Windlab Limited

ABN 26 104 461 958

Annual Report

for the year ended 31 December 2019

Level 4, 60 Marcus Clarke Street
Canberra ACT 2601
Australia

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Chairman's and Chief Executive Officer's Report

Dear Shareholders,

The Directors of Windlab Limited ("Windlab", the "Company", or the "Group") are pleased to present the full year results for the 2019 Calendar year (FY19).

Windlab is an international renewable energy development company with a distinct competitive advantage in the development of wind energy projects. Windlab participates in wind energy generation projects from inception through development, financing, construction and asset management of operating wind farms. Windlab's main operations are in Australia with its head office located in Canberra. Windlab also has offices in Ararat, Brisbane, Cape Town South Africa, Dar es Salaam Tanzania and Nairobi Kenya. At the end of 2019 Windlab closed its office and operations in the USA.

Windlab owns market leading atmospheric modelling and wind energy assessment technology, WindScape™, originally developed by the Company's founders at Australia's CSIRO. Windlab uses WindScape to identify, acquire and develop wind farm projects in Australia and internationally. Windlab is actively broadening its earnings base. In addition to development profits from projects reaching financial close and success fees, Windlab is seeking to grow its recurring revenue base in the form of asset management fees on both Windlab controlled and third party-owned projects, as well as cash distributions from interests in operating projects. In 2019 recurring revenue from ordinary activities grew 16% to $4.04M.

2019 could be described as a year of frustration, characterised by delay across several of our projects. The completion of Kennedy Energy Park has been delayed by more than 18 months and we have experienced slower than expected progress towards financial close on all of our late stage projects, including Lakeland, Greenwich, Miombo Hewani and the South African portfolio. These delays have largely been the result of factors outside of Windlab's control such as regulatory changes and the delay in competitive auction processes for Power Purchase Agreements.

Kennedy Energy Park

Kennedy Energy Park (KEP) is an innovative Wind, Solar and Battery Storage hybrid generating facility located in Far North Queensland. It seeks to demonstrate the successful integration of the technologies to provide more consistent and reliable renewable energy generation. It is a technically challenging, yet important project for the industry. Construction of Kennedy Energy Park was completed before the end of 2018. More than a year of additional delay has been endured as a result of the EPC Contractors' continued failure to manage regulatory requirements, complete grid connection approval and the generator registration process. This has prevented the project from advancing beyond operating under a 5MW exemption provided by AEMO. As advised during the year the project is in dispute with the EPC contractor over their performance and the project's ongoing delays. The dispute with the EPC contractor is currently subject to a stand-still agreement but is ongoing. The priority and intent of all parties is to successfully complete the project as soon as possible. Managing the project delays and the contractual dispute has been a large distraction for management, resulting in knock on effects across other development projects. Our results are clouded by the impact of this situation. As previously announced, the project received an adjudication determination under the Queensland Building Industry Fairness Act after balance date, and this has been treated as an adjusting event in our year end accounts. It is important to note that the adjudication is an interim payment order and not a final determination of the parties' rights under contract or law. The adjudication required KEP to reverse delay liquidated damages that were previously invoiced to our contractor, though not paid. Windlab's share of this reversal is $6.8M and reported within the share of loss of joint venture. It should be noted that KEP maintains a legal right to these claims and has disclosed a contingent asset in its financial report.

Also included in the share of loss of joint venture is an impairment charge relating to KEP. The project faces some uncertainty in relation to the ongoing dispute with its EPC contractor and the EPC Contractors' performance. These matters create a wide range of potential valuations for Kennedy, some of which would not require an impairment. Out of prudence and conservatism and to reflect uncertainty, the Board increased the discount rate used to calculate the project's NPV, and thereby impaired the project by $29.4M, with Windlab's share being $14.7M.

Development Projects

Across the Australian market, investment in renewable energy has collapsed. This has been caused by regulatory uncertainty and dramatic increases in the technical and process requirements related to grid connection and registration. These issues have affected Lakeland Wind Farm and slowed progress. The significant changes in grid code has also motivated a re-optimisation of the project design to minimise grid cost and improve the overall economics of the project. This has resulted in the project being re-sized to around 70MW. The project is now well advanced and in the final stages of generator performance evaluation and the grid connection process. We are hopeful that the project will progress through these final stages of the grid connection process quickly and move towards financial close over the coming months, noting that at the time of writing it is difficult to predict what impacts the government, business and community response to COVID-19 may have.

In the US, both of our late stage projects have experienced further delay and in part contributed to our decision late last year to close our US operation. This has been completed with very small one-off costs.

In South Africa, the need for more generating capacity could not be clearer. The country is enduring blackouts and rolling

Chairman's and Chief Executive Officer's Report (continued)

load shedding caused by the unpredictable operation of its old coal fleet. There is a clear stated intention to procure significantly more renewable energy generation. This is confirmed by statements from the President, the release of the country's new integrated resource plan, which calls for a further 14 gigawatts of wind energy by 2030, and most recently by a capacity determination by the national energy regulator (NERSA). We believe there is an intention to re-commence the previously successful REIPPPP reverse auction processes to support procurement of some of this additional generation capacity later in 2020. If called, Windlab should be well placed to participate as we currently have 640 megawatts of approved capacity across five different projects, plus several earlier stage projects in the country.

Windlab Asset Management

In 2019 revenue from the asset management business grew 26%. Profit from that business grew from $0.6M to $1M. Windlab Asset Management achieved an important milestone in 2019, securing its first stand-alone contract for a third-party solar project, Nevertire Solar farm. Windlab is actively pursuing additional opportunities and is currently working on several proposals. We expect that our asset management business will continue to grow in 2020.

Windlab East Africa

Since the Eurus investment in our East African subsidiary in early 2019, we have grown the team and advanced several of our project opportunities. Most notably, Miombo Hewani in Tanzania and Meru County Energy Park in Kenya. Miombo is fully developed and is participating in a Tanesco RFP process to procure output from up to 200MW of new wind energy capacity across three regions of the country. Our response to this RFP was submitted in early February and we await adjudication. Meru County Energy Park is also progressing well, and we are currently in discussions to procure a PPA.

Scheme of Arrangement

On 4 March 2020 Windlab executed a binding scheme implementation agreement with Wind Acquisition 1 Pty Ltd, an investment vehicle of Federation Asset Management and Squadron Energy (together the Consortium), after the corporate strategic review initiated by the board in September 2019. The Consortium seeks to acquire 100% of the shares of Windlab for $1 per share via a scheme of arrangement. Further information, in the form of a scheme booklet and the independent expert's report will be provided to shareholders in early May this year. In the meantime shareholders are reminded that there is no need for any immediate action. Through the negotiation of the scheme implementation agreement the parties related to the Consortium have also provided working capital support to the business in the form of a $20,000,000 loan facility. It is important to note that is facility is not dependent on shareholders voting for the scheme of arrangement and therefore removes liquidity risk from the business as we progress through the scheme process. More information, including relevant dates will be provided with the Scheme Booklet in early May.

Financial Performance

Windlab's results for 2019 show a 16% increase in revenues from ordinary activities to $4.04M. This increase comes from mainly our asset management business, where revenue grew 26%. Profit from asset management grew from $0.6M to $1M in 2019. Overall the loss for the year was $11.7M, largely due to the impact of significant items at Kennedy Energy Park discussed above.

Project expenses and employment expenses increased relative to the prior year. This reflected increased spending in the East African business most of which relates to early stage projects and hence is expensed rather than capitalised. These costs were funded from the US$10M investment received from Eurus Energy in early 2019. Capitalisation rates of both employee time and project costs were lower in 2019 than the prior year in the Australian business as well, as the business pursued new early stage project opportunities alongside existing projects.

Net cash used in operating activities increased from $9.24M to $10.26M. This includes increased receipts from customers offset by additional project spending (up $1.45M), particularly in East Africa. It also includes additional interest on the refinanced and fully drawn $10M senior debt facility (increase of $0.43M) as well as the payment of income tax relating to the 30 June 2018 tax year of $0.50M.

Distributions from associates fell $1.03M due to Kiata Wind Farm's first full year of operation under a PPA, which reduced the project's revenues while providing increasing certainty. Kiata's performance was also negatively affected by one-off curtailments due to network maintenance and upgrades in Western Victoria, and reductions in the project's marginal loss factor. It should also be noted that 2018 included larger than normal distributions from Kiata due to unused contingency allowances paid out upon conversion of the construction loan facility.

During the year the company raised $14.01M (US$10M) from the issue of new equity in Windlab East Africa Pty Ltd to Eurus Energy Holdings. Eurus now holds 25% of the issued capital of that entity. The cash raised is restricted for use by Windlab East Africa, although Windlab Limited provides services to that entity in return for cash service fees. The company also refinanced its senior debt facility with the Clean Energy Finance Corporation, drawing an additional $7M in June 2019. Cash at the end of 2019 was $15.54M, up from $4.68M in the prior period. Of this, $12.04M is restricted for use in East Africa.

Outlook

During the year Windlab grew and matured its portfolio of development projects, adding projects in NSW, South Africa and Eastern Africa. These actions provide improved optionality, an ability to meet a wider set of specific market opportunities and progress towards greater certainty of earnings over the medium term. The Group seeks to mature the portfolio, with an intention to hold at least two approved projects in each major market, being Australia, South Africa and Eastern Africa, at all times. Currently this objective has been achieved in South Africa. Once achieved more widely, this portfolio shape will improve Windlab's ability to successfully finance and complete one or two projects per year on an ongoing basis.

The medium to long term prospects for the renewable energy industry and hence Windlab are strong. There will be enormous investment in the sector over the next decade or more as the electricity industry transitions to a near zero emissions status. However, over the next three to five years considerable uncertainty and volatility should be expected as a lack of clear policy and out-of-date regulation weigh on the industry and Windlab. Our diverse and high-quality development portfolio will provide Windlab with considerable opportunity over the longer terms, but timing and predictability will remain a challenge.

Once again, on behalf of the Board of Directors and the executive team I would like to take this opportunity to thank our dedicated and committed employees and all shareholders for their support and patience as we execute our long-term strategy to develop, finance and construct a globally significant portfolio of wind energy generating facilities, whilst building shareholder value and making a positive contribution to the planet that we all share.

Roger Price
Chairman and Chief Executive Officer

Directors' Report

The Directors of Windlab Limited (Windlab) present their Report together with the financial statements of the Consolidated Entity, being Windlab Limited ('the Company') and its Controlled Entities ('the Group') for the year ended 31 December 2019.

Principal Activities

The principal activities of the consolidated Group during the financial year were renewable energy project development, renewable energy project equity ownership and renewable energy asset management services.

No significant change in the nature of these activities occurred during the year.

Review of Operations

The Group generates revenue from development of wind farms, asset management fees, as well as royalties and distributions from operating projects. In 2019 revenue was principally derived from asset management fees, royalties from West Coast One. Development activities in all markets progressed, accounting for the majority of the company's expenditure.

Director Details

The names and details of the Company's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Roger Price, B. Eng.
(Executive Chairman and Chief Executive Officer)

Roger is the Executive Chairman and Chief Executive Officer of Windlab. He joined Windlab's Board in August 2007 and has been employed by Windlab since 1 March 2011.

Roger has over 30 years of executive, technology management, business development and extensive investment experience across multiple industries internationally. He has led a number of Australian technology companies to international success, including Windlab. He has led the financing, sale or acquisition process for more than 10 companies and raised in excess of $150,000,000 of equity for various enterprises during his career. He has been involved in the financing and delivery of infrastructure projects across a range of industries including telecommunication, transport and energy.

At Windlab he has been instrumental in building a team with deep experience across all facets of renewable energy development, finance, operation and construction.

Roger sits on the board of Audinate Group Limited (ASX: AD8) and is a member of that company's Audit and Risk Committee.

John Cooper BSc (Building) Hons, FIE Aust., FAICD, FAIM
(Resigned 12 April 2019)
(Non-Executive Director & Chair of the Remuneration Committee)

A director since 2017, Mr Cooper has served as CEO and managing director of CMPS&F, a design engineering and project management organisation specialising in the oil and gas, infrastructure and environmental projects for four years.
Mr Cooper passed away in February 2020.

Pippa Downes, B.Sc., M. Applied Finance, GAICD
(Non-Executive Director & Chair of the Audit and Risk Committee)

Pippa is an Independent Non-Executive Director of Windlab and joined the Board in July 2017. Pippa has over 25 years of experience in global financial services organisations. She currently serves on the Boards of the Australian Technology Innovators, Sydney Olympic Park Authority and ALE Property Group, and is the Chair of the Audit and Risk Committees of each. She also is a Commissioner of Sport Australia and a Director of Ingenia Communities and previously served on the Boards of the ASX Clearing and Settlement Companies. The Sydney Olympic Park Authority has since Dec 31 2019 been dissolved by the NSW Government.

During her executive career she worked in Australia, Asia and the US and most recently as a Managing Director and Equity Partner at Goldman Sachs JB Were in Australia.

Charles Macek B.Ec., M.Admin, FCA, FCPA, FAICD, Sf Fin (Non-Executive Director & Member of the Audit and Risk Committee)

Charles is an Independent Non-Executive Director of Windlab. He joined Windlab's Board in July 2017. Charles has over 15 years' experience on the Boards of companies in diverse industries. He is currently the Chair of the Board of Vivid Technology Limited. Charles is a Fellow of the Australian Institute of Company Directors, CPA Australia, Chartered Accountants in Australia and New Zealand, and a Senior Fellow of FINSIA. Charles is a Senior Corporate Advisor to the MMC group in Australia. He also serves as a member of the Corporate Governance Committee of AICD and a member of the Shareholder's Responsibility Committee of the International Corporate Governance Network.

Charles' previous Board roles include Wesfarmers, where he was a member of both the Audit and Remuneration Committees; Telstra, where he chaired the Remuneration Committee and was a member of the Audit Committee; and Vicinity Ltd, where he chaired the Remuneration and HR Committee. He was also a consultant to the Investment Committee of Unisuper Ltd for 16 years until 2019 and a member of the Financial Reporting Council 1999-2007 and was Chairman 2003-2007.

Joseph O'Brien, B. Bus., GAICD (Non-Executive Director & Member of the Audit and Risk Committee and Remuneration Committee)

Joseph is an Independent Non-Executive Director of Windlab. He joined Windlab's Board in November 2016. Joseph has worked in the energy industry for nearly 20 years leading the establishment of a number of consulting and project development businesses and providing significant advice in the electricity supply sector. Over this period, he has primarily worked as a CEO, Managing Director and advisor. Joseph's practices have revolved around electricity supply, across both infrastructure and trading markets, with experience in executive management within multinational corporate environment including as part of the global finance committee of GHD Pty Ltd a professional services firm with turnover exceeding US$1 billion. Over recent years, Joseph's focus has been on innovative, commercial and regulatory policy strategies to support energy infrastructure and energy-related project investment via Defiance Energy and VisIR, where Joseph is Executive Chairman. Joseph is a Board member of not-for-profit organisations QLD Art Gallery, Mater Hospital Foundation Brisbane and Vincent Fairfax Family Foundation

Interests in the Shares and Options of the Company and Related Bodies Corporate

As at the date of this report, the interests of the directors in the shares and options of Windlab Limited were:

	Number of ordinary shares	Number of options over ordinary shares	Number of Performance Rights	Number of warrants over ordinary shares
R. Price	532,765	1,000,000	88,350	932
P. Downes	–	66,000	–	–
C. Macek	30,000	66,000	–	–
J. O'Brien	10,000	146,000	–	–

Company Secretaries

Robert Fisher, B. Ec., B. Comm., M. App. Tax, FCA, GAICD

Mr Fisher is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and Windlab's Chief Financial and Operating Officer.

