorded LTIs during the twelve-months ended 30 June 2019.

Principal contractors are responsible for the management of daily wind farm operations (including safety of their workers), however Infigen includes contract workers in its reportable safety statistics.

There were no recordable injuries reported involving Infigen employees.

The Lake Bonney 1 and Alinta Wind Farms are 11+years LTI free.

Infigen actively engages in the management of contractor safety, using methods including workshops, monthly meetings, and audits.

Our Purpose.

We are leading Australia's transition to a clean energy future.

Our Strategy.

- Generate and source renewable energy.
- Add value via fast-start firming assets.
- Supply reliable clean energy to Commercial and Industrial customers.
- Create security holder value by increasing quality of earnings.

Our Sustainability Goals.

- Affordable clean energy.
- High performance organisational culture for delivery of the business strategy.
- Strong community relations.

Our Progress to date.

- Bodangora WF and Kiata WF deliver growth in Renewable Energy Generation.
- Smithfield OCGT and SA Battery deliver firming capacity.
- Growing electricity contracting with C&I customers.
- Reintroduced distributions at 1cps per half year.

Our Plan for Growth.

- Source 300-400MW of new renewable energy capacity in NSW.
- Deliver Cherry Tree WF for Capital Lite renewable growth.
- Deliver additional firming capacity and renewable growth in SA.

Chairman and Managing Director's Report.

Image:
Bodangora Wind Farm, NSW

CHAIRMAN & MANAGING DIRECTOR'S REPORT

Dear Security Holder,

We are pleased to present Infigen's results for Financial Year 2019 (FY19) - a transformative year in which we have made significant progress in positioning Infigen to manage the challenges and capture the opportunities that arise in the evolving energy market.

At Infigen, safety will always remain our highest priority. In FY19, Infigen had no lost time injuries (LTIs) and the Lake Bonney 1 Wind Farm and Alinta Wind Farm achieved 11 years LTI free. This result is a testament to the hard work and diligence of our team. However, we are not complacent. The Board and management continue to look for opportunities and processes to improve our systems and culture in vigilant pursuit of zero harm. Central to our philosophy is the application of a hierarchy of defences – with the first line of defence in our strategy to provide safe working conditions being to engineer or design-out safety hazards. For example, working at heights is one of our recognised workplace health and safety risks. As a result, in FY19 Infigen, in conjunction with Vestas, installed lifts at the Lake Bonney 1 Wind Farm to improve the safety of our workplace.

Infigen is leading Australia's transition to a clean energy future. Infigen's strategy is to generate and source low cost renewable energy, to add value to it by firming, and to provide customers with reliable, clean and competitively priced electricity. Infigen believes this is the future of Australia's energy ecosystem and that our business model will result in superior outcomes for customers, communities, the environment, and our security holders.

In FY19 Infigen reached several significant milestones in the delivery of this strategy.

We generate and source renewable energy

In FY19 Infigen increased Renewable Energy Generation by 20% reaching 1,775 GWh. This was achieved by delivering several strategic projects including:

- The construction and completion of the 113 MW Bodangora Wind Farm in New South Wales (NSW);
- The execution of our first Capital Lite Power Purchase Agreement (PPA), sourcing renewable energy from the 31 MW Kiata Wind Farm in Victoria (VIC) for a period of five years allowing Infigen to sell to customers without developing the asset on our own balance sheet; and
- The sale of the Cherry Tree Wind Farm development to John Laing for $6.5 million in cash and concurrent entry into a PPA to acquire 100% of the renewable energy and green products produced for 15 years. Infigen is managing the construction process and will manage the wind farm once complete. Practical completion of the wind farm is expected in 2020 and the PPA will deliver more renewable energy for sale to our customers.

We add value to renewable energy by firming

Renewable generation is intermittent, and production does not always correlate with consumers demand. As a consequence, prices for firm delivery of electricity are substantially higher than prices for run of plant renewable PPAs. Infigen's strategy is to build or acquire a portfolio of physical firming assets which, together with our increasing renewable generation, allow us to sell more electricity under firm contracts into these higher priced markets. This is designed to improve the quality and quantity of our earnings. In FY19 Infigen delivered two important projects that can transform our ability to firm renewable generation:

- construction of the SA Battery, a 25 MW/52 MWh facility co-located with our Lake Bonney Wind Farms.
- the acquisition of the Smithfield OCGT in Western Sydney, a 123 MW flexible, fast-start generator that enables Infigen to firm its New South Wales generation.

These physical firming assets are transformative to our business as they allow us to contract directly with customers to meet their energy needs.

We provide customers with reliable, competitively priced clean energy

Central to our purpose is the supply of clean, reliable energy to our customers. Accordingly, we have been pleased to continue to expand our volume of energy (and LGCs) under contract to a growing base of commercial and industrial customers in our key markets.

In FY19, Infigen increased its contracting with C&I Customers to 768 MWh. Infigen also continued to invest in its customer service capability. A key achievement in this regard has been the implementation of an advanced customer billing system facilitating integrated multi-site functionality. Continuing to grow the volumes we sell to our C&I Customer base remains a priority for FY20.

Financial Results of our Strategy

The success of this strategy is reflected in Infigen's FY19 financial results. During the period, Renewable Energy Generation increased 20%, reflecting the addition of the Bodangora Wind Farm and the Kiata Wind Farm PPA. Consequently, Net Revenue increased 9% to $229 million. Business Operating Costs were slightly higher due to an increased investment in and commitment to customer service capability, supporting our growth in C&I Customers. In total, Infigen delivered underlying EBITDA of $165 million, 11% higher than FY18. This result positioned Infigen to reintroduce distributions at 1 cent per security per half-year, and to repay $41 million of gross debt in accordance with Infigen's debt amortisation schedule.

Economic and Policy Considerations in the National Electricity Market

FY19 was another year of ongoing policy confusion and uncertainty in Australia's National Electricity Market (NEM). Despite ratifying the Paris Agreement, and reaching almost unanimous industry support for the National Energy Guarantee, the Australian Government is yet to adopt policy settings that guide the market to deliver both our national emissions targets and reliable supplies of energy in the most efficient manner. In our view this is negatively impacting investor sentiment and market confidence across the sector.

In the absence of any future pricing signals designed to incentivise investment in low emissions generation, the long-term prices of Large-Scale Generation Certificates (LGCs) - an instrument originating from the 2003 Renewable Energy Target – have declined over the course of the reporting period.

Infigen, however, has a significant proportion of its LGCs under medium term supply contracts to obligated parties – hence reducing the impact of declining prices on its revenues in the near term. To offset the decline in revenues from the sale of LGCs in the longer term, Infigen's strategy relies upon expanding the volume of renewable energy sold and capturing the added value available in the market for the supply of clean, reliable, "firm" energy. This strategy is compatible with the requirements of maintaining a stable grid as it transforms away from large scale, base load thermal coal plant. Renewable energy is now the lowest cost source of new generation, with a key challenge being how to best integrate this into the grid.

Infigen's business strategy is based on market fundamentals. Infigen believes that tomorrow's energy leaders will firm low cost renewables and that electrification of transport, heating, and industrial processes will lead to renewables supplying a growing share of Australia's total energy consumption.

Apart from the importance of national policy settings that are durable and sustainable, it is equally critical that the market is operated in accordance with clear and transparent rules. These rules need to take account of existing investments as well as incentivise new investment in capital equipment across the system to maintain stability and reliability of supply at the lowest cost to consumers in the short and long term. The magnitude of this challenge is considerable. Over the course of the last twelve months we have seen AEMO as market operator, the AEMC as rule maker, and the network service providers grapple with the challenges of designing and implementing rules to guide the smooth introduction of significant volumes of new renewable generation spatially dispersed across a grid which was designed to support large scale base load thermal generators – some of which have retired and the balance of which is destined to progressively exit the system.

Recent changes to market rules and the introduction of additional requirements to evaluate the impact of installing new capacity into the network to maintain the integrity of the grid has dramatically slowed the pace of new entrant plant. While to date, the impact on Infigen has been limited, we are aware that for other projects the impact of these changes has been material - severely impacting the economics of projects.

Infigen continues to advocate for an orderly transition to a clean energy future. As coal fired generators inexorably reach their planned retirement age and, prior to that, suffer from reduced reliability, replacement generation will be needed. Policy coherence will be a key factor in ensuring the replacement of generation delivers reliable, affordable and lower emissions electricity for all Australians. Any viable, long term national policy should, however, recognise the value that is associated with both lower emissions as well as higher reliability. So too must a coherent energy policy be guided in its implementation by clear, transparent market rules that can be readily implemented by market participants. National policy settings that reflect these principles should enable the energy sector to not only deliver reliable, affordable energy to the market, but also offer the most efficient overall solution to the national challenge of meeting our emissions targets under the Paris Agreement.

Continuing to Prioritise Sustainability

In FY19 the Hayne Royal Commission into the financial services sector was a reminder that businesses should never undervalue the importance of corporate culture. As Infigen's business transitions, we have undertaken several initiatives to ensure that Infigen's corporate culture is conducive to the long-term success of our business strategy. These initiatives have sought to engage all Infigen's employees in the process of refining our purpose, defining our values and shaping our behaviours. Infigen recognises that the quality and strength of our corporate culture will be the key determinant of the sustained success of our business plan.

As a leader in the clean energy transition, Infigen, in FY19, resolved to target carbon neutrality for the entire business by FY25. Infigen already sources all its electricity usage from renewable sources – so Infigen is already meeting the targets of members of RE100. Infigen is seeking to do more and offset 100% of its scope 1 and scope 2 emissions by FY25.

Board Renewal

In FY19 we welcomed Karen Smith-Pomeroy to the Boards, thereby completing the process of Board renewal that commenced in mid–2017. Karen brings a wealth of deep energy and financial experience to complement the existing skills of our Boards and brings to four the number of independent, non-executive directors of our Boards, ensuring a clear majority consistent with ASX corporate governance best practice. The Board now has not only access to deep knowledge and experience in the Australian energy market (from both producer and customer perspectives) but also finance and corporate governance and is well placed to guide the company through its transition.

FY19 was a year of significant achievement for Infigen and the business is now well positioned to meet the challenges of Australia's evolving energy market. We remain focussed on the fundamentals of our business within an evolving Australian energy market.

We note that pressure continues to build for delivery of more coherent national and state policy settings. Achievement of these will provide more favourable conditions for investor sentiment for Infigen and across the sector.

Infigen's strategic achievements have been made possible by the support of our communities and the commitment and dedication of our employees. We thank security holders for their ongoing support and look forward to working with all our stakeholders as we continue to lead Australia's transition to a clean energy future.

Sincerely,

L. F. Gill

Ross Rolfe

Len Gill
Chairman

Ross Rolfe AO
Chief Executive Officer/
Managing Director

Chairman's Addendum

FY19 was marked by growth in our renewable portfolio, growth in sales to customers, transformative growth in our firming capacity and delivery of increased earnings. The latter has allowed continued debt reduction and reintroduction of a distribution.

On behalf of security holders, I would like to acknowledge the leadership of our CEO Ross Rolfe, the efforts of his leadership team and the dedication of all the Infigen team in delivering these achievements.

L. F. Gill

Len Gill
Chairman

DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW

This Operating and Financial Review (OFR) forms part of the Directors' Report. The OFR contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events and future financial prospects. Such statements are not statements of fact, and there can be no certainty of their outcome.

1. Strategy and Growth

Infigen is leading Australia's transition to a clean energy future. Infigen generates and sources renewable energy, adds value to renewables through firming, and, in so doing, provides customers with reliable and competitively priced clean energy.

This strategy is enabled by Infigen's recent investments in physical firming capacity, namely the Smithfield OCGT located in Western Sydney, and the SA Battery, located near Millicent, South Australia (SA).

As Infigen has transitioned to an active energy market participant, the business has successfully grown its sales volumes to C&I Customers. This has been facilitated by the growth of Infigen's energy market and customer service capabilities.

Increasing Contracting to Improve Quality of Earnings

The success of this business transition is evident from Infigen's increasing levels of electricity contracting. Infigen is currently 75% contracted for its expected Renewable Energy Generation in FY20, with additional C&I Customer contracting opportunities being pursued in NSW, SA and VIC.

Infigen anticipates that its strategy will allow up to 75% of its expanding renewable energy production to be sold under firm contracts. This additional contracting is expected to be with new C&I Customers. Infigen's ability to meet customers' needs is enabled by the acquisition of physical firming capacity within the Infigen portfolio, assets which allow Infigen to add value by managing the risk associated with the delivery of fixed volumes and prices from intermittent renewable energy sources.

The addition of physical firming capacity to the portfolio also enables Infigen to grow the volume of "firmed" clean energy offered to the market. The acquisition of the Smithfield OCGT will, for example, allow Infigen to firm the supply of energy from not only the existing portfolio in NSW but also enable Infigen to source a further 300-400 MW of additional renewable energy capacity in NSW. Infigen expects to obtain access to this additional supply under its "Capital Lite" model. Under this model, Infigen buys low cost intermittent renewable energy under run of plant PPAs with third party generators. Infigen then uses its flexible, fast start physical firming assets to manage intermittency, enabling Infigen to sell higher value reliable and competitively priced clean energy to customers. Accordingly, Infigen expects that its strategy will not only allow the volume of energy it sells to increase, but also allow higher levels of contracting for that generation.

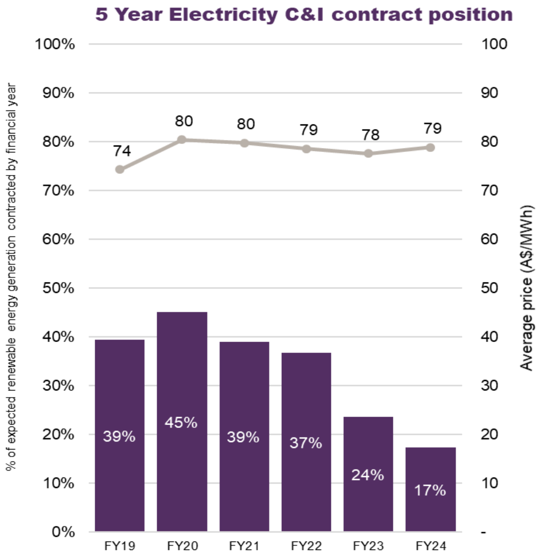
Infigen sells electricity through three channels to market:

(1) C&I Customers, where Infigen sells renewable energy in firm volumes at a fixed price to customers contracting for reliable clean energy;

(2) PPAs, where Infigen sells renewable energy on a run of plant basis at a fixed price; and

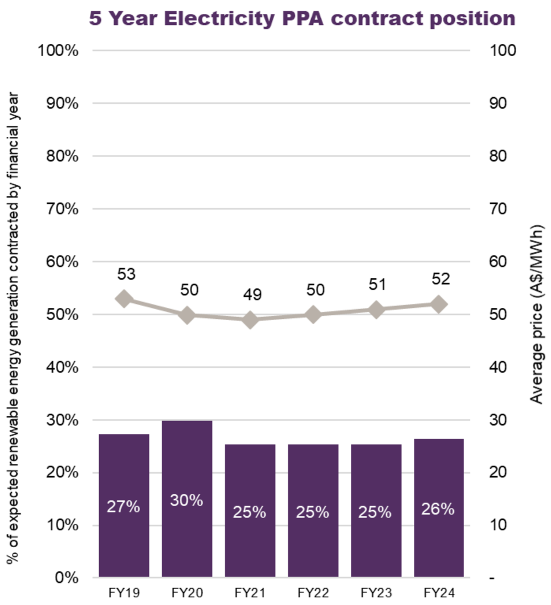
(3) Merchant revenues, where Infigen sells the energy into spot electricity markets. This energy can be produced from Infigen's renewable energy assets or its physical firming assets. This channel includes ancillary revenues, costs related to energy market participation and is presented net of merchant electricity purchases.

C&I sales are medium tenor contracts where specific customers contract their electricity load with Infigen at the agreed contract price. Infigen's sales through this channel therefore have limited price and volume risk. However, Infigen must manage the cost of firming, a factor reflected in Infigen's Merchant channel. C&I contracts may have inflation (CPI) escalators.



Note: Realised C&I prices and percentage of volume will vary based on several factors including peak vs off peak usage, wind conditions, demand response and new C&I Customer contracting. C&I contracts may have inflation linked pricing.

PPA sales occur under agreements where Infigen receives a fixed price for intermittent renewable energy production. Infigen's sales through this channel therefore have production risk (depending on wind conditions) but not price and generally no delivery risk. PPA sales contracts generally have CPI escalators.



Note: Realised PPA prices and percentage of volume will vary based on generation mix due to wind conditions. PPAs generally have inflation linked pricing where Infigen assumes 2% inflation pa.

Merchant revenue includes spot electricity sales and purchases, with their respective Dispatch Weighted and Load Weighted Average prices, purchases of third-party renewable volumes via our Capital Lite projects, hedge costs and benefits, and net revenues relating to Infigen's firming assets, the SA Battery and Smithfield OCGT. These diversified sources of revenue enable Infigen to sell intermittent renewable energy to C&I Customers contracting for firm load. In FY20, Infigen's Merchant revenue will be influenced by the inclusion of Smithfield OCGT and the SA Battery (once fully commissioned), partly offset by higher firming costs due to increase C&I contracting.

Infigen's increased volume and contracted sales will be dependent upon sourcing additional renewable generation. This is expected to be achieved through Infigen's Capital Lite strategy. To this end, Infigen is actively engaged with a number of developers to enter into PPAs to supply additional energy to Infigen. The time of delivery of such electricity will be dependent upon entry into the PPAs and the timeline for development and construction of any associated greenfields renewable project. The price at which Infigen can contract new C&I Customers will be dependent upon a number of factors including the wholesale market price at the time of the new contract, contract tenor, contract load and shape, the region in which the customer operates and other bespoke contract terms which affect risk and therefore price.

In addition to its electricity sales, Infigen generates revenue from the sale of LGCs. LGCs originated with Australia's Renewable Energy Target ("RET") established in 2003. The value of LGCs is determined by market-based trading, which takes into account their supply, demand and a legislated surrender obligation each calendar year to 2030. As more utility scale renewable generation enters the market, supply of LGCs increase, and LGC prices are likely to decline accordingly. The impact of declining LGC prices on Infigen's future revenue is moderated by our contracted position over the short to medium term. In the longer run, Infigen's strategy is designed to offset declining LGC revenues by increased sales of firm, higher value, energy to our growing customer base.

Infigen's Strategy is Delivering Financial Results

The success of Infigen's strategy is evident in the FY19 results. Underlying EBITDA was $165 million, an increase of 11% over FY18. Of Infigen's $229 million of Net Revenue, 79% came from contracted revenue sources of sales to C&I Customers, PPAs and LGCs. This outcome supported Infigen's reintroduction of distributions at 1 cent per security per half-year, which is expected to be sustainable throughout the cycle.

Financial Position

Infigen's financial position is able to support the business' long-term growth strategy. The Corporate Facility has the flexibility and terms appropriate for Infigen during its transition to an active energy market participant. During FY19, Infigen repaid $34 million of the principal of the Corporate Facility consistent with the scheduled amortisation. As at 30 June 2019 $484 million was outstanding under the Corporate Facility with $119 million of amortisation scheduled prior to maturity in April 2023. In addition, Infigen repaid $7 million of Bodangora Facility borrowings, a facility that is scheduled to be amortised in full by its maturity in 2034.

Capital Lite Development and Acquisition

Infigen's development pipeline consists of several high-quality projects with opportunities to create security holder value. These projects include:

(1) Flyers Creek Wind Farm: a c140 MW project located 20km south of Orange, NSW, with the potential to generate approximately 450 GWh per year.

(2) Woakwine Wind Farm: a c300 MW project located near Lake Bonney, SA, with the potential to connect into the Victorian grid.

(3) Capital 2 Wind Farm: a c100 MW expansion adjacent to the Capital Wind Farm at Lake George, NSW.

Subject to confirming the feasibility of these projects, Infigen intends to evaluate projects on an owned or Capital Lite basis. This approach allows Infigen to crystallise the value of its development pipeline, ensure access to renewable energy at market competitive rates, preserve its own capital, and partner with renewable energy and infrastructure investors seeking an experienced project developer and energy market participant. Infigen believes the future of the NEM is low cost renewable energy, supported by physical firming assets such as batteries, gas peakers and hydroelectric facilities. As the NEM evolves, Infigen expects the value of its development pipeline to be realised. The pace of this development and the sequencing of particular projects will depend upon the relative merits of each project in terms of the competitiveness of its price and ability to provide the greatest contribution to company value.

Accordingly, Infigen is also seeking to increase its Renewable Energy Generation through the acquisition of renewable energy through PPAs from third party project owners and developers, as was the case for the Kiata Wind Farm. This approach allows Infigen to maximise the value of the physical firming capacity it has acquired and achieve its targeted increases in electricity volumes and contracting. In assessing each "Capital Lite" opportunity we assess the extent to which it is competitive with our own development projects and complementary to the production profile of our existing generation portfolio and the needs of our customers.

Operational Highlights

Infigen's fleet of owned operating assets continued its strong performance with the overall fleet performance exceeding budgeted availability and production targets. Total turbine availability was 97.3%.

During FY19, Infigen's fleet expanded, with the commencement of commercial operations occurring at Bodangora Wind Farm in February 2019. General Electric (GE), the turbine manufacturer's operations team is now fully mobilised and providing operation and maintenance services for this wind farm. Under the terms of this full-service agreement, GE provides an availability guarantee until the 20th year of operations.

FY19 was also the first full year of the Vestas service and maintenance agreements which are relevant to all of Infigen's wind farms except Bodangora. These agreements contain pain-share/gain-share mechanisms and availability targets which are unchanged throughout the life of the agreements which operate until the 20th year of commercial operations of each wind farm. The long-term incentives incorporated in both the Vestas and GE agreements create alignment for operational performance.

Infigen undertook a number of capital upgrades to its wind farms outside the O&M agreements with a focus on both energy efficiency and safety. For example, Infigen completed a key capital safety upgrade, installing lifts at Lake Bonney 1 Wind Farm. In FY19 and FY20 Infigen has partnered with Vestas on turbine self-forecasting models with the objective of improving dispatch efficiency in the five minute settlement market

National Energy Policy and Energy Market Rules

Infigen continues to engage with the Federal and State Governments and relevant regulators that influence the operation of the markets in which Infigen actively participates. We remain committed to working constructively with all stakeholders to deliver an efficient transition to a future energy market that offers affordable, reliable, clean supplies of energy to Australian consumers. Central to the ability of the energy market to achieve this transition at the lowest cost to the consumer is the emergence of a coherent and consistent national energy policy that is informed by economics and engineering.

It is important to note that a viable, long term national policy needs to contemplate the system as a whole. Generation, transmission and distribution networks and retail function as an ecosystem. Hence it is important that the market can make commercial assessments of the most viable long-term investment response to market opportunities – without fear that the economics of projects will be undermined by new policy initiatives of government that defy the gravity of market principles. Uniform, nationally consistent policy that is designed to enable a healthy market-based response to customer needs will ensure long term competitiveness of the supply of energy – given the quality and abundance of our resources.

Infigen will continue to work with government policy makers, industry participants and regulators to deliver a stable, market based, policy environment which is underpinned by transparent rules. If this can be achieved Australia is well placed to deliver a world class energy industry that realises the potential value of its abundant and infinite supply of renewable energy as well as prudently utilise our significant, but finite, supply of thermal fuels to support a globally competitive domestic economy.

Outlook

In FY20, Infigen will continue to deliver its business strategy and, in particular, will be focused on:

(1) Increasing the volumes of renewable energy sourced under the Capital Lite model. The Smithfield OCGT acquisition enables 300-400 MW of additional renewable energy capacity in NSW to be sourced from third parties.

(2) Increasing the levels of C&I Customer contracting. Infigen's strategy will allow up to 75% of Infigen's expanding renewable energy production to be sold under firm contracts. This level is expected to be progressively achieved. Infigen has invested in enhanced billing and customer service capabilities to facilitate this growth.

(3) Managing construction of the Cherry Tree Wind Farm where practical completion is anticipated in calendar year 2020, which will deliver new renewable energy for sale to our customers in FY21.

(4) Complete commissioning of the SA Battery.

(5) Progressing Flyers Creek Wind Farm, NSW, towards financial close.

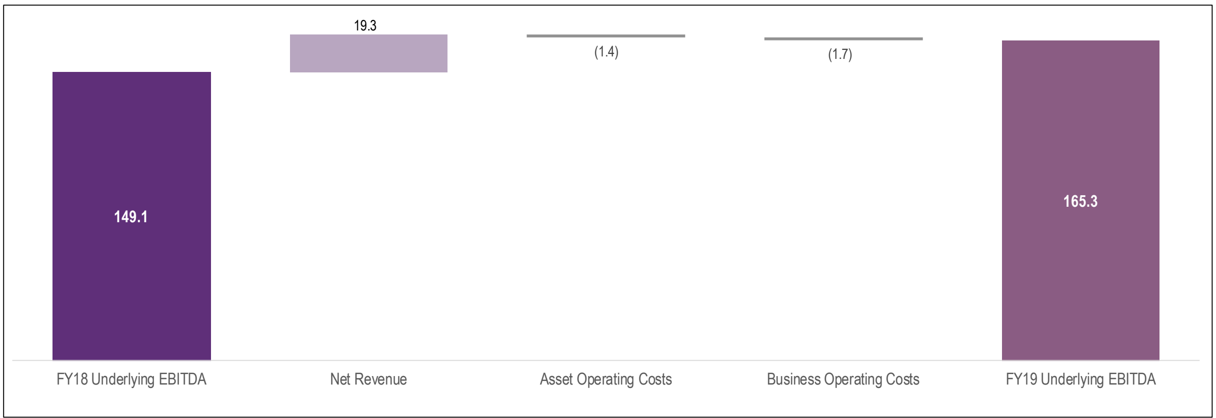
As Infigen transitions to an active energy market participant directly serving C&I Customers, it is necessary to invest in its people and systems. As a result, in FY20, Business Operating Costs are expected to increase modestly compared to FY19. This reflects the net result of higher operating costs associated with the growing energy markets business, lower Development Costs, and slightly higher head office costs. As previously advised, Asset Operating Costs will be higher reflecting a full year of production from Bodangora Wind Farm, the costs of the SA Battery and the operating costs of Smithfield OCGT (which are expected to be in line with levels disclosed to the market upon acquisition in May 2019). While noting the inherent forecast uncertainty for production of renewable energy, Infigen anticipates production sold from renewable energy assets to be higher than FY19, reflecting the full year contributions from Bodangora Wind Farm and the Kiata Wind Farm PPA.

2. Financial Overview

Summary of Financial Performance[1]

Year ended 30 June	INFIGEN			
($ million)	**2019**	**2018**	**Change**	**Change %**
Net revenue	229.3	210.1	19.3	9
Asset operating costs	(41.4)	(40.0)	(1.4)	(3)
Business operating costs	(22.7)	(21.0)	(1.7)	(8)
Underlying EBITDA	**165.3**	**149.1**	**16.2**	**11**
Other income	-	0.6	(0.6)	(100)
Depreciation and amortisation expense	(54.6)	(51.4)	(3.1)	(6)
Impairment of development assets	(9.9)	-	(9.9)	-
Net gain on changes in fair value of financial instruments	6.5	-	6.5	-
EBIT	**107.3**	**98.3**	**9.1**	**9**
Net finance costs	(45.9)	(78.8)	32.9	42
Profit before tax	**61.4**	**19.5**	**41.9**	**215**
Income tax (expense) / benefit	(20.5)	26.1	(46.6)	(178)
Net profit after tax	**40.9**	**45.7**	**(4.7)**	**(10)**

Underlying EBITDA



[1] Individual items and totals reconcile with the Consolidated Financial Statements, however, may not add due to rounding of individual components.

