



ASX RELEASE

Infigen Energy

Level 17, 56 Pitt Street, Sydney NSW 2000, Australia
T (02) 8031 9900 F (02) 9247 6086

Infigen Energy Limited ABN 39 105 051 616
Infigen Energy Trust ARSN 116 244 118

www.infigenenergy.com

21 February 2020

H1FY20 INTERIM FINANCIAL RESULTS

Infigen (ASX: IFN) today released its financial results for the half year ended 31 December 2019.

Financial performance:

- Renewable Energy Generation sold of 1,071GWh, up 17% vs H1FY19 ('pcp').
- Net Revenue of \$134.3m, up 13% on pcp.
- Contracted Revenue of \$116.3m, up 23% on pcp.
- Underlying EBITDA of \$98.2m, up 11% on pcp.
- NPAT of \$26.2m, up 24% on pcp.
- H1FY20 distribution of 1 cent per security will be paid on 27 March 2020 to holders of record on 31 December 2019.

Strategic delivery:

- The addition of physical firming plant enabled Infigen to increase electricity contracting, providing higher levels of revenue reliability and continued improvement in quality of earnings.
- H1FY20 reflected the first full reporting period which included Infigen's ownership of Smithfield OCGT. The asset performed in line with expectations, generating 15GWh, reflecting a 3% capacity factor. Fixed and variable operating costs are also performing in line with the guidance provided to the market at acquisition.
- In Q2FY20, Infigen's SA Battery (25MW / 52MWh) made its first revenue contribution. To date, the asset has performed above expectations. During the islanding of the SA market in February 2020, additional battery revenues broadly offset the economic impact of the curtailed production at the Lake Bonney wind farms due to AEMO constraints.
- On 1 January 2020, Infigen's electricity only Power Purchase Agreement over the 21MW Toora Wind Farm commenced. The diversification of Infigen's renewable energy portfolio in Victoria supports additional Commercial and Industrial customer contracting, in line with Infigen's Capital Lite growth strategy.

Sustainability performance:

- As advised at the AGM in November, in October 2019 Infigen recorded its first Lost Time Injury in 27 months. The operator has returned to work.
- In H1FY20 Infigen conducted an employee engagement pulse survey. It showed an Employee Net Promoter Score of +55, alongside Job Satisfaction of 83% and Current Motivation of 86%, with 92% participation rate in the survey.
- In line with Infigen's target of achieving carbon neutrality by FY25, and leading Australia to a clean energy future, Infigen will be voluntarily abating 20% of its FY20 carbon emissions at an estimated cost of \$0.1m. The cost estimate reflects the fact that more than 95% of Infigen's generation is expected to be from renewable sources.

Outlook:

- Infigen reiterates its FY20 outlook, as released to the market at the FY19 Full Year Results.
- Minor adjustments to the FY20 outlook include an improved electricity sales mix, in particular, a higher contribution from Commercial and Industrial customers, with an equivalent decline in anticipated Merchant revenues. As a result, 81% of Infigen's expected renewable energy generation and 100% of its expected LGCs are now contracted for FY20.
- The capital expenditure outlook for FY20 has been slightly lowered reflecting deferred timing of payments relating the South Australia Gas Turbine (SAGT) relocation. The overall budget (\$55m) and relocation timeline remain unchanged. In line with prior disclosures, the SAGT lease is expected to commence in May 2020.
- As indicated in the FY19 Full Year Results Presentation and reiterated at the AGM in November 2019, Infigen's FY20 Net Revenue is expected to be weighted towards H1FY20. Historically, Infigen's renewable energy generation is materially biased towards the first half of the financial year. In FY20,

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two other factors amplify the weighting towards the first half; namely: (1) the first half of FY20 benefited from higher priced CY19 LGC contracts; and (2) a more subdued outlook for wholesale electricity prices in the second half.

- In line with prior disclosures, operating cashflow will be weighted towards H2FY20, reflecting cash settlement of LGC sales. In early February 2020, over 90% of Infigen's LGC inventory achieved cash settlement in line with contract terms.

Infigen's Managing Director and Chief Executive Officer, Ross Rolfe, AO, said: "It is pleasing to see predictability and stability in our financial and operating performance during the first half of FY20. We also continued to make significant progress increasing our contracted position and diversifying our customer base. Going forward we remain focused on maintaining high levels of customer contracting and delivering growth through procuring supply from an incremental 600-700MW of renewable energy capacity. While ongoing policy discontinuity creates an uncertain environment for agreeing Power Purchase Agreements, we remain confident in our ability to secure the 600-700MW of contracted capacity over the next two to three years. We also reiterate that our financial performance is in line with our prior FY20 outlook, including the weighting of financial outcomes to the first half."

Infigen will host a conference call for investors and analysts at 10am today, 21 February 2020. A link to the webcast is available below:

<https://www.infigenenergy.com/investors/publications/financial-results/fy20-interim-results/>

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For further information please contact:

Peter Campbell
General Manager, Investor Relations
Peter.Campbell@infigenenergy.com
+61 2 8031 9970

About Infigen

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 Facility in Western Sydney, NSW, and its 25MW/52MWh Battery at Lake Bonney, SA.

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

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Half Year FY20 Results

21 February 2020

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Image: Lake Bonney Wind Farm and SA Battery

H1FY20 Performance

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	H1FY20	H1FY19	Change %	
Renewable Energy Generation sold (GWh)	1,071	912	+17%	<ul style="list-style-type: none"> Full period contributions from Bodangora WF and Kiata WF.
Net Revenue (AUD m)	134.3	119.2	+13%	<ul style="list-style-type: none"> Higher Renewable Energy Generation and first contributions from Smithfield OCGT and SA Battery.
Contracted Revenue (AUD m)	116.3	94.6	+23%	<ul style="list-style-type: none"> Firming assets enabled higher levels of customer contracting. Bodangora WF PPA contribution.
EBITDA (AUD m)	98.2	88.2	+11%	<ul style="list-style-type: none"> Higher Net Revenue, partly offset by higher operating costs. 'AASB16 Leases' adopted in H1FY20, resulting in \$2.1m positive impact to EBITDA*.
NPAT (AUD m)	26.2	21.1	+24%	<ul style="list-style-type: none"> Reflects strong business performance.
Outlook				<ul style="list-style-type: none"> Reiterating Outlook from FY19 Results. Financial results weighted towards first half.

* In H1FY20, Infigen adopted AASB16, resulting in a positive EBITDA impact of \$2.1m. Details of the impact of AASB16 on Infigen's accounts are contained in Note A2 of the Half Year FY20 Financial Report.

Sustainability Priorities

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We sell green energy to Australian commercial and industrial customers

- Renewable energy sales +17% vs H1FY19.

Our first priority is the safety of our people and our communities

- One LTI in October 2019.
- Lake Bonney 1 WF and Alinta WF are 11 years without LTI.
- Programme of continuous improvement, focusing on eliminating risks wherever possible.

Our high performance workforce is engaged

- Employee Net Promoter Score (eNPS) of +55.
- Job Satisfaction 83%.
- Current Motivation 86%.
- Strong culture of commitment to achieving corporate purpose.

We invest in our communities and value their support

- In October 2019, we hosted the 9th Annual Run With The Wind event at Woodlawn Wind Farm with a record 720 participants.
- Contributed \$6.6m to local employment, local procurement, landowner payments and community projects.

Bushfire Relief Plan

- Increasing bushfire readiness of our communities via facility improvements.
- Stimulating bushfire affected economies, including via a staff leave day initiative.
- Contributing to reconstruction of Two Thumbs Koala Sanctuary, NSW.

We are targeting carbon neutrality

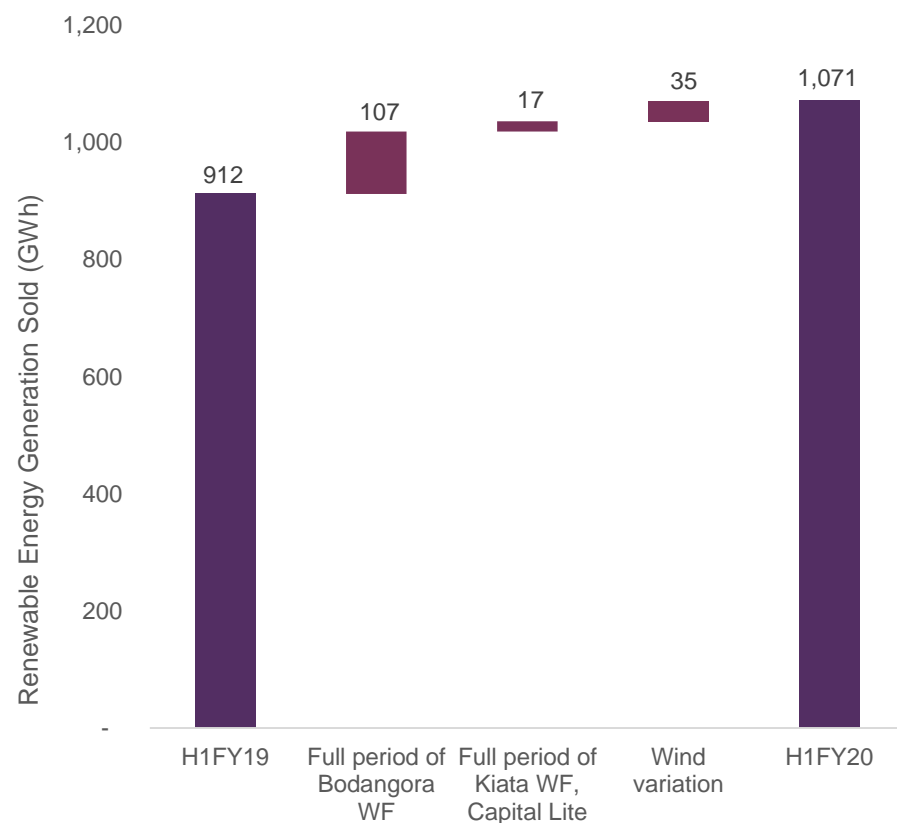
- Targeting Net Zero Scope 1 and 2 emissions by FY25.
- Offsetting 20% of Scope 1 and 2 emissions in FY20.