Andrew J. Cooke, LLB

Mr. Cooke holds a law degree from the University of Sydney and has over 30 years' involvement in the corporate arena primarily engaged in the finance, resource, biotech and property sectors. He has worked throughout the Australasian region and in North America and acquired extensive experience in capital raising, joint ventures, strategic alliances, project financing, corporate governance and listing requirements.

Directors' Report (continued)

Directors' Meetings

The number of Directors' meetings (including meetings of Committees of Directors) held during the year, and the number of meetings each Director was eligible to attend and did attend is as follows:

Directors' name	Board meetings		Audit and risk committee		Remuneration committee	
Total meetings held	12		4		2	
Number of meetings attended	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
R. Price	12	12	–	–	–	–
J. Cooper	5	4	–	–	1	1
P. Downes	12	12	4	4	–	–
C. Macek	12	12	4	4	–	–
J. O'Brien	12	12	4	4	1	1

Committee Membership

As at the date of this report, the Company had an Audit & Risk Committee, and a Remuneration Committee of the Board of Directors. Members acting on the committees of the board during the year were:

Audit & Risk	Remuneration
Pippa Downes	John Cooper *(Retired 14 April 2019)*
Joseph O'Brien	Joseph O'Brien
Charles Macek	

Dividends

No dividends were paid or payable in the current or prior period.

Significant Changes in the State of Affairs

Other than as described in this report, there have been no significant changes in the state of affairs of the Group during the year.

Significant Events After the Balance Date

Kennedy Energy Park Joint Venture

Subsequent to the release of Windlab's Preliminary Report for the Year Ended 31 December 2019 on 28 February, the following events have occurred in relation to Kennedy Energy Park joint venture, of which Windlab has a 50% interest.

- On the 12 March 2020 Kennedy Energy Park agreed with its EPC Contractor to extend the stand-still agreement regarding the previous adjudication determination and the ongoing contractual dispute until the earlier of 30 April 2020 and the conclusion and execution of a settlement deed by the parties resolving all of the disputed claims.
- Kennedy Energy Park 's off take agreement with CS Energy has been extended to 31 December 2020 and formal documentation is being prepared.
- Kennedy Energy Park's senior debt facility review event has been extended to 30 April 2020. Formal documentation is being prepared for this extension.

Further details are disclosed at Note 14.

Scheme of Arrangement

Windlab announced to the market on 4 March 2020 that it has entered into a binding Scheme Implementation Agreement ("SIA") with Wind Acquisition 1 Pty Ltd, an investment vehicle of funds managed by Federation Asset Management Holdings Pty Ltd ("Federation") and Squadron Wind Energy Development Pty Ltd, an Australian based energy and natural resources developer and explorer privately owned by the Minderoo Group of Companies (together the "Consortium"). The Consortium will acquire 100% of the outstanding ordinary shares in Windlab by way of a Scheme of Arrangement ("Scheme"). Under the Scheme, Windlab shareholders would receive cash consideration of $1.00 per Windlab share subject to all applicable conditions being satisfied or waived and the Scheme being implemented.

The implementation of the Scheme is subject to certain conditions, including the approval of Windlab shareholders and the Court, no prescribed events, no material adverse change, no restraints and no material breach of warranty by Windlab or the Consortium.

Subject to the required approvals and the conditions of the Scheme being satisfied, the Scheme is expected to be implemented in late June.

Working Capital Facility

On the 30 March 2020, Windlab entered into a working capital facility with Federation Wind Acquisition Pty Ltd, an investment vehicle of Federation Asset Management Pty Ltd and Squadron Energy Pty Ltd, an Australian based energy and natural resources developer and explorer privately owned by the Minderoo Group of Companies (the "Lenders"). The Lenders have agreed to make funding of up to A$20 million available to Windlab for a term of three years from an initial drawdown and will be secured by a second ranking security over the assets of the Company. The loan is not conditional on Windlab Shareholders approving the Scheme as announced on 4 March 2020.

COVID-19 Impact

Windlab has considered the effects of COVID-19 on its business and believes that there is no material impact on its operations, assets values and impairment considerations. As the potential impacts of COVID-19 continues to evolve, management will continue to monitor the situation and the impact on the business.

Future Developments and Expected Results

Based on increasing demand for renewable generation capacity in the Group's key markets, there is expected to be further opportunity for the development of renewable energy generation projects and asset management services in these markets. The Group is continuing to develop renewable energy projects in Australia and Africa and to pursue asset management opportunities in Australia and South Africa. Given that these activities are currently in progress and are competitive in nature, the Group has not disclosed further details about the possible impact on the Group's business strategy and future prospects. With the decision to withdraw from the North American market, Windlab will continue to hold commercial interests in Verdigre Wind Farm and Greenwich Wind Farm development projects from Australia. The Company owns two development assets and will call for expressions of interest for their sale.

Environmental Regulations and Performance

The consolidated Group's operations are subject to environmental regulations, in particular relating to wind and solar monitoring and wind farm project development. To respond to environmental regulatory risks, the consolidated Group requires that environmental risks associated with its activities are managed via legal registers, risk assessment protocols and environmental management plans.

The Directors are not aware of any material non-compliance issues during the period covered by this Report.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the consolidated Group or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The consolidated Group was not a party to any such proceedings during the year.

Directors' Report (continued)

Indemnification and Insurance of Directors and Officers

During the year, Windlab paid a premium to insure Officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the Officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has also entered into a Deed of Access ('Deed') and Indemnity with all past and present Directors and Mr Fisher as Company Secretary, which provides an indemnity to the Directors for legal costs and any liability arising from negligence of the Director, to the extent permitted by law. In addition, the Deed allows the Company to advance a Director an interest free loan equal to any legal costs which, in the Company's opinion, are not permitted to be indemnified under the law. Any such advance is repayable by the Director at the conclusion of the proceedings.

Indemnification of Auditors

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former Auditor of the Group against a liability incurred as such by an Auditor.

Non-Audit Services

Details of the amounts paid or payable to the Auditor for non-audit services provided during the financial year by the Auditor are outlined in Note 25 to the financial statements. The Directors are satisfied that the provision of non-audit services during the financial year by the Auditor (or by another person or firm on the Auditor's behalf), is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*. The Directors are of the opinion that the services as disclosed in Note 25 to the financial statements do not compromise the external Auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the Auditor; and
- none of the services undermine the general principles relating to Auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the Auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration, as required under Section 307C of the *Corporations Act 2001*, is included on page 18 of this financial report and forms a part of this Directors' Report.

Officers of the Company who are Former Partners of Grant Thornton

There are no Officers of the Company who are former partners of Grant Thornton.

Rounding

Amounts contained in this report and in the financial report have been rounded to the nearest dollar.

Remuneration Report (audited)

The remuneration report details the Key Management Personnel (KMP) remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors. The remuneration report is set out under the following main headings:

- Principles used to Determine the Nature and Amount of Remuneration
- Details of Remuneration
- Service Agreements
- NED Remuneration
- Shareholdings of KMP
- Loans to Directors and Executives

Principles Used to Determine the Nature and Amount of Remuneration

The objective of the Group's executive reward and incentive framework is to attract, retain and motivate suitably qualified and experienced personnel, drive corporate performance and, reward results with appropriate and competitive incentives. The framework is designed to align executive remuneration with the achievement of corporate objectives and the creation of value for shareholders, and it is considered to conform to good market practices for driving Group performance by incentive. The Board of Directors aims to ensure that executive remuneration satisfies the following key criteria for good remuneration governance practices:

- simplicity and transparency – incentive arrangements are readily understood by the Group's executives and key stakeholders.
- competitiveness and reasonableness – to attract and retain executives and other staff in a competitive market for skills and experience.
- acceptability to shareholders- aligning the interests of the Group's executives and the interests of shareholders; and
- performance linkage – reward is proportionate and relevant to Group and individual performance.

The Remuneration Committee is responsible for advising the Board on the composition of the Board and its Committees, evaluating potential Board candidates and advising on their suitability, and ensuring appropriate succession plans are in place. The Remuneration Committee establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Group including determining individual elements of the total compensation of the Chief Executive Officer and other key management personnel. The Remuneration Committee may seek external advice to determine the appropriate level and structure of the remuneration packages from time to time.

On 12 April 2019 Mr John Cooper, the Chair of the Remuneration Committee retired from the Board of Directors. At 31 December 2019 the Board of Directors has not filled the casual board vacancy created, nor appointed a replacement member or chairperson of the Remuneration Committee. As a temporary arrangement Mr Joseph O'Brien has remained the sole member of the Remuneration Committee. He has provided remuneration advice to the board and all relevant decisions have been taken by the full Board of Directors.

The remuneration framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- attracting and retaining high calibre executives;
- having revenue and earnings performance as a core component of any short-term incentive or bonus plan design as well as focusing the executive on key non-financial drivers of value; and
- focusing on sustained growth in shareholder wealth by aligning executives long term interests via a long-term incentive plan.

Additionally, the remuneration framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with good practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Overview of non-executive director remuneration

Windlab's Non-Executive Directors' (NEDs) fee policy is designed to attract and retain high calibre Directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity. NEDs receive fees only and do not participate in any performance-related incentive payments, but may receive options or performance rights to acquire shares as a component of their fee. NED fees reflect the demands and responsibilities of the Directors.

The Remuneration Committee reviews NED remuneration from time to time against comparable companies. The Board may also consider advice from external advisors when undertaking the review process.

ASX listing rules require the aggregate NEDs remuneration be determined periodically by a general meeting. This amount is currently capped under the Constitution at $750,000 per annum. Any increase to the aggregate amount needs to be approved by shareholders. Directors will seek approval from time to time, as appropriate. No increase to the cap is being sought at this time. This aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director for or at the request of the Group, which may be in addition to or in substitution of the Director's fees. The Company has entered into an appointment letter with each of its NEDs.

The table below summarises Board and Committee fees payable to NEDs for 2019 (inclusive of superannuation):

Board fees		**$ per annum**
Non-Executive Directors		65,000
Committee fees		
Audit	Chair	15,000
	Member	Nil
Remuneration	Chair	15,000
	Member	Nil

Executive remuneration

The Company has established a number of incentive arrangements to enable the attraction, motivation and retention of management and employees of Windlab. For the executive team, the remuneration packages consist of:

- fixed remuneration;
- cash-based short-term incentives;
- the Company's pre-IPO Employee Share Option Plan, under which no new options have been or will be issued post 30 June 2017; and
- the Employee Share Incentive Plans implemented at the time of the Company's IPO, in August 2017.

Fixed remuneration

Senior Executive base salaries include a fixed component of base salary together with employer superannuation contributions that are in line with statutory obligations.

The fixed remuneration component for Senior Executives is based on market data for comparative companies of the same size and complexity as well as having regard to the experience and expertise of the Senior Executive. Fixed remuneration for Executives is reviewed annually to provide competitiveness with the market, whilst also reflecting capability, experience, value to the organisation and performance of the individual. There is no guaranteed salary increase in any Senior Executive service contract.

Cash-based short-term incentives (STI)

The STI Plan is designed to reward eligible employees for their efforts toward the accomplishment of the Group's annual objectives and the achievement of non-financial value creating objectives (or individual key performance targets) during the plan year. Under the STI Plan, the decision to pay any bonus remains at the full discretion of the Board, based on recommendations by the Remuneration Committee. The key components of the cash-based STI Plan are:

- Participants are entitled to receive a percentage of their fixed remuneration as an annual cash bonus. The percentage varies from 10% to 50%, the latter being the case for the key management personnel.
- Payment of an annual cash bonus is determined based on a combination of the achievement of individual key performance targets and objectives, and the Group's performance against revenue and earnings key performance indicators.

- Key performance indicators are set annually. For Group performance they may include measures such as revenue, EBITDA and growth targets, or other targets as considered appropriate and set by the Board. For individual key performance targets and objectives, they may include the achievement of certain non-financial but value adding milestones and outcomes.

The Remuneration Committee sets the Group's STI key performance indicators and individual key performance targets and objectives for key management personnel.

Long term incentives (LTI)

The LTI Plan is designed to assist in the reward, retention and motivation of the Group's senior management and other key employees ('participants') and align their interests with those of shareholders. Under the rules of the LTI Plan, the Board has a discretion to offer awards (being options to acquire shares; performance rights to acquire shares; and/or shares, including those acquired under a limited recourse loan funded arrangement) to nominated participants.

The Remuneration Committee, in line with the recommendation of the 2018 KPMG review of the Group's executive and senior management remuneration practices, has granted share performance rights as LTI to executive and senior management in 2019.

Current employee share incentive plans

Windlab adopted a new Employee Share Option Plan (New ESOP) and new Share Performance Rights Plan (New PRP) immediately prior to the Company's IPO in August 2017, intended to foster an ownership culture in Windlab and to motivate senior management, staff and Directors to create shareholder value by achieving performance targets of Windlab or their respective business units.

The rules of the New ESOP and New PRP are summarised in the following paragraphs.

(a) Options may be granted under the New ESOP and performance rights may be granted under the New PRP to any person who is, or is proposed to be, a full-time or part-time employee, a non-executive director, a contractor (40% full-time equivalent (FTE)) or a casual employee (40% FTE) of Windlab or any of its associated bodies corporate, and whom the Directors determine to be an eligible person for the purposes of participation in the New ESOP or New PRP (referred to as an eligible person).

(b) An Option may not be granted under the New ESOP and performance rights cannot be granted under the New PRP if, immediately following its grant, the shares to be received on exercise of the option or performance right, when:

    (i) aggregated with the number of shares which would be issued if each unvested option granted under the New ESOP and performance right granted under the New PRP awarded in the last three (3) years were to vest and be exercised exceeds 5% of the total number of issued shares at the time of grant, but excluding offers under section 708 of the Corporations Act and offers under a disclosure document; or

    (ii) aggregated with the number of shares which would be issued if each unvested option granted under the New ESOP and Performance Right granted under the New PRP (or any other employee incentive scheme of Windlab) exceeds 10% of the total number of issued shares at the time of grant.

(c) Each option and performance right entitles the participant to receive one ordinary share in Windlab Limited.

(d) Options and performance rights issued under the new Employee Share Incentive Plans may be exercised on a cashless basis. Where a participant exercises options on a cashless basis, the exercise price will be set off against the number of shares which the participant is entitled to receive on the exercise of options. By exercising on a cashless basis, the participant will receive shares to the value of the surplus after the exercise price has been set off, such that the participant will only be issued that number of shares as are equal to the difference between the exercise price otherwise payable and the then market value of the shares (determined as the volume weighted average price of shares over the 5 trading days prior to exercise).

(e) An option or performance right does not confer any rights to participate in a new issue of shares by Windlab.

(f) If Windlab makes a bonus issue of securities to holders of shares, the rights of a holder in respect of an option or performance right will be modified such that the participant will receive one share plus such additional securities which the participant would have received, had the participant exercised the option or performance right immediately before the record date for that bonus issue as the holder of the share.

(g) If Windlab's issued capital is reorganised (including consolidation, subdivision, reduction, or return), then the number of options and performance rights, the exercise price or both or any other terms will be reorganised in a manner determined by the Board which complies with the Listing Rules.