Financial Performance Commentary

Increase in Underlying EBITDA (+$16.2 million)

Primarily attributable to:	Partially reduced by:
Higher Net Revenue (+$19.3 million) - primarily due to: • 14% more production sold from Owned Renewable Energy Assets, including the commencement of production at Bodangora Wind Farm (+220 GWh) • Compensated revenue of $10.1 million, primarily relating to liquidated damages for construction delays at Bodangora Wind Farm Partially offset by: • 3% decrease in LGC revenue	Higher Asset Operating Costs (+$1.4 million) - primarily due to: • The Bodangora Wind Farm which commenced commercial operations in February 2019 (+$2.0 million) Partially offset by: • Not incurring prior year one-off Turbine O&M costs associated with the transition from Suzlon to Vestas (-$1.6 million) Higher Business Operating Costs (+$1.7 million): • Higher Corporate Costs incurred in relation to the expansion of internal capacity and capability and the pursuit of growth opportunities during the year (+$2.6 million) Partially offset by: • Lower Development Costs compared to the prior year (-$0.8 million)

Lower Net Profit After Tax - Non-underlying EBITDA items (-$20.9 million)

Primarily attributable to:	Partially offset by:
Higher Income Tax Expense (+$46.6 million): • Higher Profit before Tax noting previously unrecognised tax losses ($35.7 million) were brought to account in the prior year which created an Income Tax Benefit in that year, leading to the substantial year on year change Impairment of Development Assets (+$9.9 million): • An impairment charge was recognised for certain development assets (held directly on balance sheet and through investment in associates) to reflect increased costs and risks in realising the value of certain development projects	Lower Net Finance Costs (-$32.9 million): • Costs incurred in the prior year relating to the refinancing of the previous facilities with the Corporate Facility in April 2018 (-$48.4 million), consisting of: – termination of interest rate swaps (-$43.3 million) – non-recurring advisor fees and the early expense of capitalised commitment fees (-$5.1 million) were not incurred in the current year Partially offset by: • Higher Interest Expense (+$7.3 million), primarily a result of expensing all interest under the Bodangora Facility from February 2019 onwards (i.e. commencement of Bodangora Wind Farm commercial operations) • Higher bank and commitment fees amortisation (+$4.2 million) • Lower Interest Income due to a lower average cash balance and interest rate during the year (+$2.6 million)

Net Revenue

Infigen presents Net Revenue on a contracted and uncontracted basis. Contracted Revenue includes electricity revenue via PPAs, electricity revenue from C&I Customers, and contracted LGC revenue. Uncontracted Revenue includes remaining electricity sales, sold via the Merchant channel, and remaining LGC revenue. Uncontracted Revenue is subject to price risk.

Year ended 30 June ($ million)	2019	2018	Change	Change %
Contracted Revenue	182.0	161.6	20.4	13
Uncontracted Revenue	37.2	48.4	(11.1)	(23)
Compensated Revenue	10.1	0.1	10.0	n.m.
Net Revenue	**229.3**	**210.1**	**19.3**	**9**

Electricity Revenue

The table below outlines the components of Infigen's Electricity Revenue sales channels.

Sales channel	Description	Revenue contribution (%) 2019	2018
PPAs	Contracted sales from Owned Renewable Energy Assets where Infigen sells at a fixed price based on run-of-plant production	22	21
C&I Customers	Contracted sales under medium to long-term C&I contracts and short to medium-term wholesale contracts, where Infigen sells at a fixed price and a firm volume	51	45
Merchant	Uncontracted sales to spot electricity markets. This occurs when Infigen's electricity generation is greater than C&I Customer and PPA needs Electricity purchases from spot electricity markets. This occurs when Infigen's electricity generation is lower than C&I Customer needs Net settlement of buy-side hedges and net results of electricity product sales	27	34
		100	100

PPAs

The increase in electricity sold under PPAs is primarily attributable to the commencement of commercial operations at the 113 MW Bodangora Wind Farm in February 2019, of which 60% of production is sold under PPA until 31 December 2030.

Year ended 30 June	Electricity Sold (GWh)				PPA Electricity Price ($/MWh)			
	2019	2018	Change	Change %	2019	2018	Change	Change %
PPAs	489	407	82	20	52.9	54.8	(1.9)	(4)

C&I Customers

The increase in electricity sold to C&I Customers reflects Infigen's continuing strategy to improve the quality and quantity of revenue received under C&I Customer contracts.

Year ended 30 June	Electricity Sold (GWh)				C&I Customers Electricity Price ($/MWh)			
	2019	2018	Change	Change %	2019	2018	Change	Change %
C&I Customers	768	647	120	19	78.4	78.3	0.2	-

Merchant

Infigen's overall Merchant revenue remained steady, but was affected by:

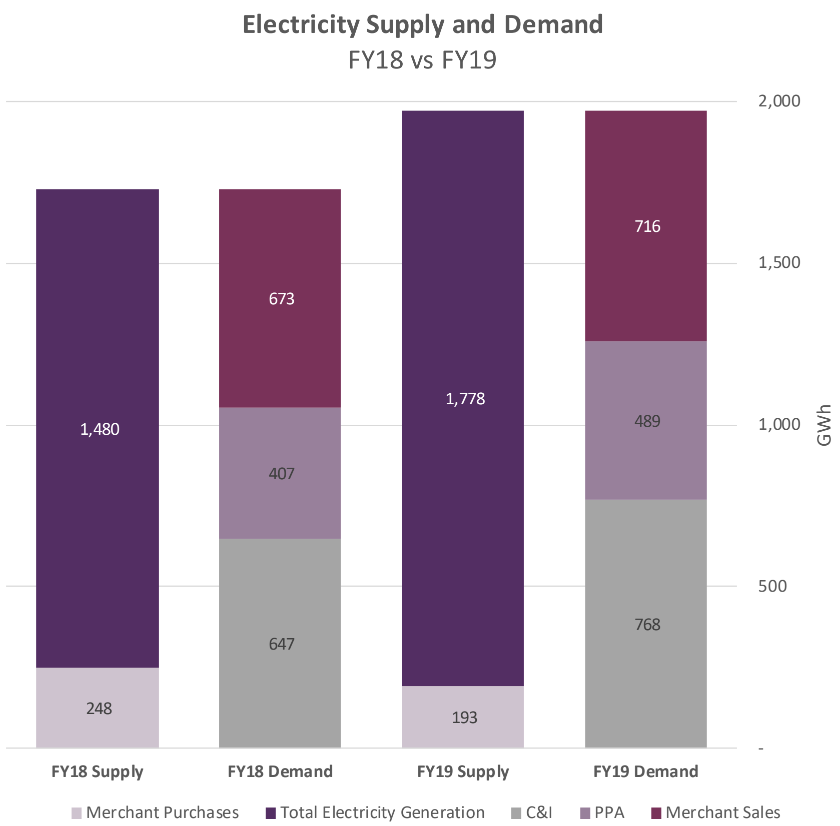
- An increase in electricity sold to spot electricity markets – primarily Bodangora Wind Farm generation being excess to C&I Customer and PPA needs; and
- Lower received price when higher volumes were sold to C&I Customers.

Smithfield OCGT was acquired in late May 2019 and had only a minor revenue contribution for the year.

Year ended 30 June ($ million)	**Net Revenue contribution**			
	2019	**2018**	**Change**	**Change %**
Merchant	31.9	32.2	(0.3)	(1)

Infigen's Electricity Supply and Demand profile

The graphic below displays the sources of supply and demand for Infigen's electricity generation for the year end 30 June 2019.



LGC Revenue and Price

The average LGC price decreased by 15% from the prior year compared to the market decrease of 35%. Infigen was partially protected from the market decline by its contracted LGC position. Infigen's contracted LGC position will continue as an important (partial) mitigant against potential over-supply and/or declining prices.

Contracted LGC revenue for the year ended 30 June 2019 was 95% (2018: 85%).

The spot value of an LGC as at 30 June 2019 was $41.6 (30 June 2018: $77.8).

Year ended 30 June	2019	2018	Change	Change %
LGC average price ($)	60.9	70.8	(9.9)	(15)

The percentage of the expected LGCs created and sold on a contracted basis and weighted average price for future periods is: 100% and $54 (FY20); 40% and $46 (FY21): 30% and $41 (FY22): 20% and $51 (FY23) and 20% and $54 (FY24) respectively. This is based on existing contracted positions, historical production for existing wind farms, and LGCs purchased by Infigen from its Contracted Renewable Energy Assets. These numbers assume that LGCs are sold to Sydney Desalination Plant at the rate of 1 LGC for each MWh used to operate the facility in FY20. No assumptions are made in relation to the operation of the facility (and accordingly LGC sales to Sydney Desalination Plant beyond the minimum LGC sales) in following financial years.

Asset Operating Costs

Year ended 30 June ($ million)	2019	2018	Change	Change %
Turbine O&M	20.5	21.5	(1.1)	(5)
Asset management	7.6	7.1	0.5	7
Other direct expenses	7.8	7.2	0.6	8
Balance of plant	2.4	1.3	1.1	85
Owned Renewable Energy Assets	**38.2**	**37.1**	**1.1**	**3**
Firming assets	0.2	-	0.2	-
FCAS net expense	3.0	2.8	0.1	5
Total	**41.4**	**40.0**	**1.4**	**4**

Infigen's wind farms incur FCAS charges from the Australian Electricity Market Operator. These charges relate to services (performed by market participants) that maintain key technical characteristics of the power system. FCAS net expense reflects gross charges net of hedge payouts.

Business Operating Costs

Year ended 30 June ($ million)	2019	2018	Change	Change %
Corporate costs	19.0	16.5	2.6	15
Development costs	3.7	4.5	(0.8)	(18)
Total	**22.7**	**21.0**	**1.7**	**8**

Business operating costs includes energy markets costs of $5.1 million which had been incorporated within Asset operating costs in the prior year (2018: $3.2 million).

Net Finance Costs

Year ended 30 June ($ million)	2019	2018	Change	Change %
Interest expense – external borrowings	40.2	32.9	7.3	22
Bank and amortisation of capitalised commitment fees	7.3	3.1	4.2	136
One-off upfront and early expense of fees - associated with the refinancing	-	5.1	(5.1)	(100)
Unwind of discount on decommissioning provisions	0.1	0.1	-	-
Total borrowing costs	**47.6**	**41.2**	**6.4**	**16**
Interest income	(2.3)	(4.8)	2.6	53
Net borrowing costs	**45.3**	**36.3**	**9.0**	**25**
Termination of interest rate swaps	-	43.3	(43.3)	(100)
Net foreign exchange loss / (gain)	0.6	(0.9)	1.5	173
Net financing costs	**45.9**	**78.8**	**(32.9)**	**(42)**

Interest incurred on the Bodangora Facility in the current and prior year was capitalised to property, plant and equipment to the extent it related to the construction of the Bodangora Wind Farm. In the current year, the interest portion incurred subsequent to the completion of the Bodangora Wind Farm (i.e. on the Bodangora Facility) is included in interest expense.

Net Operating Cash Flow

Year ended 30 June ($ million)	2019	2018	Change	Change %
Underlying EBITDA	165.3	149.1	16.2	11
Movement in LGC inventory	16.1	(16.4)	32.5	198
Movement in other working capital	0.9	(2.1)	3.0	143
Non-cash items	(0.3)	(0.8)	0.5	63
Net finance costs paid	(37.7)	(29.4)	(8.3)	(28)
Net operating cash flow	**144.3**	**100.4**	43.8	44

The increase in net operating cash flow was primarily due to the contribution from Bodangora Wind Farm and the timing of receipts from the sale of LGCs.

3. Review of Operations

Renewable Energy Generation

Summary of Operational Performance

Year ended 30 June	Unit	2019	2018	Change	Change %
Production generated	GWh	1,740	1,549	191	12
Production sold	GWh	1,684	1,480	204	14
Renewable Energy Generation[1]	GWh	1,775	1,480	295	20
Capacity factor[2]	%	31.1	31.8	0.7	-
Turbine availability[3]	%	97.3	97.1	0.2	-
Site availability[4]	%	96.6	96.6	-	-
Generation expenses[5]	$/MWh	23.6	24.0	(0.4)	(2)

Production from Owned Renewable Energy Assets

	Generated			Marginal loss factors			Sold		
Year ended 30 June	2019 (GWh)	2018 (GWh)	%	2019	2018	%	2019 (GWh)	2018 (GWh)	%
Alinta[6]	342	316	8	0.9475	0.9487	-	342	316	8
Bodangora	224	-	-	0.9819	-	-	220	-	-
Capital	359	374	(4)	1.0100	1.0163	(1)	364	380	(5)
Lake Bonney 1	200	199	-	0.9144	0.8906	3	184	177	3
Lake Bonney 2	371	405	(8)	0.9144	0.8906	3	339	360	(6)
Lake Bonney 3	97	103	(6)	0.9144	0.8906	3	90	91	(3)
Woodlawn	147	152	(4)	1.0100	1.0163	(1)	149	155	(4)
Compensated	0.4	0.1	300	-	-	-	-	-	-
Total	**1,740**	**1,549**	**12**	**0.9564**	**0.9452**	**1**	**1,684**	**1,480**	**14**

Production generated from Owned Renewable Energy Assets increased primarily due to:

- Commencement of production at Bodangora Wind Farm (+224 GWh)
- Higher wind resource and wind farm production availability at Alinta Wind Farm (+26 GWh) compared to the prior year

This was partially offset by:

- Lower net production at Lake Bonney Wind Farms (-39 GWh). The Lake Bonney Wind Farms experienced a reduction in network availability due to above average transmission network maintenance during the year
- Lower wind resource at Capital and Woodlawn Wind Farms (-20 GWh) compared to the prior year

1 Electricity generation from owned and contracted renewable energy generation assets after the applicable marginal loss factors.
2 Calculated by dividing production generated from Owned Renewable Energy Assets during the period by the amount of electricity that would have been produced if the generation assets had been running at full capacity during the period.
3 Indicates the percentage of time wind turbines have been available to generate electricity from Owned Renewable Energy Assets.
4 Indicates the percentage of time wind turbines and balance of plant have been available to generate electricity from Owned Renewable Energy Assets.
5 Calculated by dividing generation expenses with production generated from Owned Renewable Energy Assets. Excludes Bodangora Wind Farm whilst it was still under construction.
6 Marginal loss factor is not relevant to electricity sold at Alinta Wind Farm.

Firming assets

Year ended 30 June	Unit	2019	2018	Change	Change %
Smithfield OCGT					
> Production sold	GWh	2.5	-	2.5	-
> Capacity factor	%	1.73	-	1.73	-

Smithfield OCGT is a fast-start gas fired electricity generation facility where capacity utilisation is expected to be in the range of 2-8%, with significant variations in output expected from month-to-month and year-to-year. Smithfield OCGT complements Infigen's renewable energy portfolio and its economic contribution to Infigen is not directly related to production. As a physical firming asset, Smithfield OCGT enables Infigen to increase the volume of renewable energy it supplies to its C&I Customers.

4. Balance Sheet

As at 30 June		2019	2018	Change	Change %
Cash	$ million	103.7	144.9	(41.2)	(28)
Debt (drawn)	$ million	639.1	676.1	(37.0)	(5)
Net debt	$ million	535.4	531.2	4.2	1
Net assets per security	$	0.61	0.60	0.01	2
Book gearing[1]	%	46.9	45.8	1.1	2
Net debt / LTM underlying EBITDA	ratio	3.2	3.6	(0.3)	(9)
LTM underlying EBITDA / LTM interest	ratio	4.1	4.5	(0.4)	(9)

Cash consists of:

- Unrestricted cash - $95.6 million (2018: $94.5 million), including cash on hand and term deposits held at call
- Restricted cash - $8.0 million (2018: $50.4 million), which is held in accordance with the minimum cash requirements for Australian Financial Services Licence (AFSL) compliance. The prior year balance included the minimum cash requirements of the Bodangora Facility

Debt (drawn) consists of:

- The Corporate Facility - $483.8 million (2018: $517.5 million). During the year, principal repayments of $33.7 million were made by Infigen in accordance with the facility terms
- The Bodangora Facility - $155.3 million (2018: $158.6 million). During the year, $4.1 million of drawdowns occurred, and $7.5 million of subsequent fixed semi-annual repayments were made in accordance with the facility terms

Debt (drawn) excludes capitalised commitment fees of $19.6 million (2018: $26.0 million) as shown in the Consolidated Financial Statements.

[1] Calculated as Net Debt (accounting for capitalised commitment fees) divided by the sum of Net Debt (accounting for capitalised commitment fees) and Net Assets.

5. Capital Expenditure

Year ended 30 June ($ million)	2019	2018	Change	Change %
Development projects (capitalised)	5.1	1.9	3.2	169
Property, plant and equipment and IT equipment	79.4	2.6	76.8	n.m.
Assets under construction	66.5	140.6	(74.1)	(53)
Total capital expenditure	**151.0**	**145.1**	**5.9**	**4**

Development projects create the opportunity to increase Infigen's Renewable Energy Generation for sale - volume growth enables contracted sales growth. A realised development project creates value for security holders, releasing value on balance sheet. The Capital Lite transaction in respect of the Cherry Tree Wind Farm exemplified this, when in December 2018 the development was sold for $6.5 million and Infigen entered into a PPA to acquire 100% of the renewable energy and green products (currently LGCs) produced for 15 years once constructed (using third party capital).

Property, plant and equipment expenditure includes the acquisition price of the Smithfield OCGT in May 2019 for $74.0 million.

Capitalised expenditure on assets under construction primarily consists of:

- SA Battery due for completion in H1 FY20. During the year $30.4 million was paid (net of grants received).
- Bodangora Wind Farm which commenced commercial operations in February 2019. During the year $44.9 million was spent (inclusive of capitalised interest), with the total life to date spend (inclusive of capitalised interest) of $234.5 million, which was in line with the original budget.

6. Business Risks and Mitigants

Key business risks that could affect Infigen's operating and financial performance are described below. These risks are not the only risks that may affect Infigen.

Risk	Description	How Infigen is equipped to manage and monitor this risk
Operations & Safety	> Loss of life or serious harm to people, or serious harm to the environment, brings significant damage to Infigen's stakeholders, along with potential legal, reputation, operational and financial implications	> Policies are aligned to AS4801 (Occupational Health & Safety Management System), ISO18001 (Health & Safety Management Standard) and ISO14000 (Environmental Management) > The KPIs used for determining STI payments include a gateway hurdle (a fatality) and moderating factors (serious safety incidents) as preconditions used to determine events which automatically trigger Board consideration to rerate the STI pool for the whole organisation, a team or individual > Training and education of staff
Energy & Climate Change Policy	> Direct government intervention may reduce market confidence in the energy markets and alter market sentiment towards Infigen securities > Changes to the regulatory environment and the debate in relation to the energy markets' future design and rules may adversely affect the commercial performance of existing assets, the Infigen business or viability of proposed projects	> Infigen is actively engaged with policy makers, government and industry stakeholders, including energy users, to articulate the important role that clean energy will play in Australia's future > Infigen monitors and assesses the effect of potential changes to energy policy on Infigen's operations and strategic planning
Demand & Price for Electricity and LGCs	> Adverse changes in the price for electricity and LGCs arising from decreasing demand, increasing competition, changes to the regulatory regime or other factors could affect Infigen's ability to capture appropriate value from the existing portfolio on a risk adjusted basis	> Infigen seeks to balance price, tenor and risk and thereby manage earnings certainty and co-optimise production, contract and spot exposures > Adherence to the Energy Risk Portfolio Policy which includes: volumetric hedge portfolio limits; limits for earnings at risk; and targets for the duration and modified duration of hedges > Infigen undertakes analyses using in-house expertise and external consultancies to monitor market conditions and outlook
Operations & production	> Variation in wind resource will result in changes to Infigen's electricity production level (quantum) and generation profile (time). Fluctuations may adversely affect Infigen's revenue and market sentiment > C&I Customer contracting increases the risk of not having production to meet fixed price contract obligations at times of high electricity spot prices which may result in losses on fixed price firm supply contracts > The availability of generation assets affects production. The failure of generation assets to operate and be available as expected carries significant financial and operational risk > Infigen operates in predominately rural areas and requires strong community and landholder relationships to operate efficiently > Operating costs can be adversely affected by regulatory settings, equipment or key component failure	> Infigen's 24/7 Operations Control Centre (OCC) monitors available wind resources, Infigen's operating assets, the market operator's instructions, market participants' behaviour, NEM prices, meteorological data, and carries out an electricity dispatch bidding strategy accordingly > Use of asset-backed electricity and environmental hedging products > Infigen's firming assets lessen the reliance on purchasing from the spot electricity market to fulfil its C&I Customer contract obligations > Service and maintenance agreements under which service providers are paid to carry the risk of component failure subject to certain limits, and maximise generation availability and output through scheduled and unscheduled maintenance > Community engagement and sponsorship programs, along with structured landholder engagement maintains positive community relationships. Infigen's formal Complaints Handling Policy ensures that any negative engagement can be managed effectively > Maintaining a broad insurance program, including an appropriate level of business interruption insurance

Risk	Description	How Infigen is equipped to manage and monitor this risk
Construction & development projects	> Projects may not be delivered safely, on time and on budget. The delivered assets may fail to generate the expected earnings > Grid instability may lead to stricter regulatory power system stability requirements, additional costs associated with grid connections, and increased government regulation – thereby increasing the cost and risk to realising the value of the delivered assets > Failure to engage positively with landholders, the local community and other stakeholders may lead to the loss of Infigen's ability to develop further projects	> Disciplined approach to expansion and the commitment of capital to growth projects > Infigen monitors and assesses the effect of potential enhanced grid stability requirements on its construction and development projects (including from an impairment of carrying value perspective), as well as the effect on energy markets > For development projects, a formal Project Control Group is created which monitors the project progress against the business case and internal policy requirements > Infigen is actively engaged with the local communities as outlined above
Capital Management	> As an energy markets participant, Infigen must retain sufficient liquidity to meet its prudential obligations to the market, business needs, including any ASX positions or other positions that it has taken, and its AFSL conditions > Availability of capital from financial institutions supports the sustainability of the business	> Monitoring and stress testing of cash flow and liquidity requirements > Regular monitoring of AFSL requirements > Regular monitoring by the Treasury Risk Committee > Adherence to the Infigen Treasury Policy which includes requirements to identify, measure, and manage liquidity risk – and includes a funding strategy which requires consideration of the quantum, duration, and maturity profile of committed debt facilities
Regulatory, Legal & Accounting	> Potential exposure to litigation and claims > Adverse changes in law or regulation can increase the cost of doing business	> Where insurable, Infigen maintains insurance to address relevant exposures > Regulatory, legal and accounting risks are captured through Infigen's Enterprise Risk Management and Compliance framework and managed through Infigen's policies and procedures, as well as through external accounting and legal advice as appropriate
Financial Climate-Related Considerations	> Climate change creates a risk to the costs of and the way business is conducted generally > Climate change could adversely affect wind conditions / patterns upon which Infigen relies for energy > Regulations to effect changes to reduce the risk of climate change may impose additional costs on or affect the way business is conducted	> Infigen is actively engaged with policy makers and other relevant stakeholders to articulate the important role that clean energy will play in the transition to a lower emissions electricity future > The medium-term financial implication from weather-related risks, such as changes to long-term wind patterns and extreme weather events, are considered as part of Infigen's strategic planning (e.g. production, revenue and cost forecasting)

SUSTAINABILITY HIGHLIGHTS

As Infigen delivers its strategy, it is committed to sustainable partnerships with its stakeholders. To ensure continued alignment with stakeholders through its business transition, an employee led working group was established to review Infigen's corporate purpose and values. The outcome was a purpose statement that has been endorsed by Management and the Boards "We are leading Australia's transition to a clean energy future". We believe this statement reflects the underlying relationship between our corporate strategy and Australia's evolving energy ecosystem. Furthermore, Infigen is pleased to report the following sustainability commitments and achievements.

Targeting Carbon Neutrality by FY25

Infigen sourced 100% of its office and wind farm electricity from renewables. In FY19, Infigen adopted a target of carbon neutrality for its entire business by FY25.

As a renewable energy business, the introduction of complementary firming assets is not expected to substantially increase Infigen's carbon emissions. Following the acquisition of the Smithfield OCGT which allows Infigen to source 300-400 MW of new renewable energy capacity in NSW, Infigen's business is expected to generate emissions of 0.02t CO_2/MWh, a level that is 2-3% of its peer group average in the NEM.

Infigen believes C&I Customers can have reliable and competitively priced clean energy. We are demonstrating that this is possible by targeting carbon neutrality ourselves: offsetting all Scope 1 and Scope 2 emissions by FY25.

Adoption of two United Nations Sustainable Development Goals

Infigen has adopted Goal 7 and Goal 13 of the United Nations Sustainable Development Goals (UNSDG). These goals align with our corporate purpose and existing sustainability commitments and provide a benchmark to evaluate sustainability priorities within the context of international policy objectives. Goal 7 of the UNSDGs is "to ensure access to affordable, reliable sustainable and modern energy for all". This goal is focused on increasing the quality of global energy systems via lowering costs, increasing reliability and providing sustainable energy production. Infigen's strategy directly furthers this goal.

Goal 13 of the UNSDGs is "to take urgent action to combat climate change and its impacts". Australia's NEM continues to rank amongst the most carbon intensive in the developed world. Infigen's strategy enables significant growth of renewable energy generation.

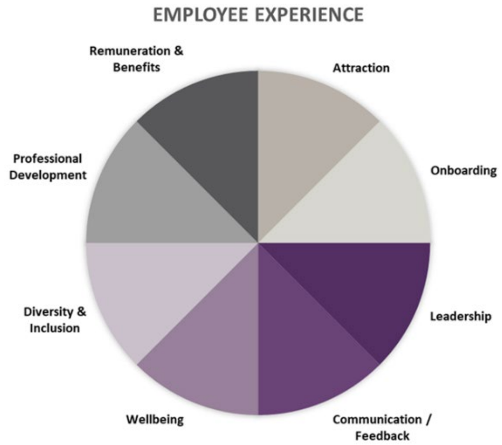
The acquisition of the Smithfield OCGT allows Infigen to firm an additional 300-400 MW of low cost intermittent renewable energy capacity. This business model also has substantially lower CO_2 emissions than other participants in the NEM.

Promoting 'Green the Team'

In FY19, a group of employees approached Management with a proposal to offset the carbon emissions related to staff private electricity consumption. The initiative, called "Green the Team", proposed that Infigen purchase carbon offsets in the wholesale market for those staff that wanted to offset their home-based carbon emissions and staff pay Infigen directly for this. This mechanism is cheaper than other retail options for consumers. Infigen is proud of the initiative shown by our staff. In recognition of the values of our staff and their hard work, Infigen has agreed to meet 50% of the cost of any staff member that wants to participate in this personal emissions reduction program. Infigen estimates that the initiative will cost approximately $5,000 per annum, and we expect the majority of our staff to participate.