Infigen continues to deliver on strategy

- Infigen combines low cost, intermittent renewables, with flexible fast start generators to deliver firm contracts to C&I customers.
- H1FY20 saw higher renewable energy generation and growth of our firming capacity.

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Growth in renewable energy generation



Notes: Renewable Energy Generation includes Owned Assets and Contracted Assets. Excludes generation from Firming Assets. Renewable Energy Generation presented after application of marginal loss factors.

Growth in our firming portfolio

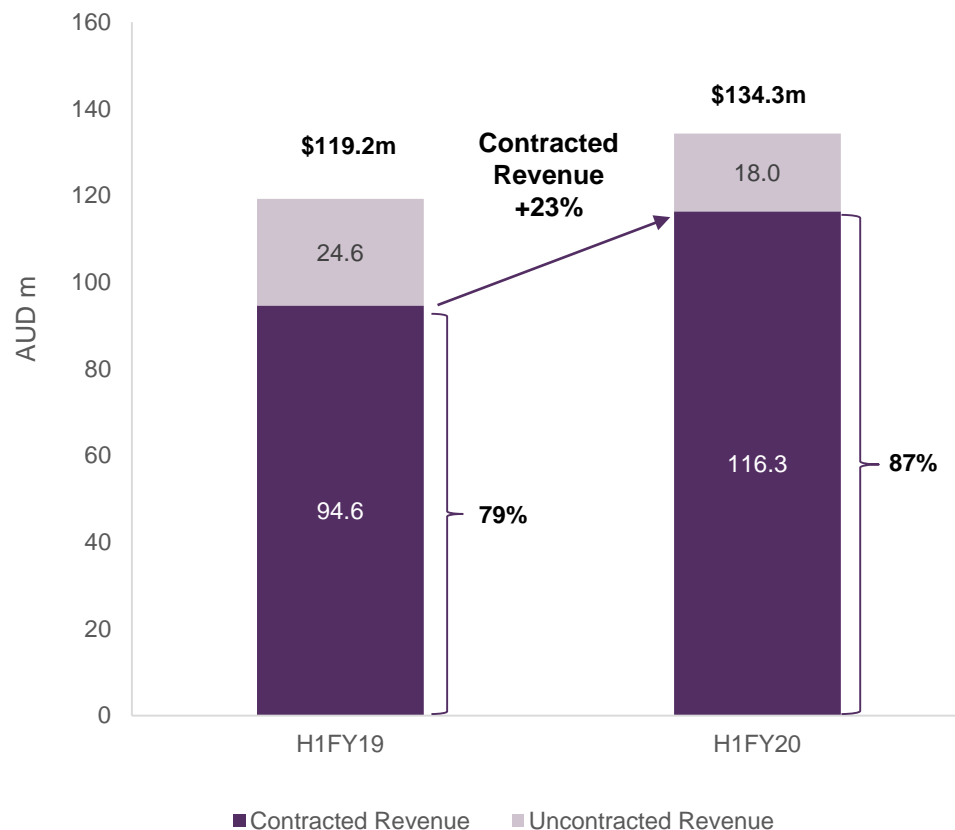
- **Smithfield OCGT:**
 - First full half of contribution.
 - 15GWh in H1FY20.
 - 3% Capacity Utilisation.
 - 226 unit starts.
- **SA Battery:**
 - Energised 29th Nov 2019.
 - 25MW/52MWh.
 - <1 second response time.
 - Revenues split between energy and FCAS markets.
 - Performing above expectations, broadly offsetting the impact of Lake Bonney WF curtailment in February 2020.
- **South Australia Gas Turbines:**
 - Signed agreement to lease in August 2019.
 - Lease expected to commence May 2020, with Infigen operating at Lonsdale, SA.
 - Relocation to Bolivar, SA, where can run on dual fuel, expected by November 2021.
 - Capex budget unchanged at \$55m.

Firming assets are improving the quality of our earnings

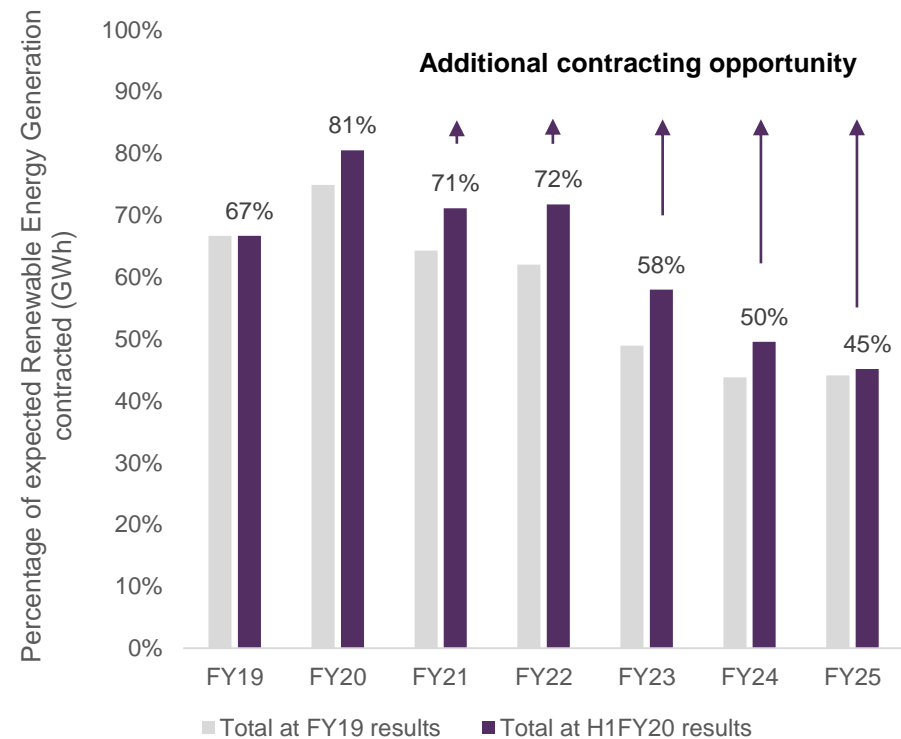
- Smithfield OCGT and SA Battery enable higher levels of electricity contracting, increasing reliability of revenues and improving quality of earnings.
- Over 70% of expected renewable energy generation contracted for FY20, FY21 and FY22.

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Higher contracted revenue outcome H1FY19 vs H1FY20



Higher contracted electricity volumes FY19 vs H1FY20



Notes: Contracted Revenue includes electricity revenue from PPAs, electricity revenue from C&I customers and contracted LGC revenue. Uncontracted Revenue includes Merchant revenue and uncontracted LGC revenue. Uncontracted Revenue is subject to price risk.

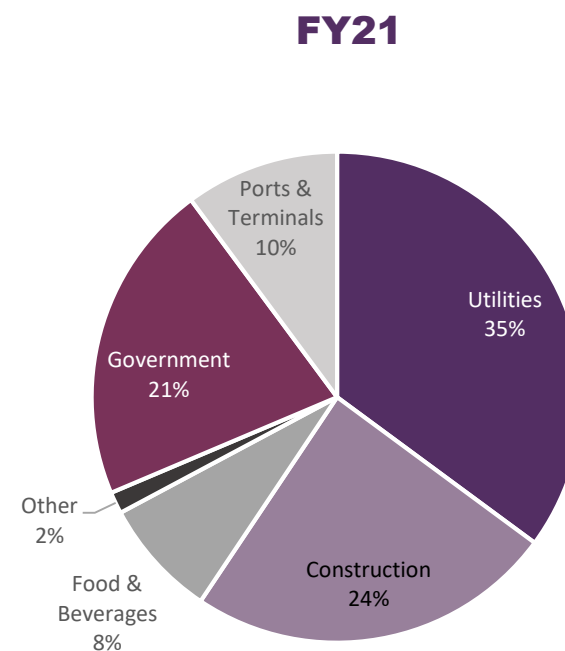
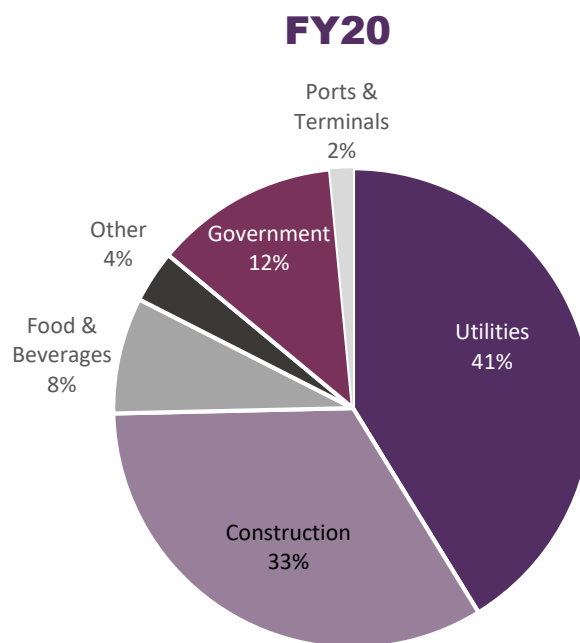
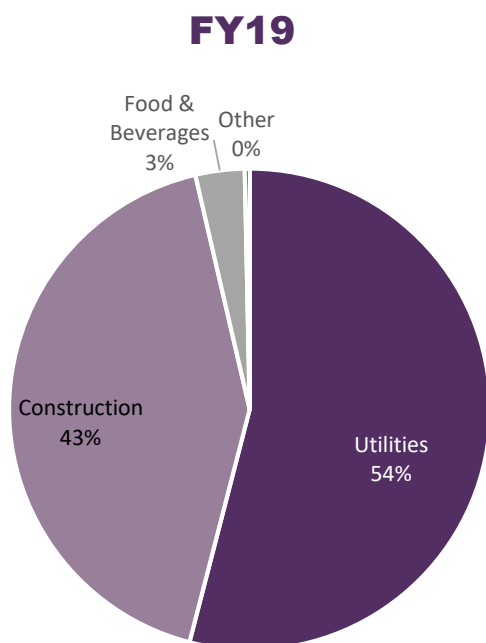
Notes: Contracted electricity includes C&I and PPA sales, represented as a percentage of expected renewable energy generation in a given financial year. Renewable energy generation is inherently variable and hence realised percentages by channel may differ.