(h) An unvested option or performance right lapses upon the first to occur of the following:

    (i) its expiry date;

    (ii) any applicable performance condition not being satisfied prior to the end of any prescribed performance period;

    (iii) a transfer or purported transfer of the option or performance right in breach of the rules;

    (iv) 30 days following the day the participant ceases to be employed or engaged by Windlab or an associated body corporate by resigning voluntarily and not recommencing employment with Windlab or an associated body corporate before the expiration of that 30 days;

    (v) 30 days following the day the participant ceases to be employed or engaged by Windlab or an associated body corporate by reason of his or her death, disability or bona fide redundancy, or any other reason with the approval of the Board and the participant has not recommenced employment with Windlab or an associated body corporate before the expiration of those 30 days, however the Board has the discretion to deem all or any of the Options or Performance Rights to have vested; or

    (vi) termination of the participant's employment or engagement with Windlab or an associated body corporate on the basis the participant acted fraudulently, dishonestly, in breach of the participant's obligations or otherwise for cause.

(i) A vested but unexercised option or performance right lapses upon the first to occur of the following:

    (i) its expiry date;

    (ii) a transfer or purported transfer of the option or performance right in breach of the rules; or

    (iii) termination of the participant's employment or engagement with Windlab or an associated body corporate on the basis the participant acted fraudulently, dishonestly, in breach of the participant's obligations or otherwise for cause.

(j) Subject to the Listing Rules and the law, the Board may at any time by resolution, amend or add to the rules of the New ESOP or New PRP. However, the consent of a participant is required for any change to the rules which prejudicially affects the rights of the participant in relation to the option or performance rights that have already been granted.

No options were issued in 2019. Details of performance rights granted are in the Service Agreement section of this report and Note 27.

Pre-IPO employee share option plan

Windlab granted a number of options to staff and directors prior to the IPO under a previously existing ESOP (Old ESOP). The rules of the Old ESOP are summarised in the following paragraphs.

(a) The Remuneration Committee determined the officers, consultants and employees who were entitled to participate in the Old ESOP.

(b) Options granted under the Old ESOP will expire on any of the following events:

    (i) its expiry date determined by the Remuneration Committee (usually seven years after grant);

    (ii) the eligible employee ceasing to be an employee of the Group (other than because of death, disability or retirement) and the options having not already vested, and in the case of vested options, such options expire 3 months after the date of ceasing to be an employee; and

    (iii) death, disability or retirement – in such event options typically expire three years after such date.

(c) The Old ESOP provided the Remuneration Committee with the ability to determine the exercise price of the options (such price not to be less than the fair market value of a share at the time of issue, and in the case of any person who holds more than 10% of Windlab's shares, not less than 110% of such fair market value), the periods within which the options may be exercised and any performance conditions to be satisfied before the option can be exercised

(d) All unvested options vested upon Listing – however the options remain subject to a restriction on exercise for a period until the earlier of:

    (i) 6 months after the expiry of any Escrow Arrangements; or

    (ii) expiry of the option.

(e) The Old ESOP provides for adjustments if there is a capital reconstruction or a bonus issue.

(f) The total number of ordinary shares which may be put under option by the Company under the Old ESOP must not exceed 10% of the total number of shares on issue, from time to time.

No further options have been or will be issued under the Old ESOP post June 2017.

Details of Remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables. The key management personnel of the Group consisted of the following Directors of Windlab Limited:

Roger Price – Chairman and CEO
Pippa Downes – Non-Executive Director
Joseph O'Brien – Non-Executive Director
Charles Macek – Non-Executive Director
John Cooper – Non-Executive Director (Retired 12 April 2019)

And the following person:
Rob Fisher – Chief Financial & Operating Officer and Company Secretary

The 2019 table below represents remuneration paid by the Group consisting of Windlab Limited and its subsidiaries for the entire financial year ended 31 December 2019 (2018: 31 December 2018).

		Short-term benefits				Post-employment	Long-term benefits	Share-based payments				
		Salary & fees	Cash bonus	Non-monetary	Other	Super-annuation	Long service leave	Share options and performance rights	Shares	Termination payments	Total remuneration	Performance related
		$	$	$	$	$	$	$	$	$	$	%
R. Price	**2019**	**383,586**	**9,750**	**–**	**–**	**–**	**7,805**	**42,903**	**–**	**–**	**444,044**	**11.86%**
	2018	356,808	47,006	–	–	6,000	2,711	107,456	–	–	519,981	29.71%
R. Fisher	**2019**	**270,757**	**35,000**	**–**	**–**	**24,368**	**11,790**	**31,692**			**373,607**	**17.85%**
	2018	256,078	28,050	–	–	23,047	755	78,714	–	–	386,644	27.61%
Total executive	**2019**	**654,343**	**44,750**	**–**	**–**	**24,368**	**19,595**	**74,595**	**–**	**–**	**817,651**	**–**
KMP	2018	612,886	75,056	–	–	29,047	3,466	186,170	–	–	906,625	–

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. A summary of these agreements is shown below:

Roger Price – Executive Chairman

Roger Price is employed by the Company in the position of Executive Chairman and Chief Executive Officer. Mr. Price receives a fixed remuneration package $390,000 including mandatory superannuation contributions. As part of his overall annual remuneration package, Mr. Price is eligible to receive an annual short-term incentive (STI) of up to 50% of his fixed remuneration package for the fiscal year, subject to achieving the annual targets against Company's key performance indicators and personal objectives as agreed with the Board for that year. For overachievement of annual targets, it will be at the Board discretion to determine any additional STI payment.

In 2019 Mr. Price earned an STI of $9,750, equating to 5% of the possible awarded bonus. 95% was forfeited. The STI payment was calculated against the achievement of personal objectives set by the Board at the beginning of the financial year. No STI payment was made against the achievement of corporate revenue and EBITDA targets set by the Board at the beginning of the financial year.

Mr. Price is also eligible to participate in the Company's LTI Plan. Under the terms of the revised KMP renumeration plan adopted following a KPMG review in 2018, Mr Price is entitled to receive between 50% and 100% of his fixed renumeration package in performance rights as a long term incentive, subject to tenure and performance vesting. During the year Mr Price received performance rights as detailed below. 88,350 performance rights over ordinary shares were granted in April 2019 under the terms and conditions of the current share incentive plan detailed above.

The number of Performance Rights granted is a value determined by the Board divided by the market value of Windlab's ordinary shares, determined by the 5-day VWAP immediately preceding the grant. The performance rights vest subject to tenure, with 25% vesting two and three years from grant date, respectively, with the remaining 50% vesting 4 years from grant date. The vested

tranches of the LTI performance rights shall be tested against the performance hurdle of an absolute total shareholder return (TSR) compound annual growth rate for the period from the grant date to the vesting date. LTI Rights shall not be exercisable unless a minimum TSR of 15% pa has been achieved. Thereafter the performance rights shall be exercisable as follows:

Total Shareholder Return Per Annum Achieved	Percentage of Vested Rights Exercisable
15%	50%
For each 1% increment above 15% up to 25%	5%
25%	100%

If the TSR hurdle is not achieved at either the 2-year and 3-year vesting date, any unexercised performance rights will be re-tested against the TSR hurdle on the 4th anniversary of the grant date and if then achieved all vested performance rights will become immediately exercisable.

Under the terms of Mr. Price's employment contract, the Company has the right to terminate Mr. Price's employment by giving 6 months written notice. Mr. Price can also resign from his employment on 6 months written notice. In either case, the Company can also elect in its discretion to make a payment in lieu of that notice to Mr. Price or to place Mr. Price on garden leave for all or part of that notice period.

After termination of employment, the employment contract provides that Mr. Price will be subject to non-competition, non-solicitation of client and non-poaching of employees' restrictions, within Australia and for a maximum period of 12 months.

Mr. Price's employment contract acknowledges that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, and all similar or related information which relates to Windlab's actual or anticipated business, research and development, which are conceived, developed or made by him while employed are the property of Windlab.

Rob Fisher – Chief Financial and Operating Officer

Rob Fisher is employed by the Company in the position of Chief Financial and Operating Officer. Mr. Fisher receives a fixed remuneration package $300,000 including mandatory superannuation contributions by the Company. As part of his overall remuneration package, Mr. Fisher is also eligible to receive an annual short term incentive (STI) up to 50% of his fixed remuneration package for the fiscal year, subject to achieving the annual targets against Company key performance indicators and personal objectives as agreed with the Board for that year. For over achievement of annual targets, it will be at the Board discretion to determine any additional STI payment.

In 2019 Mr. Fisher earned an STI of $35,000, equating to 23% of the possible awarded bonus. 77% was forfeited. The STI payment was calculated against the achievement of personal objectives set by the Board at the beginning of the financial year. No STI payment was made against the achievement of corporate revenue and EBITDA targets set by the Board at the beginning of the financial year.

Mr. Fisher is also eligible to participate in the Company's Employee LTI Plan. Under the terms of the revised KMP renumeration plan adopted following a KPMG review in 2018, Mr Fisher is entitled to receive between 50% and 100% of his fixed renumeration package in performance rights as a long term incentive, subject to tenure and performance vesting. During the year Mr Fisher received performance rights as detailed below. 65,504 performance rights over ordinary shares were granted in March 2019 under the terms and conditions of the current share incentive plan detailed above.

The number of Performance Rights granted is a value determined by the Board divided by the market value of Windlab's ordinary shares, determined by the 5-day VWAP immediately preceding the grant. The performance rights vest subject to tenure, with 25% vesting two and three years from grant date, respectively, with the remaining 50% vesting 4 years from grant date. The vested tranches of the LTI performance rights shall be tested against the performance hurdle of an absolute total shareholder return (TSR) compound annual growth rate for the period from the grant date to the vesting date. LTI Rights shall not be exercisable unless a minimum TSR of 15% pa has been achieved. Thereafter the performance rights shall be exercisable as follows:

Total Shareholder Return Per Annum Achieved	Percentage of Vested Rights Exercisable
15%	50%
For each 1% increment above 15% up to 25%	5%
25%	100%

If the TSR hurdle is not achieved at either the 2-year and 3-year vesting date, any unexercised performance rights will be re-tested against the TSR hurdle on the 4th anniversary of the grant date and if then achieved all vested performance rights will become immediately exercisable.

Under the terms of Mr. Fisher's employment contract, the Company has the right to terminate Mr. Fisher's employment by giving 3 months written notice. Mr. Fisher can also resign from his employment on 3 months written notice. In either case, the Company can also elect in its discretion to make a payment in lieu of that notice to Mr. Fisher or to place Mr. Fisher on garden leave for all or part of that notice period.

After termination of employment, the employment contract provides that Mr. Fisher will be subject to non-competition, non-solicitation of clients, and non-poaching of employees' restrictions, within Australia and for a maximum period of 12 months.

Mr. Fisher's employment contract acknowledges that all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, and all similar or related information which relates to Windlab's actual or anticipated business, research and development, which are conceived, developed or made by him while employed are the property of Windlab.

Other Senior Management

All other senior management are employed under written terms of employment with the Group. The key terms and conditions of their employment include:

- remuneration packages;
- eligibility to participate in the STI and LTI Plans; and
- notice of termination of employment provisions, with the relevant notice period of up to 3 months; and for some of those executives, post-employment restrictions covering non-competition, non-solicitation of clients for a maximum duration of up to 12 months.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct, fraud or gross negligence.

NED Remuneration

NED Remuneration for the year ended 31 December 2019:

	Short-term benefits	Post-employment	Share Based Payments	
	Board and committee fees	Superannuation	Options	Total
	$	$	$	$
J. Cooper	24,353	2,314	–	26,667
P. Downes	73,059	6,941	–	80,000
C. Macek	59,361	5,639	–	65,000
J. O'Brien	59,361	5,639	–	65,000
Total	**216,134**	**20,533**	**–**	**236,667**

NED Remuneration for the year ended 31 December 2018:

	Short-term benefits	Post-employment	Share Based Payments	
	Board and committee fees	Superannuation	Options	Total
	$	$	$	$
J. Cooper	73,059	6,941	–	80,000
P. Downes	73,059	6,941	–	80,000
C. Macek	59,361	5,639	–	65,000
J. O'Brien	59,361	5,639	–	65,000
Total	**264,840**	**25,160**	**–**	**290,000**

Directors' Report (continued)

Shareholdings of KMP

Performance Rights awarded during the year

The table below discloses the number of performance rights granted during 2019, along with their vesting conditions.

Rights	No of Performance rights awarded during the year	Vesting conditions	Performance conditions	Award date	Fair value per option at award date	Vesting date
	Number				$	
Executive Directors						
R. Price	88,350	2 years from the Grant Date, 25% shall vest	TSR greater 15%, 50% vests	12-Apr-19	0.4856	11-Apr-21 to 11-Apr-23
		3 years from the Grant Date, 25% shall vest	For each TSR 1% increment above 15% up to 25%, 5% vests			
		4 years from the Grant Date, 50% shall vest	TSR of 25%, 100% vests			
Senior Management						
R. Fisher	65,504	2 years from the Grant Date, 25% shall vest	TSR greater 15%, 50% vests	28-Mar-19	0.4838	27-March-21 to 27-March-23
		3 years from the Grant Date, 25% shall vest	For each TSR 1% increment above 15% up to 25%, 5% vests			
		4 years from the Grant Date, 50% shall vest	TSR of 25%, 100% vests			

No options or performance rights were granted to Non-Executive Directors in 2019.

Options held over ordinary shares in Windlab Limited (number)

	Balance 1 January 2019	Granted	Exercised	Expired	Balance 31 December 2019
NED's					
J. Cooper	66,000	–	–	(66,000)	–
P. Downes	66,000	–	–	–	66,000
C. Macek	66,000	–	–	–	66,000
J. O'Brien	146,000	–	–	–	146,000
Executive directors					
R. Price	1,440,000	–	(440,000)	–	1,000,000
Senior executives					
R. Fisher	660,000	–	(40,000)	–	620,000
Total	**2,444,000**	**–**	**(480,000)**	**(66,000)**	**1,898,000**

Shareholdings of KMP

Ordinary Shares held in Windlab Limited (number)

	Balance 1 January 2019	On exercise of options	Net change other	Balance 31 December 2019
NED's				
J. Cooper	12,500	–	(12,500)	–
P. Downes	–	–	–	–
C. Macek	30,000	–	–	30,000
J. O'Brien	10,000	–	–	10,000
Executive directors				
R. Price	217,376	315,389	–	532,765
Senior executives				
R. Fisher	297,563	40,000	–	337,563
Total	**567,439**	**355,389**	**(12,500)**	**910,328**

Mr. Price exercised the options shown above with a strike price of $0.50. The 200,000 options were cash exercised whilst 240,000 were cashless exercised. These options had a fair value of $0.45 each, or $198,000.

Mr. Fisher exercised the options shown above with a strike price of $0.50. The options were cash exercised. These options had a fair value of $0.47 each, or $18,800.

Loans to Directors and Executives

Prior to the IPO, Windlab Limited offered certain option-holders an interest bearing, non-recourse loan in order to fund the exercise price of options for shares in Windlab Limited. The total value of loans outstanding at 31 December 2019 was $315,057, including loans to Mr. Fisher of $133 123.

This concludes the Remuneration Report, which has been audited.

Signed in accordance with a resolution of the directors.