Creating a Culture that Values High Performance

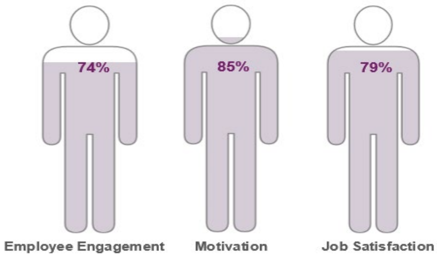
Infigen's people strategy targets a workplace culture that values high performance. We seek to build strong, enduring relationships with our employees based on trust and mutual respect. Whilst acknowledging individual accountability, we value diversity of opinion as we strive for both continuous improvement and the achievement of collective results. The pie chart shows the factors considered in the employee experience matrix.



Prioritising Employee Engagement

Infigen seeks to attract, develop and retain a motivated high performance team. For this to occur, there needs to be an alignment between the personal values and expectations of our employees with Infigen's brand, purpose, values and culture. We conducted a detailed employee engagement survey in December 2018.

A Pulse survey will be run in September 2019 to track our progress against key indicators, followed by a detailed survey in March 2020.



+ 16 eNPS

100% of respondents 'strongly agree' or 'agree' with the question "Members in our team respect each other's differences, cultures and background"

95% of respondents 'strongly agree' or 'agree' with the question "I feel diversity is respected in the workplace" (5% were neutral, and importantly, no one disagreed)

Embracing diversity and inclusion

Infigen's Nomination & Remuneration Committee (NRC) approved four Diversity Objectives for the period 1 July 2017 to 30 June 2019. The Diversity Objectives and outcomes are as follows:

Two-year Diversity Objectives to 30 June 2019

1. Maintain progress towards achieving an equal proportion of workplace participation of females and males by:
   > Increasing the total number of females employed (baseline as at 30 June 2017 was 26 females and 39 males, including Non-Executive Directors)
   > Increasing the proportion of females in Senior and Middle Management roles (baseline as at 30 June 2017 were nine females and 20 males, excluding Non-Executive Directors)
   > Maintaining an environment where flexible work arrangements are supported

> Workforce participation of females decreased by 2%.
> Voluntary employee turnover over the two years was 13% (37% females and 63% males).
> Number of females in the workforce increased from 26 to 30, and number of males increased from 39 to 49.
> 35% of new hires over the two year period were female.
> The Board composition is three females and four males (Five Non-Executive and two Executive Directors)

2. Implement an emerging leader mentor program to attract, develop and retain emerging leaders.

- Over the two-year period Infigen contributed in excess of $198,000 to enable scholarships through:
  > The Career Trackers indigenous scholarship program.
  > The UNSW Co-op program (three students).
  > The Macquarie Graduate School of Management Women in MBA scholarship (one employee).
  > The UNSW Women in Engineering program (two students).
- Infigen currently provides professional development support to five employees participating in either post graduate studies or further tertiary education.
- Priority will be given in FY20 to develop a mentor program for emerging leaders.

3. Implement a lesbian, gay, bisexual, transgender and intersex (LGBTI) Diversity and Inclusion Plan.

This objective was postponed as it was determined that inclusion should not be defined in isolation, but rather in the broad context of diversity within the workplace. To that end we will invite the employee working group that is currently working on defining the organisation Purpose and Values to help define inclusion within this context.

4. Achieve gender pay equity within each occupational group.

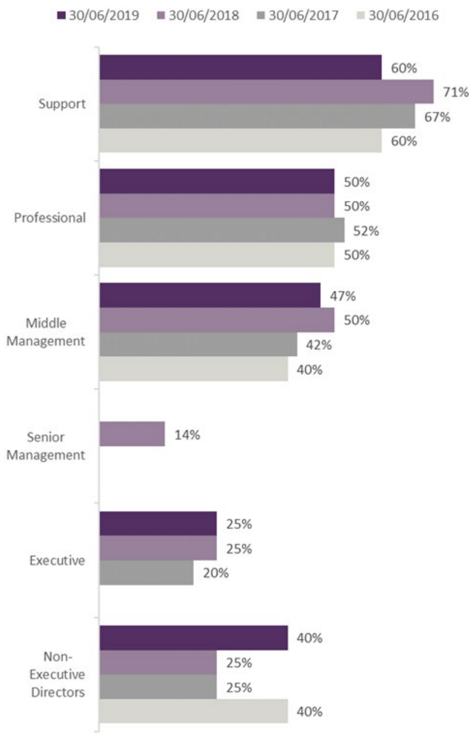
> Infigen has been measuring pay equity between females and males since 2014. As at 30 June 2019 there was pay equity across 69% of the organisation.
> Pay gaps range from 20-25% in two occupational categories (favouring females in the first instance and males in the other). The pay gaps were due to the diversity of roles and experience, not gender. When analysing the occupational groups based on experience the pay gap narrows.

Over the past two years the workforce (including Non-Executive Directors) has increased by 22%. As Infigen's business grows, we have introduced new roles to deliver the company's strategic objectives.

Infigen's efforts to achieve gender balance have been successful with an equal proportion of males and females across the Middle Management and Professional occupational categories as at 30 June 2019. Recruitment decisions continue to be based on merit and external recruiters are required to present a shortlist that is ethnically and gender diverse.

Infigen employs 22 engineers, of whom there are 12 males and 10 females. This level of gender diversity was achieved through our engagement with the UNSW to build brand recognition, talent pipelines in support of graduate recruitment, and initiatives to support professional development and career progression.

Females in the workforce by occupational categories:



Infigen analyses remuneration to verify that any pay equity gaps that may exist are not the result of gender. Infigen does not believe that any gender based pay equity gaps currently exist and will continue to monitor this on an ongoing basis.

In FY20, Infigen will retain its gender diversity objectives and in addition will initiate an internal discussion of broader forms of employee inclusion. The objective will be to ensure that the organisation values are representative of the diversity of the community we operate in.

Completed Board Renewal

Infigen completed its Board renewal with the appointment of Karen Smith-Pomeroy as an independent director in December 2018. Ms Smith-Pomeroy brings a wealth of experience in risk management and governance, with substantial experience in energy, infrastructure and finance. She is also a member of the Audit, Risk and Compliance Committee.

Conduct in the Community

During FY19, Infigen continued to support community advocacy and industry groups with over $338,000 on events, engagement, advocacy, donations and projects.

Infigen hosted the Run with the Wind (RWTW) open day at Woodlawn Wind Farm for the seventh year to raise funds for the local community and organisations, including:

- $1,250 for RWTW volunteers who assisted on the day.
- $3,750 for the Southern Tablelands Athletics Club. This was to provide the youth of Tarago and the local area with the opportunity to participate in Little Athletics and to promote a healthy lifestyle.

In February 2019, Infigen commenced commercial operations at Bodangora Wind Farm. At the peak of the construction phase the site employed over 140 people. On an ongoing operations basis the project has directly created seven local jobs. The construction activities of the Bodangora Wind Farm disturbed a small amount of native vegetation. In order to offset this impact and as part of the project approval conditions, Infigen made a contribution of $254,000 to the NSW Biodiversity Conservation Trust. In February 2019 Infigen awarded the third round of the Bodangora Wind Farm Community Benefit Fund of $25,000 taking the total funding distributed to local community groups during the construction phase of the project to $150,000. Direct investment into the community will be approximately $3 million over the life of the wind farm.

Sustainability Risk Management

Infigen considers sustainability risks to be core risks and as such evaluates them within its Enterprise Risk Management framework which has been developed in accordance with International Standard ISO 31000. Management prepares risk management analysis reporting to the Audit, Risk & Compliance Committee at each meeting. The Board also recognises the importance of observing high standards of corporate conduct and have adopted a formal Code of Conduct which requires directors, employees and contractors to maintain high ethical standards in their business activities.

Infigen's Corporate Governance Statement

Infigen's Corporate Governance Statement (CGS) describes Infigen's governance performance against the corporate governance principles and recommendations (third edition) issued by the ASX Corporate Governance Council. In FY19, Infigen complied with these Principles and Recommendations, including disclosure of relevant information, except in relation to Recommendation 2.4 regarding maintaining a majority of independent directors on the Infigen Boards. Due to the Board renewal programme, which was completed in December 2018, there was a period during July-December 2018 where there were an equal number of independent and non-independent Directors on the Infigen Boards. Following completion of the Board renewal programme, there has been a majority of Independent Directors on the Boards. Further information is available in Infigen's Corporate Governance Statement.

CORPORATE STRUCTURE

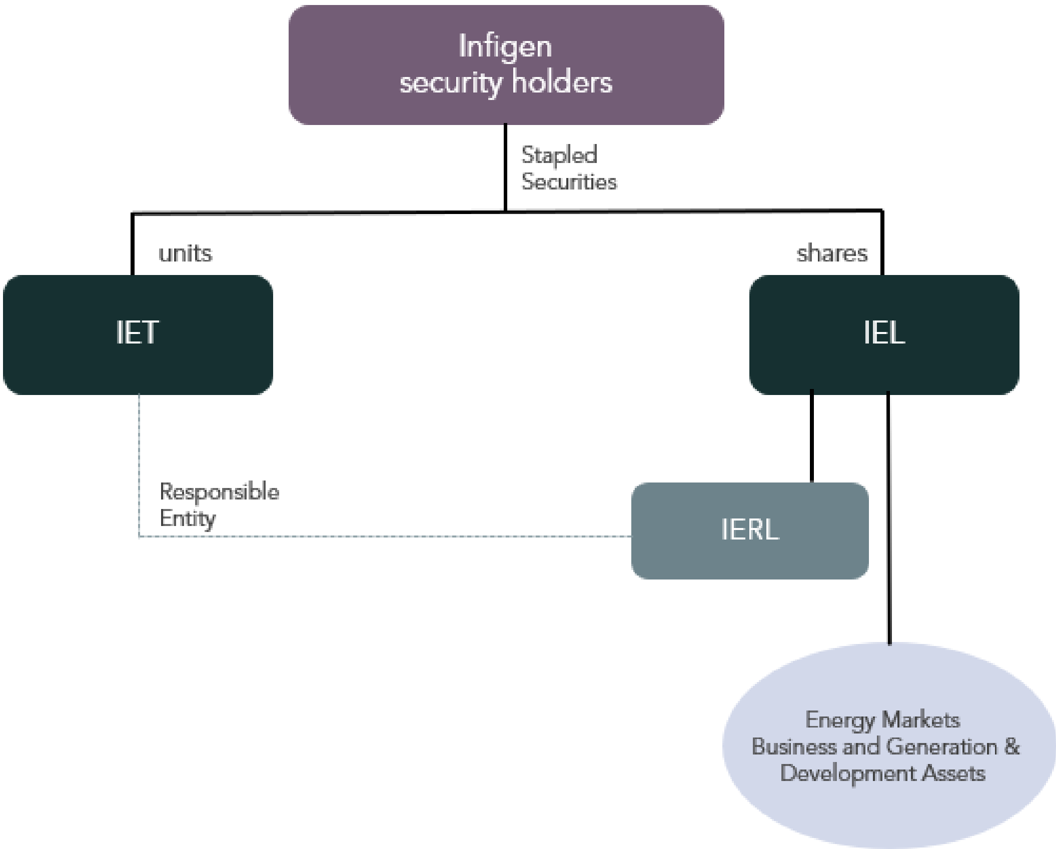
Infigen comprises Infigen Energy Limited (IEL), Infigen Energy Trust (IET) and the controlled entities of IEL and IET.

On a standalone basis, the Trust comprises IET and its controlled entities.

IET is a Registered Scheme (the Scheme) and Infigen Energy RE Limited (IERL) is the Responsible Entity of IET. The relationship of the Responsible Entity and the Scheme is governed by the Constitution of IET. IET has raised the majority of the contributed equity for Infigen. IET has also been the stapled entity through which distributions have historically been paid to security holders. During the year, IET held interests in financial investments.

The previous stapled structure included the now de-stapled Infigen Energy (Bermuda) Limited (IEBL). IEBL was never used as an operating part of Infigen. Accordingly, it was unstapled on 22 November 2018 after security holder approval at the 16 November 2018 AGM. IEBL is now a subsidiary of IEL, and is expected to be wound up in due course.

The following diagram represents the structure of Infigen.



DIRECTORS

The following people were Directors of IEL, IEBL and IERL during the year ended 30 June 2019 and up to the date of this report (unless otherwise indicated):

Non-Executive Directors

- Len Gill
- Philip Green
- Emma Stein
- Mark Chellew
- Karen Smith-Pomeroy (appointed as an independent Non-Executive Director of IEL and IERL on 12 December 2018)

Executive Directors

- Ross Rolfe AO
- Sylvia Wiggins

Directors' Meetings

The number of Board meetings and meetings of standing Committees established by the respective Boards held during the year ended 30 June 2019, and the number of meetings attended by each Director, are set out below.

A = Number of meetings attended as a Board/Committee member

B = Number of meetings held during the year that the person held office

	Board meetings						Committee meetings			
Directors	IEL		IERL		IEBL		Audit, Risk & Compliance		IEL Nomination & Remuneration	
	A	B	A	B	A	B	A	B	A	B
L Gill	18	18	16	16	9	9	-	-	4	4
M Chellew	18	18	16	16	9	9	6	6	4	4
E Stein	18	18	16	16	9	9	6	6	4	4
P Green	18	18	16	16	9	9	3	6	-	-
K Smith-Pomeroy	7	7	7	7	-	-	2	2	-	-
R Rolfe	18	18	16	16	9	9	-	-	-	-
S Wiggins	18	18	16	16	9	9	-	-	-	-

Additional meetings of committees of Directors were held during the year, but these are not included in the above table for example, where the Boards delegated authority to a committee of Directors to oversee or approve specific matters or otherwise approve documentation on behalf of the Boards.

Non-Executive Directors

Leonard (Len) Gill Independent Non-Executive Chairman of IEL and IERL Appointed to IEL and IERL on 5 June 2017 and subsequently elected Chairman effective 31 December 2017 Member of the Nomination & Remuneration Committee	Len is a professional non-executive director with a 40-plus year career in the electricity, gas and infrastructure industries. He also provides energy and management consultancy services. Len is currently a Non-Executive Director of Family Life, a community support services charity. His previous roles include Chairman of Alinta Energy, Chairman of Metgasco, Non-Executive Director of Ecogen Energy Pty Ltd, Non-Executive Director of Ampetus Energy Pty Ltd, Non-Executive Director of WDS Limited, Non-Executive Director of Verve Energy, Managing Director and CEO of TXU Australia, and Chairman of South East Australian Gas Pty Ltd. Len holds a Bachelor of Engineering (Civil) from the University of Melbourne and is a Member of the Australian Institute of Company Directors.
Philip Green Non-Executive Director of IEL and IERL Appointed to IEL and IERL on 18 November 2010 Member of the Audit, Risk & Compliance Committee	Philip is a Partner of TCI Advisory Services LLP ("TCI"), an advisor to a substantial security holder of Infigen. Philip joined TCI in 2007 and his responsibilities include TCI's global utility, renewable energy and infrastructure investments. Prior to joining TCI, Philip led European Utilities equity research at Goldman Sachs, Merrill Lynch and Lehman Brothers over a 12-year period. Philip is a UK Chartered Accountant (ACA) and has a Bachelor of Science (Hons) in Geotechnical Engineering.
Emma Stein Non-Executive Director of IEL and IERL Appointed to IEL and IERL on 21 September 2017 Chairman of the Audit, Risk & Compliance Committee Member of the Nomination & Remuneration Committee	Emma has significant corporate and operational experience within energy, fuel and industrial markets, and was previously the UK Managing Director for French utility Gaz de France's gas and electricity retailing operations. Prior to this, Emma was Managing Director of British Fuels - Gas, the first independent company to gain a domestic retail licence following the deregulation of the UK's energy markets in the 1990's. Since moving to Australia in 2003, Emma has been an independent Non-Executive Director on the boards of companies in the oil and gas, resources, energy and energy infrastructure, engineering, waste management and facility management sectors. Emma currently serves as a Non-Executive Director of Alumina Limited (appointed February 2011) and Cleanaway Waste Management Limited (appointed August 2011). Emma is a former Non-Executive Director of Programmed Maintenance Services Limited, Transfield Services Infrastructure Fund, Clough Limited and the DUET Group. Emma holds tertiary qualifications in Science and a Masters of Business Administration (MBA). Emma is an Honorary Fellow of the University of Western Sydney and a Fellow of the Australian Institute of Company Directors.

Mark Chellew Non-Executive Director of IEL and IERL Appointed to IEL and IERL on 21 September 2017 Chairman of the Nomination & Remuneration Committee Member of the Audit, Risk & Compliance Committee.	Mark has over 30 years of experience in the building materials and related industries, including roles such as Managing Director of Blue Circle Cement in the United Kingdom and senior management positions within the CSR group of companies in Australia and the United Kingdom. Mark is the former Managing Director and Chief Executive Officer of Adelaide Brighton Limited, a position he held for over 12 years before his retirement from the role in May 2014. Mark was appointed an Independent Non-Executive Director of Cleanaway Waste Management Limited in March 2013 and became Chairman in September 2016. Mark is also an Independent Non-Executive Director of Virgin Australia Holdings Limited (appointed January 2018) and Caltex Australia Limited (appointed April 2018). Mark holds a Bachelor of Science (Ceramic Engineering), Masters of Engineering (Mechanical Engineering) and Graduate Diploma in Management.
Karen Smith-Pomeroy Non-Executive Director of IEL and IERL Appointed to IEL and IERL on 12 December 2018 Member of the Audit, Risk & Compliance Committee	Karen is an experienced non-executive director, with involvement in several market sectors including energy, property and financial services. She has significant experience as a senior executive in the financial services sector and in excess of 10 years working directly with energy businesses. Karen has specific expertise in risk and governance, deep expertise in credit risk and specialist knowledge of a number of industry sectors, including energy and infrastructure. Karen is currently a Non-Executive Director of Kina Securities Limited, Stanwell Corporation Limited, Queensland Treasury Corporation (Capital Markets Board), and a former Non-Executive Director of CS Energy Ltd and Tarong Energy Corporation Ltd. Karen holds accounting qualifications and is a Graduate of the Advanced Risk Management Course Wharton College, University of Pennsylvania, USA. Karen is also a Fellow of the Institute of Public Accountants, Fellow of the Financial Services Institute of Australasia, and a Graduate of the Australian Institute of Company Directors.

Executive Directors & Management Team

Ross Rolfe AO Managing Director of IEL and IERL Appointed as Non-Executive Director to IEL and IERL on 9 September 2011 and Executive Director on 17 November 2016	Ross took on the Managing Director / CEO role and initiated the transition of the business from an asset owner to an energy markets participant. Ross has over 30 years' experience in the Australian energy and infrastructure sectors in senior management, government and strategic roles, including in business capital restructuring. Ross is currently Chairman of the North Queensland Airports Group. Ross has held the position of Director General of a range of Queensland Government Departments, including Premier and Cabinet, State Development, and Co-ordinator General of Environment and Heritage. Ross has also held the positions of Chief Executive Officer of Alinta Energy and Stanwell Corporation. Prior Board roles include Chairman of CS Energy and WDS Limited, and a Non-Executive Director of Evans & Peck, Infigen Energy, Transurban Queensland, CMI Limited, and Thiess Pty Ltd. Ross was also previously a Board member of the Northern Australia Infrastructure Facility and an inaugural member of the Board of Infrastructure Australia. Ross was admitted as an Officer in the Order of Australia in 2008 and received the Centenary of Federation Medal in 2001.
Sylvia Wiggins Executive Director – Finance & Commercial of IEL and IERL Appointed as Non-Executive Director to IEL and IERL on 18 April 2016 and Executive Director on 8 May 2017	Sylvia provides leadership in ensuring Infigen creates and preserves security holder value with specific focus on finance, commercial and compliance as Infigen executes its strategy and operates as an active energy market participant. Sylvia's experience in developing, executing and managing strategic planning, investment, commercial negotiations, and capital management in a number of international investment and advisory firms has been critical in Infigen transitioning its capital structure to better support the business strategy for growing customer numbers and volumes at sustainable profit margins, and enable it to execute the capital "lite" strategy. Sylvia has over 20 years' experience as a chief executive officer, executive and senior investment banker across a broad range of businesses, including energy, infrastructure, defence and structured finance areas. Sylvia previously established her own advisory firm and worked for Alinta Energy and was the inaugural Chief Executive Officer of Global Investments Limited. Sylvia is an external member of the Department of Defence's Independent Assurance Review and holds Bachelors of Laws and Jurisprudence from UNSW.
Paul Simshauser AM Executive General Manager – Energy Markets Since November 2017	Paul is responsible for the execution of the Multi-Channel Route to Market strategy and devising energy supply options to underpin the business growth. Paul leads risk management, IT, and people and culture. Paul has over 25 years' experience in energy markets, including roles in systems development, environmental markets trading, strategic and business planning, mergers and acquisitions and corporate affairs. Paul's previous roles include Director General of the Queensland Department of Energy & Water Supply, and Chief Economist & Group Head of Corporate Affairs at AGL Energy Ltd. Paul holds Bachelor Degrees in Economics and in Commerce, has a Masters Degree in Accounting & Finance, and a PhD in Economics. Paul is an FCPA and a Fellow of the Australian Institute of Company Directors.

Tony Clark Executive General Manager - Operations & Projects Since February 2017	Tony oversees the delivery of operational performance through demonstrable strong availability of Infigen's generation assets that are located across Australia and operated from Infigen's 24/7 Operations Control Centre in Sydney. Linked to the business growth of Infigen's portfolio under Tony's leadership is also the construction of new assets. Tony's first project at Infigen was to deliver the Bodangora Wind Farm near Wellington, NSW. Tony has over 20 years' experience in the power sector having headed up operations and development roles at ERM Power and Stanwell Corporation, and held responsibility for the detailed design and construction of power projects with ABB Engineering Construction. Tony holds Masters degrees in Commercial Law from the University of Melbourne, Business Administration from Deakin University, and Engineering from the Queensland University of Technology.

REMUNERATION REPORT

Dear Security Holder,

On behalf of the Board, I am pleased to present the 2019 Remuneration Report.

At this time last year, I explained that the Remuneration policies have been structured to remunerate our people appropriately for their contribution towards executing the Board approved business strategy – that is, re positioning Infigen to meet the challenges and grasp the opportunities presented by the transformation occurring in the Australian energy market. Accordingly, the business model is shifting from an infrastructure fund to an energy company.

Our strategy is to reduce reliance of our revenue on the spot market and improve the quality of our earnings. We seek to achieve this by diversifying our channels to market through a balanced and risk managed contracting strategy. Infigen is, therefore, progressively evolving into an active participant in the energy market with the capability to manage the risks involved in contracting to deliver firm supplies of electricity in a changing market that is increasingly dominated by intermittent renewable generation.

Within this strategic context the Board announced adjustments to the remuneration framework that were implemented throughout the 2018 and 2019 financial periods. These adjustments emphasised the importance of achieving transformational shorter to medium term goals, that are the foundations of an enduring and sustainable business model, that will generate long term benefits by positioning the company to protect existing and create new value for our security holders.

The Board would like to thank security holders for the favourable support received at the 2018 AGM for these adjustments. No additional changes were made to KMP remuneration throughout FY19.

This has been a defining year in terms of execution of the business strategy – one in which we continued to build out from Infigen's legacy asset base by both increasing our supply of green energy for sale as well as investing in firming plant to enable us to reliably supply our growing customer base. Key milestones included:

- Invested in firming capacity through the acquisition of the Smithfield OCGT as well as development and construction of the SA Battery;
- Increased the reliability and quality of earnings so that 73% of electricity revenue was from contracted sales;
- Reached practical completion of the Bodangora Wind Farm;
- Increased the volume of green energy within the Infigen portfolio via the Capital Lite strategy (Kiata Wind Farm and, from 2020, the Cherry Tree Wind Farm);
- Enhanced our customer service and billing capability; and
- Implemented the third limb of our capital management strategy – namely, the reintroduction of distributions to security holders.

These strategic achievements are reflected in the STI outcomes of the key management personnel of between 90% and 130% of the maximum opportunity.

In accordance with Infigen's Securities Trading Policy, employees and Directors were not permitted to trade Infigen securities throughout the year. These trading restrictions prevented vesting of the FY17 Deferred STI and FY16 LTI grants and prevented Directors from acquiring any Infigen securities towards meeting the minimum-security holding guidelines. All employee trading windows for Infigen securities are at the discretion of the Infigen Boards.

The Infigen Board firmly believes that the successful execution of our strategy will depend, in large measure, on the commitment of a highly skilled workforce served by an experienced leadership team that have a depth of industry knowledge and the capability to identify and execute strategic opportunities within, what is, an increasingly complex market. Infigen's ability to attract and retain talented people within an emerging renewables market is paramount.

The Board was encouraged by the results of a staff engagement survey that was conducted in FY19. The survey confirmed that there are very high levels of staff commitment to the company and its purpose. The Board has full confidence in the leadership team and endorses the initiatives the CEO has implemented to ensure alignment of the organisational culture and values with the delivery of Infigen's strategic objectives.

Looking ahead, the Board intends to replicate the FY19 LTI Operational Performance condition within the FY20 LTI grant. The performance scorecard has been updated to reflect targets as at 30 June 2022. Consistent with past practice, commercial-in-confidence targets and metrics will not be disclosed in advance, the Board will disclose the assessment criteria taken into consideration when determining the vesting outcome. Throughout the year the Nomination and Remuneration Committee (NRC) intend to consider the FY21 LTI Operational Performance Condition within the context of the business transition and maturity of the business strategy.

The appointment of Karen Smith-Pomeroy to the Board ends the Board and Management renewal process that began in 2017. We are pleased to now have in place a full Board that offers a broad range of skills and experience. The composition of the Board is designed to ensure that the Company has access to a deep body of knowledge and history with the Australian energy market from both a generation, fuel and customer perspective – as well as, of course, broader skills in finance and governance.

In FY20, following the stabilisation of the new Board, the Board will undertake an (independently conducted) review of leadership, governance and performance to ensure that Infigen is served by a Board and Management team that is functioning as effectively as possible in the interests of creating value for our security holders.

Yours faithfully

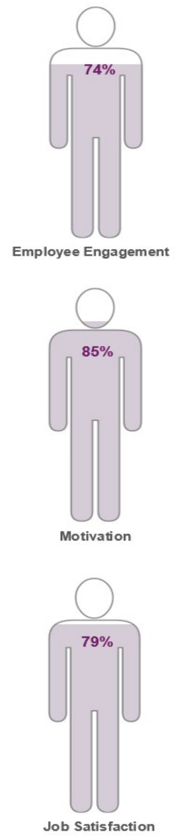
Mark Chellew
Chairman
Nomination & Remuneration Committee

Executives

	Position
R Rolfe	Managing Director / CEO
S Wiggins	Executive Director - Finance & Commercial
P Simshauser	EGM Energy Markets
T Clark	EGM Operations & Projects

2019 Staff Engagement

The Board monitors organisation culture and includes People & Culture metrics within Short and Long-Term Incentives



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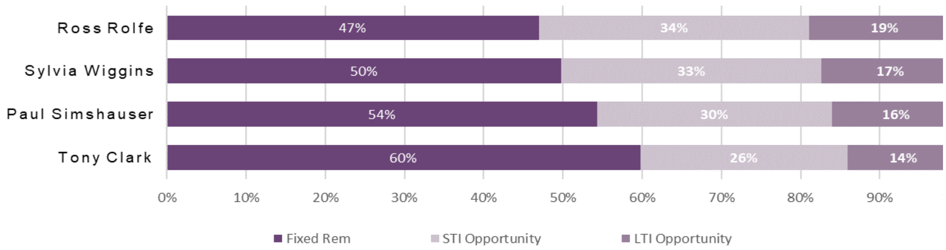
Remuneration Framework

The remuneration framework is designed to strike the right balance between performance and rewards for preserving, creating and delivering long term security holder value. The key features are:

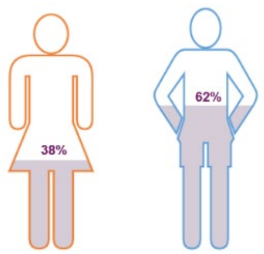
- Fixed Remuneration
- Short Term Incentive paid in cash with 20% deferred for 12 months
- Long Term Incentive with market based and operational performance conditions
- Clawback mechanisms embedded within the deferred STI and LTI grants
- Tailored incentives designed to attract and retain talent such as project incentives and diminishing deferred payments.