Diversifying our customer base

- Continued customer acquisition has diversified our customer base within the C&I channel to market.
- Contracted position of 70-80% of electricity for FY20, FY21 and FY22 in line with business strategy.

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Increasingly diversified customer base lowers counterparty and renewal risks.



Notes: Data represents customer diversification by sector within Infigen's C&I channel to market for electricity. Additional diversification provided via PPA and merchant channels to market.

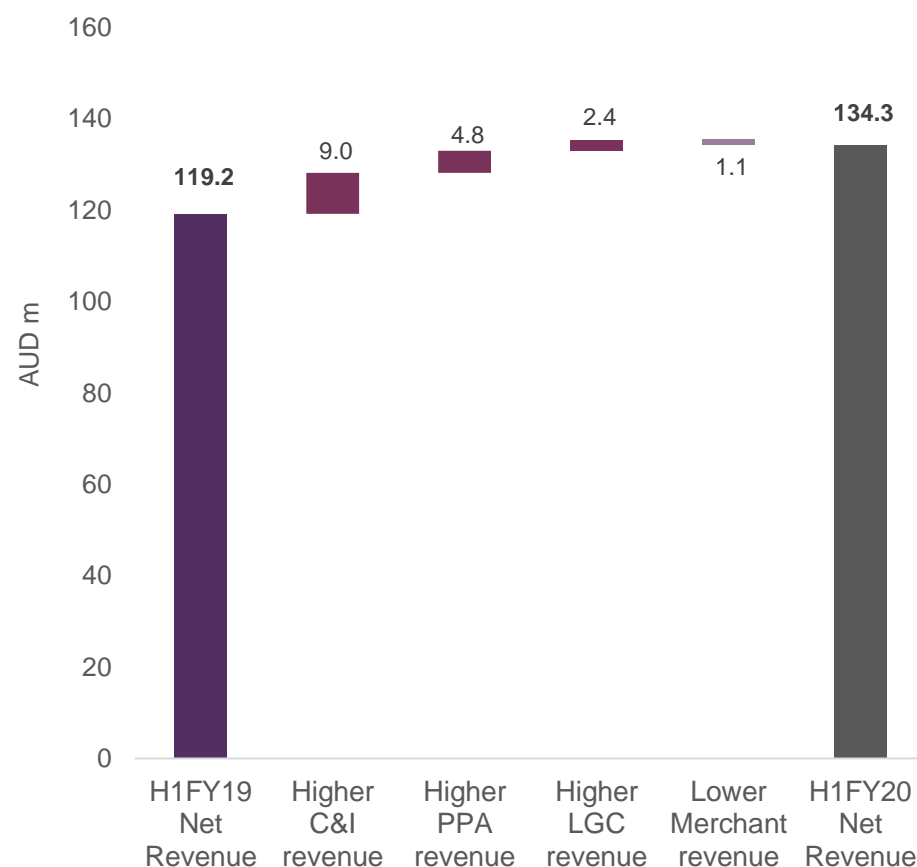
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Net Revenue drivers

- Success of contracting strategy resulted in higher revenues from C&I and PPA segments.

- **Net Revenue:** \$134.3m, 13% increase, primarily driven by higher Renewable Energy Generation.
- **Higher C&I revenue:** reflecting the continuing success of business strategy.
- **Higher PPA revenue:** driven by Bodangora WF where, from March 2019, 60% of generation is sold via PPA.
- **Higher LGC revenue:** as higher LGC volumes offset lower LGC prices.
- **Lower Merchant revenue:** higher C&I contracting and lower received electricity prices.
- **Net Revenue expected to be weighted to H1FY20:**
 - Historic and modelled renewable energy generation exhibits consistent bias towards H1, with H1 representing between 51% and 60% of full year generation since FY13.
 - In addition, H1FY20 included higher priced CY2019 LGCs with lower priced LGCs to be recognised in H2FY20, and wholesale electricity prices for CY20 are also more subdued.

**Net Revenue
H1FY19 vs H1FY20**

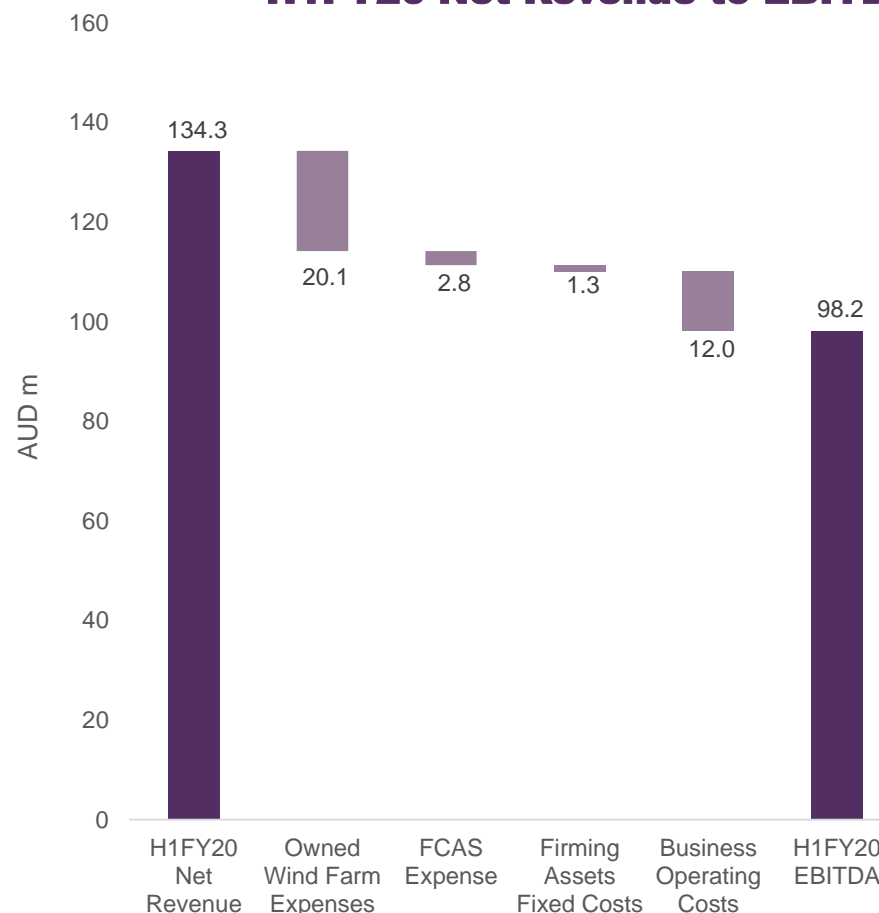


Net Revenue to EBITDA bridge

- Higher Net Revenue (+13%) converted to higher EBITDA (+11%).

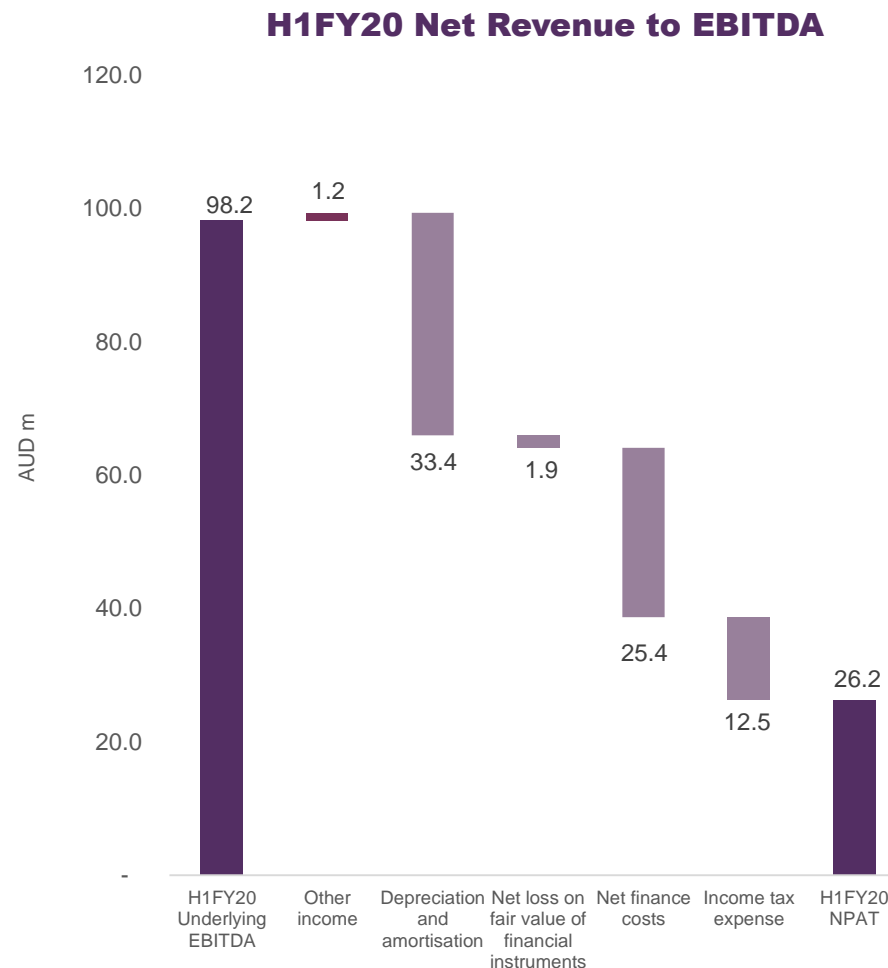
- Owned Renewable Energy Asset Expenses:** slightly higher, reflecting contribution of Bodangora WF.
 - Wind farm land leases now on balance sheet in accordance with AASB16.
 - Underlying unit costs were stable reflecting long term Operations and Maintenance (“O&M”) contracts with Vestas and GE. Turbine Availability guarantees in place until 20th anniversary of commencement of commercial operations at each wind farm.
- FCAS Expense:** higher Frequency Control Ancillary Services expense, as imposed by market operator, AEMO.
- Firming Assets Fixed Operating Costs:** primarily reflecting fixed operating costs at Smithfield OCGT. Smithfield land lease now on Balance Sheet in accordance with AASB16.
- Business Operating Costs:** reflect investment in people and systems for transitioned business model, as indicated in FY20 Outlook.