Roger Price
Director

31 March 2020

Pippa Downes
Director

31 March 2020

Auditor's Independence Declaration

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Auditor's Independence Declaration

To the Directors of Windlab Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Windlab Limited for the year ended 31 December 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

L M Worsley
Partner – Audit & Assurance

Sydney, 31 March 2020

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Financial Statements

For the year ended 31 December 2019

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Notes	2019	2018 (Restated)
		$	$
Revenue from contracts with customers	6(a)	4,043,669	3,488,576
Other income	6(b)	1,378,072	513,785
Share of (loss)/profit from associate and joint venture	14	(11,233,246)	2,072,397
Project expenses	7(a)	(1,566,719)	(784,254)
Loss on loss of control of subsidiary		–	(3,837,533)
Employee expenses	7(b)	(7,562,234)	(5,465,906)
Administration expenses	7(b)	(2,819,055)	(2,505,421)
EBITDA		**(17,759,513)**	**(6,518,356)**
Depreciation and amortisation expenses	12	(351,376)	(136,445)
Finance costs	7(c)	(200,634)	(55,013)
(Loss) before tax		**(18,311,523)**	**(6,709,814)**
Tax benefit	8(a)	6,614,658	2,760,095
(Loss) for the period		**(11,696,865)**	**(3,949,719)**
Other comprehensive income			
Items that may be reclassified subsequently to the profit or loss			
Exchange differences on translating foreign operations		153,981	(206,954)
Share of other comprehensive income of equity accounted investments	14	(1,257,462)	(145,857)
Other comprehensive (loss) for the period, net of tax		**(1,103,481)**	**(352,811)**
Total comprehensive (loss) for the period, net of tax		**(12,800,346)**	**(4,302,530)**
Total comprehensive (loss)/income for the period attributable to			
Owners of the parent		(12,218,155)	(4,406,848)
Non-controlling interest		(582,191)	104,318
		(12,800,346)	**(4,302,530)**

	Notes	2019	2018
		$	$
EARNINGS PER SHARE			
Basic earnings per share	30	(0.17)	(0.06)
Diluted earnings per share	30	(0.17)	(0.06)

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2019

	Notes	2019	2018 (Restated)	2017 (Restated)
		$	$	$
CURRENT ASSETS				
Cash and cash equivalents	9	15,539,823	4,682,414	14,230,978
Trade and other receivables	10	2,574,701	1,475,307	1,559,562
Inventory	11	5,638,511	5,022,779	6,987,513
Prepayments		804,255	736,251	506,948
TOTAL CURRENT ASSETS		**24,557,290**	**11,916,751**	**23,285,001**
NON-CURRENT ASSETS				
Property, plant and equipment	12	960,557	592,192	339,491
Investments accounted for using the equity method – Kennedy Energy Park	14(a)	11,870,621	23,568,367	22,638,618
Investments accounted for using the equity method – Kiata Wind Farm	14(b)	8,874,575	10,474,632	11,588,617
Investments at fair value	14(c)	522,372	522,372	522,372
Inventory	11	6,802,898	4,665,931	5,161,273
Deferred tax asset	8(f)	5,079,911	–	–
Prepayments		132,288	143,049	174,310
TOTAL NON-CURRENT ASSETS		**34,243,222**	**39,966,543**	**40,424,681**
TOTAL ASSETS		**58,800,512**	**51,883,294**	**63,709,682**
CURRENT LIABILITIES				
Trade and other payables	15	1,911,974	2,415,632	1,799,531
Interest bearing liabilities	16	3,195,569	607	2,785,729
Contract liability	17	5,287	–	603,166
Income tax payable	8(e)	–	577,349	3,727,765
Employee benefit liabilities	18	1,355,831	822,794	1,083,839
Lease liabilities	13	189,500	–	–
TOTAL CURRENT LIABILITIES		**6,658,161**	**3,816,382**	**10,000,030**
NON-CURRENT LIABILITIES				
Interest bearing liabilities	16	6,645,301	3,030,689	2,000,000
Deferred tax liability	8(g)	–	1,190,542	1,139,863
Employee benefit liabilities	18	109,971	172,618	210,785
Lease liabilities	13	24,981	–	–
TOTAL NON-CURRENT LIABILITIES		**6,780,253**	**4,393,849**	**3,350,648**
TOTAL LIABILITIES		**13,438,414**	**8,210,231**	**13,350,678**
NET ASSETS		**45,362,098**	**43,673,063**	**50,359,004**
EQUITY				
Issued capital	19	53,930,617	53,703,322	53,493,393
Additional paid-in capital		9,700,977	–	–
Accumulated (loss)		(20,589,079)	(9,730,946)	(4,556,722)
Hedge reserves	4.1	(1,403,319)	(145,857)	–
Other reserves	20	529,411	(208,177)	354,963
Capital and reserves attributable to owners of Windlab		42,168,607	43,618,342	49,291,634
Non-controlling interests		3,193,491	54,721	1,067,370
TOTAL EQUITY		**45,362,098**	**43,673,063**	**50,359,004**

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	ATTRIBUTED TO THE EQUITY HOLDERS OF THE PARENT								
	Issued Capital	Accumu-lated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Hedge Reserves	Additional Paid in Capital	Total Attribu-table to Owners of Parent	Non-Controlling Interests	Total Equity
	$	$	$	$	$	$	$	$	$
As at 31 December 2018 (Reported)	**53,703,322**	**(3,021,667)**	**716,422**	**(924,599)**	**(145,857)**	**–**	**50,327,621**	**54,721**	**50,382,342**
Change in accounting policy – PPA derivatives (Note 4.1)	–	(6,709,279)	–	–	–	–	(6,709,279)	–	(6,709,279)
As at 1 January 2019 (restated for change in accounting policy)	**53,703,322**	**(9,730,946)**	**716,422**	**(924,599)**	**(145,857)**	**–**	**43,618,342**	**54,721**	**43,673,063**
Initial adoption of AASB 16 Leases (Note 5.1)	–	(57,309)	–	–	–	–	(57,309)	–	(57,309)
As at 1 January 2019	**53,703,322**	**(9,788,255)**	**716,422**	**(924,599)**	**(145,857)**	**–**	**43,561,033**	**54,721**	**43,615,754**
(Loss) for the period	–	(11,186,802)	–	–	–	–	(11,186,802)	(510,063)	(11,696,865)
Exchange differences on translation of foreign operations	–	–	–	226,109	–	–	226,109	(72,128)	153,981
Other comprehensive income – PPA's	–	–	–	–	(745,227)	–	(745,227)	–	(745,227)
Other comprehensive income – interest rate swap	–	–	–	–	(512,235)	–	(512,235)	–	(512,235)
Total Comprehensive income	**–**	**(11,186,802)**	**–**	**226,109**	**(1,257,462)**	**–**	**(12,218,155)**	**(582,191)**	**(12,800,346)**
Issue of share capital on exercise of options	182,000	–	–	–	–	–	182,000	–	182,000
Issue of additional paid up share capital	–	–	–	–	–	9,879,265	9,879,265	4,134,136	14,013,401
Transactions costs on issue of additional paid up share capital	–	–	–	–	–	(178,288)	(178,288)	(59,429)	(237,717)
Non-controlling interest on acquisition of subsidiary	–	353,746	–	–	–	–	353,746	(353,746)	–
Transfer of exercised options to Share capital	45,295	–	(45,295)	–	–	–	–	–	–
Transfer of expired options to retained earnings	–	32,232	(32,232)	–	–	–	–	–	–
Share based payment charge	–	–	589,006	–	–	–	589,006	–	589,006
Balance at 31 December 2019	**53,930,617**	**(20,589,079)**	**1,227,901**	**(698,490)**	**(1,403,319)**	**9,700,977**	**42,168,607**	**3,193,491**	**45,362,098**

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018 (restated)

	ATTRIBUTED TO THE EQUITY HOLDERS OF THE PARENT							
	Issued Capital	Accumulated Profits/ (losses)	Share Based Payment Reserve	Foreign Currency Translation Reserve	Hedge Reserves	Total Attributable to Owners of Parent	Non-Controlling Interests	Total Equity
	$	$	$	$	$	$	$	$
As at 31 December 2017 (reported)	**53,493,393**	**2,030,816**	**655,387**	**(300,424)**	**–**	**55,879,172**	**1,067,370**	**56,946,542**
Change in accounting policy – PPA derivatives (Note 4.1)	–	(6,587,538)	–	–	–	(6,587,538)	–	(6,587,538)
As at 1 January 2018 (restated for change in accounting policy)	**53,493,393**	**(4,556,722)**	**655,387**	**(300,424)**	**–**	**49,291,634**	**1,067,370**	**50,359,004**
Initial adoption of AASB 15	–	(1,522,979)	–	(301,361)	–	(1,824,340)	(1,116,967)	(2,941,307)
As at 1 January (restated)	**53,493,393**	**(6,079,701)**	**655,387**	**(601,785)**	**–**	**47,467,294**	**(49,597)**	**47,417,697**
(Loss) for the period	–	(3,938,177)	–	–	–	(3,938,177)	(11,542)	(3,949,719)
Exchange differences on translation of foreign operations	–	–	–	(322,814)	–	(322,814)	115,860	(206,954)
Other comprehensive income – interest rate swap	–	–	–	–	(145,857)	(145,857)	–	(145,857)
Total Comprehensive income	**–**	**(3,938,177)**	**–**	**(322,814)**	**(145,857)**	**(4,406,848)**	**104,318**	**(4,302,530)**
Issue of share capital on exercise of options	42,580	–	–	–	–	42,580	–	42,580
Transfer of exercised options to share capital	167,349	–	(167,349)	–	–	–	–	–
Transfer of expired options to retained earnings	–	286,932	(286,932)	–	–	–	–	–
Share based payment charge	–	–	515,316	–	–	515,316	–	515,316
Balance at 31 December 2018	**53,703,322**	**(9,730,946)**	**716,422**	**(924,599)**	**(145,857)**	**43,618,342**	**54,721**	**43,673,063**

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Notes	2019	2018
		$	$
OPERATING ACTIVITIES			
Receipts from customers		5,122,679	3,943,506
Payments to suppliers and employees		(9,432,767)	(9,586,738)
Payments for inventory and projects		(4,841,408)	(3,390,278)
Interest received		90,347	63,639
Tax paid		(497,189)	–
Finance costs		(704,040)	(273,911)
Net cash (used in) operating activities	**9**	**(10,262,378)**	**(9,243,782)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(713,765)	(375,188)
Proceeds from sale of property, plant and equipment		–	1,063
Proceeds/(payments) from security deposits		1,449	(110,673)
Dividends from investment		37,564	63,021
Distributions from associate		1,078,311	2,047,755
Investments in associates		–	–
Net cash from investing activities		**403,559**	**1,625,978**
FINANCING ACTIVITIES			
Proceeds from issue of share capital		14,195,401	42,580
Payment of principal portion of lease liabilities		(190,987)	–
Transaction costs on issue of shares		(237,717)	–
Proceeds from borrowings		9,779,683	–
Repayments of borrowings		(3,000,000)	(1,945,203)
Net cash from/(used in) financing activities		**20,546,380**	**(1,902,623)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**10,687,561**	**(9,520,427)**
Cash and cash equivalents, beginning of period		4,682,414	14,230,978
Effects of foreign exchange differences on cash and cash equivalents		169,848	(28,137)
CASH AND CASH EQUIVALENTS, END OF PERIOD	**9**	**15,539,823**	**4,682,414**

These financial statements should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

1 Corporate Information

The consolidated financial statements of Windlab Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 31 March 2020. Windlab (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

Windlab is an international renewable wind energy development company. The company participates in wind generation projects from inception through development, financing, construction and the asset management of operating wind farms.

Windlab currently has a geographically diverse development portfolio of 45 projects. These projects are at various stages of development and represent an estimated total potential capacity of more than 7,700 MW. Nine of the projects, accounting for approximately 1,200 MW of potential capacity hold development approvals, the majority of which are expected to commence construction over the next three to four years. In addition to its development pipeline, Windlab has equity interests in three projects in Australia from which it will derive equity distributions (Coonooer Bridge and Kiata Wind Farm, commenced commercial operations in April 2016 and March 2018 respectively and Kennedy Energy Park which is expected to commence commercial operations in 2020). It also has a commercial interest in a project in South Africa (West Coast One) from which it receives ongoing royalty payments. Windlab also currently performs asset management services for five projects in Australia.

2 Summary of Significant Accounting Policies

2.1 Basis of Preparation

This Financial Report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Windlab is a for profit entity for the purpose of preparing the financial statements.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

The financial report is presented in Australian dollars, except when otherwise indicated.

AASB *16 : Leases* and Interpretation 23 *: Uncertainty over Income Tax Treatments* became mandatorily effective on 1 January 2019. Accordingly, these standards and interpretations apply for the first time to this set of financial statements. The nature and effect of the changes arising from AASB 16 and Interpretation 23 are summarised in Note 5.1 and Note 5.2, respectively.

2.2 Going Concern

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. For the year ended 31 December 2019 the Group incurred a loss after tax of $11,696,865, had net cash outflows from operations of $10,262,378 and had net current assets of $5,855,435, net of cash restricted to use in East Africa. As disclosed at Note 16 the group must repay an amount of $3m to its Senior Lender, in June 2020.

The Directors are of the opinion that the company will be able to pay its debts as and when they fall due and have reached these conclusions based on detailed cash flow forecasts for the next twelve months. The Directors' cash flow forecasts consider a combination of the following strategies in order to make the required debt repayment in June:

- repayment from operating cash flows including the sale of projects in the ordinary course of business;
- repayment from the undrawn working capital debt facility (Refer Note 23);
- refinancing of debt; and, if required;
- renegotiation of debt terms, including deferral of maturity dates.

Based on the above the Directors believe the use of the going concern basis of accounting is appropriate. In the scenario that the Group is not able to realise the strategies above when required, there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and whether it will be able to realise its assets and extinguish liabilities other than in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability and classification of recorded assets nor to the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

2 Summary of Significant Accounting Policies (continued)

2.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss.

Any investment retained is recognised at fair value.

2.4 Summary of significant accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of *AASB 9 Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(b) Investments

(i) Associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

(ii) Investments in other entities

These investments are classified as equity instruments at fair value through other comprehensive income (FVTOCI) and held at fair value. Income from these investments arises as dividend revenue, when dividends are declared and receivable.

2 Summary of Significant Accounting Policies (continued)

2.4 Summary of significant accounting policies (continued)

(c) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) Foreign Currency Translation

(i) Functional and presentation currency

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(iii) Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Australian-Dollar ($AUD) are translated into $AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period. On consolidation, assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into $AUD at the closing rate. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(e) Revenue

Revenue arises mainly from the sale of projects, sales of services for project development, construction and asset management, royalties and consulting income.

To determine whether to recognise revenue, the Group follows a 5-step process:

- Identifying the contract with a customer.
- Identifying the performance obligations.
- Determining the transaction price.
- Allocating the transaction price to the performance obligations.
- Recognising revenue when/as performance obligation(s) are satisfied.

The Group enters into revenue transactions involving the sale of project entities, project assets and sale of services, for the project development, consulting income, construction and asset management. In all cases, apart from the sale of project entities, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

(i) Project Revenue

Generally, revenue from the sale of project assets will be recognised when the performance obligations of the contract are met, except to the extent that variable elements of the transaction price cannot be recognised due to uncertainty of the future size or timing of those elements. These elements of the contract are usually resolved at or near financial close, once development approval is obtained and grid capacity is established.

Project asset sales transactions contain a range of different terms and conditions and each contract will be evaluated on an individual basis to properly capture the impact of those terms.

Where a partial sale of a project entity results in loss of control with a reduced shareholding, a gain on loss of control is recorded under *AASB 10 Consolidated Financial Statements*. The gain recognised on loss of control of a project results in the recognition of a corresponding investment. The value of the gain and investment recognised is derived from the project valuation by the acquiring investor(s) including the percentage interest acquired. These gains are recognised as revenue on the basis that sale, or sell-down, of developed or partially developed wind farms is the principal element of the Group's business model and occurs in the ordinary course of business.

2 Summary of Significant Accounting Policies (continued)

2.4 Summary of significant accounting policies (continued)

(e) Revenue (continued)

(ii) Asset Management Services Revenue

The Group provides asset management services to customers in exchange for a fixed monthly fee. Revenue is recognised on a straight-line basis over the term of each contract. As the amount of work required to be performed under these contracts does not vary significantly from month-to-month, the straight-line method provides a faithful depiction of the transfer of services.