KMP Remuneration Mix in FY19

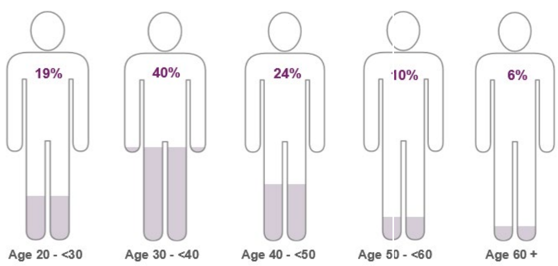


The Board adopted the Infigen Energy Diversity and Inclusion Policy in June 2011. Infigen sets and monitors progress against annual diversity objectives, which include gender diversity targets. More detailed information relating to diversity and inclusion objectives and achievements can be found in the Sustainability Highlights section of the Annual Report and the online ESG Report.

Gender Diversity



Age Diversity



Remuneration received by Executive KMP during FY19

This table includes the full year actual remuneration received by each KMP.

KMP	FY19								FY18	
	Fixed remuneration	STI opportunity	FY19 Awarded STI Cash	FY19 Awarded STI Deferred	Vested LTI	Other Payments	Total	Performance related	Total	Performance related
	($)	($)	($)	($)	($)	($)	($)	%	($)	%
R Rolfe	856,500	622,500	597,600	149,400	-	-	1,603,500	47%	1,268,020	34%
S Wiggins	728,000	471,500	377,200	94,300	-	-	1,199,500	39%	1,155,000	39%
P Simshauser[1]	492,000	266,500	277,160	69,290	-	-	838,450	41%	381,759	24%
T Clark[2]	404,000	177,000	127,440	31,860	-	80,000	643,300	37%	492,350	20%
O Sela[3]	238,975	-	-	-	-	14,336	253,311	-	539,365	23%
	2,719,475	**1,537,500**	**1,379,400**	**344,850**	**-**	**94,336**	**4,538,061**		**3,836,494**	

Relationship between performance and incentive payments

FY19 KPIs	FY19 STI Assessment
Financial Performance (50%)	**Underlying EBITDA $165.3**
Strategic Objectives (50%) **KPIs related to the implementation of the 5 Year Business Plan to establish a platform for the continued value accretive transition of the business.**	
Objectives included: > An effective Capital Management strategy and structure; > Deliver a balanced portfolio for electricity sales over a 5 year forward period; > Expanding the sourcing of energy supply within the portfolio; > Implement a firming strategy; > Construction of the SA Battery; > Other strategic projects.	Infigen has: > Implemented a Capital Management strategy. Balancing accretive growth, returns to security holders and continued balance sheet improvement. > Development and construction of the SA Battery > Acquired the Smithfield OCGT > Increased customer base and contracted revenues > Invested in enhanced customer service and billing capability to better service customers with multiple sites > Achieved practical completion of the 113 MW Bodangora Wind Farm > Increased MWh available for sale through the Capital Lite strategy (Kiata and Cherry Tree Wind Farms) See Table 1 Progress towards delivering Infigen's strategic objectives since January 2017

The FY19 KPIs included a Gateway hurdle where in the event of a fatality the Board would automatically consider rerating the STI Pool. The Board could also take into consideration Moderating Factors not foreseen or adequately addressed in setting the FY19 KPIs to rerate the STI.

FY19 LTI Terms and Conditions

Performance Period	Performance Conditions		Vesting Scale
1 July 2018 to 30 June 2021	50%	Infigen TSR performance compared to ASX 200 peer group excluding financial services, real estate and the materials & resources sectors	50th to 75th Percentile of peer group
	50%	Operational Performance Condition measures progress in implementing the 5 Year Business Plan and business strategy	Performance will be assessed against a scorecard setting out the strategic objectives, quantifiable measures and Board assessment criteria that will be used for determining the amount of Tranche 2 performance rights that will vest.

Diminishing Deferred Payment

Both R Rolfe and S Wiggins were entitled to a one off diminishing deferred payment, payable on 18 November 2019. Payment was subject to a formula that reduced the benefit to zero when payments of fixed remuneration, STI payments or awards and vested LTI payments exceeded the diminishing deferred payment amount. Once these executives receive their FY19 STI payments in September 2019, no diminishing deferred payment will be payable.

[1] FY18 is Pro-rated for part year employment commencing 27 November 2017.

[2] T Clark received a Project Incentive which was a cash-settled incentive relating to the construction of the Bodangora Wind Farm. The Board offered Mr Clark the Project Incentive at the commencement of his employment in substitution of an FY17 LTI grant.

[3] O Sela resigned effective 18 January 2019. Other Payments are eligible termination payments.

1. Remuneration of KMP

The remuneration framework for KMP comprises three components:

1. fixed pay;
2. STI, which is a variable payment linked to achieving specified performance measures over a 12-month period; and
3. LTI, which is a variable payment linked to meeting specified performance hurdles over a 3-year period.

Remuneration is benchmarked against industry peers within utilities, electricity generation and infrastructure, having regard to the advice of external advisers.

1.1. Fixed Pay

Fixed pay comprises a cash salary and superannuation. Infigen does not offer remuneration packaging other than superannuation salary sacrifice.

1.2. Short Term Incentives

STI is an at-risk performance-related component of remuneration. STIs are subject to performance against key performance indicators (KPIs) aligned with strategy and annual budgets. KPIs are set annually and reviewed during the year and where appropriate changed to maintain alignment with the business strategy.

The NRC determines the KPIs for the KMP and reviews the KPI achievement. The NRC determines the CEO's STI payment, reviews and approves payments made to KMP and the aggregate amount of STI payments.

The FY19 KPIs were structured to ensure all employees continue to respond to a changing energy market to preserve and create security holder value. The 5 Year Business Plan was approved by the Board in August 2017 and underpins the implementation of the business strategy, which forms the basis of the FY19 KPIs. The 5 Year Business Plan has three primary work streams:

1. diversifying our customer base to improve revenue certainty and stability while maximising earnings from existing assets
2. expanding the sourcing of energy supply within the Infigen portfolio in response to market signals and enhancing Infigen's capacity to deliver firm products to its customers; and
3. creating a capital structure to support Infigen's business strategy.

Table 1 illustrates the progress made towards delivering Infigen's strategic objectives since mid FY17 (i.e. following the restructure of the Executive Leadership Team and the change in business strategy).

The FY19 KPIs included a gateway hurdle and moderating factors as preconditions used to determine events which automatically trigger Board consideration to rerate the STI pool for the whole organisation, a team or individual.

In FY19 the gateway hurdle was classified as a fatality, which would automatically trigger Board consideration to rerate the STI pool.

Moderating factors address matters not foreseen or adequately addressed in setting the FY19 KPIs. Moderating factors may be used to determine team or individual STI outcomes irrespective of the overall achievement against the FY19 KPIs. Examples of moderating factors were: any serious safety incidents, serious regulatory or contract breaches, actions that result in reputational damage to Infigen or conversely progress made to deliver projects that would defend, preserve or increase security holder value that were not within the scope of the KPIs.

The Board determined that neither the 'gateway hurdle' or any negative 'moderating factors' occurred during the year. Consequently, no downward adjustment to the STI opportunity was applied.

Individual STI payments awarded to KMP in FY19 were between 90% and 130% of the maximum STI opportunity. In determining individual STI payments, the NRC had regard to the specific KPIs established at the beginning of the year, achievement against those targets, and the achievements of management in responding to emerging threats and opportunities in the delivery of the revised business strategy.

The Board has discretion under the Infigen Short Term Incentive Plan to apply a performance factor adjustment (positive or negative) of up to 30% of the STI Payment achievement subject to the employee's performance, which takes into consideration amongst other things the manner and substance in which the KPIs were achieved and the employee's performance throughout the year.

Table 1: Progress towards delivering Infigen's strategic objectives since January 2017

Strategic Objectives	Financial Year 2017	Financial Year 2018	Financial Year 2019
Underlying EBITDA	$139.3 million	$149.1 million	$165.3 million
Deleveraging	$655.5 million Corporate Debt $1.8 million Bodangora Facility	$517.5 million Corporate Debt $158.6 million Bodangora Facility	$483.8 million Corporate Debt $155.3 million Bodangora Facility
Renewable Energy Generation	556.7 MW	556.7 MW + 113.2 MW under construction	669.9 MW Owned Assets 89 MW Contracted Assets
Firming Capacity	Nil	Nil	148 MW
Contracted Revenue	$133.9 million	$161.6 million	$182.0 million
Create a capital structure to support Infigen's business strategy	> Raised new equity capital ($151 million) to support its growth strategy; > Positioned itself to refinance its existing Global Facility at the optimal time; and > Reduced total borrowings by $88.6 million.	> Refinanced its corporate debt to create a capital structure that allows the business to operate as a single portfolio of assets which thereby supports the following priorities: o Achieve appropriate value from the existing portfolio; o Support growth in response to demand-based price signals; and o Enable the Boards' to consider the reintroduction of sustainable distributions to security holders.	> Implemented a Capital Management strategy enabling Infigen to respond to market dynamics, capture emergent opportunities and manage risk inherent in the Australian energy market. The Capital Management strategy balances accretive growth, returns to security holders and continued balance sheet improvement. In FY19 this was demonstrated by: o Accretive investment: SA Battery and Smithfield OCGT; o Returns to security holders: 1 cps for 2HY19, sustainable through the cycle for each HY; and o Continued deleveraging. > Infigen has also advised that it expects that growth on installed generation for sale will come through the Capital Lite strategy (Kiata Wind Farm and Cherry Tree Wind Farm) committed in FY19 and the growth of Firming Assets to support the growth of the reliable revenue from C&I sales will come from assets on balance sheet (SA Battery and Smithfield OCGT).
Implement the Multi-Channel Route to Market Strategy	> Restructured company to introduce energy markets team to implement trading and retailing capability in terms of human and systems capacity	> Achieved our preferred diversification for sale of production across key sales channels; and > Diversified sales channels to enhance the predictability and stability of revenues in a risk managed manner, which is a crucial element of the business strategy.	> Increase in contracted revenues, delivering stable and reliable revenue outcomes: o 73% of Electricity Revenue from medium-long term contracts o 95% of LGC Revenue contracted o Strong contracted sales as Infigen enters FY20: 75% of renewable energy generation and 100% of expected LGC Production > Development and construction of the SA Battery and acquisition of the Smithfield OCGT will facilitate growth in MWh for sale through longer dated C&I and wholesale contracts which aim to deliver reliable and sustainable revenue; and > Invested in enhanced customer service and billing capability to enable Infigen to better service customers with multiple sites.
Expanding the sourcing of energy supply within the portfolio	> Reached Financial Close on Bodangora Wind Farm (113MW of new capacity).	> Progressed the firming of production through physical, financial and contractual solutions; > Continued construction of Bodangora Wind Farm on budget and on track for commercial operation in 2018; and > Progressed investment cases from Infigen's development pipeline projects.	> Achieved Practical Completion of the 113 MW Bodangora Wind Farm; > Increased MWh available for sale through the Capital Lite strategy by: o entry into 5 year PPA as an electricity offtaker with the 31 MW Kiata Wind Farm located in Victoria; and o entry into a 15 year PPA in respect of the 58 MW Cherry Tree Wind Farm development project in Victoria. > Acquisition of 123 MW Smithfield OCGT; and > Progressed development of Flyers Creek Wind Farm.
Other strategic projects	> Developed an implementation plan for the revised business strategy to position Infigen to respond to challenges in the market and capture opportunities that may arise; > Executed fleet-wide service agreements to stabilise long term operating costs; and > Invested in management to support transition of the business strategy.	> Achieved an orderly transition of Operations and Maintenance from Suzlon to Vestas (Capital and Woodlawn Wind Farm) effective 31 December 2017.	> Development and construction of SA Battery; > Updated Strategy to reflect execution to date and refine direction based on evolving market conditions and Infigen's successful acquisition of renewable energy and firming assets. > The Smithfield OCGT acquisition positions Infigen to source an additional 300-400 MW of renewable energy capacity and grow long-term contracting levels to approximately 75%; and > Committed to target carbon neutrality for the entire business by FY25.

1.2.1. Short Term Incentive Deferral

In FY19 20% of the KMP's STI payment was deferred for 12 months. Deferred STI is paid in cash at the end of the deferral period provided the employee has not resigned or had their employment terminated for cause prior to the payment date.

The deferred payment is subject to a Clawback provision.

Infigen issued 398,362 securities following the release of the FY18 financial results to satisfy vesting obligations of the FY17 deferred STI. As at 30 June 2019 these performance rights have not vested as no employee trading window has opening during the period. The forfeiture conditions remain during this period, effectively creating a two-year deferral.

1.3. Clawback

Infigen currently has a modified form of Clawback right in respect of LTI performance rights and deferred STI awards. Infigen's Clawback provisions are broader than a traditional malus provision. These Clawback provisions apply to current employees and former employees that are not deemed a 'Bad Leaver' upon termination of employment. The Clawback provision allows forfeiture of some or all deferred STI and/or unvested LTI performance rights if a previously vested LTI grant or STI payment was associated with a materially adverse financial misstatement, or if a Final Investment Decision has materially overstated the projected financial performance of the relevant asset or investment.

1.4. Long Term Incentives

LTIs are awarded as future rights to acquire Infigen securities. Each vested performance right will entitle the participant to receive one security, or a cash amount equivalent to the market price of a security, on the vesting date. Settlement in cash or securities is determined by the Board in its absolute discretion.

The number of rights granted is based on the LTI amount divided by the reference price for Infigen securities, being the volume-weighted average ASX market price in the last five trading days of the prior financial year. For rights granted in FY19 the reference price was $0.6697.

LTI grants comprise two equal tranches, each subject to a different performance condition. Vesting of each tranche is contingent on achieving the relevant performance hurdle.

	Performance Conditions	
	FY17	**FY18 & FY19**
Tranche 1	Relative TSR	Relative TSR
Tranche 2	EBITDA / Capital	Progress in implementing the revised business strategy

1.4.1. FY17 LTI Grant

The Tranche 1 performance condition is relative Total Shareholder Return (TSR). The Tranche 2 operational performance condition is a test of the cumulative growth in the ratio of earnings before interest, taxes, depreciation and amortisation (EBITDA) to capital base.

The 3-year performance period of the FY17 Grant is from 1 July 2016 to 30 June 2019. The Tranche 1 performance condition was not achieved and has now entered a final twelve-month retest period ending 30 June 2020. 100% of the Tranche 2 performance rights will vest.

1.4.2. FY18 LTI Grant

The Tranche 1 performance condition is TSR.

The Tranche 2 operational performance condition was changed to a revenue diversity and growth matrix that rewards achievements in delivering specific targets set out in the 5 Year Business Plan.

The 3-year performance period of the FY18 Grant is from 1 July 2017 to 30 June 2020, after which all unvested rights will lapse.

1.4.3. FY19 LTI Grant

The Tranche 1 performance condition is TSR.

As outlined in the 2018 Notice of AGM and Supplementary announcement of 19 October 2018, the Tranche 2 operational performance condition was changed to a strategic objectives scorecard to measure progress in implementing the revised business strategy to increase sustainable value through de-risking revenue and achieving prudent growth.

The 3-year performance period of the FY19 Grant is from 1 July 2018 to 30 June 2021, after which all unvested rights will lapse.

The Board has discretion to adjust the vesting outcomes under each performance condition (both upwards and downwards) including in the following circumstances:

a. a fatality occurring any time prior to the vesting date;
b. where Infigen experiences a significant negative security holder experience, including where the absolute TSR is negative and the Board considers the vesting outcome is inappropriate;
c. if the Board determines that the operational performance condition outcome does not satisfactorily reflect the sustainable economic value created for Infigen and its security holders during the performance measurement period;
d. a significant corporate transaction eventuates that the Board considers has affected, or will materially affect, the achievability of a performance condition or the continued applicability of the performance condition;
e. if there have been material misstatements or misrepresentations that warrant such adjustments.

1.4.4. TSR Performance Condition

TSR measures the change in value of a security plus cash distributions notionally reinvested in that security. For any portion of the FY18 and FY19 Tranche 1 performance rights to vest, the TSR of Infigen securities must outperform that of the median company in the S&P/ASX 200 index (excluding financial services, real estate and the materials and resources sector).

Following the rerating of Infigen's security price in FY16, the Board amended the vesting scale of the TSR performance condition for the FY17 Tranche 1 performance rights so that vesting would occur progressively from 25% to 75% of the relevant peer group performance. This vesting scale only applies to the FY17 grant.

Table 2: Tranche 1 TSR Performance Rights Vest Progressively as Follows

		Percentile ranking						
		Below the 25th percentile	**Equal to the 25th percentile**	**Between the 25th and 50th percentile**	**Equal to the 50th percentile**	**Between the 50th and 75th percentile**	**Between the 76th and 95th percentile**	**Above the 95th percentile**
Percentage of Awards vesting	**FY17**	0% vesting	25% vesting	An additional 1% of awards vest for each percentile increase	50% vesting	An additional 2% of the award vests for each percentile increase	100% vesting	
	FY18 & FY19	0% vesting	0% vesting	0% vesting	50% vesting	An additional 2% of the award vests for each percentile increase	100% vesting	

1.4.5. Operational Performance Condition

FY17 LTI Grant

The annual target used in respect of all LTI grants up to and including FY17 was a specified ratio of EBITDA to Capital Base over the year. The capital base is measured as equity (net assets) plus net debt. Both the EBITDA and capital base are measured on a proportionately consolidated basis to reflect Infigen's economic interest in all investments.

The annual target for each financial year is established by the Board no later than the time of the release of Infigen's annual financial results for the preceding financial year. The targets are set with reference to Infigen's annual budgets. They are confidential to Infigen. However, each year's target and the performance against that target are disclosed retrospectively.

The FY17 LTI is the only outstanding LTI grant using the EBITDA / Capital Base measure. The initial three-year performance measurement period of the FY17 LTI grant was 30 June 2019. As previously disclosed the EBITDA / Capital Base measure has proven to be unduly sensitive to wind conditions and to external market trends in energy and Large-scale Generation Certificate prices.

The Board decided in FY18 to replace the operational performance condition to measure progress in implementing the revised business strategy to increase sustainable value through de-risking revenue and achieving prudent growth.

Relevant metrics for the last four financial years and current period are provided in the table below.

Table 3: Five Year Financial Performance

	Unit	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Closing security price	$	0.32	1.00	0.73	0.66	0.475
Underlying EBITDA	$ '000	186,583	120,196	143,412[1]	149,102	165,257
Capital Base	$ '000	1,639,635	1,021,051	1,019,834	1,153,062	1,187,113
EBITDA to Capital Base	%	11.38	11.77	14.06	12.9	13.92
Target	%	10.83	10.00	12.49	11.46	13.16

Table 4: Tranche 2 EBITDA Performance Rights in FY17 Vest Progressively as Follows

Infigen's EBITDA performance	**FY17 Grant Percentage of Tranche 2 Performance Rights that vest**
0% - 90%	Nil
90% ≤ 110% of the cumulative target	For every 1% increase between 90% and 110% of EBITDA target, 5% of the Tranche 2 performance rights will vest

[1] Underlying EBITDA adjusted for inclusion of profit on sale of the Manildra solar farm development project

FY18 LTI Grant

The primary assessment will be based on a matrix that rewards achievements in delivering specific targets set out in the 5 Year Business Plan. The targets are revenue diversity, as measured by the proportion of energy sales delivered through direct commercial and industrial customer channels, and growth, as measured by Energy Sold volume (GWh). The matrix is aligned with and directly reflects Infigen's business strategy to deliver a range of products and solutions to different customers: balance risk, price and tenor; secure longer-term revenue stability; and growth.

The Board has discretion to adjust the vesting outcomes (both upwards and downwards) including in the following circumstances:

a) outperformance in value creation which is not reasonably captured by the operational performance condition;

b) misstatements or misrepresentations that warrant a downward adjustment;

c) in the event of a significant corporate transaction which the Board considers has affected the achievability of the performance conditions;

d) where strict applicability of the matrix parameters would lead to an outcome that does not satisfactorily reflect the sustainable economic value created for Infigen or its security holders over the performance period including where this results in a vesting outcome that was not fair or reasonable (to either the LTI participants or Infigen) in all the circumstances; or

e) where the vesting outcome is considered inappropriate because absolute TSR is negative.

The NRC will regularly review performance against the business strategy, strategic objectives approved by the Board and when other events occur (whether in management control or not) that might have an effect on the delivery of the business strategy and security holder value creation. The NRC will maintain a scorecard that will be used to inform discussion and the exercise of discretion when determining the vesting outcome at the end of the performance measurement period.

The Board will disclose the assessment criteria taken into consideration when determining the vesting outcome as at 30 June 2020.

FY19 LTI Grant

The operational performance condition will assess progress in implementing the business plan to preserve and create Infigen security holder value while managing risk. Performance will be assessed against a scorecard setting out the strategic objectives, quantifiable measures and Board assessment criteria that will be used for determining the amount of Tranche 2 performance rights that will vest.

Each strategic objective will be assessed separately and then aggregated to determine the final vesting percentage. This is to be overlaid with the Board's qualitative assessment of how the company has performed in implementing the company's strategy. The Board may exercise discretion when assessing individual and team performance in delivering the strategic objectives.

The Table below illustrates the five strategic objectives and performance assessment criteria included within the scorecard. Specific targets and other metrics that are commercial-in-confidence have not been disclosed, however the Board will disclose the assessment criteria taken into consideration when determining the vesting outcome as at 30 June 2021.

Table 5: Criteria included within the FY19 Operational Performance Scorecard

Strategic objective	Performance assessment criteria
Preservation and creation of Security Holder value while managing market risk	Successful implementation of the Multi-Channel Route to Market Strategy which seeks to balance tenor, price and risk for revenue received from electricity and Large-scale Generation Certificates. This includes specific targets for contracted revenue streams.
Capital management	The further development and implementation of a capital management strategy which supports the execution of the broader business strategy, including target financial ratios to be achieved within a defined period.
Prudent investment	Growth in capacity and firming capability is to be undertaken in a disciplined manner that creates value by meeting a defined equity hurdle rate and/or by materially reducing risk.
Develop and maintain a high-performance culture	Implementation of a People and Culture strategy that recognises and values high performance, as well as being results oriented and emphasizing accountability. Targets include achievement of specific human resource related metrics.
Transformational business opportunities	Operating in a dynamic energy market involves identifying, exploring and implementing initiatives to preserve and create security holder value.

1.4.6. FY17 LTI Performance

The initial 3-year performance period for the FY17 LTI grant ended on 30 June 2019. The Tranche 1 performance condition was not achieved and has now entered a final twelve month retest period ending 30 June 2020. The Tranche 2 operational performance condition of the FY17 LTI grant passed the performance test as at 30 June 2019. This will result in 100% of the Tranche 2 performance rights vesting.

1.5. Infigen Energy Equity Plan Rules

Performance rights and options are governed by the rules of the Infigen Energy Equity Plan approved by security holders in 2009 and 2011. The Infigen Energy Equity Plan includes provisions under which the Board may exercise discretion to accelerate the vesting of any performance rights or options in the event of a change in control of Infigen. In exercising its discretion, the Board would intend to have regard to the performance, duration of the performance period and the nature of the relevant transaction.

1.6. Separation Benefits

The Board intends to continue to limit any future separation benefits to a maximum of 12 months' fixed remuneration.

Infigen Energy – Executive KMP Statutory Remuneration Details

1.7. Statutory Remuneration Data for the Year Ended 30 June 2019

The Statutory Remuneration Data table below shows the accounting expense amounts that reflect a portion of possible future remuneration arising from prior and current year LTI grants.

Table 6: Statutory Remuneration Data for Executive KMP

Executive	Year	Short-term employee benefits					Post employment benefits	Other long-term employee benefits	Deferred STI	Share-based payments	Total
		Salary	STI payable in current period	Other payments[1]	Termination payments	Total of short-term employee benefits	Superannuation	LSL accrual	Cash Settled[2]	Equity settled[3]	
		($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
R Rolfe	FY19	835,969	597,600	-	-	1,433,569	20,531	5,397	86,304	306,427	1,852,228
	FY18	816,451	345,216	-	-	1,161,667	20,049	2,600	-	222,391	1,406,707
S Wiggins	FY19	707,469	377,200	-	-	1,084,669	20,531	4,619	91,000	118,982	1,319,801
	FY18	679,951	364,000	-	-	1,043,951	20,049	2,143	-	51,030	1,117,173
P Simshauser	FY19	471,469	277,160	-	-	748,629	20,531	1,471	18,408	47,314	836,353
	FY18	275,381	73,632	-	-	349,013	14,338	716	-	15,684	379,751
O Sela[4]	FY19	226,617	-	-	14,336	240,952	12,359	-	-	-	253,311
	FY18	397,951	97,092	-	-	495,043	20,049	1,255	-	46,511	562,858
T Clark	FY19	383,469	127,440	80,000	-	590,909	20,531	2,489	20,000	39,332	673,331
	FY18	371,951	80,280	-	-	452,231	20,049	1,196	-	15,725	489,201
Total remuneration	**FY19**	**2,624,993**	**1,379,400**	**80,000**	**14,336**	**4,098,728**	**94,483**	**13,976**	**215,782**	**512,055**	**4,935,024**
	FY18	**2,541,685**	**960,220**	**-**	**-**	**3,501,905**	**94,534**	**7,910**	**-**	**351,341**	**3,955,690**

[1] The Board substituted Mr Clark's participation in the FY17 LTI Grant with a one-off Project Incentive payable for the delivery of the Bodangora Wind Farm

[2] 20% of the FY18 STI is deferred for 12 months and will be cash settled

[3] Includes FY17 deferred STI settled in Infigen securities

[4] Resigned effective 18 January 2019

Value of Remuneration that May Vest in Future Years

Remuneration amounts provided in the table below refer to the maximum value of performance rights relating to Infigen securities. These amounts have been determined at grant date by using a pricing model and amortised in accordance with AASB 2 *Share Based Payments*. The minimum value of remuneration that may vest is nil.