H1FY20 Net Revenue to EBITDA



EBITDA to NPAT bridge

- **EBITDA:** \$98.2m
- **Other income:** \$1.2m
- **Depreciation & Amortisation:** \$33.4m
 - Bodangora WF and Smithfield OCGT increase D&A.
 - Owned Wind Farms depreciated over 25 years, except Bodangora WF at 30 years.
 - Smithfield OCGT depreciated over 20 years.
- **Net loss on changes in fair value of financial instruments:** \$1.9m, largely reflecting non-cash value mark-to-market of Capital Lite PPAs, partly unwinding gain of \$6.5m recorded at FY19 results.
- **Net Finance Costs:** \$25.4m
 - Interest expense, \$20.3m
 - Other finance costs, \$4.1m
 - Interest expense - lease liabilities, \$1.5m
 - Interest income, \$0.5m
- **Income Tax Expense:** \$12.5m
- **Statutory NPAT:** \$26.2m



FY20 Full Year Outlook

- Ongoing electricity contracting increases reliability of revenue outcomes.

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<p>Generation</p>	<ul style="list-style-type: none"> - Renewable Energy Generation expected to be higher in FY20 (vs FY19) due to full year of Bodangora WF, full year of Kiata WF, and half year contribution of Toora WF. - FY20 P50 renewable energy generation of approximately 1.9TWh.
<p>Net Revenue</p>	<ul style="list-style-type: none"> - Net Revenue weighted towards H1FY20. - Net Operating Cash Flow weighted towards H2FY20. Over 90% of H1FY20 LGC inventory cash settled in February 2020 in line with contract terms. - 50% of expected renewable energy generation contracted to C&I customers. - 30% of expected renewable energy generation contracted to PPA customers. - Merchant electricity revenue expected to be slightly lower than FY19 as more electricity sold to C&I customers and lower received merchant prices. - Expected LGC production in FY20 is 100% contracted at an average price of \$54/certificate.
<p>Asset Operating Costs</p>	<ul style="list-style-type: none"> - Owned Renewable Energy Asset costs higher at approximately \$40m due to full year of operating costs at Bodangora WF. - Firming asset operating costs approximately \$6m. - FCAS expenses higher at \$5-7m.
<p>Business Operating Costs</p>	<ul style="list-style-type: none"> - Business Operating Costs slightly higher than FY19 at approximately \$25m, reflecting a full year of cost for Infigen's increased business capabilities.
<p>Capital Expenditure</p>	<ul style="list-style-type: none"> - \$12-15m; figure is net of grant funding, connection refund and NT solar assets sale. - SAGT capital expenditure budget and timeline unchanged.

Progress in delivering Infigen's strategy

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- ✓ De-levered and refinanced
 - Substantial deleveraging and refinancing of previous debt facilities.
- ✓ Diversified customer base
 - Established an energy markets platform with an experienced team allowing customer contracting.
- ✓ Agreed first Capital Lite contracts
 - Agreed offtake contracts with Kiata WF and Cherry Tree WF enabling expansion into VIC.
 - Cherry Tree WF transaction demonstrated value of development pipeline.
- ✓ Commissioned Bodangora WF
 - Delivered Bodangora WF renewable energy growth in NSW.
- ✓ Acquired Smithfield OCGT
 - Smithfield OCGT acquisition delivering physical firming in NSW.
- ✓ Reintroduced Distributions
 - Reintroduced sustainable half-yearly Distributions at 1 cent per Security paid from free cash flow. H1FY20 distribution will be paid 27 March 2020, record date 31 Dec 2019.
- ✓ Agreed to lease SAGTs
 - South Australia Gas Turbines will provide 120MW of physical firming in SA.
- ✓ C&I systems upgrade
 - Implemented new customer billing system with advanced analytics and multi-site functionality.
- ✓ Energised SA Battery
 - Constructed Battery Energy Storage System at Lake Bonney, to deliver physical firming in SA.
- Relocate the SAGTs
 - Relocate SAGTs to Bolivar, SA, where dual fuel capability can be utilised.
- 600-700MW of renewables growth
 - Toora WF, VIC, electricity only PPA for 21MW nameplate capacity.
 - Additional offtake negotiations underway.

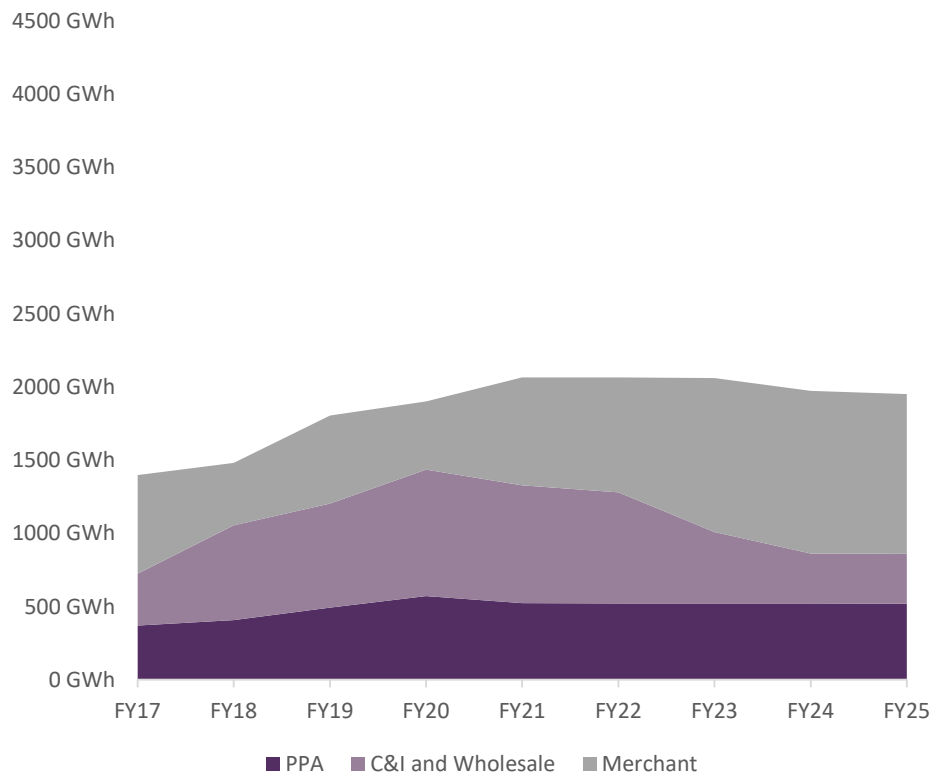
The volume and growth opportunity is transformative for Infigen

- Infigen's firming portfolio enables 600-700MW of renewable capacity growth with approximately 70-80% of the expanded generation to be contracted.

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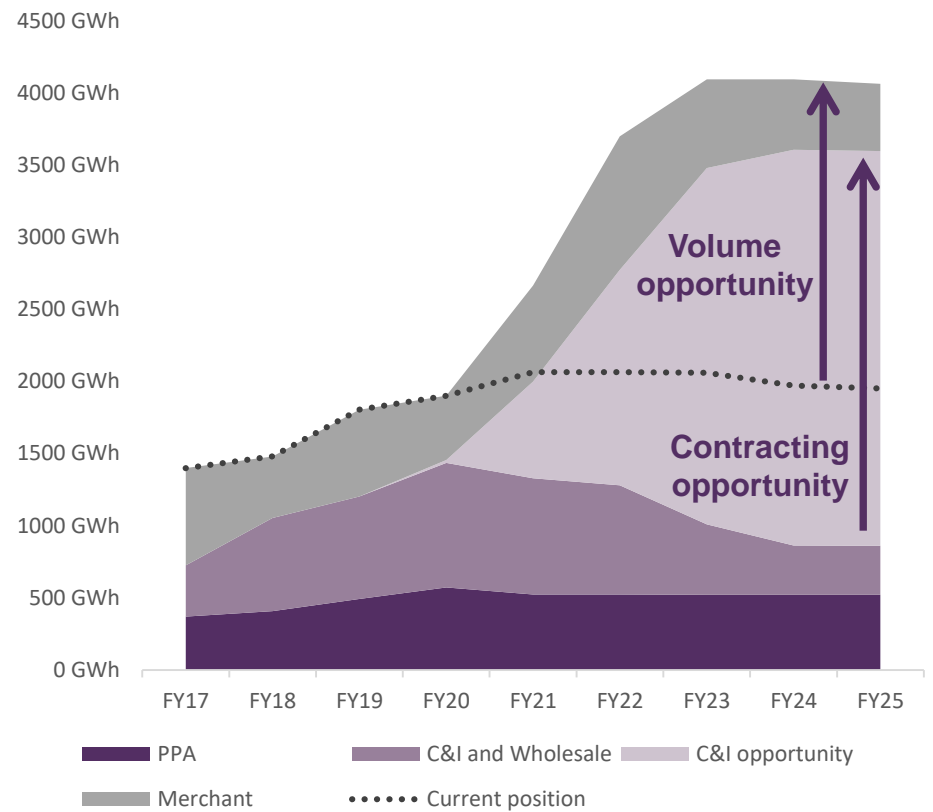
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Infigen's current contracting position



Note: Based on expected Renewable Energy Generation adjusted for FY20 Marginal Loss Factors; includes contracted supply from Kiata WF and Toora WF, includes Cherry Tree WF from FY21; excludes firming assets; statistical simulation basis.