(iii) Royalties

The Group has a right to receive royalties based on energy generation. Revenue from royalties is recognised at the point in time when the energy is generated.

(iv) Consulting

The Group provides consulting services relating to wind and solar farms. Revenue from these services is recognised on a time and materials basis as the services are provided. Customers are invoiced monthly as work progresses. Any amounts remaining unbilled at the end of the reporting period are presented in the Statement of Financial Position as accounts receivable as only the passage of time is required before payment of these amounts will be due.

(f) Other Income

(i) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(ii) Dividends

Revenue is recognised when the Group's right to receive payment is established.

(g) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants received in advance are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate. Where grants relate to the purchase of specific assets, the grant is offset against the acquisition of the asset and reduces the depreciation of the assets over its life.

(h) Income Tax

(i) Tax Expense

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

(ii) Current Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

An R&D refundable tax credit is treated as government grant income whereas a non-refundable credit is treated as a tax offset.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(iii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only to the extent it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entities have a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Windlab Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(i) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of associated GST/VAT, unless the GST/VAT incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST/VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(j) Property, Plant and Equipment

Property, Plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairments. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the straight line method over the estimated useful lives of the assets, as follows:

Wind monitoring equipment	3 – 10 years
Furniture, fittings and equipment	2 – 10 years
Leasehold improvements (or lease term if shorter)	3 – 7 years

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

2 Summary of Significant Accounting Policies (continued)

2.4 Summary of significant accounting policies (continued)

(k) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of 3 months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(l) Inventory

Wind farm development projects are classified as inventory and are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, capitalised salaries, borrowing costs and holding costs incurred in acquiring and bringing the inventory to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Current inventory is defined as projects intended to be sold within the next 12 months. Non-current inventory is all other inventory not classified as current.

(m) Borrowing Costs

Borrowing costs (net of interest income arising from unused elements of the borrowed funds) directly attributable to the acquisition or development of assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of these assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(n) Borrowings

Borrowings are initially recognised at fair value, net of any transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Balance Sheet when the obligation in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(o) Provisions

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(ii) Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(p) Share-based Payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Share-based compensation benefits are provided to employees via:

- Employee Share Option Plans ("ESOPs"); and
- Performance Right Plan for executives since March 2019

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 27.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 30).

(q) Equity and Reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. Other components of equity include the foreign currency translation reserve which comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into $AUD.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the parent are recorded separately within equity.

(r) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

(i) Financial Assets

Recognition and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

2 Summary of Significant Accounting Policies (continued)

2.4 Summary of significant accounting policies (continued)

(r) Financial Instruments (continued)

(i) Financial Assets (continued)

Classification and Initial Measurement

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with *AASB 15 Revenue from Contracts with Customers*, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent Measurement of financial assets

Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Equity Instruments at Fair Value Through Other Comprehensive Income (Equity FVTOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVTOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired

Or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - » the Group has transferred substantially all the risks and rewards of the asset, or
  - » the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(ii) Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date which is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in Note 26.

(iii) Financial Liabilities

Classification and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

The Group's financial liabilities include loans and borrowings, trade and other payables.

For more information, refer to Note 15 and Note 16.

Subsequent Measurement

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2 Summary of Significant Accounting Policies (continued)

2.4 Summary of significant accounting policies (continued)

(r) Financial Instruments (continued)

(iii) Financial Liabilities (continued)

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group's Associate and Joint Arrangement hold derivative financial instruments to hedge its interest rate risk exposures and PPAs. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in power prices and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flow of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

For hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(s) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) The Group as a lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

(ii) Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

(iii) Right of use assets

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

Motor Vehicles	4 years
Office leases	5 years

On the statement of financial position, right-of-use assets have been included in property, plant and equipment (Note 12).

The Group also assesses the right-of-use asset for impairment when such indicators exist.

2 Summary of Significant Accounting Policies (continued)

2.4 Summary of significant accounting policies (continued)

(s) Leases (continued)

(iv) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(t) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. A long-term growth rate is calculated and applied to project future cash flows after the third year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Capitalisation of inventory

The Group determines that the project to which the costs belong must be probable of realising future economic benefits.
The costs must add value to the project and therefore drive future economic benefits. The costs must also be directly attributable costs which are necessary to get the project ready for use. The costs must be incremental to costs which would otherwise already be incurred in the business.

(b) Tax Losses

The Group has not recognised deferred tax assets relating to carried forward tax losses in some markets, except to the extent that deferred tax liabilities exist, as there is insufficient evidence that the asset will be recoverable. However, should suitable taxable profits arise in the future then the asset may be recovered.

(c) Consolidation

The Group considers that it controls Windlab East Africa (Pty) Ltd (WEA) as it controls the Board of Directors of that entity. Certain reserved matters require approval of the minority director or the minority shareholder, but the Group considers that these rights are protective rather than substantive and do not provide the minority shareholder with control.

3.2 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Capitalisation and recoverability of inventory

The Group assesses the capitalisation and recoverability of inventory items at each reporting date with reference to site capacity and market reference data.

(b) Fair value gains recorded on loss of control of project interests

Where the Group loses control of a subsidiary, as a result of a third party acquiring a controlling interest, a gain is recognised in the result for the year based on the price paid by the third party, assuming no premium for control.

(c) Impairment of investments accounted for using the equity method

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

3.3 Fair Value Measurement of Financial Instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3.4 Measurement of Fair Value of Power Purchase Agreements in Associate and Joint Venture

The fair value of Power Purchase Agreements is determined using the discounted cash flow methodology which reflects the present value of the difference in the contract price and long-term forecast electricity prices, which are not observable in the market. The valuation requires judgement and estimation of:

- Forward energy prices – These are estimated using an externally sourced forward energy curve which provides the estimated energy spot price in half hourly blocks for each day of the month for the relevant jurisdiction.
- Forecast generation volumes – Internally derived forecast generation data estimates the level of generation for each half hour time period to align with the forward energy curve on a P50 basis.
- Discount rate – The discount rate is based on the weighted average cost of capital for each entity that holds a Power Purchase Agreement.

4 Change in accounting policies and disclosures

4.1 Accounting for Power Purchase Agreements in Associate and Joint Venture

In light of evolving accounting interpretation, the Group, has re-assessed the accounting for Power Purchase Agreements (PPAs) which are entered into with third parties (electricity retailers) by its Associate, Kiata Wind Farm Pty Limited, and Joint Venture, Kennedy Energy Park Pty Limited.

Australian Power Purchase Agreements (PPAs) are entered into by project companies with third parties (electricity retailers) in order to ensure that the projects can sell electricity and related products at predetermined prices. It was previously determined that PPAs were contracts with customers for the physical delivery of these products, settled based on the quantity of electricity delivered. Therefore, the Group's Associate and Joint Venture recognised income as it was generated and the Windlab Group recognised its share of income through increasing the carrying amount of the investment in Associate and Joint Venture.

While the accounting standards that outline the measurement and presentation requirements for PPAs have not changed, there has been a reassessment of the accounting interpretation for these contracts across the industry. As the energy component of the PPAs are net settled with the Australian Energy Market Operator (AEMO), it has been concluded that the net payable/receivable from the third party offtaker should be accounted for as a derivative financial instrument in the financial statements of the Associate or Joint Venture. As such, the fair value of the instruments should be recorded as derivative asset or liability in the Associate or Joint Venture. Under current arrangements Large-Scale Generation Certificates (LGCs) are physically settled directly with the counterparty and therefore the change in policy does not apply to the LGC component of the PPAs.

Kennedy's PPA does not meet the requirements to be designated as a hedge under AASB 9 *Financial Instruments*, and is therefore accounted for as a derivative of fair value through profit and loss. This results in the movement in the fair value of the PPA being recorded through the profit or loss statement.

The relationship between Kiata's PPA and its exposure to fluctuating energy prices and production volumes meets the criteria as a qualifying hedge relationship, and is accounted for using hedge accounting. This results in the movement in the fair value of the PPA being recorded in other comprehensive income, rather than through the profit or loss statement.

As the Windlab Group applies equity accounting to its Associate, Kiata Wind Farm Pty Limited, and its Joint Venture, Kennedy Energy Park Pty Limited, this change in accounting for PPAs effects the following components of the Group's financial statements:

- Non-Current Assets – Investments accounted for using the equity method; and
- Accumulated Profit/(Loss) through the Statement of Profit or Loss as Share of Profit/(Loss) from Associate and Joint Venture.

The Group has restated each of the affected financial statement line items for the prior year, as detailed below:

Impact on Statement of Financial Position

December 2018	December 2018	Adjustment	Restated December 2018
	$	$	$
Non-Current Assets			
Investments accounted for using the equity method – Kennedy Energy Park	32,822,545	(9,254,178)	23,968,367
Total Assets	**61,137,472**	**(9,254,178)**	**51,883,294**
Non-Current Liabilities			
Deferred tax liability	3,735,441	(2,544,899)	1,190,542
Total Liabilities	**10,755,130**	**(2,544,899)**	**8,210,231**
Equity			
Accumulated (loss)	(3,021,667)	(6,709,279)	(9,730,946)
Total Equity	**50,382,342**	**(6,709,279)**	**43,673,063**

December 2017	December 2017	Adjustment	Restated December 2017
	$	$	$
Non-Current Assets			
Investments accounted for using the equity method – Kennedy Energy Park	32,049,386	(9,410,768)	22,638,618
Total Assets	**73,120,450**	**(9,410,768)**	**63,709,682**
Non-Current Liabilities			
Deferred tax liability	3,963,093	(2,823,230)	1,139,863
Total Liabilities	**16,173,908**	**(2,823,230)**	**13,350,678**
Equity			
Accumulated profit/(loss)	2,030,816	(6,587,538)	(4,556,722)
Total Equity	**56,946,542**	**(6,587,538)**	**50,359,004**

Further details on the impact on the Joint Venture investment is at Note 14(a).

Impact on the Statement of Profit and Loss

December 2018	December 2018	Adjustment	Restated December 2018
	$	$	$
Share of profit from associate and joint venture	1,915,807	156,590	2,072,397
EBITDA	**(6,674,946)**	**156,590**	**(6,518,356)**
(Loss) /Profit before tax	**(6,866,404)**	**156,590**	**(6,709,814)**
Tax benefit/(expense)	3,038,426	(278,331)	2,760,095
(Loss) for the period	**(3,827,978)**	**(121,741)**	**(3,949,719)**
Total comprehensive (loss) for the period, net of tax	**(4,180,789)**	**(121,741)**	**(4,302,530)**

December 2017	December 2017	Adjustment	Restated December 2017
	$	$	$
Share of profit from associate and joint venture	299,370	(9,410,768)	(9,111,398)
EBITDA	**15,524,952**	**(9,410,768)**	**6,114,184**
Profit/(Loss) before tax	**14,417,007**	**(9,410,768)**	**5,006,239**
Tax benefit/(Expense)	(4,912,534)	2,823,230	(2,089,304)
Profit/(Loss) for the period	**9,504,473**	**(6,587,538)**	**2,916,935**
Total comprehensive income/(loss) for the period, net of tax	**8,810,779**	**(6,587,538)**	**2,223,241**

5 New or revised Standards or Interpretations

The group has adopted the new accounting pronouncement which have become effective this year, and are as follows;

5.1 AASB 16 Leases

AASB 16 *Leases* replaces AASB 117 *Leases* along with three Interpretations (AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*). The Standard sets out the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group has applied the new Standard using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from AASB 117 and AASB Interpretation 4 and has not applied AASB 16 to arrangements that were previously not identified as a lease under AASB 117 and AASB Interpretation 4.

Nature of the effect of adoption of AASB 16

The Group has lease contracts for various items of property rented, vehicles and other equipment. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right of use assets and lease liabilities equal the lease assets and liabilities recognised under AASB 117). The requirements of AASB 16 were applied on these leases from 1 January 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the Standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedient wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exceptions to leases with a lease term that ends within 12 months at the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 7.8%.

The following is a reconciliation of total operating lease commitments at 31 December 2018 to the lease liabilities recognised at 1 January 2019:

	$
Total operating lease commitments disclosed at 31 December 2018	**710,061**
Recognition exemptions	
◆ Leases of low value assets	–
◆ Novated vehicle leases	(105,793)
◆ Leases with remaining lease term of less than 12 months	(51,595)
◆ Servicing commitments	(28,799)
Other adjustments relating to commitment disclosures	(82,486)
Total	**441,388**
Operating lease liabilities before discounting	441,388
Discounted using incremental borrowing rate	(35,921)
Operating lease liabilities	**405,467**
Total lease liabilities recognised under AASB 16 at 1 January 2019	**405,467**

The effect of adopting AASB 16 as at 1 January 2019 (increase/(decrease)) is, as follows:

	$
Assets	
Property, plant and equipment – right of use of asset	348,158
Total Assets	**348,158**
Liabilities	
Other payables – lease liability	(405,467)
Total Liabilities	**(405,467)**
Total Adjustment on Equity:	
Retained earnings	57,309
Total	**57,309**

5.2 Interpretation 23: Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB112 *Income Taxes*. It does not apply to taxes or levies outside the scope of AASB112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies judgement in identifying uncertainties over income tax treatments. Windlab has assessed whether the interpretation had an impact on its consolidated financial statements and has concluded it does not have an impact on the consolidated financial statements of the Group.

5.3 Other Pronouncements

Other accounting pronouncements which have become effective from 1 January 2019, and therefore been adopted do not have a significant impact on the Group's Financial results or position.

6 Revenue and Other Income

(a) Contracts with Customers

The Group generates revenue from the sale of projects, sales of services for project development, construction and asset management, royalties and dividends. The Group's primary revenue transactions involves sale of services, construction and asset management services.

	For the year ended December 2019				
	Asset Management Fees	Royalties	Consulting Income	Project Sales	Total
	$	$	$	$	$
Geographical Markets					
Australia	3,663,078	–	–	–	3,663,078
Southern Africa	–	363,521	17,070	–	380,591
Total revenue from contracts with customers	**3,663,078**	**363,521**	**17,070**	–	**4,043,669**
Timing of revenue recognition					
Services transferred over time	**3,663,078**	**363,521**	**17,070**	–	**4,043,669**

	For the year ended December 2018				
	Asset Management Fees	Royalties	Consulting Income	Project Sales	Total
	$	$	$	$	$
Geographical Markets					
Australia	2,913,364	–	98,037	–	3,011,401
Southern Africa	–	344,006	2,968	–	346,974
North America	–	–	–	130,201	130,201
Total revenue from contracts with customers	**2,913,364**	**344,006**	**101,005**	**130,201**	**3,488,576**
Timing of revenue recognition					
Goods transferred at a point in time	–	–	–	130,201	130,201
Services transferred over time	2,913,364	344,006	101,005	–	3,358,375
	2,913,364	**344,006**	**101,005**	**130,201**	**3,488,576**

There were no impairment losses recognised on receivables and contract assets arising from contract with customers.

The contract assets primarily relate to the Groups right to consideration for work completed but not billed at the reporting date on asset management services and royalties. The contract asset are transferred to receivable when the rights become unconditional, which usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from the customers for the asset management services during the construction of the project, for which revenue is recognised over time. At 31 December 2019, there was no amount to be recorded for the contract liabilities for asset management services (2018: $nil).

The following table provides information about receivables from contracts with customers.

	Note	2019 $		2018 $	
		Receivables, including Asset Management Fees	Royalties	Receivables, including Asset Management Fees	Royalties
Trade and other receivables	10	184,364	454,398	171,154	490,663

There were no impairment losses recognised on receivables arising from contracts with customers.