Table 7: Remuneration that May Vest in Future Years

		Maximum value of remuneration which is subject to vesting in accordance with AASB 2 *Share Based Payments*			
		FY18	FY19	FY20	FY21
Executive	Grant	($)	($)	($)	($)
R Rolfe	FY17	71,848	119,747	-	-
	FY18	65,439	118,342	118,661	-
	FY18[1]	85,104	29,922	-	-
	FY19	-	38,416	65,397	65,219
	Total	**222,391**	**306,427**	**184,058**	**65,219**
S Wiggins	FY18	49,361	89,267	89,507	-
	FY1817	1,669	587	-	-
	FY19	-	29,128	49,585	49,449
	Total	**51,030**	**118,982**	**139,092**	**49,449**
P Simshauser	FY18	15,684	30,858	30,942	-
	FY19	-	16,456	28,013	27,937
	Total	15,684	47,314	58,955	27,937
T Clark	FY18	15,725	28,438	28,515	-
	FY19	-	10,894	18,546	18,495
	Total	**15,725**	**39,332**	**47,061**	**18,495**

1.8. Unvested Performance Rights

The table below provides details of outstanding performance rights relating to Infigen securities that have been granted to Executive KMP (FY17, FY18 and FY19 grants). The performance rights are valued as at the grant date even though the grant was based on the volume weighted average price of the five trading days up to 30 June in the year prior to the grant.

Table 8: Unvested Performance Rights

Executive	Grant	Granted number	Grant date	Value per performance right at grant date[2]	Value of performance rights granted at grant date	Potential Vesting Dates		
				($)	($)	LTI Tranche 1	LTI Tranche 2	Deferred STI
R Rolfe	FY17	369,230	23 Nov 17	0.5189	191,596	30 Jun 19	30 Jun 19	-
	FY18	620,156	23 Nov 17	0.4577	283,867	30 Jun 20	30 Jun 20	-
	FY18[1]	170,409	23 Nov 17	0.6750	115,026	-	-	15 Sep 19
	FY19	500,224	28 Nov 18	0.4677	233,955	30 Jun 21	30 Jun 21	-
S Wiggins	FY18	467,790	23 Nov 17	0.4577	214,124	30 Jun 20	30 Jun 20	-
	FY18[1]	3,342	23 Nov 17	0.6750	2,256	-	-	15 Sep 19
	FY19	379,274	28 Nov 18	0.4677	177,386	30 Jun 21	30 Jun 21	-
P Simshauser	FY18	157,712	11 Dec 17	0.4611	72,725	30 Jun 20	30 Jun 20	-
	FY19	214,275	28 Nov 18	0.4677	100,216	30 Jun 21	30 Jun 21	-
T Clark	FY18	149,025	23 Nov 17	0.4577	68,214	30 Jun 20	30 Jun 20	-
	FY19	141,855	28 Nov 18	0.4677	66,346	30 Jun 21	30 Jun 21	-

[1] Relates to the FY17 deferred STI that should have vested in or around September 2018, however an employee trading window did not open throughout FY19. Vesting will not occur until an employee trading window is opened

[2] Rounded down to 4 decimal places. Small variations in the 'Value of Performance Rights granted at grant date will occur

Table 9: Change in Number of Performance Rights Held by Executive KMP throughout the Year

Set out below is the change in the number of performance rights held by Executive KMP over the period 1 July 2018 to 30 June 2019. No performance rights vested during the year ending 30 June 2019 as an employee trading window did not open during the year.

	Balance at30 June 2018	Granted	Vested	Lapsed	Balance at 30 June 2019
R Rolfe	1,159,795	500,224	-	-	1,660,019
S Wiggins	471,132	379,274	-	-	850,406
P Simshauser	157,712	214,275	-	-	371,987
O Sela[1]	261,664	-	-	261,664	-
T Clark	149,025	141,855	-	-	290,880

2. Executive KMP Employment Contracts

The base salaries (excluding superannuation guarantee payments) for Executive KMP as at 30 June 2019 are as follows:

	As at 30 June 2019
R Rolfe	$835,969
S Wiggins	$707,469
P Simshauser	$471,469
T Clark	$383,469

Employment contracts relating to Executive KMP contain the following conditions:

Duration of contract	> Open-ended
Notice period for either party to terminate the contract	> R Rolfe 12 months' written notice by Infigen or 6 months by R Rolfe > S Wiggins 12 months' written notice by Infigen or 6 months by S Wiggins > P Simshauser 6 months' written notice by either party > T Clark 3 months' written notice by either party
Termination payments provided under the contract	> Upon termination, any accrued but untaken annual and long-service (but not sickness or personal) leave entitlements, in accordance with applicable legislation, are payable. In the event of redundancy, a severance payment is payable under the Infigen Energy Redundancy Policy equivalent to 4 weeks base salary for each year of service (or part thereof), up to a maximum of 36 weeks.
Termination for Material Adverse Change	> Both R Rolfe and S Wiggins may terminate their employment immediately where a material adverse change to the powers, duties, responsibilities, authority and/or status of the executive's role has occurred without the executive's consent, provided the executive has notified Infigen in writing of such change within one month (with their reasons for such change), and Infigen has failed to remedy this within one month of receiving notice from the executive of such change. > In the event that Infigen does not remedy the material adverse change, the executive will be entitled to a severance payment of 12 months' Fixed Remuneration or the maximum amount permitted by Part 2D.2.2 of the *Corporations Act 2001 (Cth)* if this is a lower amount. > The executive will not be a "Bad Leaver" under the Infigen Energy Equity Plan and is not entitled to notice of termination or severance payments under the Infigen Energy Redundancy policy. > Termination benefits are subject to the condition that they will not exceed the amount permitted by Part 2D.2.2 of the *Corporations Act 2001 (Cth)* without security holder approval.
Diminishing Deferred Payment	> Both R Rolfe and S Wiggins were entitled to a one off diminishing deferred payment, payable on 18 November 2019. > Payment was subject to a formula that reduced the benefit to zero when payments of fixed remuneration, STI payments or awards and vested LTI payments exceeded the diminishing deferred payment amount. > Once these executives receive their FY19 STI payments in September 2019, no diminishing deferred payment will be payable.

[1] Unvested performance rights lapsed on 18 January 2019

3. Remuneration of Non-Executive Directors

Non-Executive Director Fees are determined by the Boards within the aggregate amount approved by security holders. The approved aggregate fee pool for IEL and IEBL is $1,000,000.

The fee paid to Directors varies with individual Board and committee responsibilities.

Annual Board fees have remained set at the current value since 1 July 2008, Chairman fees were adjusted on 1 July 2012, and Committee fees were adjusted on 1 July 2016.

Non-Executive Directors receive a cash fee for service inclusive of statutory superannuation. Non-Executive Directors do not receive any performance-based remuneration or retirement benefits other than statutory superannuation contributions.

3.1. Board/Committee Fees

Aggregate annual fees payable to Non-Executive Directors during 30 June 2019 are set out below.

Board / Committee	Role	Annual Fee
Infigen Boards	Chairman[1]	$250,000
	Non-Executive Director	$125,000
Infigen Audit, Risk & Compliance Committees	Chairman	$24,000
	Member	$12,000
IEL Nomination & Remuneration Committee	Chairman	$20,000
	Member	$10,000

3.2. Remuneration of Non-Executive Directors for the Year Ended 30 June 2019

The nature and amount of each element of fee payments to each Non-Executive Director of Infigen for the years ended 30 June 2018 and 30 June 2019 are set out in the table below.

Non-Executive Directors	Year	Fees IERL ($)	Fees IEL & IEBL[2] ($)	Superannuation ($)	Total ($)
L Gill[3]	FY19	114,735	114,735	20,531	250,000
	FY18	87,067	87,067	15,644	189,778
M Chellew[4]	FY19	61,689	81,689	13,621	157,000
	FY18	47,691	57,691	10,011	115,393
E Stein[5]	FY19	67603	77,603	13,794	159,000
	FY18	51,784	54,553	10,102	116,439
P Green[6]	FY19	-	-	-	-
	FY18	-	-	-	-
K Smith-Pomeroy[7]	FY19	34,647	34,647	6,583	75,877
	FY18	-	-	-	-
M Hutchinson[8]	FY19	-	-	-	-
	FY18	57,488	57,488	10,024	125,000
F Harris[9]	FY19	-	-	-	-
	FY18	45,068	51,735	8,047	104,850
Total Remuneration	**FY19**	**278,674**	**308,674**	**54,529**	**641,877**
	FY18	**289,098**	**308,534**	**53,828**	**651,460**

[1] No Committee fees are paid to the Chairman of the Infigen Boards

[2] IEBL was unstapled from IEL and IET on 22 November 2018 and de-listed from the Official List of the ASX at the close of business 26 November 2018. IEBL is now a wholly-owned subsidiary company of IEL and is expected to be wound up in due course

[3] L Gill was appointed as a Chairman of IEL and IERL on 1 January 2018 and is a member of the NRC. Committee fees were discontinued when Mr Gill was appointed Chairman of IEL and IERL

[4] M Chellew was appointed as a Non-Executive Director of IEL and IERL on 21 September 2017. Mr Chellew became a member of the ARCC on 24 Oct 2017 and Chairman of the NRC on 1 January 2018

[5] E Stein was appointed as a Non-Executive Director of IEL and IERL on 21 September 2017. Ms Stein became Chairman of the ARCC on 24 Oct 2017 and a member of the NRC on 22 March 2018

[6] P Green was appointed as a Non-Executive Director of IEL and IERL on 18 November 2010. Mr Green is a partner of TCI Advisor Services LLP which is an advisor to a substantial shareholder of Infigen. Since being appointed, Mr Green has elected to receive no Director fees

[7] K Smith-Pomeroy was appointed as a Non-Executive Director of IEL and IERL on 12 December 2018. Ms Smith-Pomeroy became a member of the ARCC on 12 December 2018

[8] Non-Executive Director fees are for the period 1 July 2017 to 31 December 2017

[9] Non-Executive Director fees are for the period 1 July 2017 to 19 February 2018

4. Guideline for Minimum Security Holdings for Non-Executive Directors

Non-Executive Directors who receive payment of Director Fees from Infigen are encouraged to acquire Infigen securities equivalent to the after-tax value of one year's Director base fee. The acquisition of the relevant amount of Infigen securities should be completed within 3 years of being appointed and subsequently elected as a Non-Executive Director. The acquisition of Infigen securities under this guideline is subject to Infigen's Securities Trading Policy and sufficient trading windows being open during the relevant period.

Because of the confidential, material and price sensitive nature of information relating to certain projects undertaken this year, some of which have now been disclosed to the market, Infigen employees and Directors were not permitted to trade Infigen securities throughout the year. These trading restrictions prevented Directors from acquiring any Infigen securities towards meeting the minimum-security holding guidelines.

Table 10: Infigen Security Holdings of Non-Executive Directors and Executive KMP

Infigen security holdings of Non-Executive Directors and KMP, including held by their personally related parties, over the period 1 July 2018 to 30 June 2019 are set out in the table below.

	Balance at 30 June 2018	Acquired during FY19	Sold during the year	Balance at 30 June 2019
L Gill	64,220	-	-	64,220
M Chellew	-	-	-	-
E Stein	-	-	-	-
P Green	-	-	-	-
K Smith-Pomeroy	-	-	-	-
R Rolfe	130,869	-	-	130,869
S Wiggins	12,173	-	-	12,173
P Simshauser	-	-	-	-
T Clark	60,869	-	-	60,869

5. Remuneration Adviser

To ensure the NRC is provided with advice and, as required, remuneration recommendations, free from undue influence by members of the KMP to whom the recommendations may relate, the engagement of the remuneration advisor is based on an agreed set of protocols to be followed by the remuneration advisor, members of the NRC and members of KMP. The protocols require:

> the remuneration advisor to be appointed by independent directors;

> no other services are provided to management; and

> reports with recommendations are only received by Non-Executive Directors.

The NRC engaged the services of a remuneration advisor during the year to provide market practice information and options in relation to the FY19 LTI. No advice was provided that falls within the definition of a remuneration recommendation of the *Corporations Act 2001*, Chapter 1, Part 1.2, Division 1, section 9B (1)(a) and (b).

The Board was satisfied that the advice received was free from the undue influence of the KMP.

OTHER DISCLOSURES

Company Secretary

David Richardson was appointed Company Secretary of IEL and IERL on 26 October 2005. David is the General Manager Corporate Governance & Company Secretary of Infigen and is responsible for the company secretarial, insurance, corporate compliance and internal audit functions.

David was previously a Company Secretary within the AMP Group, including AMP Capital Investors, Financial Services and Insurance divisions, as well as holding prior financial services sector and regulatory positions.

David holds a Diploma of Law, Bachelor of Economics, Graduate Diploma in Company Secretarial Practice and is a Graduate of the AICD Company Directors Course. David is a Member of the Governance Institute of Australia and the Australian Institute of Company Directors.

Distributions

Infigen declared a distribution of one cent per security in relation to the six-months ended 30 June 2019 (30 June 2018: Nil). A Distribution Reinvestment Plan (DRP) was also made available to security holders as part of the distribution, with the last date for DRP elections being 1 July 2019.

Further details regarding distributions are set out in Note B7 and D1 to the Financial Report.

Principal Activities

The principal activities of Infigen and the Trust are set out in the Operating and Financial Review commencing on page 16 of this report.

Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of Infigen that occurred during the financial year other than those included in this Directors' Report.

Subsequent Events

There were no transactions or events of a material or unusual nature, not otherwise dealt with in this Directors' Report, likely to affect significantly the operations or affairs of Infigen or the Trust in future financial periods.

Environmental Regulations

To the best of the Directors' knowledge, Infigen has complied with all significant environmental regulations applicable to its operations.

Indemnification and Insurance of Officers

Infigen has agreed to indemnify (to the extent permitted by law) all Directors and Officers against losses or liabilities incurred in their role as Director, Alternate Director, Secretary, Executive, or other employee of Infigen. Infigen has not been advised of any claims under the aforementioned indemnity.

Current and former Directors and Officers are covered under a liability insurance contract, which is held, and premiums paid, by Infigen during the financial year.

Proceedings on Behalf of Infigen

No person has applied for leave of the Court to bring proceedings on behalf of Infigen, or to intervene in any proceedings to which Infigen is a party, for the purpose of taking responsibility on behalf of Infigen for all or part of those proceedings. Infigen was not a party to any such proceedings during the financial year.

Non-Audit Services

In accordance with internal policy, Infigen and the Trust only engage the auditor for non-audit services where the services will not compromise the auditor's independence and where it is believed the auditor is best equipped to provide the services when considering their experience, expertise, and knowledge of Infigen and the Trust.

The Board has considered the Audit Risk and Compliance Committee's (ARCC) advice and the non-audit services provided by the auditor and is satisfied that the provision of these services by the auditor is compatible with, and did not compromise the general standard of auditor independence imposed by, the *Corporations Act 2001*. Furthermore, approval is required to be obtained from ARCC Chairman and ARCC prior to the engagement of these services, to the extent the expected value of these services is above the dollar threshold set by the ARCC.

Non-audit services provided during the financial year consist of taxation related services (including general compliance and advisory) and transaction and advisory services. Fees paid or payable to the auditor for these services during the financial year are summarised in the below table.

Non-audit services	30 June 2019
Taxation related services	89,627
Transaction and advisory services	155,976
	245,603

The non-audit services provided also do not undermine the general principles relating to auditor independence as set out in the APES 110 Code of Ethics for Professional Accountants as they did not involve reviewing or auditing the auditor's own work or acting in a management or decision-making capacity for Infigen.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 56.

Rounding

All figures are presented in Australian Dollars with all values rounded off to the nearest thousand dollars, unless otherwise stated, in accordance with the *Australian Securities and Investments Commission (ASIC) Corporations Instrument 2016/191*.

Approval of Directors' Report

Pursuant to section 298(2) of the *Corporations Act 2001*, this report is made in accordance with resolutions of the Directors of IEL and the Directors of IERL, the responsible entity of IET.

On behalf of the Directors of IEL and IERL:

L. F. Gill

Ross Rolfe

Leonard Gill

Chairman

Ross Rolfe AO

Chief Executive Officer / Managing Director pwc

Auditor's Independence Declaration

As lead auditor for the audit of Infigen Energy Group and Infigen Energy Trust Group for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Infigen Energy Group and Infigen Energy Trust Group and the entities they controlled during the period.

Craig Thomason
Partner
PricewaterhouseCoopers

Sydney
22 August 2019

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FINANCIAL REPORT

Consolidated Statements of Comprehensive Income
for the year ended 30 June

		INFIGEN		TRUST	
($'000)	**Note**	**2019**	**2018**	**2019**	**2018**
Revenue and other income					
Revenue	B2	257,506	223,755	-	-
Other income	B3	9,332	6,338	38,797	30,161
Total revenue and other income		**266,838**	**230,093**	**38,797**	**30,161**
Expenses					
Depreciation and amortisation expense		(54,555)	(51,444)	-	-
Asset operating costs		(41,356)	(40,002)	-	-
Interest expense		(40,151)	(32,866)	-	-
Cost of sales		(28,169)	(13,688)	-	-
Corporate costs		(19,544)	(16,471)	(1)	(4)
Impairment of intangible development assets	B1	(9,068)	-	-	-
Other finance costs	B4	(8,066)	(51,601)	-	-
Development costs		(3,681)	(4,459)	-	-
Share of net loss of equity accounted investments		(852)	(33)	-	-
Impairment of financial assets	G2	-	-	(127,680)	(133,697)
Responsible entity expenses		-	-	(713)	(698)
Profit / (loss) before income tax		**61,396**	**19,529**	**(89,597)**	**(104,238)**
Income tax (expense) / benefit	B5	(20,505)	26,144	-	-
Net profit / (loss) for the year		**40,891**	**45,673**	**(89,597)**	**(104,238)**
Other comprehensive income that may be reclassified to profit or loss:					
– Changes in the fair value of cash flow hedges, net of tax		(20,282)	46,834	-	-
Total comprehensive income / (loss)		**20,609**	**92,507**	**(89,597)**	**(104,238)**
Net profit / (loss) attributable to:					
– Equity holders of the parent		40,795	45,999	-	-
– Equity holders of the other stapled entities		96	(326)	(89,597)	(104,238)
		40,891	**45,673**	**(89,597)**	**(104,238)**
Total comprehensive income / (loss) attributable to:					
– Equity holders of the parent		20,513	92,833	-	-
– Equity holders of the other stapled entities		96	(326)	(89,597)	(104,238)
		20,609	**92,507**	**(89,597)**	**(104,238)**
Basic and diluted earnings per security from net profit attributable to:		**cents**	**cents**	**cents**	**cents**
– Equity holders of the parent	B6	4.3	4.8	(9.4)	(10.9)
– Stapled security holders of Infigen	B6	4.3	4.8	-	-

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statements of Financial Position
for the year ended 30 June

		INFIGEN		TRUST	
($'000)	Note	2019	2018	2019	2018
Current assets					
Cash and cash equivalents	D2	103,681	144,898	442	439
Receivables		20,317	14,935	10,000	-
Inventories	G6	27,157	43,327	-	-
Derivative financial instruments	E5	3,502	2,080	-	-
		154,657	**205,240**	**10,442**	**439**
Non-current assets					
Property, plant and equipment	C1	991,815	896,431	-	-
Intangible assets	C2	101,321	115,320	-	-
Deferred tax assets	B5	14,400	26,376	-	-
Receivables		2,828	3,512	548,517	645,790
Investments accounted for using the equity method		500	1,244	-	-
Derivative financial instruments	E5	11,738	10,691	-	-
		1,122,602	**1,053,574**	**548,517**	**645,790**
Total assets		**1,277,259**	**1,258,814**	**558,959**	**646,229**
Current liabilities					
Payables		18,689	18,254	1,411	698
Distribution payable	B7	9,566	-	9,566	-
Borrowings	D3	53,513	41,219	-	-
Derivative financial instruments	E5	12,115	3,250	-	-
Provisions		3,903	3,504	-	-
		97,786	**66,227**	**10,977**	**698**
Non-current liabilities					
Borrowings	D3	565,902	608,880	-	-
Derivative financial instruments	E5	19,090	2,981	-	-
Provisions		11,179	9,033	-	-
		596,171	**620,894**	**-**	**-**
Total liabilities		**693,957**	**687,121**	**10,977**	**698**
Net assets		**583,302**	**571,693**	**547,982**	**645,531**
Equity					
Contributed equity	D4	914,223	918,870	911,918	910,304
Reserves	G4	(69,146)	(47,816)	-	-
Retained losses		(261,775)	(299,361)	(363,936)	(264,773)
Total equity		**583,302**	**571,693**	**547,982**	**645,531**
Attributable to:					
Equity holders of the parent					
Contributed equity		2,305	2,305	911,918	910,304
Reserves		(69,146)	(47,816)	-	-
Retained losses		(234,026)	(274,821)	(363,936)	(264,773)
		(300,867)	**(320,332)**	**547,982**	**645,531**
Equity holders of the other stapled entities					
Contributed equity		911,918	916,565	-	-
Retained losses		(27,749)	(24,540)	-	-
		884,169	**892,025**	**-**	**-**
Total equity		**583,302**	**571,693**	**547,982**	**645,531**

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

Consolidated Statements of Changes in Equity

for the year ended 30 June

INFIGEN						
Attributable to:			**Equity holders of the parent**		**Equity holders of the other stapled entities**	
($'000)	**Contributed equity**	**Reserves**	**Retained losses**	**Total**		**Total equity**
Opening balance – 2018	2,305	(91,555)	(320,820)	(410,070)	889,444	479,374
Net profit / (loss) for the year	-	-	45,999	45,999	(326)	45,673
Changes in the fair value of cash flow hedges, net of tax	-	46,834	-	46,834	-	46,834
Total comprehensive income / (loss) for the year	**-**	**46,834**	**45,999**	**92,833**	**(326)**	**92,507**
Transactions with equity holders						
Securities issued - Infigen Energy Equity Plan	-	-	-	-	2,907	2,907
Recognition of share-based payments	-	(3,095)	-	(3,095)	-	(3,095)
Closing balance – 2018	**2,305**	**(47,816)**	**(274,821)**	**(320,332)**	**892,025**	**571,693**
Opening balance – 2019	2,305	(47,816)	(274,821)	(320,332)	892,025	571,693
Net profit for the year	-	-	40,795	40,795	96	40,891
Changes in the fair value of cash flow hedges, net of tax	-	(20,282)	-	(20,282)	-	(20,282)
Total comprehensive income / (loss) for the year	**-**	**(20,282)**	**40,795**	**20,513**	**96**	**20,609**
Transactions with equity holders						
Distributions paid or provided for	-	-	-	-	(9,566)	(9,566)
Securities issued - Infigen Energy Equity Plan	-	-	-	-	1,614	1,614
Recognition of share-based payments	-	(1,048)	-	(1,048)	-	(1,048)
De-stapling of IEBL securities	-	-	-	-	(6,261)	(6,261)
IEBL de-stapling transfer of retained losses	-	-	-	-	6,261	6,261
Closing balance – 2019	**2,305**	**(69,146)**	**(234,026)**	**(300,867)**	**884,169**	**583,302**

TRUST				
($'000)	**Contributed equity**	**Reserves**	**Retained losses**	**Total**
Opening balance – 2018	907,397	-	(160,535)	746,862
Net loss for the year	-	-	(104,238)	(104,238)
Total comprehensive income for the year	**-**	**-**	**(104,238)**	**(104,238)**
Transactions with equity holders				
Securities issued - Infigen Energy Equity Plan	2,907	-	-	2,907
Closing balance – 2018	**910,304**	**-**	**(264,773)**	**645,531**
Opening balance – 2019	910,304	-	(264,773)	645,531
Net loss for the year	-	-	(89,597)	(89,597)
Total comprehensive income for the year	**-**	**-**	**(89,597)**	**(89,597)**
Transactions with equity holders				
Distributions paid or provided for	-	-	(9,566)	(9,566)
Securities issued - Infigen Energy Equity Plan	1,614	-	-	1,614
Closing balance – 2019	**911,918**	**-**	**(363,936)**	**547,982**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statements of Cash Flows

for the year ended 30 June

		INFIGEN		TRUST	
($'000)	**Note**	**2019**	**2018**	**2019**	**2018**
Cash flows from operating activities					
Receipts from customers and compensation claims		271,002	201,678	-	-
Payments to suppliers and employees		(88,997)	(71,857)	-	-
Interest received		2,278	5,421	4	36
Interest and other finance costs paid		(40,023)	(34,796)	(1)	(5)
Income tax paid		-	-	-	-
Net cash inflow	G3	**144,260**	**100,446**	**3**	**31**
Cash flows from investing activities					
Payments for property, plant and equipment		(154,489)	(143,016)	-	-
Payments for intangible assets		(6,271)	(602)	-	-
Proceeds from sale of development assets (intangibles)	C2	6,500	-	-	-
Gain on disposal of investments		-	644	-	-
Government grants received	C1	5,900	-	-	-
Payments for equity accounted investments		(108)	(68)	-	-
Net cash outflow		**(148,468)**	**(143,042)**	**-**	**-**
Cash flows from financing activities					
Proceeds from borrowings		4,148	681,800	-	-
Repayment of borrowings		(41,219)	(663,636)	-	-
Payment of new borrowings transaction costs		-	(28,444)	-	-
Payment for interest rate derivatives termination		-	(55,230)	-	-
Loans provided to related parties		-	-	-	(189,921)
Repayment of loan by a related party		-	-	-	184,814
Net cash outflow		**(37,071)**	**(65,510)**	**-**	**(5,107)**
Net (decrease) / increase in cash and cash equivalents		(41,279)	(108,106)	3	(5,076)
Opening cash and cash equivalents		**144,898**	251,786	439	5,515
Effects of exchange rate changes on the balance of cash held in foreign currencies		62	1,218	-	-
Closing cash and cash equivalents		**103,681**	**144,898**	**442**	**439**

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

A REPORT OVERVIEW

Infigen comprises Infigen Energy Limited (IEL) and Infigen Energy Trust (IET), and their controlled entities.

The Trust comprises IET and its controlled entities.

IEL is determined to be the parent entity of Infigen.

One share in IEL and one unit in IET have been stapled together to form a single Infigen stapled security listed on the Australian Securities Exchange (ASX) under the code "IFN". They cannot be traded separately and can only be traded as stapled securities.

IEL is incorporated and domiciled in Australia. IET was established in and is domiciled in Australia.

Inter-entity balances and transactions (except unrealised losses that provide evidence that the asset(s) being transferred are impaired) are eliminated.

The acquisition method of accounting is used to account for business combinations by Infigen and the Trust.

Non-controlling interests in the results and equity of controlled entities are shown separately, where applicable, in the Consolidated Financial Statements.

De-stapling of Infigen Energy (Bermuda) Limited

On 22 November 2018, Infigen Energy (Bermuda) Limited (IEBL) was removed from the Official List of ASX following security holder approval of Infigen's simplified corporate structure at the 16 November 2018 AGM.

Trust information

IET is a Registered Scheme (the Scheme) and Infigen Energy RE Limited (IERL) is the Responsible Entity of IET. The relationship of the Responsible Entity with the Scheme is governed by the Constitution of IET.

Statement of compliance

As permitted by Australian Securities and Investments Commission (ASIC) *Corporations Instrument 2015/843*, this report consists of the Consolidated Financial Statements and accompanying notes of both Infigen and the Trust for the year ended 30 June 2019 (the reporting period).

As permitted by ASIC *Class Order 13/1050*, the Consolidated Financial Statements treat IEL as the 'parent' of the stapled entities.