The opportunity



Note: Chart shows indicative volume growth and indicative contracting levels enabled by Infigen's firming strategy. Actual outcomes are dependent on timing of additional Capital Lite generation and execution of C&I contracting. Chart illustrative of the opportunity and is not guidance. Based on expected Renewable Energy Generation adjusted for FY20 Marginal Loss Factors; includes contracted supply from Kiata WF and Toora WF; includes Cherry Tree WF from FY21; excludes firming assets; statistical simulation basis. Actual outcomes will be dependent on timing of additional Capital Lite generation and execution of C&I contracting.

Questions and Answers:

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Lake Bonney WF, SA



Bodangora WF, NSW



Smithfield Open Cycle Gas Turbine, NSW



Capital WF, NSW



Lake Bonney Battery Energy Storage System, SA

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Financial Appendix



Image: Capital Wind Farm, NSW

Infigen's supply and demand profile

- Higher Renewable Energy Generation resulted in higher volumes sold through all market channels.

Total Electricity Generation 19% higher at 1,087GWh

- Driven by full period contributions from Bodangora WF, Kiata WF and the contribution from Smithfield OCGT.

C&I volumes 28% higher at 489GWh

- Reflects continued success of contracting strategy enabled by firming assets.

PPA volumes 50% higher at 325GWh

- Reflects contribution of Bodangora WF PPA that came into effect from March 2019.

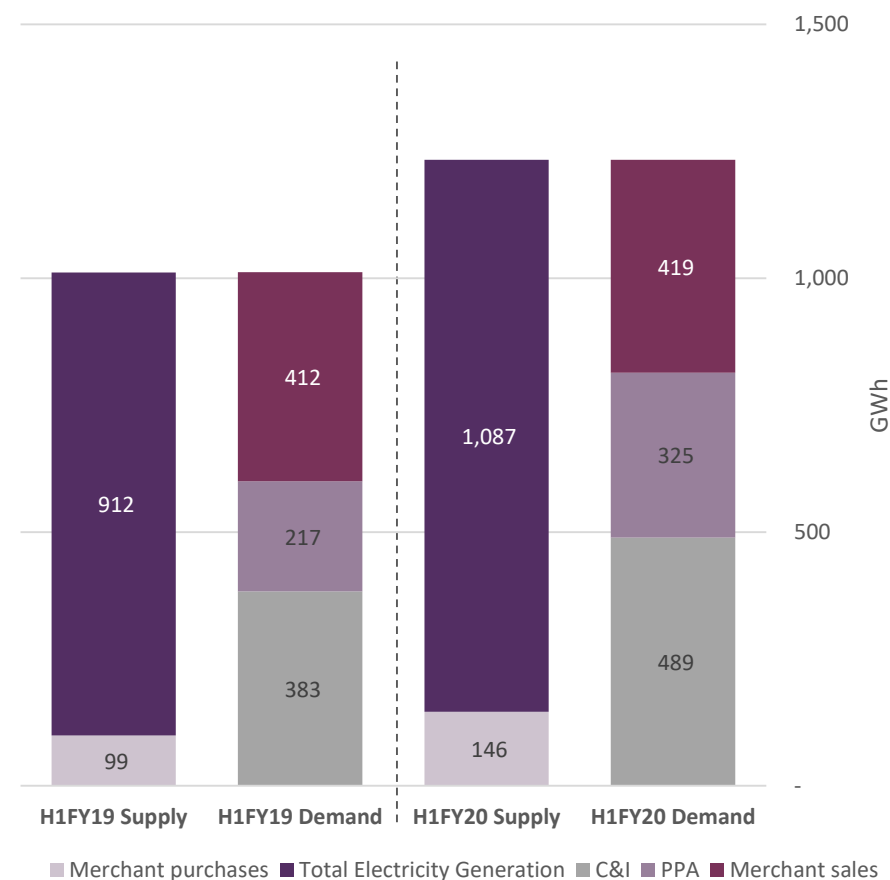
Merchant volumes sold 2% higher at 419GWh

- As higher renewable energy generation was primarily sold via C&I and PPA contracts.

Merchant purchases higher at 146GWh

- Reflecting increased C&I sales, supported by physical firming.

Electricity Supply and Demand H1FY19 vs H1FY20



Strong liquidity position to support business growth

- Balance Sheet supports the relocation of the South Australian Gas Turbines and enables ongoing Capital Lite growth of renewable volumes and C&I customer contracting.

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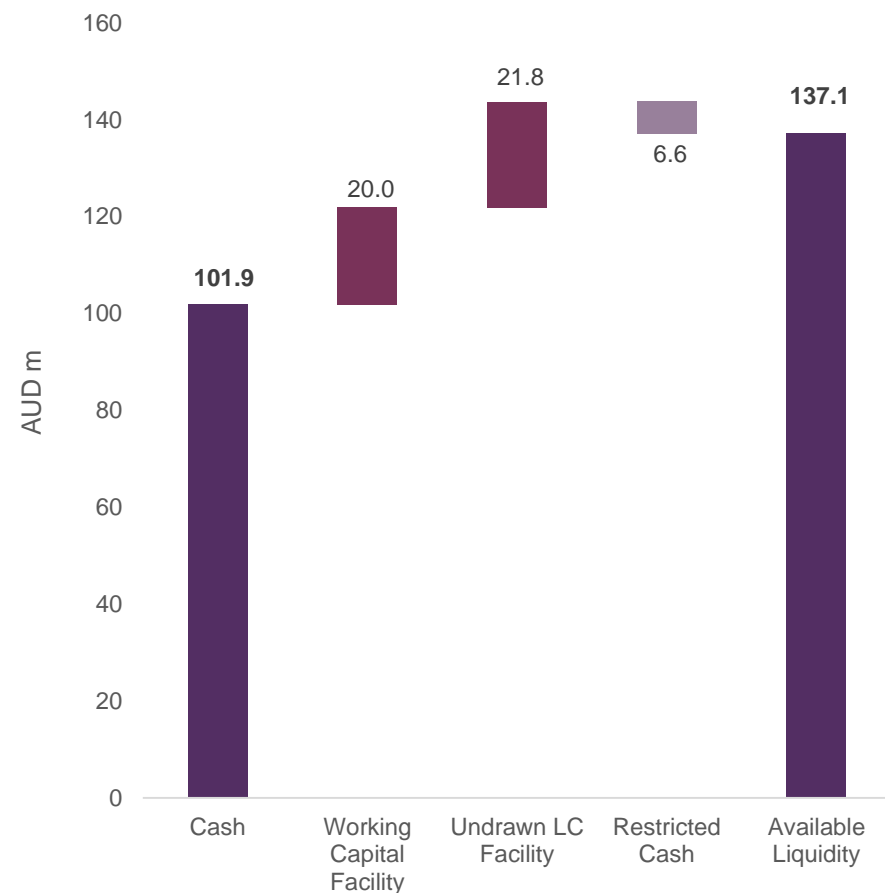
Liquidity:

- Cash:** \$101.9m of which \$95.3m is unrestricted.
- Working Capital Facility:** undrawn, \$20.0m available.
- Letter of Credit Facility:** \$21.8m available.

Debt maturity:

- Corporate Facility:** April 2023.
- Bodangora Facility:** September 2034.

Liquidity as at 31 December 2019



Net Revenue composition

Contracted Revenue

Electricity sales to C&I customers

- C&I contract revenue reflects actual usage of each customer and the terms of the contract.
- Prices reflect market conditions at time of contract and the commercial terms and conditions agreed with the customer.
- Prices are influenced by a range of factors including: wholesale market conditions at time of contract; contract tenors; cost to serve customer; customer load profiles; region in NEM; treatment of inflation; counterparty credit quality; time of day pricing and demand response or high price event clauses.
- Channel also includes Wholesale contracts.

Electricity sales to PPA customers

- Infigen receives a fixed price for run of plant production. Infigen therefore has volume risk, but not price risk.
- Infigen has two run of plant PPAs: Alinta WF, expiring 2026; Bodangora WF (60%), expiring 2030.
- Infigen's PPA sales generally have inflation escalators.

Contracted LGC sales

- As at 30 December 2019, Infigen's expected LGC production (including Contracted Assets) is contracted at: 100% at \$54 (FY20), 79% at \$41 (FY21), 67% at \$26 (FY22), 33% at \$35 (FY23) and 21% at \$50 (FY24). Note, small variations in contract prices may occur based on Infigen's actual, vs expected, LGC production and embedded put/call options within contracts.

Uncontracted Revenue

Merchant revenue

- Sales to spot electricity markets, noting impact of Dispatch Weighted Average pricing (DWA). This occurs when Infigen's electricity generation is greater than C&I and PPA customer contract requirements.
- Electricity purchases from the spot market.
- Smithfield OCGT revenue from cap sales and pool sales, net of short run marginal cost and net of cap payouts.
- SA Battery revenue from regulation FCAS, contingency FCAS and energy arbitrage.
- Financial firming positions such as FCAS hedges and cap payouts.