(b) Other income

	2019	2018
	$	$
Dividends	37,564	63,021
Research and Development tax incentive	790,477	324,871
Other grant revenue	275,812	7,306
Interest revenue	92,603	61,415
Gain on disposal of fixed asset	–	501
Foreign exchange gain	102,538	–
Other	79,078	56,671
Total other income	**1,378,072**	**513,785**

7 Expenses

	2019	2018
Project expenses	$	$
(a) Direct costs		
Project expenses	1,566,719	784,254
(b) General and administration expenses		
Employee expenses		
Salary and wages	6,514,939	4,553,088
Superannuation	458,289	397,502
Share based payments	589,006	515,316
Total employee expenses	**7,562,234**	**5,465,906**
Administration expenses		
Office and administration	2,650,258	2,190,728
Rental expense relating to operating leases	168,797	302,794
Foreign exchange loss	–	11,899
Total administration expenses	**2,819,055**	**2,505,421**
Total general and administration expenses	**10,381,289**	**7,971,327**
(c) Finance costs		
Interest expenses	727,339	342,484
Other finance costs	30,428	119,597
Capitalised finance costs	(557,133)	(407,068)
	200,634	**55,013**

8 Income Tax

	2019	2018
	$	$
(a) The components of tax expense comprise:		
Current tax expense	–	(2,805,411)
(Over) provision	(81,861)	–
Increase/(Decrease) in deferred tax asset	206,601	(112,895)
(Decrease)/Increase in deferred tax liability	(6,739,398)	158,211
Tax benefit	**(6,614,658)**	**(2,760,095)**
(b) Other comprehensive income		
Deferred tax related to items recognised in OCI during the year		
Share of other comprehensive income of equity accounted investments	271,217	–
(c) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	(18,311,523)	(6,709,814)
Tax at the Australian tax rate of 27.5% (2018: 27.5%)	(5,035,669)	(1,845,199)
Tax effect of amounts which are not deductible/(taxable) for tax:		
Other non-assessable income/non-deductible items	107,988	316,625
Share-based payments	161,977	141,672
	(4,765,704)	(1,386,902)
Write-off of inter company loan	–	(1,296,918)
(Over) provision for tax	(81,861)	–
Tax losses not recognised due to not meeting the probable criteria	(1,257,624)	891,831
Other assessable income	(362,355)	–
Difference in overseas tax rate	(22,628)	(49,111)
Prior year losses not previously brought to account utilised this year	(124,486)	(589,998)
Change in company tax rate	–	(328,997)
Income tax expense	**(6,614,658)**	**(2,760,095)**
(d) Tax losses and timing differences		
Unused tax losses for which no deferred tax assets has been recognised	14,916,663	8,257,311
Potential tax benefit	4,040,383	2,239,419
Timing differences for which no deferred tax assets have been recognised	–	–
Potential tax benefit	–	–

A deferred tax asset relating to temporary differences arising as a result of the translation of the loans to subsidiaries has not been recognised. The asset may be recovered if suitable taxable profits were to arise in foreseeable future.

	2019	2018
(e) Income tax payable		
Income tax payable	–	**577,349**

(f) Deferred tax asset

Movements	Accrued bonus $	Provisions $	Accrued expense $	Contract liability $	Other assets/ liabilities $	Investments $	Impairment of intercompany loan $	Carried forward losses $	Total $
At 1 January 2018	**215,777**	**176,016**	**67,483**	**49,152**	**–**	**–**	**1,515,115**	**778,079**	**2,801,622**
(Charged)/credited to the profit and loss statement	(116,959)	33,469	12,673	(34,293)	–	–	–	376,241	271,131
Change in tax rate	(16,431)	(12,291)	(3,254)	–	–	–	(126,260)	–	(158,236)
Foreign exchange movement	352	1,236	199	2,190	–	–	–	62,959	66,936
At 31 December 2018	**82,739**	**198,430**	**77,101**	**17,049**	**–**	**–**	**1,388,855**	**1,217,279**	**2,981,453**
(Charged)/credited to the profit and loss statement	79,096	42,917	11,286	(18,083)	–	–	–	(321,817)	(206,601)
Foreign exchange movement	761	468	295	174	–	–	–	8,516	10,214
Transfer to deferred tax liability	–	–	–	860	10,594	6,075,857	–	–	6,087,311
At 31 December 2019	**162,596**	**241,815**	**88,682**	**–**	**10,594**	**6,075,857**	**1,388,855**	**903,978**	**2,785,066**

	2019 $	2018 $
The balance comprises temporary differences attributable to:		
Accrued bonus	162,596	82,739
Provisions	241,815	198,430
Accrued expenses	88,682	77,101
Deferred revenue	–	17,049
Other assets/liabilities	10,594	–
Investments	6,075,857	–
Impairment of loan	1,388,855	1,388,855
Carried forward tax losses	903,978	1,217,279
Total deferred tax assets	8,872,377	2,981,453
Set-off of deferred tax liabilities pursuant to set-off provisions (Note 8(g))	(3,792,466)	(2,981,453)
Net deferred tax assets	**5,079,911**	–

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

8 Income Tax (continued)

(g) Deferred tax liability

Movements	Capitalised costs $	Prepay-ments $	Interest receivable $	Other assets/ liabilities $	Contract liability $	Investments $	Total $
At 1 January 2018	**(1,581,496)**	**(6,917)**	**(1,258,417)**	–	–	**(1,094,654)**	**(3,941,484)**
Charged/(credited) to the statement of comprehensive income	(299,026)	1,805	(163,620)	–	–	(419,873)	(880,714)
Change in tax rate	53,775	2,100	104,869	–	–	561,759	722,503
Foreign exchange movement	(72,453)	(9)	162	–	–	–	(72,300)
At 31 December 2018	**(1,899,200)**	**(3,021)**	**(1,317,006)**	–	–	**(952,768)**	**(4,171,995)**
(Charged)/credited to the profit or loss statement	(565,862)	(2,862)	(2,314)	10,594	–	7,299,842	6,739,398
Charged/(credited) to Equity	–	–	–	–	–	(271,217)	(271,217)
Foreign exchange movement	(5,040)	(15)	3,714	–	–	–	(1,341)
Transfer to/from deferred tax asset	–	–	–	(10,594)	(860)	(6,075,857)	(6,087,311)
At 31 December 2019	**(2,470,102)**	**(5,898)**	**(1,315,606)**	–	**(860)**	–	**(3,792,466)**

Deferred tax liability	2019 $	2018 $
The balance comprises temporary differences attributable to:		
Capitalised costs	(2,470,102)	(1,899,200)
Prepayments	(5,898)	(3,113)
Interest receivable	(1,315,606)	(1,317,006)
Other assets/liabilities	–	92
Contract liability	(860)	–
Fair value gains on loss of control of investments	–	(952,768)
Total deferred tax liability	(3,792,466)	(4,171,995)
Set-off of deferred tax assets pursuant to set-off provisions (Note 8(f))	3,792,466	2,981,453
Net deferred tax liability	–	**(1,190,542)**
Deferred tax liability to be settled within 12 months	–	–
Deferred tax liability to be settled after more than 12 months	–	(1,190,542)

9 Cash and Cash Equivalents

	2019 $	2018 $
Cash at bank and in hand	15,487,342	4,630,714
Short-term bank deposits	52,481	51,700
	15,539,823	**4,682,414**

The effective interest rate on short-term bank deposits was 0.92% (2018: 0.65%). These deposits are available on demand.

Cash held by Windlab East Africa is restricted for use within that entity. The cash balance to which this restriction applies is $12,043,694 (2018: nil).

Reconciliation of cash flow from operations with profit after income tax

	2019	2018
	$	$
(Loss) after income tax	(11,696,865)	(3,949,719)
Non-cash		
Depreciation	351,376	136,445
Amortisation of financial costs	63,754	–
Share of Profit from associate and joint venture	11,233,246	(2,072,397)
Share based payments	589,006	515,316
Other income	(37,564)	–
(Loss) on sale of fixed assets	–	(508)
Loss on loss of control of subsidiary	–	4,143,421
Foreign exchange differences	(50,565)	(12,402)
Change in assets and liabilities		
(Increase)/decrease in trade debtors	(344,471)	4,918
(Increase) in prepayments	(53,839)	(190,443)
(Decrease) in tax balances	(7,111,847)	(3,105,100)
(Increase)/decrease in other receivables	(698,615)	752,624
Increase in inventory	(2,742,704)	(5,358,042)
Increase/(decrease) in trade payables and accruals	56,311	(423,921)
Increase in contract liability	5,315	–
(Decrease)/increase in accrued interest	(33,862)	190,769
Increase in provisions	208,946	125,257
Cash flow (used in) operating activities	**(10,262,378)**	**(9,243,782)**

10 Trade and Other Receivables

	2019	2018
	$	$
Current		
Trade receivables from third party	20,933	32,069
Trade receivables from Associate and Joint Venture	355,842	–
Other receivables	818,150	886,901
Research & Development tax incentive	1,115,349	324,872
GST/VAT receivable	264,427	231,465
	2,574,701	**1,475,307**

At 31 December 2019 the Group has contract assets of $638,762 (2018: $661,817). The changes in balances of trade receivables and contract assets are disclosed in Note 6, while the information about credit exposures are disclosed in Note 26.

There was no credit losses of contract assets and receivables in 2019 (2018: $nil).

11 Inventory

	2019	2018
	$	$
Current		
Inventory – at cost	5,638,511	5,022,779
Non-Current		
Inventory – at cost	6,802,898	4,665,931
Total inventory	**12,441,409**	**9,688,710**
Current inventory		
Carrying amount at 1 January	5,022,779	6,987,513
Additions during the year	1,076,665	3,690,240
Transfer (to) non-current inventory	(834,718)	(1,338,934)
Disposal of subsidiary	–	(4,810,081)
Interest capitalised	373,785	266,854
Exchange differences	–	227,187
Carrying amount at 31 December	**5,638,511**	**5,022,779**
Non-current inventory		
Carrying amount 1 January	4,665,931	5,161,273
Initial adoption of AASB15	–	(2,941,307)
Additions during the year	1,104,314	807,035
Transfer from current inventory	834,718	1,338,934
Interest capitalised	183,348	140,214
Exchange differences	14,587	159,782
Carrying amount 31 December	**6,802,898**	**4,665,931**

The interest capitalisation rate for 2019 was 7.91% (2018: 8.26%).

No impairment was recorded during 2019 or 2018.

Inventory relating to a project in Tanzania has been reclassified from Current to Non-current due to delays in bid process of the project. These delays have created uncertainty about whether the project will be realised within 12 months.

North American projects are classified as non-current while Windlab implements it's exit strategy from the North American market.

Inventory relating to projects in South Africa was written down to nil in 2016. The South African Government's Renewable Energy Independent Power Producers Procurement Program (REIPPPP) has experienced significant delays in both announcing successful projects and seeing those projects reach financial close. These delays create material uncertainty about the likely timing of realisation of the Group's remaining South African projects, despite medium term market fundamentals supporting the projects' value. So long as this uncertainty persists the Company believes it is prudent to write–down all South African projects ($4,401,020). The Company will revisit this approach at each future balance date.

12 Property, Plant and Equipment

	2019 $			2018 $
	Buildings	Plant and equipment	Total	Plant and equipment
At cost	258,111	4,534,043	4,792,154	4,116,391
Accumulated depreciation	(134,667)	(3,696,930)	(3,831,597)	(3,524,199)
Total property, plant and equipment	**123,444**	**837,113**	**960,557**	**592,192**

Property, plant and equipment principally comprises wind monitoring equipment such as masts and SODARs, as well as office equipment. Also included are right of use assets of $123,444 related to leased properties that do not meet the definition of investment property (Refer to Note 5.1) and $52,174 related to leased motor vehicles.

Movements in carrying amounts

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the current financial year are shown below:

	2019 $		2018 $
	Buildings	Plant and equipment	Plant and equipment
Carrying amount at 1 January	–	**592,192**	**339,491**
Recognition of right of use asset on initial application of IFRS 16	258,111	90,047	–
Adjusted balance at 1 January 2019	**258,111**	**682,239**	**339,491**
Additions	–	367,560	379,454
Disposals	–	–	(556)
Depreciation expense	(134,667)	(216,709)	(136,445)
Exchange differences	–	4,023	10,248
Carrying amount at 31 December	**123,444**	**837,113**	**592,192**

13 Lease Liabilities

	2019 $	2018 $
Current	189,500	–
Non-Current	24,981	–
	214,481	–

The Group has a lease for the Canberra office and four Motor vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (Note 12).

Each lease generally imposes a restriction that the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Right-of-use asset	No of Right-of-use assets leased	Range of remaining term	Average remaining lease term	No Leases with extension options	No leases with termination options
Office buildings	1	6 months – 1 year	11 months	–	–
Cars	4	6 months – 3 years	16 months	–	4

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2019 were as follows:

	Minimum lease payments due				
	Within 1 year	1-2 years	2-3 years	3-5 years	Total
31 December 2019					
Lease payments	199,024	19,194	7,180	–	225,398
Finance charges	(9,524)	(1,187)	(206)	–	(10,917)
Net Present Value	**189,500**	**18,007**	**6,974**	–	**214,481**

13 Lease Liabilities (continued)

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2019
	$
Short-term leases	207,831

Short-term leases include office rents of less than 1 year ($162,620), car parking of less than 1 year ($10,367) and novated lease payments ($34,844).

As at 31 December 2019 the group was committed to short-term leases and the total commitment at that date was $106,602.

Total cash outflow for leases for the year ended 31 December 2019 was $401,775 (2018: $372,296).

Additional information on the right of use assets by class of assets is as follows:

	Carrying Amount (Note 12)	Depreciation expense	Impairment
	$	$	$
Buildings	123,444	134,667	–
Plant and equipment	52,174	37,873	–
Total right of use assets	**175,618**	**172,540**	**–**

The right of use assets are included in the same line item as where the corresponding underlying asset would be presented if they were owned (Note 12).

14 Investments

	Consolidated Group	
	2019	2018 Restated*
Accounted For Using The Equity Method	$	$
Investment in joint venture – Kennedy Energy Park	11,870,621	32,822,545
Change in accounting policy for PPAs (Note 4.1) – Kennedy Energy Park	–	(9,254,178)
Investment in joint venture – Kennedy Energy Park	11,870,621	23,568,367
Investment in associate – Kiata Wind Farm	8,874,575	10,474,632
As at 31 December	**20,745,196**	**34,042,999**
At fair value		
Investment through OCI	**522,372**	**522,372**

* In light of evolving accounting interpretation, the Group, has re-assessed the accounting for Power Purchase Agreements (PPAs) which are entered into with third parties (electricity retailers) by its Associate, Kiata Wind Farm Pty Limited, and Joint Venture, Kennedy Energy Park Pty Limited. This has led to restatement from the December 2018 audited accounts. Refer to Note 4.1.

(a) Investment in joint venture – Kennedy Energy Park

The Group has one material joint venture, Kennedy Energy Park Holdings Pty Ltd ("Kennedy Energy Park").

Name of the joint venture	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interest held by the Group	
			31 December 2019	31 December 2018
Kennedy Energy Park Holdings Pty Ltd	Australia	Development, construction, and operation of Kennedy Energy Park	50%	50%

The investment in Kennedy Energy Park is accounted for using the equity method in accordance with AASB 128.