A1 Basis of Preparation

Infigen and the Trust are for-profit entities for the purpose of preparing the Consolidated Financial Statements.

These Consolidated Financial Statements have been prepared in accordance with the *Corporations Act 2001,* Australian Accounting Standards, and International Financial Reporting Standards (IFRS).

These Consolidated Financial Statements have been prepared on the basis of the legislative and regulatory regime that existed as at 30 June 2019 and at the date of this report. Changes to the regulatory regime could affect the carrying values of assets.

These Consolidated Financial Statements have been prepared on the going concern basis using the historical cost conventions modified by the revaluation of financial assets and liabilities (including derivative financial instruments) measured at fair value, where applicable.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts.

All figures are presented in Australian Dollars with all values rounded to the nearest thousand dollars, unless otherwise stated, in accordance with the ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

A2 New and Amended Accounting Standards

Adopted standards

Except for those summarised in the following table, new and amended accounting standards adopted during the reporting period did not result in changes to the accounting policies, or retrospective adjustments to the financial results, of Infigen or the Trust.

AASB 15 Revenue from Contracts with Customers (effective for the financial year commencing 1 July 2018)

Nature of change	Effect on financial statements
> AASB 15 replaced AASB 118 *Revenue* and AASB 111 *Construction Contracts* > It is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The previous revenue recognition principle focused on the transfer of significant risks and rewards of ownership > In addition, AASB 15 requires new and expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from customers and key judgements made	> The application of AASB 15 did not have a material change on the presentation, recognition, and measurement of revenue for Infigen or the Trust

Standards not yet adopted

Except for those summarised in the following table, new and amended accounting standards available for early adoption, but not yet adopted, are not anticipated to have a material effect on the accounting policies or the financial results of Infigen or the Trust.

AASB 16 Leases (effective for the financial year commencing 1 July 2019)

Nature of change	Effect on financial statements
> AASB 16, which replaces AASB 117 *Leases,* removes the distinction between operating and finance leases for lessees. The accounting for lessors will not change significantly > AASB 16 requires the recognition of a right-of-use (ROU) asset (representing the right to use the underlying leased asset) and associated lease liability (representing the obligation to make lease payments) for all contractual arrangements that meet the definition of a lease > The ROU asset will be depreciated over the lease term on a straight-line basis, and interest expense will be charged on the lease liability > EBITDA will increase as the operating lease cost currently charged against EBITDA under AASB 117 will be replaced with a depreciation and interest charge, which are currently excluded from EBITDA (although included in net profit before tax) > Operating cash flows will increase as the element of cash paid under lease arrangements, attributable to the repayment of principal, will be recognised within the financing cash flows. The net increase/decrease in cash and cash equivalents will remain the same > A full retrospective or a modified retrospective approach is permitted on adoption. The latter option measures the lease liability at the present value of future lease payments on the initial date of application, while the ROU asset is measured as if AASB 16 had been applied from the commencement of the lease. The difference between the ROU asset and lease liability, adjusted for deferred tax, is recognised as an adjustment to opening retained earnings, therefore there is no requirement for restatement of comparative information	> Infigen intends to apply the modified retrospective approach > Infigen has completed an indicative assessment of the effect of AASB 16, and estimates the following effects on Infigen's consolidated statement of financial position as at 1 July 2019: ROU assets — $40.8 million Lease liabilities — $30.8 million > Infigen is not anticipating that the adoption of the standard will affect its ability to comply with debt covenants > Short-term leasing costs and non-lease component expenditure will continue to be charged against EBITDA > The actual financial effect on the results for FY20 will be contingent on any new leases entered into, or any lease modifications that occur during the reporting period > The Trust's financial results are not expected to be affected by AASB 16

B RESULTS

B1 Segment Information

Infigen generates and sources renewable energy, increases the value of intermittent renewables by firming, and provides customers with clean, reliable and competitively priced energy solutions. Revenues are derived from various market channels in Australia. Because of Infigen's performance from a geographic and product perspective, Australia has been identified as Infigen's sole reportable segment.

Only Infigen's (and not the Trust's) segment information is provided to the chief operating decision-makers, who are deemed to be the Board of Directors (Board). Accordingly, only Infigen's segment information has been disclosed in this note.

The Board assesses the performance of the operating segment using statutory earnings before interest, tax, depreciation and amortisation (EBITDA), adjusted to exclude certain significant non-cash and one-off items that are unrelated to the operating performance of Infigen (Underlying EBITDA). Since Infigen operates in a single segment, the assets and liabilities are those disclosed in the consolidated statements of financial position.

The segment information provided to the Board for the operating segment together with a reconciliation of Underlying EBITDA to net profit after tax is disclosed in the following table.

		INFIGEN	
($'000)	**Note**	**2019**	**2018**
Net revenue		229,337	210,067
Asset operating costs		(41,356)	(40,002)
Business operating costs		(22,705)	(20,930)
Share of net loss of equity accounted investments		(19)	(33)
Underlying EBITDA		**165,257**	**149,102**
Other income		47	644
Depreciation and amortisation expense		(54,555)	(51,444)
Impairment of development assets		(9,901)	-
Net gain on change in fair value of financial instruments		6,487	-
Earnings before interest and tax		**107,335**	**98,302**
Net finance costs		(45,939)	(78,773)
Profit before tax		**61,396**	**19,529**
Income tax (expense) / benefit	B5	(20,505)	26,144
Net profit after tax		**40,891**	**45,673**
Underlying EBITDA per security (cents)		**17.3**	**15.6**

Infigen presents net revenue on a contracted and uncontracted basis which is disclosed below. Contracted revenue includes electricity revenue via Power Purchase Agreements (PPAs), electricity revenue from Commercial & Industrial (C&I) Customers, and contracted Large-scale Generation Certificates (LGCs) revenue. Uncontracted revenue includes remaining electricity sales, and remaining LGC revenue. Uncontracted revenue is subject to price risk.

		INFIGEN	
($'000)	**Note**	**2019**	**2018**
Contracted revenue		182,006	161,560
Uncontracted revenue		37,208	48,414
Compensated revenue	B2	10,123	93
		229,337	**210,067**

The reconciliations of segment information to the statement of comprehensive income are disclosed in the following tables.

Net revenue reconciliation

		INFIGEN	
($'000)	**Note**	**2019**	**2018**
Revenue	B2	257,506	223,755
Cost of sales		(28,169)	(13,688)
		229,337	**210,067**

Business operating costs reconciliation

		INFIGEN	
($'000)	**Note**	**2019**	**2018**
Corporate costs		19,544	16,471
Development costs		3,681	4,459
Management fee revenue	B3	(520)	-
		22,705	**20,930**

Net finance costs reconciliation

		INFIGEN	
($'000)	**Note**	**2019**	**2018**
Interest income	B3	2,278	4,834
Foreign exchange gain		-	860
Interest expense		(40,151)	(32,866)
Other finance costs	B4	(8,066)	(51,601)
		(45,939)	**(78,773)**

Impairment of development assets reconciliation

		INFIGEN	
($'000)	**Note**	**2019**	**2018**
Impairment of development assets (intangibles)	C2	9,068	-
Impairment of development assets (equity accounted investments)		833	-
		9,901	**-**

B2 Revenue

Revenue is recognised at an amount which reflects the consideration expected to be received when control of a good or service is transferred to the counterparty.

Revenue type	Description
Energy and environmental products	Incorporates: Electricity > Electricity generated from Infigen's own generation assets (after applying marginal loss factors). Infigen is assessed as the principal because it controls the electricity before delivery to the National Electricity Market (NEM). Revenue is recognised at the spot price achieved when the unit of electricity passes to the NEM, which is when the performance obligation is considered to be satisfied > Electricity sold to Infigen's C&I customers under medium to long-term contracts at a fixed price and firm volume. Where the contract is a retail supply agreement: – Infigen is assessed as the principal because it controls the electricity before delivery to the customer – Revenue is recognised at the contract price once the unit of electricity is delivered to the customer, which is when the performance obligation is considered to be satisfied – The electricity supplied to the customer is purchased from the NEM and recorded as a component of cost of sales within the consolidated statements of comprehensive income > Net settlement from PPAs, which are accounted for as electricity derivative contracts, and where Infigen is either the generator or the off-taker > Net settlement from electricity derivative contracts such as ASX futures and options, and which are short to medium-term in nature LGCs > An LGC represents 1 MWh of generation from renewable energy generators. LGC revenue is recognised at fair value once generated and in the same period as costs are incurred. Each LGC is concurrently recognised in inventory until it is sold, at which time, the difference between the sale price and book value is recorded as a component of revenue
Compensated revenue	Includes: > Liquidated damages as compensation for revenue losses caused by construction delays > Proceeds arising from compensation claims made against the Australian Electricity Market Operator (AEMO) and/or maintenance service providers

Revenue

		INFIGEN	
($'000)	**Note**	**2019**	**2018**
Energy and environmental products		247,383	223,662
Compensated revenue		10,123	93
		257,506	**223,755**

Income recorded in accordance with UIG *Determining whether an Asset Contains a Lease* is $32,979,000 (2018: $30,295,000). This amount is included within the energy and environmental products revenue disclosure above.

Further disaggregation of revenue is provided in Note B1.

B3 Other income

	INFIGEN		TRUST	
($'000)	**2019**	**2018**	**2019**	**2018**
Interest income	2,278	4,834	4	36
Net gain on change in fair value of financial instruments	6,487	-	-	-
Management fee revenue	520	-	-	-
Foreign exchange gains	-	860	-	1
Unwind of discount on related party loan receivables	-	-	38,793	30,124
Other	47	644	-	-
	9,332	**6,338**	**38,797**	**30,161**

B4 Other finance costs

	INFIGEN	
($'000)	**2019**	**2018**
Bank fees and amortisation of capitalised commitment fees	7,305	3,092
Unwind of discount on decommissioning provisions	131	123
Foreign exchange losses	630	-
	8,066	**3,215**
Termination of interest rate swaps (A)	-	43,295
Fees incurred in relation to exploring refinance options (A)	-	2,707
Early expense of capitalised commitment fees (A)	-	2,384
	8,066	**51,601**

(A) These finance costs were incurred as a result of the early refinancing of the Global Facility and the Woodlawn Project Finance (PF) Facility in the prior year.

B5 Taxation

Infigen is subject to income tax in Australia and jurisdictions where it has foreign operations.

Under current legislation, the Trust is not subject to income tax as unit holders are presently entitled to the income of the Trust.

Key principles

Income tax expense consists of current tax expense and deferred tax expense. Income tax is recognised in the consolidated statements of comprehensive income, except to the extent that it relates to items recognised directly in equity.

Current tax expense represents the expected tax payable on the taxable income for the year, in accordance with current tax rates, and any adjustments to the previous financial years' tax payable.

Deferred tax expense is recognised in respect of temporary differences between an asset or liability's carrying value in the Consolidated Financial Statements and tax value.

Deferred tax is not recognised on the initial recognition of goodwill.

Deferred tax assets, including those arising from unused tax losses, are only recognised to the extent it is probable future taxable profits will be available.

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset, they relate to income tax levied by the same tax authority, and Infigen intends to settle on a net basis or realise the asset and settle the liability simultaneously.

Significant estimate and judgement is required in assessing the timing and level of future taxable profits. This includes assumptions about a variety of general economic and business conditions outside Infigen's control. The assumptions and projected cash flows used in this assessment are consistent with those used in assessing potential impairment of intangible assets detailed in Note C2. Changes in the underlying conditions outside Infigen's control could have an impact on future taxable profits and the utilisation of deferred tax assets.

Tax consolidation

IEL (as head entity) and its wholly-owned Australian resident entities form the Tax Consolidated Group which is taxed as a single entity. Tax Consolidated Group members fund and share tax with IEL whilst continuing to account for their own current and deferred tax amounts. The members are identified at Note F1.

Income tax

	INFIGEN	
($'000)	**2019**	**2018**
Current tax	26,554	811
Deferred tax	(6,049)	8,700
Previously unrecognised tax losses brought to account	-	(35,655)
Income tax expense / (benefit)	**20,505**	**(26,144)**
Deferred tax expense comprises:		
Increase in deferred tax assets	4,109	(32,485)
Increase in deferred tax liabilities	(10,158)	5,530
	(6,049)	**(26,955)**
Reconciliation of accounting profit to tax expense / (benefit):		
Profit before income tax	61,396	19,529
Income tax expense calculated at 30%	**18,418**	**5,859**
Non-deductible expenses of IET, IEBL and intercompany interest	2,049	3,198
Previously unrecognised tax losses brought to account	-	(35,655)
Sundry items	38	454
Income tax expense / (benefit)	**20,505**	**(26,144)**
Effective tax rate	33%	49%
Tax paid / payable	-	-

Deferred tax assets

	INFIGEN						
		Attributable to:			Attributable to:		
($'000)	**2017**	**Income**	**Equity**	**2018**	**Income**	**Equity**	**2019**
Unused tax losses	72,538	35,080	-	107,618	(28,535)	-	79,083
Derivative financial instruments	20,993	(3,203)	(15,921)	1,869	(1,024)	8,517	9,362
Unrealised foreign exchange losses	3,490	(196)	-	3,294	(1,092)	-	2,202
Deferred tax assets	**97,021**	**31,681**	**(15,921)**	**112,781**	**(30,651)**	**8,517**	**90,647**
Depreciation	(64,699)	(4,849)	-	(69,548)	5,836	-	(63,712)
Inventory	(8,085)	(4,913)	-	(12,998)	5,035	-	(7,963)
Derivative financial instruments	-	-	(3,831)	(3,831)	(741)	-	(4,572)
Other	(3,922)	4,232	(338)	(28)	28	-	-
Deferred tax liabilities	**(76,706)**	**(5,530)**	**(4,169)**	**(86,405)**	**10,158**	**-**	**(76,247)**
Net deferred tax	**20,315**	**26,151**	**(20,090)**	**26,376**	**(20,493)**	**8,517**	**14,400**

Deferred tax assets expected to be recovered after more than 12 months from 30 June 2019 are $14,400,000 (2018: $26,376,000).

The above two tables contain certain disclosure in accordance with Part A of the Voluntary Tax Transparency Code.

Unrecognised tax losses

	INFIGEN	
($'000)	**2019**	**2018**
Unused tax losses for which no deferred tax asset has been recognised	118,851	118,851
Tax benefit at 30%	**35,655**	**35,655**

B6 Earnings per security

Basic earnings per security (Basic EPS) is calculated by dividing net profit for the year by the Weighted Average Number of Securities (WANOS) outstanding during the year. Basic EPS is then adjusted to account for the WANOS issued under the Infigen Energy Equity Plan during the year to calculate Diluted EPS.

	INFIGEN		TRUST	
	2019	**2018**	**2019**	**2018**
Net profit attributable to:				
- Parent equity holders ($'000)	40,795	45,999	(89,597)	(104,238)
- Stapled security holders ($'000)	40,891	45,673	-	-
WANOS:				
- Basic (thousands)	956,163	952,938	956,163	952,938
- Diluted (thousands)	957,745	956,915	957,745	956,915
Parent entity EPS:				
- Basic (cents)	4.3	4.8	(9.4)	(10.9)
- Diluted (cents)	4.3	4.8	(9.4)	(10.9)
Infigen EPS:				
- Basic (cents)	4.3	4.8	-	-
- Diluted (cents)	4.3	4.8	-	-

B7 Distributions

Security holder distributions which have been declared, and that are yet to be paid on or before the end of the reporting period, are recorded as a payable in the consolidated statements of financial position. The distribution payable for the six-months ended 30 June 2019 was declared on 20 June 2019 and is scheduled to be paid by the Trust on 27 September 2019.

	INFIGEN		TRUST	
	2019	**2018**	**2019**	**2018**
Distributions paid and payable:				
Cents per security (half-year ended 30 June)	1.00	-	1.00	-
Total amount ($'000) (half-year ended 30 June)	9,566	-	9,566	-

C OPERATING ASSETS

C1 Property, plant and equipment

This section comprises in-use property, plant and equipment and assets under construction.

In-use property, plant and equipment primarily consists of wind turbines and associated plant from the 670 MW of installed renewable generation assets across New South Wales (NSW), South Australia and Western Australia. It also includes the 123 MW Smithfield Open Cycle Gas Turbine (OCGT) facility in NSW, which was acquired in May 2019.

During the year, the 113.2 MW Bodangora Wind Farm was transferred from assets under construction to in-use property, plant, and equipment following the commencement of its commercial operations.

Assets under construction at 30 June 2019 includes the SA Battery located in South Australia.

Movements in carrying values

	INFIGEN			
	2019			2018
($'000)	**In-use property, plant & equipment**	**Assets under construction**	**Total**	**Total**
Opening balance	693,950	202,481	896,431	799,937
Additions	79,395	68,887	148,282	136,950
Government grants received	-	(5,900)	(5,900)	-
Capitalised interest	-	3,519	3,519	6,237
Depreciation expense	(49,692)	-	(49,692)	(46,630)
Transfers to in-use property, plant & equipment	238,465	(238,465)	-	-
Transfers to intangible assets	(818)	(7)	(825)	(63)
Closing balance	**961,300**	**30,515**	**991,815**	**896,431**
Cost	1,479,753	30,515	1,510,268	1,365,192
Accumulated depreciation	(518,453)	-	(518,453)	(468,761)
Net book value	**961,300**	**30,515**	**991,815**	**896,431**

Accounting treatment

In-use property, plant and equipment is measured at cost, less accumulated depreciation and impairment. Initial cost includes directly attributable acquisition expenditure. Subsequent costs are capitalised if it is probable they result in a flow of future economic benefits to Infigen, and they can be reliably measured. Other costs are expensed as incurred.

In-use plant and equipment depreciation is calculated on a straight-line basis over the estimated useful life of the relevant asset. Owned Renewable Energy Assets and associated plant are depreciated over 25 years with the exception of the newly constructed Bodangora Wind Farm which is depreciated over 30 years. The Smithfield OCGT (a firming asset) is depreciated over 20 years. Other items of plant and equipment are depreciated over a period of between three and 20 years.

Assets under construction represents direct construction costs relating to Owned Renewable Energy Assets and Firming Assets not ready for use and, where applicable, include interest incurred on construction facility borrowings. Assets under construction are transferred to in-use property, plant and equipment once the asset is ready for commercial use.

Decommissioning provision

Obligations exist to decommission Infigen's renewable generation and firming assets at the end of their useful economic lives. Decommissioning includes removal of wind turbines, firming assets, associated plant, and restoration of land.

A decommissioning provision is estimated by discounting the future decommissioning expenditure to its present value. A discount rate that considers the current market rates, adjusted for the uncertainty of the expenditure is used. The provision is reviewed, and adjusted where necessary, at the end of each financial year.

The provision is recognised as a non-current liability in the consolidated statement of financial position. At 30 June 2019 the provision balance is $10,648,000 (2018: $8,448,000).

C2 Intangible assets

Infigen recognises three types of intangible assets: licences and development rights, development assets, and goodwill.

Intangible asset	Description and accounting treatment
Licences and development rights	> Certain licences and development rights are required to construct and operate Infigen's owned generation assets. These include costs incurred on obtaining project approvals, land leases, and connection rights > Measurement is at cost less accumulated amortisation and impairment. Amortisation is calculated on a straight-line basis over the expected useful life of the assets to which the licences and development rights are attached
Development assets	> Development assets represent expenditure incurred prior to the commencement of an asset's construction
Goodwill	> Goodwill is recognised upon the acquisition of certain businesses. It represents the excess of the acquisition cost over the fair value of the share of net identifiable assets, liabilities, and contingent liabilities of the acquired business

Movements in carrying values

	INFIGEN				
	2019				**2018**
($'000)	**Licences and development rights**	**Development assets**	**Goodwill**	**Total**	**Total**
Opening balance	70,883	29,301	15,136	115,320	118,279
Additions	21	5,111	-	5,132	2,019
Disposals	-	(6,500)	-	(6,500)	-
Transfers from plant and equipment	825	-	-	825	63
Transfers from other assets	-	1,041	-	1,041	-
Transfers - other	-	(566)	-	(566)	-
Amortisation expense	(4,863)	-	-	(4,863)	(5,041)
Impairment expense	-	(9,068)	-	(9,068)	-
Closing balance	**66,866**	**19,319**	**15,136**	**101,321**	**115,320**
Balance					
Cost	118,572	19,319	15,136	153,027	162,163
Accumulated amortisation and impairment	(51,706)	-	-	(51,706)	(46,843)
Net book value	**66,866**	**19,319**	**15,136**	**101,321**	**115,320**

Key changes during the reporting period

On 18 December 2018, Infigen sold its Cherry Tree Wind Farm development project which had a carrying value of $6.5 million prior to the sale. The sale has been recognised in the disposals line in the table above.

Impairment – accounting treatment

All intangible assets are assessed for indicators of impairment on a semi-annual basis. Where indicators exist, impairment testing is undertaken.

For development assets and goodwill (indefinite useful life intangible assets), impairment testing is undertaken at least annually, or more frequently if indicators of impairment have been identified.

Impairment testing is undertaken by comparing an intangible asset's carrying and recoverable amounts. Impairment losses are recognised when carrying amounts are higher than recoverable amounts. Losses are recognised in the consolidated statement of comprehensive income.

Licences and development rights and goodwill are allocated to Infigen's single cash-generating-unit (CGU) for impairment testing because they do not generate cash flows independent from other assets. Recoverable amounts are determined as the higher of value-in-use or fair value less costs to sell.

Value-in-use is calculated by estimating and discounting future cash flows of Infigen's operating assets over their estimated economic useful life to their present value. In-house expertise is combined with historic operating data, electricity and LGC prices, market rates. and independent consultants' assessments of wind resource and availability. Price forecasts use market observable and third-party assessments of forward pricing. Where a power purchase agreement exists, the contract price is used.

A post-tax discount rate is used to discount future cash flow projections to their present value. The equivalent pre-tax rate at 30 June 2019 is 10.2% (2018: 11.7%).

The recoverable amount of development assets is measured using internal valuations. These valuations reference recent transactions where available and adjusted for any differences such as nature, location and size and consider the current and/or expected future market demand for these development assets.

Significant estimate and judgement is required in forecasting an intangible asset's discounted future cash flows. Changes in underlying estimates and judgements may cause a variation to recoverable amounts.

Impairment testing results

The process of bringing the Cherry Tree Wind Farm to financial close indicated potential impairment of Infigen's development assets, which required testing of intangible asset carrying values. Changes to the requirements of network owners and regulators as well as conditions in certain regions of the NEM had increased the cost and risk to realising the value of certain projects within Infigen's development pipeline.

The testing resulted in a total impairment charge to development assets (both intangibles and equity accounted investments) of $9.8 million for the year ended 30 June 2019.

There was no other impairment as a result of the testing described above - which used the following sensitivity ranges: discount rate (+/-1%); market prices (+/-10%); and renewable generation production (+/-5%).

C3 Commitments

Certain contracted expenditure not recognised as a liability at the reporting date is disclosed in the following table.

Commitment type	Description
Capital expenditure	Renewable generation and firming assets capital expenditure, including spare parts and IT projects
Repairs and maintenance	> Long-term contractual agreements for specific, and scheduled, service and maintenance of Owned Renewable Energy Assets > Components of certain Firming Assets
Transmission services	Long-term contractual agreements for the transmission of electricity generated to the NEM
Land payments	Non-cancellable operating leases relate to Owned Renewable Energy Assets and Firming Assets. Certain leases contain additional renewal option terms. Certain leases also contain contingent rental components (based on generation or revenue of the associated generation assets) and CPI escalation clauses

Committed amounts

	INFIGEN	
($'000)	**2019**	**2018**
Capital expenditure	2,118	30,590
Repairs and maintenance	163,581	159,096
Transmission services	56,835	46,548
Operating leases (including land payments):		
- Not later than 1 year	5,249	4,588
- Later than 1 year and not later than 5 years	20,086	18,165
- Later than 5 years	47,895	35,260
	73,230	**58,013**
Total	**295,764**	**294,247**

D CAPITAL STRUCTURE

D1 Capital management

Infigen seeks a flexible capital structure that supports the preservation and creation of security holder value in a changing energy market.

To maintain or adjust its capital structure, Infigen may adjust its level of borrowings, issue or buy back securities, and adjust the quantum of security holder distributions.

The ratio of Net Debt to Underlying EBITDA is a measure which assesses Infigen's capital structure, and is monitored on a regular basis. It is calculated as Net Debt (gross debt less cash) divided by Underlying EBITDA (on a 12-month look-back basis). As at 30 June 2019 Net Debt to Underlying EBITDA was 3.2 (30 June 2018: 3.6).

Distributions are paid to Infigen security holders when determined by the Board having regard to Infigen's capital management policy which seeks to balance returns to security holders, value accretive investments and deleveraging. Infigen declared a distribution of one cent per security in relation to the six-months ended 30 June 2019 (30 June 2018: Nil). A Distribution Reinvestment Plan (DRP) was also made available to security holders as part of the distribution, with the last date for DRP elections being 1 July 2019.

As at 30 June 2019, the parent entity (IEL) had franking credits of $6,228,093 (30 June 2018: $6,228,093).

D2 Cash and cash equivalents

Unrestricted cash includes cash on hand and term deposits held at call with financial institutions. Restricted cash is held in accordance with the minimum cash requirements for Australian Financial Services Licence (AFSL) compliance and the requirements of the Bodangora Facility.

	INFIGEN		TRUST	
($'000)	**2019**	**2018**	**2019**	**2018**
Unrestricted cash	95,648	94,501	442	439
Restricted cash	8,033	50,397	-	-
	103,681	**144,898**	**442**	**439**

D3 Borrowings

Infigen has two secured borrowing facilities: the Corporate Facility and the Bodangora Facility.

Key changes during the reporting period

The Bodangora Facility converted from a construction facility to a term facility upon commencement of commercial operations at the Bodangora Wind Farm in February 2019.

Carrying values and movements

	INFIGEN	
($'000)	**2019**	**2018**
Current		
Corporate Facility	45,000	33,750
Bodangora Facility	8,513	7,469
	53,513	**41,219**
Non-current		
Corporate Facility	438,750	483,750
Bodangora Facility	146,791	151,156
	585,541	**634,906**
Capitalised commitment fees	(19,639)	(26,026)
	565,902	**608,880**
Total borrowings	**619,415**	**650,099**
Movement in borrowings		
Opening balance	650,099	653,852
Corporate Facility (drawdowns)	-	525,000
Corporate Facility (repayments)	(33,750)	(7,500)
Global Facility and Woodlawn PF (repayments)	-	(656,136)
Bodangora Facility (drawdowns)	4,148	156,800
Bodangora Facility (repayments)	(7,469)	-
Other movements:		
Additions to capitalised commitment fees	-	(27,273)
Expense of capitalised commitment fees	6,387	4,747
Net foreign currency exchange differences	-	609
Closing balance	**619,415**	**650,099**

Specific details of Infigen's borrowing facilities are summarised in the following table.

Facility ($'000)	Available	Drawn	Maturity	Repayment terms
Corporate Facility	**483,750**	**483,750**		
- Facility A	118,750	118,750	Apr 2023	> Amortised over term of facility
- Facility B	365,000	365,000	Apr 2023	> Some repayment may be required but only from operating cash flows after April 2021 if certain leverage levels are not met > Repaid in full at maturity
- Facility C (Working Capital)	20,000	-	Apr 2023	> Repaid in full at maturity
Bodangora Facility	**155,304**	**155,304**	Sep 2034	> Term facility > Semi-annual fixed repayments in accordance with the repayment schedule
Total	**659,054**	**639,054**		

The Corporate Facility contains an additional $60,000,000 facility (not included in the above table) available for providing bank guarantees and letters of credit, and/or to fund cash collateral posting requirements of up to $20,000,000. At the reporting date, $26,764,000 of bank guarantees and letters of credit had been issued under this facility.