Uncontracted LGC sales

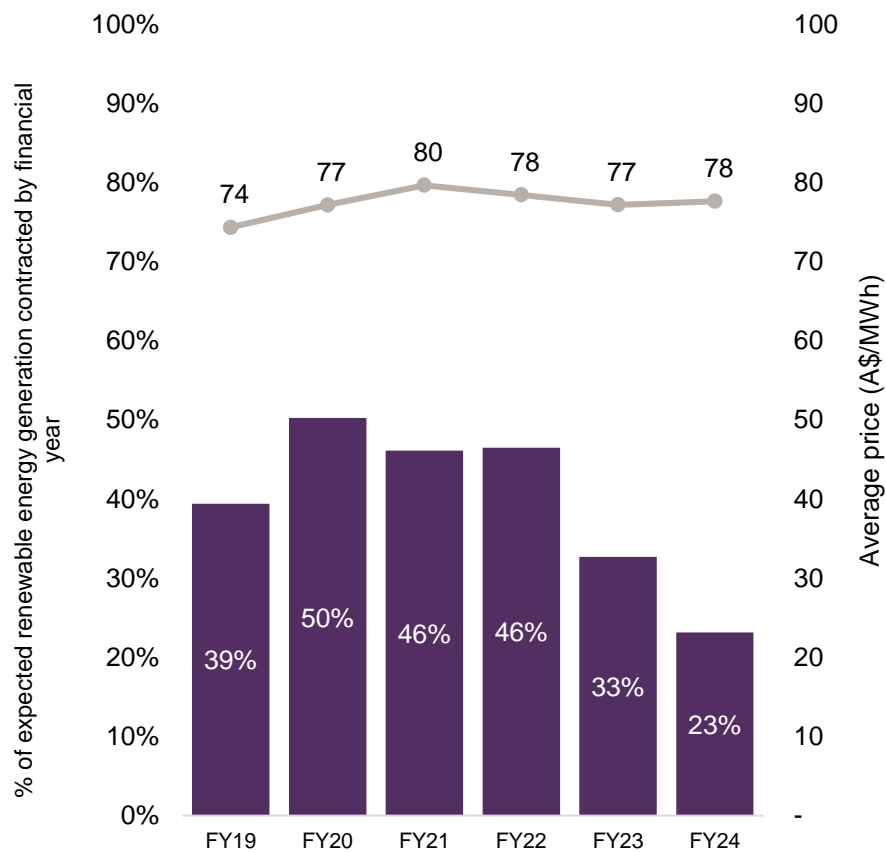
- LGCs that are not allocated for delivery under a contract are marked to the spot market at each reporting period.
- Note: LGC inventory on Balance Sheet may include both contracted and uncontracted LGCs.

Contracted electricity volumes and average prices for C&I contracts and PPAs.

- 81% of expected Renewable Energy Generation in FY20 is contracted to C&I or PPA customers.

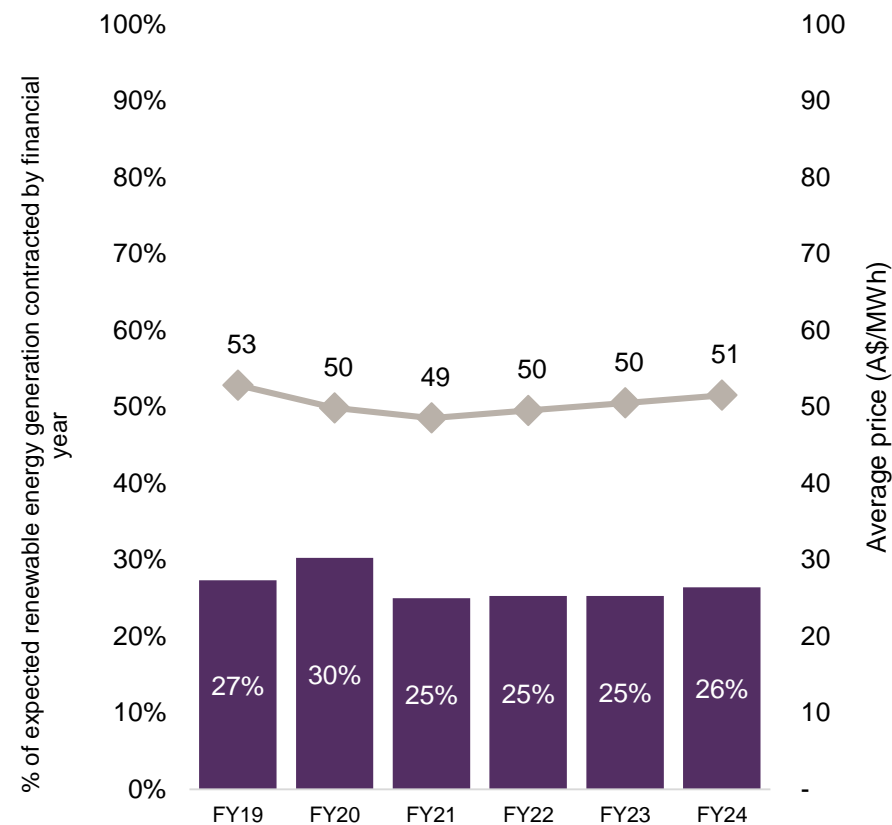
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5 Year Electricity C&I contract position



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 where Infigen assumes 2% inflation pa. Data as at 28 Jan 2020.

5 Year Electricity PPA contract position



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. Data as at 28 Jan 2020.

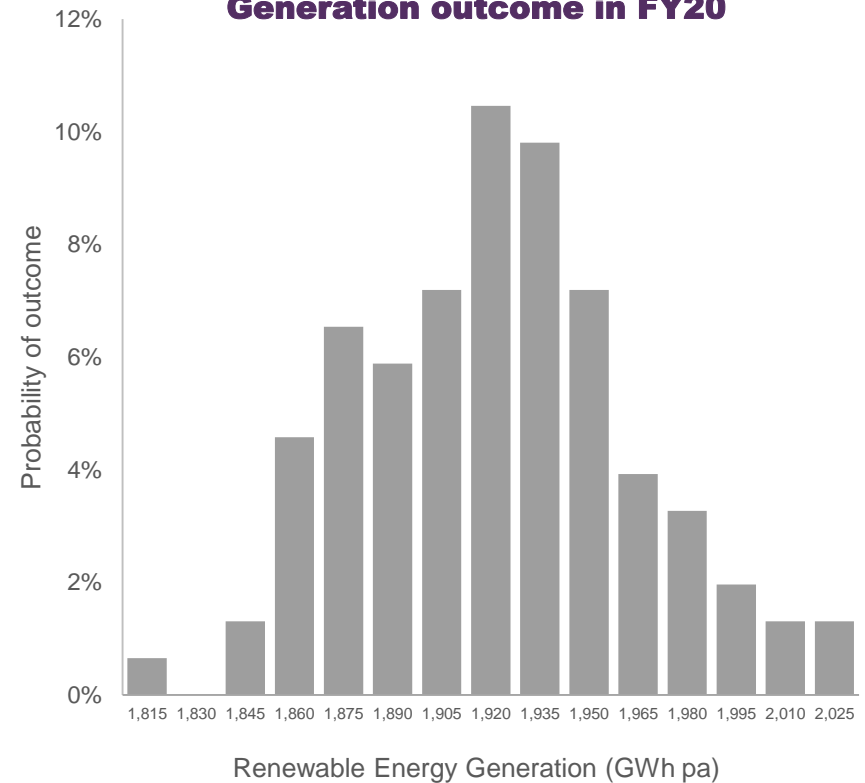
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FY20 expected Renewable Energy Generation

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- Infigen's Owned and Contracted Renewable Energy Assets are expected to generate approximately ~1.9TWh in FY20 after application of FY20 marginal loss factors and distribution loss factors, where applicable.
- 50% of simulated Renewable Energy Generation outcomes are expected to be between 1,865GWh and 1,925GWh in FY20, assuming normal operating conditions.
- Historic and modelled renewable energy production exhibits a skew towards H1, with H1 representing between 51% and 60% of full year generation since FY13.

Probability of Renewable Energy Generation outcome in FY20



Note: Renewable Energy Generation probability outcomes adjusted for FY20 Marginal Loss Factors; includes contracted supply from Kiata WF and Toora WF, does not include Cherry Tree WF; excludes firming assets; Infigen statistical simulation basis; assumes normal operating conditions; as at 31 December 2019.

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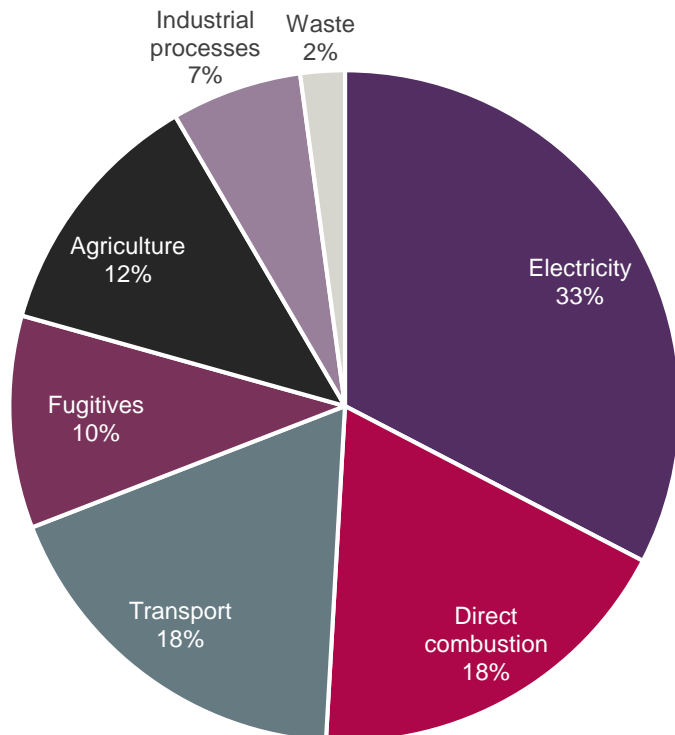
Energy Markets Appendix

Electricity sector can decarbonise at a known cost

- Australia is not on track to meet Paris Agreement.
- Many economic sectors do not have clear mechanisms for emissions reduction.
- Electricity sector can decarbonise at a known cost, using known technologies, on a predictable timeframe.