Summarised financial information for Kennedy Energy Park is set out below:

	2019	2018 Restated*
	$	$
Current assets[1]	3,131,903	26,091,315
Non-current assets[2]	142,627,120	138,357,753
As at 31 December	**145,759,023**	**164,449,068**
Change in accounting policy for PPA's – Tax movement	–	7,294,293
Non-current assets[2] (restated)	142,627,120	145,652,046
Total assets	**145,759,023**	**171,743,361**
Current liabilities	110,192,180	101,166,119
Change in accounting policy for PPA's – Derivative liability	–	1,403,649
Current liabilities[3] (restated)	110,192,180	102,569,768
Non-current liabilities	14,825,601	637,860
Change in accounting policy for PPA's – Tax movement	–	(637,860)
Change in accounting policy for PPA's – Derivative liability	–	25,036,860
Non-current liabilities[4]	14,825,601	25,036,860
Total liabilities	**125,017,781**	**127,606,628**

1. includes cash and cash equivalents of $2,462,468 (2018: $21,348,270), other receivables $669,435 (2018: $4,307,451) and prepayments $nil (2018: $435,594).
2. includes property, plant and equipment of $137,914,789 (2018: $138,357,753), deferred tax assets of $4,712,331 (2018: $7,924,293).
3. includes trade and other payables of $14,666,416 (2018: $7,378,908), Interest bearing liabilities of $84,563,061 (2018: $84,028,771), Deferred income of $9,758,440 (2018: $9,758,440), Derivative liabilities of $926,411 (2018: $1,403,649) and Lease Liabilities of $277,852 (2018: $nil).
4. includes derivative liabilities of $7,760,935 (2018: $25,036,860), lease liabilities of $4,966,480 (2018: $nil) and Decommissioning provision of $2,098,186 (2018: $nil).

14 Investments (continued)

(a) Investment in joint venture – Kennedy Energy Park (continued)

	2019	2018 Restated
	$	$
Profit/(Loss) after tax		
Revenue	42,791	3,654,104
Other income	75,770	124,413
Gain on derivative valuation	17,753,163	447,399
Interest Expenses	(75,770)	(124,413)
Operating Expenses	(7,033,345)	(1,292,057)
Corporate and Admin expenses	(2,180,950)	(91,397)
Impairment expense (Note 14(d))	(29,395,114)	–
Depreciation and amortisation	–	(61,624)
(Loss)/Profit for the year before tax	(20,813,455)	2,656,425
Tax expense	(2,581,935)	(796,928)
(Loss)/Profit for the year after tax	(23,395,390)	1,859,498
Total comprehensive (loss)/profit	**(23,395,390)**	**1,859,498**

The change in accounting policy for PPA's impacted the Statement of Profit or Loss.

A reconciliation of the above summarised financial information to the carrying amount of the investment in Kennedy Energy Park is set out below:

	2019	2018 Restated*
	$	$
Total net assets of Kennedy Energy Park	20,741,242	44,136,733
Proportion of ownership interest held by Group	50%	50%
Share (loss)/profit in JV	(11,697,695)	929,749
Proportion of net assets held in Kennedy Energy Park	10,370,621	22,068,367
Fair value on loss of control	1,500,000	1,500,000
Carrying value of interest in Kennedy Energy Park	**11,870,621**	**23,568,367**

Kennedy Energy Park is a Private Company; therefore no quoted market prices are available for its shares.

(b) Investment in associate – Kiata Wind Farm

The Group has a 25% (2018: 25%) equity interest in Kiata Wind Farm Holdings Pty Ltd (which owns 100% of Kiata Wind Farm Pty Ltd). The investment in Kiata Wind Farm Holdings Pty Ltd is accounted for using the equity method in accordance with AASB 128. The share of profit for the period was $464,499 (2018: $1,142,648).

A reconciliation of the below summarised financial information to the carrying amount of the investment in Kiata Wind Farm is set out below:

	2019	2018
	$	$
Opening investment in Kiata Wind Farm Holdings Pty Limited	10,474,632	11,588,617
Proportion of ownership interest held by Group	25.00%	25.00%
Share of distributions from associate	(1,078,311)	(2,110,776)
Share of other comprehensive income	(986,245)	(145,857)
Share of profit in associate	464,499	1,142,648
Carrying value of interest in Kiata Wind Farm	**8,874,575**	**10,474,632**
Current assets	4,221,097	5,691,251
Non-current assets	73,467,313	73,785,562
Current liabilities	4,538,419	5,451,929
Non-current liabilities	50,148,190	44,617,604
Revenue	11,085,807	15,848,611
Net Profit after tax	1,857,998	4,570,592
Other comprehensive income	(3,944,984)	(521,503)
Total comprehensive profit	**(2,086,984)**	**4,049,089**

(c) Investment at Fair Value – Coonooer Bridge Wind Farm

During 2019, $37,564 (2018: $63,021) of distributions from Coonooer Bridge Wind Farm were recorded as dividend revenue by the Group.

(d) Impairment of Joint Venture Assets

Kennedy Energy Park Pty Ltd and Kennedy Energy Park Holdings Pty Ltd Group ("Kennedy") assesses impairment, consistent with the Group policies, on an annual basis. Impairment testing is undertaken by comparing the carrying and recoverable amounts and losses are recognised when carrying amounts are higher than recoverable amounts. Recoverable amounts are determined as the higher of value-in-use or fair value less costs to sell.

In 2019, the Kennedy Energy Park Pty Ltd and Kennedy Energy Park Holdings Pty Ltd Group ("Kennedy") recognised an impairment loss of $29,395,114. The impairment is a result of movements in electricity price forecasts, as well as uncertainty around the timing of reaching commercial operations and the outcome of the dispute with the EPC contractor. These latter uncertainties have been reflected in the impairment model by increasing the discount rate used to discount the estimated future cash flows. This impairment was recognised in Kennedy's statement of profit or loss as an impairment expense. As part of its equity accounting, Windlab then recognised 50% of this impairment, i.e., $14,657,557 as part of recognising its share of profit or loss of the joint venture for the period.

The impairment reflected the write down of a cash-generating unit ("CGU"), owned by Kennedy, to its recoverable amount. The Kennedy CGU consists of the wind turbine generators, solar PV generators and battery energy storage system. The recoverable amount was calculated as its value-in-use amount. Value-in-use is calculated by estimating and discounting future cash flows of Kennedy's operating assets over their estimated economic useful life to their present value using a rate that reflects current market assessments of the time value of money and risks specific to the CGU.

14 Investments (continued)

(d) Impairment of Joint Venture Assets (continued)

Significant estimate and judgement about uncertain factors are required in forecasting the CGU's discounted future cash flows. The values assigned to the key assumptions represent an assessment of future trends and are based on both external and internal sources. Changes in the key assumptions on which the recoverable amount of the cash-generating unit was based may cause the impairment expense to be higher or lower than that recorded.

The calculation of value-in-use undertaken by Kennedy in relation to its CGU is most sensitive to the following assumptions:

- Generation volumes
- Forward energy and LGC prices
- Loss factors
- Commercial operations date
- The outcome of the EPC contractor dispute
- Discount rate

Generation volumes

Generation volume assumptions are based on P50 energy assessments of both the wind and solar generation components of the energy park sourced from a third-party expert. Third party expert assumptions have been used for the estimation of all expected energy losses to the point of the grid connection. Annual energy production is initially assumed as 214GWh/annum (net of losses), with declines in forward production periods applied based on the third-party expert's views on expected energy yield reductions attributable to aging of the plant.

Forward energy and Large-scale Generation Certificate ("LGC") prices

Energy and LGC pricing assumptions used in the valuation have been sourced from a third-party expert. Time weighted average pricing has then been adjusted to a Kennedy Energy Park specific production profile, taking into account the expected time of day and seasonal production of the plant. Energy and LGC pricing assumptions are key drivers of the CGU's revenue. Kennedy Energy Park has offtake arrangements which fix a portion of the power and LGC components of revenue. The future cash flows used in the discounted cash flows analysis are calculated on a "merchant" basis excluding the impacts of any offtake arrangements as this is accounted for separately.

Loss factors

Energy loss factors are multipliers which are used to scale energy generation volumes to account for energy losses in the transmission and distribution networks. The cash flows are based on the actual loss factors published by the Australian Energy Market Operator ("AEMO") for 2020 and forecast loss factors for future periods based on technical due diligence performed by a third-party expert during the development of the CGU.

Commercial operations date

The CGU is expected to reach commercial operations date ("COD") and maximum generation capacity in mid-2020. The estimated economic life of the CGU is 25 years from COD. Due to underperformance by the EPC contractor, there has been significant delays in reaching commercial operations to date, and these have been factored into the current impairment assessment, and risk remains of further delay. Any change in timing assumptions for further delays of the completion of construction would result in further impairment to the CGU due to a postponement in revenue and increased costs the longer the project is delayed. This has been factored into the value-in-use calculation through the addition of an uncertainty premium added to the discount rate.

EPC contractor dispute

As at balance date, Kennedy is in a contractual dispute with the EPC contractor. The dispute is related to underperformance by the EPC contractor resulting in extensive delays to reaching COD. The delays have led to Kennedy issuing Delay Liquidated Damages ("DLDs") invoices to the contractor totalling $13,600,212 and invoices for reimbursement of indemnified costs totalling $2,879,656. The contractor did not pay any of those invoices. On 30 September 2019, the EPC contractor issued a payment claim for variations of scope, extensions of time and a reversal of the DLDs and reimbursements. Kennedy rejected the claim which led to an adjudicator being appointed under the Queensland Building Industry Fairness Act to assess the claim. In February 2020, the adjudicator determined that a payment of $23,791,032 was due by Kennedy to the EPC contractor. This was made up of milestones deemed completed ($949,740), variations and extensions of time ($6,361,423), and reversal of DLDs and reimbursables ($16,479,869).

Kennedy and the EPC contractor entered into a standstill agreement on 12 February 2020 under which the parties agreed to temporarily cease taking action to further their claims in order to confer in good faith and work collaboratively to seek to achieve COD of the project and resolve the disputed claims. The agreement expires on 30 April 2020. The standstill agreement included agreement that repayment of DLDs and reimbursable costs was to be effected by reversing those invoices in Kennedy's books, and that no payment would be required for these amounts. As such, the discounted cashflows used to calculate the value-in-use included the additional variations and extensions of time payment ($6,361,423) and milestones deemed completed ($949,740) as directed by the adjudicator, and no receipt of DLDs or reimbursable expenses from the contractor. The outcome of the contractor dispute could have significant impact on the project. As such, an uncertainty premium has been added to the discount rate used in the value-in-use calculation to take into account this risk.

Despite this, Kennedy maintains a contractual right to receive payment and therefore has disclosed a contingent asset of $16,479,869. Cashflows related to the contingent asset have not been included in the value-in-use calculation. The directors note that if this amount is recovered from the contractor a corresponding increase in the carrying value of the project may be recognised in the future.

Discount rate

In determining the value-in-use for the CGU, the cash flows were discounted at a post-tax rate of 7.4% (2018: 5.5%). The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Kennedy and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived with reference to a comparable project currently in development. Recent equity offers have been used to benchmark the current expected return on investment by prospective investors. The cost of debt is calculated by applying a margin to the current 10-year BBSY forward curve.

The uncertainty surrounding the timeline and costs in reaching COD, variability in loss factors and the outcome of the contractor dispute can all have a significant impact on the project. As such, the discount rate has been adjusted to include an uncertainty premium to take such risk into account when calculating the recoverable amount and determining the impairment required. Excluding the risk premium, the post-tax discount rate was 6.2%. A risk premium of 1.2% was added to arrive at the discount rate of 7.4% used in the model.

Further risks – Kennedy Going Concern

The management of Kennedy have prepared the value-in-use calculation on a going concern basis. There are two key risks to the going concern assumption, the extension of the senior debt facility review event, and the expiry of the senior debt facility. If there is an adverse outcome to either of these factors, there would be a material uncertainty on Kennedy's ability to continue as a going concern. Based on an assessment of these factors, the Directors of Kennedy have determined that the going concern assumption is appropriate. If Kennedy is unable to pay its debts as and when they fall due and payable, the Group's investment in Kennedy may be further partially or fully impaired.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

14 Investments (continued)

(d) Impairment of Joint Venture Assets (continued)

Further risks – Kennedy Going Concern (continued)

Kennedy's unaudited financial statements include the following note disclosure which provides context to the factors considered by the management of Kennedy in concluding that the going concern assumption is appropriate:

"Going Concern

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. There are two material uncertainties that cast doubt on the entity's ability to continue as a going concern.

1. ***Extension of the senior debt facility review event***

   The project's debt facility is subject to a Review Event which expires on 30 April 2020. This Review Event has been in place due to a shortfall in the project's cost to complete when calculated using the strict definitions found in the facility agreement. The review event has been extended on multiple occasions, principally due to the fact that the project is not expected to face a cash shortfall if it is completed as expected. If the review event is not cured or extended the lender may determine that the full balance of the debt is immediately due.

   The Directors of [Kennedy] are of the opinion that the company will be able to cure or extend the review event to the expected project completion date and have reached this conclusion based on detailed cash flow forecasts for the next twelve months. The Directors cash flow forecasts consider a combination of the following strategies in order to manage the review event:

   - *Completing the project in the ordinary course of business*
   - *Applying the proceeds of a capital raising to cure any cash shortfall arising. The shareholders of [Kennedy] have agreed in principle to a shareholder loan to meet [Kennedy's] working capital requirements through to completion and are currently negotiating the key terms of the agreements.*
   - *Renegotiating debt terms with the senior lender, including extension of the review event expiry date, interest payments, and facility limits.*
   - *Prosecuting [Kennedy's] contractual and legal rights in respect of the contractual dispute to the full extent, including recovery of damages and calling on securities provided by the contractor, which total $13.6m. The contractor has also shown it is willing to negotiate a resolution to the dispute in good faith and has made a commercial offer to settle. Negotiations will continue during the standstill agreement period.*

2. ***The expiry of [Kennedy's] senior debt facility***

   [Kennedy's] senior debt facility expires two months prior to the sunset date of the project's offtake agreement. This sunset date is currently 31 December 2020, and hence the facility expiry is 31 October 2020. If the facility expires without extension the project's lenders can determine that the full balance of the debt is immediately due.

   The Directors of [Kennedy] are of the opinion that the company's debt facility will not expire and have reached this conclusion based on detailed cash flow forecasts for the next twelve months. The Directors cash flow forecasts consider a combination of the following strategies in order to manage the potential expiry of the facility:

   - *Completing the project in the ordinary course of business. The project is planned for completion in mid-2020, well before the expiry of the facility agreement.*
   - *If there is a delay to the expected completion date, [Kennedy] will seek an extension to the offtake sunset date from CS Energy.*
   - *If there is a delay to the expected completion date and [Kennedy] is unable to extend the offtake agreement, [Kennedy] will renegotiate the debt terms, including deferral of the expiry date, and, if required, resizing of debt on a merchant basis. Such renegotiation may include either or both of the project's senior lender and ARENA.*

Having given due consideration to the above uncertainties, and the strategies in place to mitigate those uncertainties, the Directors are of the opinion that the company will be able to pay its debts as and when they fall due. Based on this, the Directors believe the use of the going concern basis of accounting is appropriate.

In the scenario that [Kennedy] is not able to realise the strategies above when required, there is a material uncertainty that may cast significant doubt upon [Kennedy's] ability to continue as a going concern and whether it will be able to realise its assets and extinguish liabilities other than in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability and classification of recorded assets nor to the amount and classification of liabilities that might be necessary should [Kennedy] not continue as a going concern."

If Kennedy is unable to pay its debts as and when they fall due and payable, the Group's investment in Kennedy may be further partially or fully impaired.

15 Trade and Other Payables

	2019	2018
	$	$
Current – unsecured liabilities		
Trade payables	569,237	1,555,470
GST/VAT payable	130,071	74,562
Accrued expenses	964,636	553,383
Other current liabilities	248,030	232,217
	1,911,974	**2,415,632**

16 Interest Bearing Liabilities

	2019	2018
	$	$
Current – secured liabilities		
Senior debt – CEFC	3,195,569	607
Non-current – secured liabilities		
Senior debt – CEFC	6,645,301	3,030,689

The Group has one debt facility at the reporting date being a corporate debt facility with the Clean Energy Finance Corporation (CEFC).