Covenants

The Corporate Facility contains a leverage and a debt service ratio covenant covering Infigen's operating assets (excluding Bodangora Wind Farm and the Smithfield OCGT related entities).

The Bodangora Facility contains a debt service ratio covenant.

All financial covenants had been complied with during the financial year.

Accounting treatment

Borrowings are initially recognised at fair value (net of commitment fees), and subsequently measured at amortised cost, using the effective interest method. Transaction costs in respect of a borrowing are expensed over the expected term of the borrowing. Borrowings are classified as current liabilities, unless there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

D4 Contributed equity

An IEL share and an IET unit are stapled together to form a single Infigen stapled security. Infigen's contributed equity consists of such stapled securities issued to security holders. Security holders are entitled to receive declared distributions, vote at security holders' meetings, and receive a proportional share of proceeds in the event of winding up of Infigen.

Key changes during the reporting period

On 22 November 2018, IEBL was removed from the Official List of the ASX following implementation of the simplification of Infigen's corporate structure as approved by security holders on 16 November 2018.

	INFIGEN		TRUST	
Securities - issued and fully paid	**2019**	**2018**	**2019**	**2018**
Carrying amount ($'000)				
Opening	918,870	915,963	910,304	907,397
Securities issued – Infigen Energy Equity Plan	1,614	2,907	1,614	2,907
De-stapling of IEBL securities	(6,261)	-	-	-
Closing balance	**914,223**	**918,870**	**911,918**	**910,304**
Number (thousands)				
Opening	954,060	950,259	954,060	950,259
Securities issued - Infigen Energy Equity Plan	2,502	3,801	2,502	3,801
Closing balance	**956,562**	**954,060**	**956,562**	**954,060**

Accounting treatment

Securities on issue are classified as contributed equity. Incremental costs directly attributable to the issue of new securities are deducted from the proceeds from the issue of securities.

E Financial Risk Management

This section details Infigen's financial risk management activities. Effective financial risk management underpins Infigen's strategic business objectives, and includes the use of financial instruments. Infigen's business activities and use of financial instruments expose it to various risks which the Board seeks to mitigate to levels it determines appropriate by implementing specific policies and procedures.

This section also details those financial assets and liabilities recognised and measured on a recurring fair value basis, their fair value classifications, and the methodologies used to determine fair value.

E1 Financial Risk Summary

Risk type	Definition	Exposures	Mitigation methods
Market risk - Electricity	The risk of fluctuations in the fair value or future cash flows of a financial instrument because of changes in electricity price	Electricity derivative contracts (including PPAs accounted for as derivative financial instruments)	> Infigen's sales channels seek to balance price, tenor and risk, thereby managing earnings certainty and co-optimising production, contract, and spot exposures > Adherence to the Energy Risk Portfolio Policy which includes: volumetric hedge portfolio limits; limits for earnings at risk; and targets for the duration and modified duration of hedges > Infigen undertakes analyses using in-house expertise and external consultancies to monitor market conditions and outlook > Infigen does not manage the fair value risk for electricity derivative contracts, as it does not affect the cash flows of the business
Market risk - Interest rate	The risk of fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates	> Variable rate borrowings > Interest rate derivatives	> Interest rate derivative contracts to manage exposure to variable rate borrowings > Monitoring of hedge ratio > Infigen does not manage the fair value risk for interest derivative contracts, as it does not affect its cash flows > Speculative trading is prohibited
Liquidity risk	The risk of not meeting obligations of financial liabilities	> Payables > Distribution payable > Borrowings > Derivative financial liabilities	> Monitoring and stress testing of cash flow and liquidity requirements > Consideration of refinancing options and, where appropriate, completion of refinancing in advance of maturity > Access to $95.6 million of unrestricted cash and a $20.0 million working capital facility (nil drawn at 30 June 2019) > Issue securities
Credit risk	The risk of financial loss from a counterparty to a financial instrument failing to discharge an obligation	> Cash and cash equivalents > Trade receivables (including the Trust's related party loan receivable disclosed at Note G2) > Derivative financial assets	> Established and regularly monitored counterparty credit rating and limit requirements > Counterparty collateral held (where appropriate) > Infigen's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets (net of any allowances for losses) in the consolidated statement of financial position > Expected credit loss provision for 30 June 2019 is nil (2018: nil)

E2 Market Risk - Electricity Price

Sensitivity analysis - electricity derivative contracts

The following table discloses the sensitivity of net profit before tax and other comprehensive income to a 10% change in electricity contract market futures prices (as it affects financial electricity instruments, including PPAs which are accounted for as electricity derivative contracts, and other electricity derivative contracts such as ASX futures and options) while holding all other variables constant. 10% is considered appropriate given industry standard benchmarks and historic volatility. The fair value of Infigen's electricity derivative contracts not designated as cash flow hedges are recorded in net profit before tax, whilst those designated as cash flow hedges are recorded in other comprehensive income.

	INFIGEN	
($'000)	**2019**	**2018**
Net profit before tax - increase / (decrease):		
Electricity forward price +10%	16,046	-
Electricity forward price -10%	(16,046)	-
Other comprehensive income - increase / (decrease):		
Electricity forward price +10%	(18,807)	(13,959)
Electricity forward price -10%	18,807	13,959

E3 Market Risk - Interest Rate

Net borrowings exposure

The following table discloses the weighted average fixed rate of interest rate derivatives and fixed debt (both excluding margin) as at the reporting date and the next five reporting dates. Interest rate caps (which are out of the money) as at the reporting date are excluded from the below disclosure. As at the reporting date, the interest rate caps have a notional value of $9,773,000 and an average capped rate of 5.79%.

	INFIGEN					
($'000)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Interest rate swaps (Corporate Facility)	384,900	374,825	335,812	299,437	206,548	-
Interest rate swaps (Bodangora Facility)	66,772	65,984	62,296	58,901	55,342	51,712
Fixed debt (Bodangora Facility)	77,652	76,735	72,447	68,498	64,358	60,136
Total	**529,324**	**517,544**	**470,555**	**426,836**	**326,248**	**111,848**
Weighted average fixed rate (excluding margin)	2.65%	2.65%	2.66%	2.67%	2.72%	3.24%

Sensitivity analysis

The following table discloses the sensitivity of net profit before tax and other comprehensive income to a 100 basis points (bps) change in interest rates while holding all other variables constant. The effect on net profit is due to the exposure to variable rate borrowings offset by movements in the fair value of the ineffective portion of derivatives designated as cash flow hedges. The effect on other comprehensive income is due to the effective portion of fair value movements of derivatives designated as cash flow hedges.

	INFIGEN	
($'000)	**2019**	**2018**
Net profit before tax - increase / (decrease):		
+ 100 bps	(435)	(249)
- 100 bps	435	249
Other comprehensive income - increase / (decrease):		
+ 100 bps	16,167	19,830
- 100 bps	(16,167)	(19,830)

E4 Liquidity Risk

The following table discloses the undiscounted cash flow maturities of financial liabilities and derivative financial instruments.

Borrowings represent the contracted cash flows (including principal and interest payments) under the Corporate Facility and Bodangora Facility and have been determined by reference to the interest rate forward curves as at the reporting date.

Derivative financial instruments are presented on a net cash basis as they are settled on a net basis.

($'000)	Less than 1 year	1 to 5 years	Over 5 years	Total
	INFIGEN			
2019				
Borrowings	86,634	558,165	143,437	**788,236**
Payables	18,689	-	-	**18,689**
Interest rate swaps (net settled)	6,565	15,726	3,174	**25,465**
Electricity derivatives (net settled)	5,501	-	-	**5,501**
	117,389	**573,891**	**146,611**	**837,891**
2018				
Borrowings	85,787	651,227	159,355	**896,369**
Payables	18,254	-	-	**18,254**
Interest rate swaps (net settled)	2,260	2,682	642	**5,584**
Electricity derivatives (net settled)	894	-	-	**894**
	107,195	**653,909**	**159,997**	**921,101**
	TRUST			
2019				
Amounts due to related parties	**1,411**	**-**	**-**	**1,411**
2018				
Amounts due to related parties	**698**	**-**	**-**	**698**

E5 Fair Value of Financial Assets and Liabilities

Financial assets and liabilities recognised and measured on a recurring fair value basis are shown in the following table. An explanation of fair value levels is provided in the following commentary.

		INFIGEN	
($'000)	**Fair value level**	**2019**	**2018**
Current assets			
Electricity derivative contracts	3	3,502	2,080
		3,502	**2,080**
Non-current assets			
Electricity derivative contracts	2	71	1,007
Electricity derivative contracts	3	11,667	9,684
		11,738	**10,691**
Current liabilities			
Electricity derivative contracts	2	511	14
Electricity derivative contracts	3	4,991	880
Interest rate derivative contracts	2	6,613	2,356
		12,115	**3,250**
Non-current liabilities			
Interest rate derivative contracts	2	19,090	2,981
		19,090	**2,981**

Amounts in the above table have not been offset as no legally enforceable right of set-off presently exists.

Reconciliation of Level 3 financial assets and liabilities

($'000)	INFIGEN 2019	2018
Opening balance - 1 July	10,884	-
Net movement in fair value of new instruments recognised in other comprehensive income during the year	(706)	10,884
Closing balance - 30 June	**10,178**	**10,884**

There were no transfers between the fair value levels during the year.

Fair value levels

Financial assets and liabilities are classified and grouped into three levels according to the degree of which their calculation inputs are observable. Level 1 is completely observable (requiring no estimate and judgement) and Level 3 is unobservable (requiring significant estimate and judgement). The levels are summarised as follows:

Level 1: measurement is derived from quoted market prices in active markets for identical assets or liabilities;

Level 2: measurement is derived from inputs not traded in active markets, but calculated with significant inputs from observable market data; and

Level 3: measurement is derived from significant inputs based on non-observable market data.

Significant estimate and judgement is required in assessing Level 2 and 3 fair values. The assumptions used in making these significant estimates is often based on long-term future events, and may therefore be subjective. Changes in the underlying estimates and judgements may cause a variation to the carrying values.

The following table summarises the methods used by Infigen to estimate the fair value of its financial assets and liabilities.

Instrument	Fair value level	Fair value methodology
Electricity derivative contracts	2	Calculates the present value of estimated future cash flows accounting for market forward prices
Interest rate derivative contracts	2	Discounts the present value of the estimated future cash flows using the applicable observable market yield curves having regard to timing of cash flows
Electricity derivative contracts	3	Uses: > A discounted cash flow methodology which reflects differences in contract price and long-term forecast energy pool prices (sourced from independent external price curves) > Estimation of electricity volumes (sourced from independent consultants' assessments of wind resource and availability) > Discount rates ranging from 9% to 12%

Accounting treatment

Financial assets and liabilities recognised and measured at fair value on a recurring basis consist of derivative financial instruments.

Fair value gains or losses relating to designated effective hedges are recognised in other comprehensive income and held in a separate hedging reserve in equity. Fair value gains or losses on derivatives designated as ineffective hedges are recognised in net profit.

The portion of the derivative contracts expected to be settled within 12 months are classified as current assets or liabilities, and those that are not, are classified as non-current assets or liabilities.

Other financial assets and liabilities (including cash, receivables, payables and borrowings) are not measured at fair value, in accordance with applicable accounting standards and Infigen's accounting policies. Infigen has assessed that their carrying values approximate their fair values.

F GROUP STRUCTURE

F1 Controlled Entities

Controlled entities that form the Cross-Guarantee Group are marked as [#] and those that form the Tax Consolidated Group are marked as [*]. Additional disclosure is located at Note F2 and B5 respectively.

			Ownership interest	
Name of entity	**Key**	**Country of incorporation**	**2019**	**2018**
Parent entity				
Infigen Energy Limited	* #	Australia		
Other stapled entities				
Infigen Energy Trust		Australia		
Subsidiaries of the parent and other stapled entities				
Batchelor Solar Pty Limited	*	Australia	100%	100%
BBWP Holdings (Bermuda) Limited		Bermuda	100%	100%
Bluff Solar Farm Pty Limited	*	Australia	100%	100%
Bodangora Wind Farm Pty Limited	*	Australia	100%	100%
Bogan River Solar Farm Pty Ltd	*	Australia	100%	100%
Bowen Solar Farm Pty Limited	*	Australia	100%	100%
BWF Finance Pty Limited	*	Australia	100%	100%
BWF Holdings Pty Limited	*	Australia	100%	100%
Capital East Solar Pty Limited	*	Australia	100%	100%
Capital Solar Farm Pty Limited	*	Australia	100%	100%
Capital Wind Farm (BB) Trust	*	Australia	100%	100%
Capital Wind Farm 2 Pty Limited	*	Australia	100%	100%
Capital Wind Farm Holdings Pty Limited	* #	Australia	100%	100%
Cherry Tree Wind Farm Pty Ltd		Australia	-	100%
CREP Land Holdings Pty Limited	*	Australia	100%	100%
CS CWF Trust	*	Australia	100%	100%
Flyers Creek Wind Farm Pty Ltd	*	Australia	100%	100%
Infigen Energy (Bermuda) Limited[1]	*	Bermuda	100%	-
Infigen Energy (Malta) Limited		Malta	100%	100%
Infigen Energy (US) Pty Limited	*	Australia	100%	100%
Infigen Energy (US) 2 Pty Limited	*	Australia	100%	100%
Infigen Energy Custodian Services Pty Limited	*	Australia	100%	100%
Infigen Energy Development Holdings Pty Limited	*	Australia	100%	100%
Infigen Energy Development Pty Ltd	*	Australia	100%	100%
Infigen Energy Europe Pty Limited	*	Australia	100%	100%
Infigen Energy Europe 2 Pty Limited	*	Australia	100%	100%
Infigen Energy Europe 3 Pty Limited	*	Australia	100%	100%
Infigen Energy Europe 4 Pty Limited	*	Australia	100%	100%
Infigen Energy Europe 5 Pty Limited	*	Australia	100%	100%
Infigen Energy Finance (Australia) Pty Limited	*	Australia	100%	100%
Infigen Energy Finance (Germany) Pty Limited	*	Australia	100%	100%
Infigen Energy Finance (Lux) S.à.r.l		Luxembourg	100%	100%
Infigen Energy Germany Holdings Pty Limited	*	Australia	100%	100%
Infigen Energy Germany Holdings 2 Pty Limited	*	Australia	100%	100%
Infigen Energy Germany Holdings 3 Pty Limited	*	Australia	100%	100%
Infigen Energy Holdings Pty Limited	*	Australia	100%	100%

[1] Previously part of the stapled Infigen entities

Name of entity	Key	Country of incorporation	Ownership interest 2019	2018
Infigen Energy Holdings S.à.r.l.		Luxembourg	100%	100%
Infigen Energy Investments Pty Limited	*	Australia	100%	100%
Infigen Energy Markets Pty Limited	*	Australia	100%	100%
Infigen Energy Niederrhein Pty Limited	*	Australia	100%	100%
Infigen Energy NT Solar Holdings Pty Limited	*	Australia	100%	100%
Infigen Energy NT Solar Pty Limited	*	Australia	100%	100%
Infigen Energy (NSW) Power Holdings Pty Limited	*	Australia	100%	-
Infigen Energy RE Limited	*	Australia	100%	100%
Infigen Energy Services Holdings Pty Limited	*	Australia	100%	100%
Infigen Energy Services Pty Limited	*	Australia	100%	100%
Infigen Energy Smithfield Holdings Pty Limited	*	Australia	100%	-
Infigen Energy T Services Pty Limited	*	Australia	100%	100%
Infigen Energy US Corporation		USA	100%	100%
Infigen Energy US Holdings LLC		USA	100%	100%
Infigen Energy US Development Corporation		USA	100%	100%
Infigen Energy US Holdings Pty Limited	*	Australia	100%	100%
Infigen Energy US Partnership		USA	100%	100%
Lake Bonney BESS Pty Limited	*	Australia	100%	-
Lake Bonney Holdings Pty Limited	* #	Australia	100%	100%
Lake Bonney 2 Holdings Pty Limited	*	Australia	100%	100%
Lake Bonney Wind Power Pty Limited	*	Australia	100%	100%
Lake Bonney Wind Power 2 Pty Limited	*	Australia	100%	100%
Lake Bonney Wind Power 3 Pty Limited	*	Australia	100%	100%
Manton Solar Pty Limited	*	Australia	100%	100%
NPP LB2 LLC	*	USA	100%	100%
NPP Projects I, LLC	*	USA	100%	100%
NPP Projects V, LLC	*	USA	100%	100%
NPP Walkaway Pty Limited	*	Australia	100%	100%
NPP Walkaway Trust	*	Australia	100%	100%
Renewable Energy Constructions Pty Limited	*	Australia	100%	100%
Renewable Power Ventures Pty Ltd	*	Australia	100%	100%
RPV Investment Trust	*	Australia	100%	100%
Smithfield Land Holdings Pty Limited	*	Australia	100%	-
Smithfield Power Generation Pty Ltd	*	Australia	100%	-
Walkaway (BB) Pty Limited	*	Australia	100%	100%
Walkaway (CS) Pty Limited	*	Australia	100%	100%
Walkaway Wind Power Pty Limited	*	Australia	100%	100%
Woakwine Wind Farm Pty Ltd	*	Australia	100%	100%
Woodlawn Wind Pty Ltd	*	Australia	100%	100%
WWCS Finance Pty Limited	*	Australia	100%	100%
WWCS Holdings Pty Limited	*	Australia	100%	100%
WWP Holdings Pty Limited	* #	Australia	100%	100%
Subsidiaries of the Trust				
CS Walkaway Trust		Australia	100%	100%
Walkaway (BB) Trust		Australia	100%	100%

F2 Deed of Cross Guarantee

Certain Infigen entities are party to a deed of cross guarantee made in accordance with the terms of *ASIC Corporations (Wholly*-owned *Companies) Instrument 2016/785* (Cross-Guarantee Group). Cross-Guarantee Group members are granted relief from the requirement to prepare and lodge individual audited financial reports and legally guarantee the liabilities and obligations of each other.

Key changes during the reporting period

During the year ended 30 June 2019, the removal of Renewable Power Ventures Pty Ltd and Walkaway Wind Power Pty Limited from the Cross-Guarantee Group became effective.

Financial information of the Cross-Guarantee Group

Consolidated Statement of Comprehensive Income

	CROSS-GUARANTEE GROUP	
($'000)	**2019**	**2018**
Revenue	-	74,618
Unrealised foreign exchange gain / (loss)	9,987	(3,202)
Impairment of financial assets	(80,000)	-
Operating expenses	(2,211)	(16,798)
Depreciation and amortisation expense	(2,018)	(23,157)
Related party payable forgiven	(1,446)	16,091
Other finance costs	(4)	(728)
Profit before income tax	**(75,692)**	**46,824**
Income tax (expense) / benefit	(4,649)	25,800
Net (loss) / profit for the year	**(80,341)**	**72,624**
Other comprehensive income that may not be reclassified to net profit:		
Changes in the fair value of cash flow hedges, net of tax	-	510
Total comprehensive (loss) / income for the year, net of tax	**(80,341)**	**73,134**

	CROSS-GUARANTEE GROUP	
($'000)	**2019**	**2018**
Current assets		
Cash and cash equivalents	8,608	110
Receivables	-	1,368
Inventories	-	7,189
Total current assets	**8,608**	**8,667**
Non-current assets		
Receivables	658,724	773,574
Shares in controlled entities	147,182	73,559
Property, plant and equipment	-	312,274
Deferred tax assets	93,607	61,671
Intangible assets	30,266	52,918
Total non-current assets	**929,779**	**1,273,996**
Total assets	**938,387**	**1,282,663**
Current liabilities		
Payables	10,257	1,155
Total current liabilities	**10,257**	**1,155**
Non-current liabilities		
Payables	1,243,179	1,426,893
Provisions	-	4,062
Total non-current liabilities	**1,243,179**	**1,430,955**
Total liabilities	**1,253,436**	**1,432,110**
Net assets	**(315,049)**	**(149,447)**
Equity		
Contributed equity	2,305	2,305
Reserves	-	(23,005)
Retained losses	(317,354)	(128,747)
Total equity	**(315,049)**	**(149,447)**

F3 Parent Entity Disclosure

IEL is the parent of the Infigen stapled structure and for the purposes of preparing Infigen's Consolidated Financial Statements.

The following table discloses IEL's financial information, which has been prepared on a basis consistent with Infigen's Consolidated Financial Statements.

	IEL	
($'000)	**2019**	**2018**
Assets		
Current assets	8,608	-
Non-current assets	838,326	886,128
	846,934	**886,128**
Liabilities		
Current liabilities	10,257	-
Non-current liabilities	1,148,681	1,129,204
	1,158,938	**1,129,204**
Equity		
Issued capital	2,305	2,305
Retained losses	(314,309)	(245,380)
	(312,004)	**(243,075)**
Net profit for the year	(68,929)	**31,480**
Total comprehensive income	(68,929)	**31,124**

Additional disclosure

IEL has a net asset deficiency of $312,004,000 at 30 June 2019 (2018: $243,075,000). This is principally due to $841,326,000 (2018: $849,712,000) of undiscounted long-term funding provided by IET. When combined with IET as the other stapled entity, IEL has positive net current assets and net total assets.

IEL is part of the Cross-Guarantee Group, the parties of which legally guarantee the liabilities and obligations of each other. Additional disclosure is located at Note F2.

The Trust

IET is the parent of the Trust for the purposes of preparing the Trust's Consolidated Financial Statements. IET's controlled entities contain no material assets or liabilities. The Trust's consolidated financial information shown in the Consolidated Financial Statements therefore reflect IET standalone financial information.

G OTHER DISCLOSURES

This section contains additional required information not disclosed in previous sections of the Financial Report.

G1 Share-Based Payments

Performance rights are granted to certain Infigen employees eligible under the Infigen Energy Equity Plan (Equity Plan). The Equity Plan consists of deferred short-term incentive (Deferred STI) and long-term incentive (LTI) components. They are collectively known as share-based payments (SBP).

STI is subject to key performance indicators (KPIs) aligned with strategy, annual budgets and employees' individual objectives. Where part of the STI payment is deferred as performance rights, the Deferred STI is measured over 12 months and has a two-year vesting period.

LTI is subject to two separate and equally weighted conditions, both of which are measured over three years:

i. Total Shareholder Return (scaled market hurdle) - Infigen's security price relative to the ASX200 (excluding financial services, real-estate investment trusts, and the materials/resources sectors); and

ii. Operational Performance (internal hurdle) - this hurdle was modified for the FY18 and onwards performance rights to account for specific revenue diversity and growth targets set by the Board. The Board has discretion to adjust vesting outcomes in circumstances including where actual value creation has not been reasonably reflected by the performance condition.

   The FY17 and FY16 performance rights internal hurdle is a cumulative growth in Infigen's EBITDA to Capital Base multiple against an internally set target. They also contain a one-year re-test.

Performance rights vest as either Infigen securities or cash, as determined by the Board. The cash equivalent is the market security price at the vesting date. Performance rights are measured at fair value at grant date and are expensed over the vesting period.

Judgement is required in determining the fair value. Infigen uses an internal model with inputs including: exercise price; market price; term of the performance right; and security price at grant date.

SBP expense recognised during the reporting period

	INFIGEN	
($'000)	**2019**	**2018**
LTI	546	319
Deferred STI	70	199
Write-back prior year's LTI expense allocation	(51)	(88)
	565	**430**

Movement in number of performance rights outstanding during the reporting period

Equity Plan	Opening balance 1 July	Granted	Vested	Lapsed /Forfeited	Closing balance 30 June
FY16 LTI	2,105,438	-	(1,778,724)	(1,780)	**324,934**
FY17 DSTI	398,362	-	(50,028)	(14,285)	**334,049**
FY17 LTI	532,869	-	-	(68,082)	**464,787**
FY18 LTI	1,717,459	-	-	(186,448)	**1,531,011**
FY19 LTI	-	1,372,256	-	-	**1,372,256**
Total	**4,754,128**	**1,372,256**	**(1,828,752)**	**(270,595)**	**4,027,037**

1,372,256 performance rights were granted in relation to the 2019 financial year (2018: 2,485,051). The weighted average security price at grant date was $0.47 (2018: $0.68). The fair value of these performance rights at grant date was $463,703 (2018: $1,247,000).

Infigen securities have already been issued for the unvested FY16 LTI and FY17 DSTI, and are held in trust on behalf of eligible employees. In accordance with the Equity Plan, these performance rights do not vest (and issued securities released from trust) until the Infigen staff trading window opens.

G2 Related Party Transactions

The related party transactions and balances of Infigen and the Trust are disclosed below.

Infigen

Key Management Personnel (KMP) remuneration for the year-ended 30 June is disclosed in the following table.

	INFIGEN	
($)	**2019**	**2018**
Short-term employee benefits	4,686,077	4,099,537
Post-employment benefits (superannuation)	149,012	148,362
Other long-term benefits and SBP expense	741,813	359,251
Write-back prior year's LTI expense allocation	(51)	(88)
Total	**5,576,851**	**4,607,062**

Mr P Green, a non-executive director of Infigen, is a partner of TCI Advisory Services LLP (TCI), an advisor to an entity which has a substantial holding of Infigen securities. Mr P Green has advised Infigen that he does not have a relevant interest in those Infigen securities.

Infigen has an outstanding loan balance of $1,019,156 from RPV Developments Pty Ltd at 30 June 2019 (2018: $1,019,156). RPV Developments Pty Ltd is treated as an equity accounted investment by Infigen.

The Trust

The Trust pays the Responsible Entity a fee for managerial and administrative services, excluding amounts attributable to KMP remuneration. Fees paid or payable for the year-ended 30 June 2019 were $712,787 (2018: $698,126).

The Trust has non-interest bearing loan receivables / (payables) from / (to) related parties that form part of the long-term funding arrangements of the Infigen stapled structure, as disclosed in the following table.

	TRUST	
($'000)	**2019**	**2018**
Current receivables		
Infigen Energy Limited	10,000	-
Non-current receivables		
Infigen Energy Limited	841,326	849,712
Infigen Energy (Bermuda) Limited	-	691
Infigen Energy Holdings Pty Limited	14,010	14,010
Infigen Energy (US) 2 Pty Limited	30,009	30,009
Total undiscounted value	**895,345**	**894,422**
Total discounted value (carrying value)	**548,517**	**645,790**
Current payables		
Infigen Energy RE Limited (carrying value)	**(1,411)**	**(698)**

The Trust has discounted its loan receivables to their net present value resulting in an unwinding income of $38,793,000 for the year ended 30 June 2019 (2018: $30,124,000). An impairment charge was recognised at 30 June 2019 of $127,680,000 (2018: $133,697,000). The forecast undiscounted cash flows of Infigen's operating assets support the carrying value as they exceed the undiscounted face values.