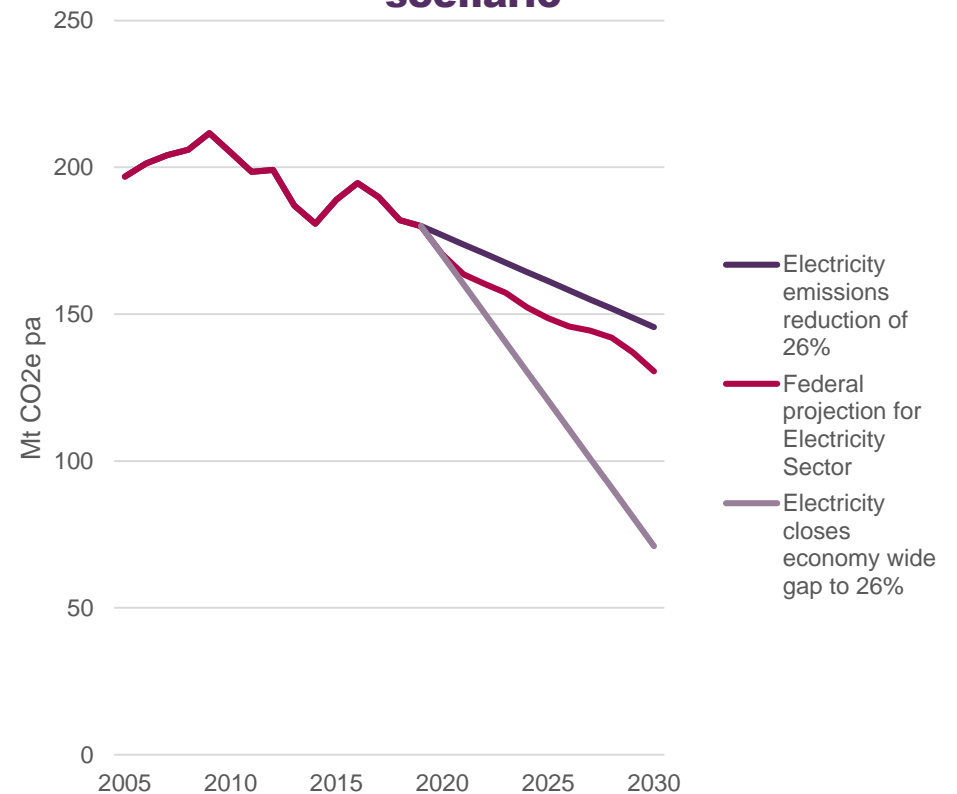
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Australia's 2019 emissions by sector



Source: 'Emissions Projections 2019', Federal Department of Energy and Environment

Electricity sector emissions by scenario



Source: 'Emissions Projections 2019', Federal Department of Energy and Environment; Infigen analysis.

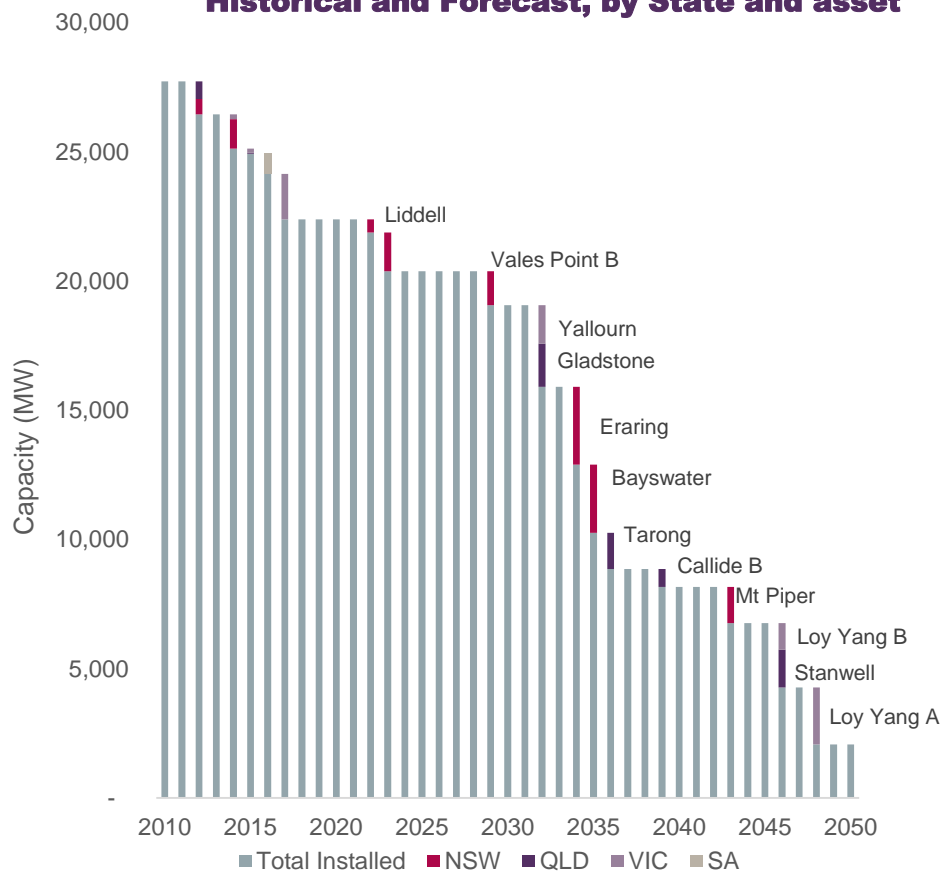
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Market Outlook

- Coal retirements may occur more rapidly than AEMO's age based forecast.
- Gas prices continue to set electricity prices.

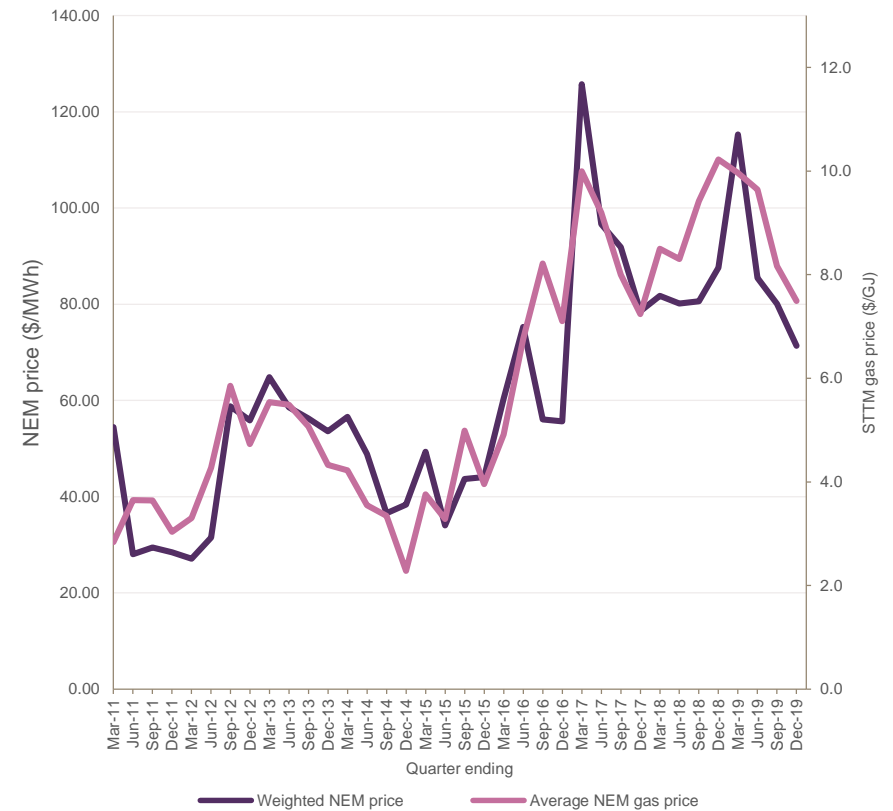
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NEM Coal Retirements
Historical and Forecast, by State and asset



Source: AEMO forecasts, ANU research. As at 15 August 2019.

Correlation between NEM price and gas price



Source: AEMO, AER, Infigen analysis, correlation co-efficient 0.89.

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Summary financial accounts

Image: Smithfield OCGT, NSW

Summary Profit & Loss

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	31-Dec-19 ¹ \$m	31-Dec-18 \$m	Change \$m	Change %
Net revenue	134.3	119.2	15.1	13
Asset operating costs	(24.1)	(20.2)	(4.0)	(20)
Business operating costs	(12.0)	(10.9)	(1.1)	(10)
Underlying EBITDA	98.2	88.2	10.0	11
Other income	1.2	-	1.2	-
Depreciation and amortisation expense	(33.4)	(25.6)	(7.7)	(30)
Impairment of development assets	-	(9.8)	9.8	100
Net loss on changes in fair value of financial instruments	(1.9)	-	(1.9)	-
EBIT	64.1	52.8	11.3	21
Net finance costs	(25.4)	(20.8)	(4.6)	(22)
Profit before tax	38.7	32.0	6.7	21
Income tax expense	(12.5)	(10.9)	(1.6)	(15)
Net profit after tax	26.2	21.1	5.1	24

1. Lease payments (which were previously included in both Asset Operating Costs and Business Operating Costs) have been replaced by depreciation and interest expense on the newly recognised right-of-use assets and lease liabilities as a consequence of the mandatory adoption of AASB 16 Leases on 1 July 2019. Refer to Note A2 of the Half Year FY20 Financial Report for details of the transition to AASB 16.