G3 Cash Flow Information

Reconciliation of net profit to net cash inflow from operating activities

	INFIGEN		TRUST	
($'000)	**2019**	**2018**	**2019**	**2018**
Net profit / (loss) for the year	40,891	45,673	(89,597)	(104,238)
Adjustments				
Early termination of interest rate swaps	-	43,295	-	-
Depreciation and amortisation	54,555	51,444	-	-
Unwind of discount on related party loan receivables	-	-	(38,793)	(30,124)
Impairment of financial assets	-	-	127,680	133,697
Impairment of development assets	9,901	227	-	-
Unrealised foreign exchange loss / (gain)	692	(735)	-	(1)
Share-based payments expense	565	430	-	-
Amortisation of borrowing costs, and one-off upfront and early expense of capitalised commitment fees	6,388	7,456	-	-
Share of profits of equity accounted investments	19	33	-	-
Accretion of decommissioning provisions	131	123	-	-
Net fair value gain of financial instruments	(6,487)	-	-	-
Income tax expense / (benefit)	20,505	(26,144)	-	-
Net cash inflow / (outflow) from operating activities before changes in working capital	**127,160**	**121,802**	**(710)**	**(666)**
Changes in working capital				
(Increase) / decrease in receivables and inventory	11,775	(19,556)	-	-
Increase / (decrease) in payables	5,325	(1,800)	713	697
Net cash inflow from operating activities	**144,260**	**100,446**	**3**	**31**

Net debt reconciliation

		Borrowings due:		
($'000)	**Cash**	**within 1 year**	**after 1 year**	**Total**
Opening balance - 1 July 2018	144,898	(41,219)	(634,906)	(531,227)
Cash flows	(41,217)	(12,294)	49,365	(4,146)
Closing balance - 30 June 2019	**103,681**	**(53,513)**	**(585,541)**	**(535,373)**

G4 Reserves

Infigen's reserves categories are summarised in the following table.

Reserve	Description and accounting treatment
Hedging reserve	Records fair value movements in cash flow hedges to the extent the cash flow hedges are deemed effective. The balance is reclassified to net profit when the hedged expense is recognised. Ineffective portions of cash flow hedges are recognised in net profit immediately.
Acquisition reserve	Records the acquisition of non-controlling interests in entities over which Infigen already exerted control. The carrying value is the difference between the purchase consideration and the amount by which the non-controlling interest is adjusted.
SBP reserve	Recognises the SBP expense. Amounts are transferred to contributed equity upon issue of securities under the Infigen Energy Equity Plan.

Carrying values

	INFIGEN	
($'000)	**2019**	**2018**
Hedging reserve	(15,821)	4,460
Acquisition reserve	(47,675)	(47,675)
SBP reserve	(5,650)	(4,601)
	(69,146)	**(47,816)**

G5 Auditor's Remuneration

PricewaterhouseCoopers (PwC) continue to act as the independent auditor and has provided audit and other services to Infigen and the Trust during the financial year. Fees paid or payable to PwC for services provided are disclosed in the following table.

Amounts paid or payable

	INFIGEN		TRUST	
($)	**2019**	**2018**	**2019**	**2018**
Audit and other assurance services				
Audit of financial statements	190,000	184,000	19,487	18,857
Audit of subsidiaries' financial statements	159,000	161,000	-	-
Other assurance services	31,000	30,000	-	-
	380,000	**375,000**	**19,487**	**18,857**
Non-audit services				
Taxation related services	89,627	91,179	-	-
Transaction and advisory services	155,976	396,946	-	-
	245,603	**488,125**	**-**	**-**
Total auditor's remuneration	**625,603**	**863,125**	**19,487**	**18,857**

G6 Inventories

One LGC represents 1 MWh of generation from renewable energy generators.

LGCs	INFIGEN 2019	2018
Carrying value ($'000)	27,157	43,327
Volume (number of LGCs)	513,245	581,121

G7 Contingent Liabilities

Contingent liabilities not recognised in the consolidated statement of financial position primarily comprise financial guarantees for AEMO, counterparties and for certain grid connections.

($'000)	INFIGEN 2019	2018
Letters of credit	32,774	14,156

The Trust

The Trust had no contingent liabilities as at 30 June 2019 (2018: Nil).

G8 Events occurring after the reporting period

There were no transactions or events of a material or unusual nature, not otherwise dealt with in this report, likely to affect significantly the operations or affairs of Infigen or the Trust in future financial periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of Infigen Energy Limited and the Directors of the Responsible Entity of Infigen Energy Trust, Infigen Energy RE Limited (collectively referred to as 'the Directors'):

a) the Consolidated Financial Statements and accompanying notes of Infigen and the Trust set out on pages 57 to 90 have been prepared in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of Infigen's and the Trust's consolidated financial position as at 30 June 2019 and of their performance for the year ended on that date;

b) there are reasonable grounds to believe that both Infigen and the Trust will be able to pay their debts as and when they become due and payable; and

c) the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations of the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors of IEL and IERL:

L. F. Gill	Ross Rolfe
Leonard Gill	Ross Rolfe AO
Chairman	Chief Executive Officer / Managing Director

Independent auditor's report

To the stapled security holders of Infigen Energy Limited and the unit holders of Infigen Energy Trust

Report on the audit of the financial reports

Our opinion

In our opinion:

The accompanying financial reports of Infigen Energy Limited ("IEL") and its controlled entities (together "Infigen"), and Infigen Energy Trust and its controlled entities (together "Trust") are in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the financial positions of Infigen and Trust as at 30 June 2019 and their financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial reports of Infigen and Trust comprises:

- the consolidated statements of financial position as at 30 June 2019
- the consolidated statements of comprehensive income for the year then ended
- the consolidated statements of changes in equity for the year then ended
- the consolidated statements of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Infigen and the Trust 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* (the Code) that are relevant to our audit of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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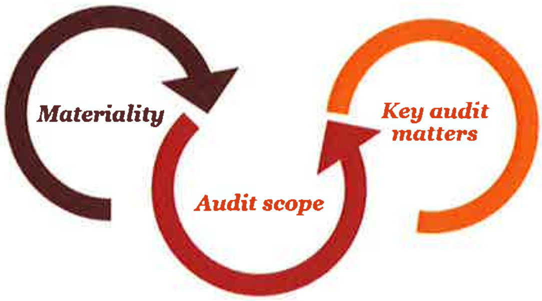
Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial reports as a whole, taking into account the geographic and management structure of Infigen and Trust, their accounting processes and controls and the industry in which they operate.

The structure of Infigen is commonly referred to as a 'stapled group.' In a stapled group the securities of two or more entities are 'stapled' together and cannot be traded separately. In the case of Infigen, the shares in IEL have been stapled to the units in Trust. For the purposes of consolidation accounting, IEL is deemed the parent and the consolidated report reflects the consolidation of IEL and its controlled entities, and Trust.



Materiality	*Audit scope*	*Key audit matters*
• For the purpose of our audit of Infigen we used overall materiality of $3.9 million, which represents approximately 2.5% of earnings before interest, tax, depreciation and amortization (EBITDA) of Infigen. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose EBITDA because, in our view, it is the benchmark against which performance is most commonly measured. It also closely represents operating cash	• Our audit focused on where Infigen or Trust made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: Infigen - Recoverable amount of goodwill and development assets - Valuation of electricity derivatives and hedge accounting Trust - Recoverability of related party receivables • These are further described in the *Key audit matters* section of our report.

flow and underlying earnings. EBITDA is a generally accepted benchmark.

- We chose a 2.5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial reports for the current period and were determined separately for Infigen and Trust. Relevant amounts listed for each part of the stapled group represent balances as they are presented in the financial reports and should not be aggregated. The key audit matters were addressed in the context of our audit of the financial reports as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
***Recoverability of goodwill and development assets** - Refer to note C2*	
Infigen – recoverable amount of goodwill of \$15.1m and development assets of \$19.3m	
Trust *- the KAM is not applicable as the Trust does not hold any goodwill or development assets*	
The Group's goodwill is required by Australian Accounting Standards to be assessed for impairment at the cash-generating unit level (CGU) level. Infigen's operations represent a CGU and an indicator of impairment was noted due to Infigen's net assets exceeding its market capitalisation. Infigen prepared a value in use, discounted cashflow model (the model) to determine the recoverable amount of the CGU, which requires a number of assumptions as described in C2. The impairment assessment of development assets was a key audit matter as there were significant judgements made by Infigen relating to the prospects of certain development assets of the business and the regulatory economic environment in which Infigen operates. As these assets are in the early stages of their lifecycle, there was a degree of estimation in assessing whether the future earnings expected to be generated are greater than the carrying value. We considered the impairment assessment to be a	We performed the following procedures over the discounted cashflow model of the CGU, amongst others: • Assessed whether the Group's identification of CGUs which are the smallest identifiable groups of assets that can generate largely independent cash inflows, was consistent with our knowledge of the operations. • Evaluated the cash flow forecasts in the model and developed our understanding of the process by which they were prepared. • Tested the mathematical accuracy on a sample basis of the model's calculations. • Compared the key assumptions used in the model to independent consultant reports for wind performance and electricity prices, where appropriate. • Evaluated Infigen's historical ability to forecast future cash flows by comparing budgets with reported actual results for the past years. • Tested whether the discount rate appropriately reflected the risks of the CGU by assessing Infigen's

Key audit matter	*How our audit addressed the key audit matter*
key audit matter due to: 1. The fact that there was an indicator of impairment in relation to the CGU 2. The judgments required by Infigen in assessing whether a potential impairment was required to the CGU or the development assets. 3. The fact that there was a $9.8m impairment of development assets recorded in the half year accounts.	discount rate and challenged management's assumptions. We were assisted by PwC valuations experts who compared the discount rate to market data and industry research. • Performed sensitivity analyses around the production volumes and pricing used in the cash flow forecasts within the model and the discount rate used. • Evaluated the adequacy of the disclosures made in note C2 in light of the requirements of Australian Accounting Standards. We evaluated Infigen's estimate of the recoverable amount of development assets. Specific work included: • Evaluating the validity of existing approvals for the continuing development of projects. • Assessing the valuation model developed by Infigen to evaluate the recoverable value of the projects. • Enquiring of management as to their knowledge of events or conditions that would indicate that the carrying value of these assets (after the impairment recorded in the half year financial report) would no longer be recoverable.
Valuation of electricity derivatives and hedge accounting *Refer to note E5*	
Infigen *– net derivative asset of $9.7m* ***Trust*** *- the KAM is not applicable as the Trust does not hold any derivatives*	
The valuation of electricity derivatives was a key audit matter as there was significant judgement and estimation required by Infigen in developing the key assumptions which underpin the valuation of these financial instruments. The key area of judgment related to Infigen's estimation of the fair value of certain derivatives within the Group's portfolio, particularly Level 3 instruments, which are valued by the Group via internal models applying an industry accepted methodology and using key inputs that are not based on observable market data. Separately, we considered the International Financial Reporting Interpretation Committee's (IFRIC) recent consideration of the application of	We obtained a selection of the valuation models developed by Infigen and considered the methodology and key assumptions used. We tested the selection of internally derived inputs and compared the unobservable inputs to our knowledge and understanding of the industry. We performed sensitivity analysis over certain key assumptions in the selected models by adjusting the discount rates and prices. We found that sensitising the key assumptions resulted in an immaterial change to the values assigned to the electricity derivatives. We obtained and evaluated management's hedge documentation of significant hedge relationships for compliance with AASB 9 *Financial Instruments*. We also

Key audit matter	*How our audit addressed the key audit matter*
the hedge accounting rules to load following swaps. We considered how Infigen had applied the relevant hedge accounting guidance to the relevant power purchase agreements.	focussed on IFRIC's recent guidance for load following swaps. We assessed the disclosure in the financial statements and evaluated the completeness and accuracy thereof, with particular consideration given to the requirements of AASB 7 *Financial Instruments: Disclosures*.
Recoverability of the related party receivables *Refer to note G2*	
Infigen *- the KAM is not applicable as Infigen's related party receivables are immaterial* ***Trust*** - $548.5m	
The existence of the related party receivables was a key audit matter because of the size of the balance in the Trust's statement of financial position.	We agreed a sample of transactions relating to the receivables of Trust to source documentation and to the corresponding liability in the accounting records of the relevant related counterparty. We considered whether there were any factors indicating the receivables may not be fully recoverable. We tested management's calculation of the impairment charge during the period.

Other information

The directors of IEL and the directors of Infigen Energy RE Limited, the Responsible Entity of Trust, collectively referred to as "the directors", are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial reports, the directors are responsible for assessing the ability of Infigen and Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Infigen and Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 40 to 53 of the directors' report for the year ended 30 June 2019.

In our opinion, the remuneration report of Infigen Energy Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of IEL are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Thomason
Partner

Sydney
22 August 2019

ADDITIONAL INFORMATION
INVESTOR INFORMATION

Five-year financial and operating summary

30 June	Unit	2019	2018	2017	2016	2015
Safety						
Total recordable injury frequency rate		8.7	13.0	4.7	4.8	9.7
Lost time injury frequency rate[1]		-	2.6	4.7	-	-
Profitability						
Net Revenue	$ million	229.3	210.1	196.7	173.2	133.8
Asset operating costs	$ million	(41.4)	(40.0)	(37.5)	(35.6)	(32.7)
Business operating costs[2]	$ million	(22.7)	(21.0)	(19.8)	(17.5)	(17.6)
Underlying EBITDA	$ million	165.3	149.1	139.3	120.2	83.5
Net profit/(loss)	$ million	40.9	45.7	32.3	4.5	(303.6)[3]
Generation expenses[4]	$/MWh	23.6	24.0	23.9	23.0	22.6
Financial position (as at)						
Debt (drawn)[5]	$ million	(639.1)	(676.1)	(657.3)	(747.6)	(793.4)
Cash	$ million	103.7	144.9	251.8	147.6	45.2
Net debt[5]	$ million	(535.4)	(531.2)	(405.5)	(600.0)	(748.2)
Equity	$ million	583.3	571.7	479.4	280.6	260.9
Securities on issue at the end of the year	# million	957	954	950	772	768
Book gearing	%	46.9	45.8	45.5	68.0	74.0
Net assets per security	$	0.61	0.60	0.50	0.36	0.34
Net tangible assets per security	$	0.50	0.48	0.38	0.20	0.17
Security holder value and cash flow						
Earnings per security	cps	4.3	4.8	4.0	1.1	(2.3)
Net operating cash flow per security	cps	15.1	10.5	12.0	7.4	4.3
Production						
Alinta Wind Farm	GWh	342	316	338	300	323
Bodangora Wind Farm	GWh	224	-	-	-	-
Capital Wind Farm	GWh	359	374	345	360	320
Lake Bonney 1 Wind Farm	GWh	200	199	181	182	192
Lake Bonney 2 Wind Farm	GWh	371	405	381	380	392
Lake Bonney 3 Wind Farm	GWh	97	103	95	92	93
Woodlawn Wind Farm	GWh	147	152	143	147	125
Compensated	GWh	0.4	0.1	5	8	14
Production generated from Owned Renewable Energy Assets	GWh	1,740	1,549	1,487	1,469	1,459

1 There were no lost time injuries in 2015 and 2016
2 Business operating costs includes energy markets costs which were incorporated within asset operating costs in prior years. Prior year amounts have been amended to reflect this change
3 Includes the loss on sale of the US business
4 Calculated by dividing generation expenses with production generated from Owned Renewable Energy Assets. Excludes Bodangora Wind Farm whilst it was still under construction
5 Excludes capitalised commitment fees. Prior periods have been restated for consistency purposes

Number of Securities and Holders

Infigen securities are listed and traded on the Australian Securities Exchange.

Following the un-stapling of IEBL shares on 22 November 2018, each Infigen security consists of one IEL share and one IET unit, which, under each of their respective Constitutions, are stapled together and cannot be traded or dealt with separately. In accordance with its requirements in respect of listed stapled securities, ASX reserves the right to remove IEL and/or IET from the Official List if, while the stapling arrangements apply, the shares or units in one of these entities cease to be stapled to the shares or units in the other entity or one of these entities issues shares or units that are not then stapled to the relevant shares or units in the other entity.

The following additional investor information is current as at 31 July 2019.

The total number of Infigen securities on issue is 956,561,869 and the number of holders of these securities is 18,316.

Substantial Security Holders

The substantial security holders who have notified Infigen in accordance with section 671B of the *Corporations Act 2001* are set out below.

Substantial security holder	Date of initial notice	Date of most recent notice	Number of Infigen securities advised in most recent notice
The Childrens Investment Fund[1]	26 Sep 08	1 Jul 15	250,453,481
Brookfield Asset Management Inc	11 Apr 18	11 Apr 18	86,424,171
Australian Ethical Investment Limited	24 May 19	24 May 19	50,478,162
Vinva Investment Management	13 Feb 19	13 Feb 19	49,111,948

Voting Rights

It is generally expected that General Meetings of shareholders of IEL and unitholders of IET will be held concurrently where proposed resolutions relate to both entities. At these General Meetings of IEL and IET, the voting rights outlined below will apply.

Voting rights in relation to General Meetings of IEL:

> on a show of hands, each shareholder of IEL, who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a shareholder, has one vote; and

> on a poll, each shareholder of IEL, who is present in person, has one vote for each share they hold. Also, each person attending as a proxy, attorney or duly appointed corporate representative of a shareholder has one vote for each share held by the shareholder that the person represents.

Voting rights in relation to General Meetings of IET:

> on a show of hands, each unitholder who is present in person and each other person who is present as a proxy, attorney or duly appointed corporate representative of a unitholder has one vote; and

> on a poll, each unitholder who is present in person has one vote for each one dollar of the value of the units in IET held by the unitholder. Also, each person attending as proxy, attorney or duly appointed corporate representative of a unitholder has one vote for each one dollar of the value of the units in IET held by the unitholder that the person represents.

Infigen Securities that Are Restricted or Subject to Voluntary Escrow

There are currently no Infigen securities that are restricted or subject to voluntary escrow.

On-Market Security Buy-Back

There is no current on-market buy-back of Infigen securities.

[1] Security holder acquired additional securities as part of Infigen's equity capital raising in April 2017 but the number acquired was such that the security holder did not need to notify Infigen of a change in the percentage in their substantial shareholding

Distribution of Infigen Securities as at 31 July 2019

The distribution of securities amongst Infigen security holders is set out below.

Category	Securities	Security holders
100,001 and over	868,223,889	238
10,001-100,000	56,128,691	1,935
5,001-10,000	10,878,987	1,464
1,001-5,000	17,904,161	7,112
1-1,000	3,426,141	7,567
Total	**956,561,869**	**18,316**

The number of security holders holding less than a marketable parcel of securities as at 31 July 2019 was 7,723.

Top Infigen Security Holders

The largest Infigen security holders as at 31 July 2019 are set out below.

Rank	Security holder	Securities held	
		Number	Percentage
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	380,685,381	39.80
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	133,260,158	13.93
3	BIF III LOGAN AGGREGATOR LP	86,424,171	9.03
4	NATIONAL NOMINEES LIMITED	71,541,465	7.48
5	CITICORP NOMINEES PTY LIMITED	49,758,305	5.20
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	12,836,562	1.34
7	BNP PARIBAS NOMINEES PTY LTD - AGENCY LENDING DRP A/C	9,060,065	0.95
8	BNP PARIBAS NOMINEES PTY LTD - IB AU NOMS RETAILCLIENT DRP	7,001,434	0.73
9	UBS NOMINEES PTY LTD	6,824,564	0.71
10	BUTTONWOOD NOMINEES PTY LTD	6,419,871	0.67
11	WARBONT NOMINEES PTY LTD - UNPAID ENTREPOT A/C	4,812,916	0.50
12	RHODIUM CAPITAL PTY LIMITED - RHODIUM INVESTMENT A/C	4,800,000	0.50
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - GSI EDA	4,209,487	0.44
14	BNP PARIBAS NOMINEES PTY LTD - HUB24 CUSTODIAL SERV LTD DRP	3,440,798	0.36
15	ONE MANAGED INVT FUNDS LTD - SANDON CAPITAL INV LTD A/C	2,990,094	0.31
16	BRISPOT NOMINEES PTY LTD - HOUSE HEAD NOMINEE A/C	2,559,920	0.27
17	PACIFIC CUSTODIANS PTY LIMITED - IFN PLANS CTRL	2,351,789	0.25
18	CAMBROSE PTY LIMITED	2,000,000	0.21
19	BNP PARIBAS NOMS PTY LTD - DRP	1,996,677	0.21
20	OMURA INVESTMENT CO PTY LIMITED	1,952,804	0.20
20	ELATA INVESTMENT CO PTY LIMITED	1,952,804	0.20
20	INARI INVESTMENT CO PTY LIMITED	1,952,804	0.20
Total top security holders		**798,832,069**	**83.51**
Total of other security holders		**157,729,800**	**16.49**
Total securities		**956,561,869**	**100.00**

Key ASX Announcements

The key announcements lodged with the ASX and released to the market throughout the reporting period are listed below.

2018	
9 July	Monthly Production – June 2018
31 July	Fourth Quarter FY18 Production and Revenue
10 August	Monthly Production – July 2018
15 August	Infigen Invests in Battery Energy Storage System
27 August	FY18 Full Year Results
10 September	Monthly Production – August 2018
27 September	Ceasing to be a Substantial Holder
28 September	Ceasing to be a Substantial Holder
10 October	Monthly Production – September 2018
31 October	First Quarter FY19 Production and Revenue
12 November	Monthly Production – October 2018
16 November	Presentation and Results of FY18 AGM
20 November	JP Morgan Investor Day Presentation
10 December	Monthly Production – November 2018
12 December	Appointment of New Director
18 December	Cherry Tree Wind Farm and Development Pipeline Review

2019	
10 January	Monthly Production – December 2018
31 January	Second Quarter FY19 Production and Revenue
11 February	Monthly Production – January 2019
21 February	FY19 Interim Results
12 March	Monthly Production – February 2019
10 April	Monthly Production – March 2019
30 April	Third Quarter FY19 Production and Revenue
10 May	Monthly Production – April 2019
23 May	Smithfield OCGT Acquisition and Capital Management Update
6 June	Smithfield OCGT Facility Re-Rating to 123 MW
11 June	Monthly Production – May 2019
17 June	Letter to Infigen Security Holders
20 June	Infigen Announces H2/FY19 Distribution and Appendix 3A.1

A comprehensive list and full details of all publications can be found on the Infigen website: www.infigenenergy.com, and the ASX website: www.asx.com.au.

GLOSSARY

AEMC	Australian Energy Market Commission; responsible for making and amending the National Electricity Rules, National Gas Rules and National Energy Retail Rules.
AEMO	Australian Energy Market Operator; responsible for operating the NEM and the Wholesale Electricity Market (WA).
AFSL	Australian Financial Services Licence.
ASX	Australian Securities Exchange Limited (ABN 98 008 624 691) or Australian Securities Exchange as the context requires.
BOARD or BOARDS	Unless otherwise stated, the Boards of IEL and IERL.
BODANGORA FACILITY	The Bodangora project finance facility.
CAPACITY	The maximum power that a generation asset is designed to produce.
CAPACITY FACTOR	A measure of the productivity of a generation asset, calculated by the amount of power that a generation asset produces over a set time, divided by the amount of power that would have been produced if the generation asset had been running at full capacity during that same time.
C&I	Consumer & Industrial.
CONTRACTED RENEWABLE ENERGY ASSETS	Renewable energy assets not owned by Infigen where Infigen acquires generation under run of plant PPAs as offtaker.
EARNINGS AT RISK ANALYSIS	Measuring potential changes in revenue in a given period having regard to relevant factors and varying degrees of confidence.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
FIRMING ASSETS	Fast-start generation assets which complement Infigen's intermittent renewable energy assets and where economic contribution is not directly related to generation.
FY OR FINANCIAL YEAR	A period of 12 months starting on 1 July and ending on 30 June in the next calendar year.
GRID	The network of power lines and associated equipment required to deliver electricity from generators to consumers.
GW	Gigawatt. One billion watts of electricity.
GWh	Gigawatt hour. One billion-watt hours of electricity.
IEL	Infigen Energy Limited (ABN 39 105 051 616).
IERL	Infigen Energy RE Limited (ACN 113 813 997) (AFSL 290 710), the responsible entity of IET.
IET	Infigen Energy Trust (ARSN 116 244 118).
IFN	The code for the trading of Infigen securities listed on the ASX.
INFIGEN	Infigen Energy, comprising IEL and IET and their respective subsidiary entities from time to time.
INFIGEN SECURITY OR SECURITY	Comprises one share in IEL and one unit in IET, stapled together to form a single stapled security which is listed on the ASX under the code "IFN". IEL shares and IET units cannot be traded individually - they can only be traded as stapled securities.
LGC	Large-scale Generation Certificate. The certificates are created by large-scale renewable energy generators and each certificate represents 1 MWh of generation from renewable resources.
LTM	Last twelve months.
MLF or MARGINAL LOSS FACTOR	As electricity flows through the transmission and distribution networks, energy is lost due to electrical priority resistance and the heating of conductors. Revenue is subject to marginal loss factors that are fixed annually by AEMO to account for network losses.
MW	Megawatt. One million watts of electricity.
MWh	Megawatt hour. One million-watt hours of electricity.
NEM	National Electricity Market: the interconnected power system of five regional market jurisdictions – Queensland, New South Wales (including the Australian Capital Territory), Victoria, South Australia and Tasmania.
N.M.	Not meaningful.

O&M	Operations and maintenance.
OCC	Operations Control Centre. A centrally located business function within Infigen that monitors and directs the operations of Infigen's generation assets.
OWNED RENEWABLE ENERGY ASSETS	Renewable energy assets owned by Infigen.
PPA	Power purchase agreement.
QUANTITATIVE VOLUMETRIC HEDGING LIMITS	Maximum volume based trading limits, determined having regard to known historical generation profiles and a predictable seasonality of operating performance from the operating assets.
RENEWABLE ENERGY GENERATION	Electricity generation sold from Total Renewable Energy Assets post MLF.
SA BATTERY	The 25 MW/52 MWh Lake Bonney Battery Energy Storage System.
SMITHFIELD OCGT	The 123 MW Open Cycle Gas Turbine (OCGT) facility located at Smithfield, NSW, acquired in May 2019.
TOTAL ELECTRICITY GENERATION	Renewable Energy Generation plus generation from Firming Assets.
TOTAL RENEWABLE ENERGY ASSETS	Owned Renewable Energy Assets and Contracted Renewable Energy Assets.
TRUST	Infigen Energy Trust (IET) and its controlled entities.
UNDERLYING EBITDA	EBITDA, excluding other income and any impairment charges.

CORPORATE DIRECTORY

Infigen Energy

Level 17, 56 Pitt Street
Sydney NSW 2000
Australia

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www.infigenenergy.com

Directors

Len Gill
(Non-Executive Chairman)

Philip Green
(Non-Executive Director)

Mark Chellew
(Non-Executive Director)

Emma Stein
(Non-Executive Director)

Karen Smith-Pomeroy
(Non-Executive Director)

Ross Rolfe AO
(Chief Executive Officer / Managing Director)

Sylvia Wiggins
(Executive Director - Finance & Commercial)

Company Secretary

David Richardson

Annual General Meeting

Infigen Energy's 2019 Annual General Meeting will be held on 21 November 2019.

Infigen Securities

One share in IEL and one unit in IET have been stapled together to form a single stapled Infigen security and listed on the ASX under the code "IFN". They cannot be traded separately and can only be traded as stapled securities.

Responsible Entity for Infigen Energy Trust

Infigen Energy RE Limited
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Auditor

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Registry

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