Summary Balance Sheet

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	31-Dec-19 \$m	30-Jun-19 \$m	Change \$m	Change %
Cash ¹	101.9	103.7	(1.8)	(2)
Receivables	34.4	23.1	11.3	49
Inventories	59.3	27.2	32.1	118
PP&E	963.0	992.0	(29.0)	(3)
Right-of-use assets ²	43.1	-	43.1	-
Intangible assets	101.1	101.1	-	-
Deferred tax assets	3.5	14.4	(10.9)	(76)
Investment in associates	0.6	0.5	0.1	14
Derivative financial assets	11.8	15.2	(3.5)	(23)
Total assets	1,318.6	1,277.3	41.3	3
Payables	22.1	18.7	3.4	18
Distribution payable	9.6	9.6	-	-
Provisions	13.3	15.1	(1.8)	(12)
Borrowings ³	595.6	619.4	(23.9)	(4)
Lease liabilities ²	51.7	-	51.7	-
Derivative financial liabilities	26.0	31.2	(5.2)	(17)
Total liabilities	718.3	694.0	24.3	4
Net assets	600.3	583.3	17.0	3

1. Includes restricted cash of \$6.6m (30 June 2019: \$8.0m)
2. Recognised at 1 July 2019 when applying AASB 16 *Leases*
3. Includes capitalised commitment fees of \$16.5m (30 June 2019: \$19.6m)

Net Operating Cashflow

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	31-Dec-19 \$m	31-Dec-18 \$m	Change \$m	Change %
Underlying EBITDA	98.2	88.2	10.0	11
Movement in LGC inventory	(32.1)	(34.2)	2.1	6
Movement in other working capital	(9.6)	(8.6)	(1.0)	(12)
Non-cash items	(0.7)	0.6	(1.3)	(220)
Net finance costs paid	(21.4)	(18.8)	(2.6)	(14)
Net operating cash flow	34.4	27.2	7.2	27

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Asset Operating Costs

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	31-Dec-19 \$m	31-Dec-18 \$m	Change \$m	Change %
Turbine O&M	12.6	11.0	1.6	14
Asset management	4.0	3.6	0.4	12
Other direct expenses	3.0	3.7	(0.8)	(21)
Balance of plant	0.6	0.6	-	-
Owned Renewable Energy Assets	20.1	18.8	1.3	7
Firming assets	1.3	-	1.3	-
FCAS expense	2.8	1.3	1.4	107
Total	24.1	20.2	4.0	20

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About Infigen

Infigen's strategy

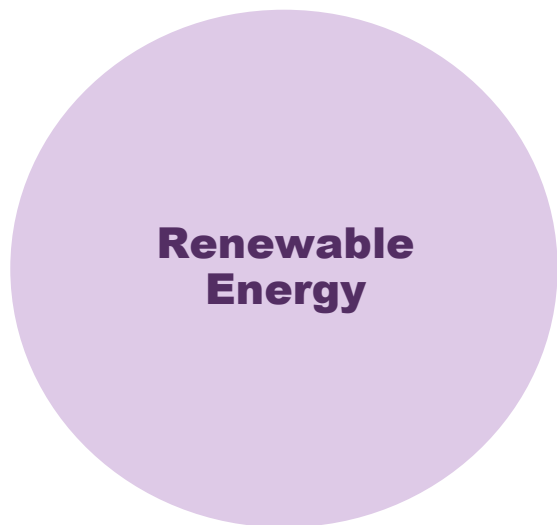


We are leading Australia's transition to a clean energy future

We generate and source renewable energy

We add value by firming

We provide our customers with reliable clean energy



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Infigen's Assets

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Renewable Energy Assets

- 7 owned wind farms with 670MW capacity.
- 3 contracted wind farms with 110MW capacity once Cherry Tree WF is completed.
- Development portfolio across Australia.



Firming Assets

- Smithfield OCGT, a 123MW fast-start generator in NSW.
- SA Battery, 25MW/52MWh firming capacity in SA.
- South Australian Gas Turbines, 120MW fast start capacity, lease begins May 2020.

Commercial and Industrial customers

- Serving our customers well is critical to our success.
- We provide our C&I customers with reliable and competitively priced clean energy.



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The utility of the future

- Infigen's strategy of using fast-start generators to firm low cost renewables is the future of the NEM.

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"The cheapest way to replace generation capacity will be a portfolio of solar, wind and power storage complemented by flexible gas fired power plants."

AEMO Integrated System Plan 2018

"As thermal plants retire and variable renewables increase... new flexible capacity will be needed and there are limits to what renewables and batteries can do together...We expect peaker gas to grow by almost a factor of four by 2050."

Bloomberg NEF, New Energy Outlook 2018

"Firm or dispatchable power is a generator that... can be adjusted up and down when the wind dips and the sun stops shining...Less flexible 'baseload' generators – such as coal and nuclear – cannot adjust from off to flat out, to off again. The more renewables are used, the more flexible the firm generation needs to be."

"Black Out", Matthew Warren, 2019, p141



Smithfield OCGT, NSW

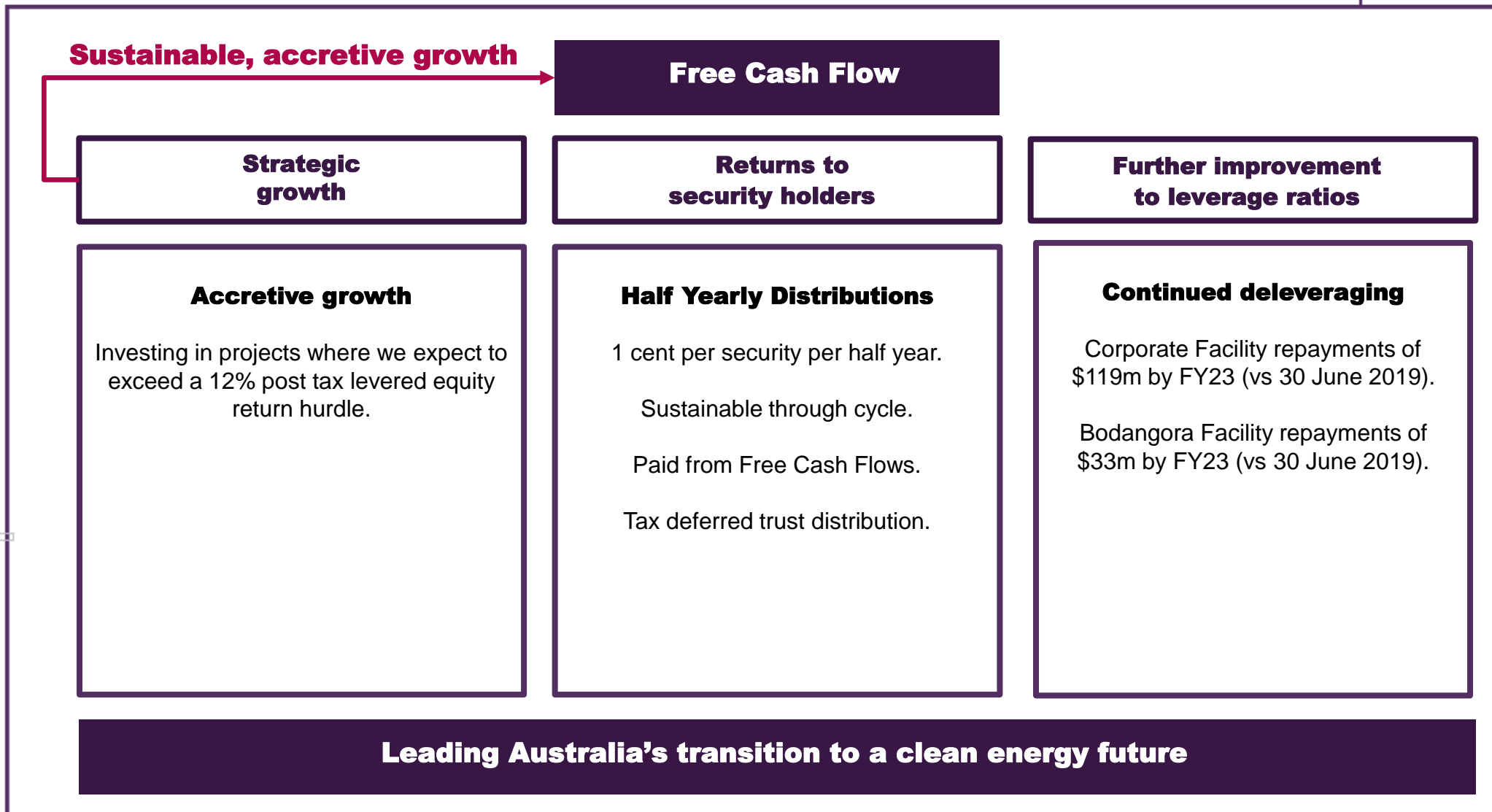


South Australia Battery at Lake Bonney, SA

Infigen's Capital Management Strategy

- Balancing accretive business growth, sustainable returns to security holders and continued deleveraging.

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Infigen is leading Australia to a clean energy future

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- Established portfolio of long life renewable energy assets with 670MW of owned capacity.
- Growing portfolio of Capital Lite renewable energy assets.
- Portfolio of flexible, fast-start firming assets.
- Proven Commercial and Industrial (C&I) customer capability.
- Long dated Operations and Maintenance agreements for wind assets guaranteeing high availability.
- Experienced leadership and high performance team.
- Track record of delivering wide EBITDA margins.

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Glossary

AEMO	Australian Energy Market Operator; responsible for operating the NEM and the Wholesale Electricity Market (WA).
Capacity	The maximum power that a generation asset is designed to produce.
C&I	Commercial and Industrial customers.
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.
Contracted Assets (or Contracted Renewable Energy Assets)	Renewable energy assets not owned by Infigen where Infigen acquires electricity, and in certain cases LGCs, under run of plant PPAs as offtaker.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Firming	The acquisition or generation of alternate energy, or dispatch of energy from storage, for when renewable energy generation output is less than required to meet contracted supply requirements.
Firming Assets	Fast-start generation assets which complement Infigen's intermittent renewable energy assets and where economic contribution is not directly related to generation.
Firm Contracts	Either Commercial and Industrial customer contracts or Wholesale market contracts with a fixed price for firm delivery of electricity.
Renewable Energy Generation	Electricity generation sold from Total Renewable Energy Assets post Marginal Loss Factors.
GW / GWh	Gigawatt (One billion watts of electricity) / Gigawatt hour (One billion-watt hours of electricity).
IEL	Infigen Energy Limited.
IET	Infigen Energy Trust.
Infigen	Infigen Energy, comprising Infigen Energy Limited and Infigen Energy Trust and their respective subsidiary entities from time to time.
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.
MW / MWh	Megawatt (One million watts of electricity) / 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.
O&M	Operations and maintenance.
Owned Renewable Energy Assets	Renewable energy assets owned by Infigen.
PPA	Power purchase agreement.

Glossary

SA Battery	The 25MW/52MWh Lake Bonney Battery Energy Storage System.
Smithfield OCGT	The 123MW 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 plus Contracted Renewable Energy Assets.
TW / TWh	Terawatt (One trillion watts of electricity) / Terawatt hour (One trillion-watt hours of electricity).
Underlying EBITDA	EBITDA, excluding other income and any impairment charges.
WF	Wind Farm.

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