Corporate debt facility

In June 2019 the terms and tenure of the existing corporate debt facility with The Clean Energy Finance Corporation ("CEFC") were amended. The facility was originally established in April 2016. Under the amended corporate debt facility, the facility has been increased to $10m and the maturity date has been extended until 16 June 2022 and subject to certain conditions may be repaid periodically from 30 September 2019 or at maturity.

Fair value of interest bearing liabilities

The fair values of the interest bearing liabilities are approximately equal to their carrying values. The fair value of loans are classified at level 2 in the fair value hierarchy and are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risks and remaining maturities.

17 Contract Liabilities – Deferred Revenue

	2019	2018
	$	$
At 1 January	–	603,166
Revenue received	684,339	–
Utilised assets and inventory	(403,240)	–
Released to the statement of profit or loss	(275,812)	(603,166)
At 31 December	**5,287**	**–**

Deferred revenue relates to Grant income.

The Australian Renewable Energy Agency (ARENA) issues grants for Renewable Energy projects of which the Group received $359,567 (2018: nil).

Seed Capital Assistance Facility (SCAF) issues grants for development of low-carbon projects in developing countries for which the company claims in relation to the Tanzania project. During 2019, the Company received $324,772 (2018: $nil) from SCAF and has $5,287 left to utilise.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

18 Employee Benefit Liabilities

	2019	2018
	$	$
Current		
Annual leave	541,380	419,456
Long service leave	229,873	109,786
Bonus provision	584,578	293,552
	1,355,831	**822,794**
Non-current		
Long service leave	109,971	172,618
	109,971	**172,618**

Analysis of employee benefit liabilities	Annual leave	Long service leave	Bonuses	Total
	$	$	$	$
At 1 January	419,456	282,404	293,552	995,412
Charged to the P&L	537,029	57,440	722,845	1,317,314
Utilised	(415,105)	–	(431,819)	(846,924)
At 31 December	**541,380**	**339,844**	**584,578**	**1,465,802**

19 Issued Capital

	2019	2018	2019	2018
Ordinary shares	$	$	Number	Number
At 31 December	53,703,322	53,493,393	67,623,402	67,209,092
Exercise of employee options	227,295	209,929	554,948	404,310
Shares issued to employees	–	–	34,236	10,000
	53,930,617	**53,703,322**	**68,212,586**	**67,623,402**

Ordinary Shares

The holders of ordinary shares are entitled to participate in dividends as declared from time to time, and the proceeds on winding up of the Company. On a show of hands at meetings of the Company each holder of ordinary shares has one vote in the person or by proxy, and upon a poll each share is entitled to one vote.

	2019	2018	2019	2018
	$	$	Number	Number
Warrants				
At 31 December	–	–	1,410,668	1,410,668
	–	**–**	**1,410,668**	**1,410,668**

All Series A Preference and "in-the-money" Warrants were converted to ordinary shares immediately prior to the IPO. "At-the-money" warrants persist on their original terms, but split 4:1 in line with the Company's ordinary shares.

Number of Warrants (each Warrant is exercisable into one ordinary share)	Exercise price of Warrants	Expiry date of Warrants
300,000	$2.00	4 May 2020
256,484	$2.00	30 June 2020
854,184	$2.00	1 April 2021

19 Issued Capital (continued)

Capital Management

Capital of the Group is managed in order to safeguard the ability of the Group to continue as a going concern, to provide returns for Shareholders, benefits for other stakeholders and to maintain an optional capital structure. The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the consolidated statement of financial position plus net debt.

There are externally imposed capital requirements by the Senior Debt provider.

20 Reserves

	2019	2018
	$	$
Reserves		
Share based payment reserve	1,227,901	716,422
Foreign currency translation reserve	(698,490)	(924,599)
	529,411	**(208,177)**
Movements:		
Share based payment reserve		
At 1 January	716,422	655,387
Transfer of expired options to retained earnings	(32,232)	(286,932)
Transfer of exercised options to share capital	(45,295)	(167,349)
Employee share plan expense	589,006	515,316
At 31 December	**1,227,901**	**716,422**
Foreign currency translation reserve		
At 1 January	(924,599)	(300,424)
Initial adoption of AASB 15	–	(301,361)
Foreign exchange reserve transferred to profit and loss	–	(666,660)
Exchange differences on translation of foreign operations	226,109	343,846
At 31 December	**(698,490)**	**(924,599)**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

21 Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2019	2018
	$	$
Balance sheet		
Current assets	5,353,339	5,533,610
Total assets	**52,394,432**	**44,957,701**
Current liabilities	(5,111,312)	(1,799,091)
Total liabilities	**(15,582,010)**	**(7,957,085)**
Equity		
Issued capital	53,885,322	53,703,322
Accumulated losses	(18,300,800)	(17,419,128)
Share based payment reserve	1,227,900	716,422
Total equity	**36,812,422**	**37,000,616**
Profit for the year	**(2,877,849)**	**(1,824,478)**
Total comprehensive profit	**(2,877,849)**	**(1,824,478)**

(b) Contingent liabilities and assets of the parent entity

The parent has no contingent liabilities or assets.

22 Contingencies

Contingent Assets

The Group has a contingent asset related to its joint venture, Kennedy Energy Park's ("Kennedy") contractual right to receive payment from the EPC contractor for Delay Liquidated Damages (DLDs) and reimbursable costs. The Kennedy is currently in a contractual dispute with the EPC contractor due to underperformance by the contractor resulting in significant delays to reaching commercial operations. Kennedy and the Contractor entered into a standstill agreement which continues until 30 April 2020 under which the parties agreed to temporarily cease taking action to further their claims in order to confer in good faith and work collaboratively to seek to achieve commercial operations and resolve the disputed claims. Despite this, the Kennedy maintains a contractual right to receive payment from the EPC contractor for DLDs and the reimbursement of indemnified costs and has disclosed a contingent asset of $16,479,869 accordingly, of which Windlab's share is 50%.

Contingent Liabilities

There were no contingent liabilities as at 31 December 2019.

23 Events After the Reporting Date

Significant events after balance date

Kennedy Energy Park Joint Venture

Subsequent to the release of Windlab's Preliminary Report for the Year Ended 31 December 2019 on 28 February, the following events have occurred in relation to Kennedy Energy Park joint venture, of which Windlab has a 50% interest.

- On the 12 March 2020 Kennedy Energy Park agreed with its EPC Contractor to extend the stand-still agreement regarding the previous adjudication determination and the ongoing contractual dispute until the earlier of 30 April 2020 and the conclusion and execution of a settlement deed by the parties resolving all of the disputed claims.
- Kennedy Energy Park 's off take agreement with CS Energy has been extended to 31 December 2020 and formal documentation is being prepared.

- Kennedy Energy Park's senior debt facility review event has been extended to 30 April 2020. Formal documentation is being prepared for this extension.

Further details are disclosed at Note 14.

Scheme of Arrangement

Windlab announced to the market on 4 March 2020 that it has entered into a binding Scheme Implementation Agreement ("SIA") with Wind Acquisition 1 Pty Ltd, an investment vehicle of funds managed by Federation Asset Management Holdings Pty Ltd ("Federation") and Squadron Wind Energy Development Pty Ltd, an Australian based energy and natural resources developer and explorer privately owned by the Minderoo Group of Companies (together the "Consortium"). The Consortium will acquire 100% of the outstanding ordinary shares in Windlab by way of a Scheme of Arrangement ("Scheme"). Under the Scheme, Windlab shareholders would receive cash consideration of $1.00 per Windlab share subject to all applicable conditions being satisfied or waived and the Scheme being implemented.

The implementation of the Scheme is subject to certain conditions, including the approval of Windlab shareholders and the Court, no prescribed events, no material adverse change, no restraints and no material breach of warranty by Windlab or the Consortium.

Subject to the required approvals and the conditions of the Scheme being satisfied, the Scheme is expected to be implemented in late June.

Working Capital Facility

On the 30 March 2020, Windlab entered into a working capital facility with Federation Wind Acquisition Pty Ltd, an investment vehicle of Federation Asset Management Pty Ltd and Squadron Energy Pty Ltd, an Australian based energy and natural resources developer and explorer privately owned by the Minderoo Group of Companies (the "Lenders"). The Lenders have agreed to make funding of up to A$20 million available to Windlab for a term of three years from an initial drawdown and will be secured by a second ranking security over the assets of the Company. The loan is not conditional on Windlab Shareholders approving the Scheme as announced on 4 March 2020.

COVID-19 Impact

Windlab has considered the effects of COVID-19 on its business and believes that there is no material impact on its operations, assets values and impairment considerations. As the potential impacts of COVID-19 continues to evolve, management will continue to monitor the situation and the impact on the business.

There were no other events subsequent to the end of the financial year which requires adjustment.

Future developments and expected results

Based on increasing demand for renewable generation capacity in the Group's key markets, there is expected to be further opportunity for the development of renewable energy generation projects and asset management services in these markets. The Group is continuing to develop renewable energy projects in Australia, Africa and North America, and to pursue asset management opportunities in Australia and South Africa. Given that these activities are currently in progress and are competitive in nature, the Group has not disclosed further details about the possible impact on the Group's business strategy and future prospects.

Environmental regulations and performance

The consolidated Group's operations are subject to environmental regulations, in particular relating to wind monitoring and wind farm project development. To respond to environmental regulatory risks, the consolidated Group requires that environmental risks associated with its activities are managed via legal registers, risk assessment protocols and environmental management plans.

The Directors are not aware of any material non-compliance issues during the period covered by this Report.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

24 Related Party Transactions

(a) Subsidiaries

Interests in subsidiaries are set out below.

Controlled entities	Country of incorporation	Principal activity	Percentage owned	
Subsidiaries of Windlab Limited:			**2019**	**2018**
Windlab Asset Management Pty Ltd (Incorporated April 2015)	Australia	Asset management	100	100
Windlab Developments Pty Ltd (Incorporated December 2008)	Australia	Wind farm development	100	100
Windlab Project 01022 Pty Ltd ^^ (Incorporated December 2009) (Deregistered July 2019)	Australia	Wind farm development	–	100
Kennedy Wind Farm Holdings Pty Ltd ^^ (Incorporated April 2015)	Australia	Holding company	100	100
Kennedy Wind Farm Pty Ltd^^ (Incorporated May 2018)	Australia	Wind farm development	100	100
Lakeland Wind Farm Holdings Pty Ltd^^ (Incorporated April 2017)	Australia	Holding company	100	100
Lakeland Wind Farm Pty Ltd ^^ (Incorporated April 2017)	Australia	Wind farm development	100	100
Wind South Africa (Pty) Ltd ^	South Africa	Wind farm development	100	100
Windlab Developments South Africa Pty Ltd (Incorporated August 2008)	South Africa	Wind farm development	100	100
Amakhala Emoyeni RE Holdings (Pty) Ltd ^	South Africa	Holding company	100	100
Amakhala Emoyeni Renewable Energy (Pty) Ltd ^	South Africa	Wind farm development	100	100
Emoyeni Wind Energy (Pty) Ltd ^	South Africa	Wind farm development	100	100
Emoyeni Wind Farm Project (Pty) Ltd ^	South Africa	Holding company	100	100
Emoyeni Wind Farm Renewable Energy (Pty) Ltd ^	South Africa	Wind farm development	100	100
Emoyeni Wind Farm South Africa Pty Ltd ^	South Africa	Wind farm development	100	100
Emoyeni Wind (Pty) Ltd ^	South Africa	Wind farm development	100	100
Special Wind Project (Pty) Ltd ^	South Africa	Wind farm development	100	100
Special Energy Project (Pty) Ltd ^	South Africa	Wind farm development	100	100
Windlab Africa (Pty) Ltd (Incorporated May 2015)	South Africa	Wind farm development	75	100
Windlab East Africa Holdings (Pty) Ltd (Incorporated February 2019)	South Africa	Holding company	75	–
Windlab Developments Tanzania Limited** (Incorporated September 2014)	Tanzania	Wind farm development	100	100
Windlab Tanzania SPV1 Limited*** (Incorporated August 2015)	Tanzania	Wind farm development	100	100
Windlab Developments Kenya Limited** (Incorporated July 2017)	Kenya	Wind farm development	100	100
Windlab Developments USA LLC (Incorporated January 2008)	USA	Wind farm development	100	100
Verdigre Wind LLC *	USA	Holding company	100	100
Verdigre Land and Wind Partners LLC *	USA	Wind farm development	51	51
Star City Wind Park LLC *	USA	Wind farm development	100	100
Big Plains Wind LLC *	USA	Wind farm development	100	100
Heartstrong Wind LLC *	USA	Wind farm development	100	100

^^ Interest held indirectly via Windlab Developments Pty Limited
* Interest held indirectly via Windlab Developments USA LLC
** Interest held indirectly via Windlab Africa (Pty) Ltd
^ Interest held indirectly via Windlab Developments South Africa Pty Ltd
*** Interest held indirectly via Windlab Developments Tanzania Limited

(b) Other investments

Interests in joint arrangements, associates and investments are set out below:

			Percentage owned	
			2019	2018
Coonooer Bridge Wind Farm Pty Ltd (Incorporated October 2012)	Australia	Wind farm operations	3.5	3.5
CBWF Holdings Pty Limited (Incorporated August 2014)	Australia	Holding company	3.5	3.5
Kennedy Energy Park Holdings Pty Ltd (Incorporated September 2017)	Australia	Holding company	50	50
Kennedy Energy Park Pty Limited (Incorporated April 2015)	Australia	Energy park operations	50	50
Kiata Wind Farm Holdings Pty Ltd (Incorporated August 2015)	Australia	Holding company	25	25
Kiata Wind Farm Pty Ltd (Incorporated August 2015)	Australia	Wind farm operations	25	25

The above investment interests are held indirectly via Windlab Developments Pty Ltd

(c) Key management personnel compensation

	Short-term benefits	Other long-term benefits	Post-employment benefits	Share based payments	Total
	$	$	$	$	$
2019					
Total compensation	915,227	19,595	44,901	74,595	1,054,318
2018					
Total compensation	952,782	3,466	54,207	186,170	1,196,625

All directors of the parent entity are paid by Group Entities for services provided as a director. Number of key management personnel in Group: six (2018: six).

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

(d) Transactions with related parties

	2019	2018
	$	$
Key management personnel of the Group		
Non-recourse loan	133,123	123,845
Other transactions		
Management fees charged to joint venture, associate and investment entities	2,082,742	1,186,796

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

24 Related Party Transactions (continued)

(e) Loans with related parties

On 30 March 2020, Windlab entered into a working capital facility with Federation Wind Acquisition Pty Ltd , an investment vehicle of Federation Asset Management Pty Ltd (a substantial shareholder of Windlab) and Squadron Energy Pty Ltd, an Australian based energy and natural resources developer and explorer privately owned by the Minderoo Group of Companies (the "Lenders"). The working capital facility has a limit of $20 million, which is available to Windlab for a term of three years from an initial drawdown and will be secured by a second ranking security over the assets of the Company. Under the terms of the loan:

- Interest will be at the rate of 15% per annum, which will reduce to 8.0% per annum once shareholder approval of the security is granted.
- Interest will accrue quarterly to be paid on a pay-if-you-can basis, provided that all accrued but unpaid interest must be paid on the maturity of the loan. To the extent interest is not paid, it will capitalise on the outstanding principal balance and capitalised interest will accrue further interest.
- The loan is repayable quarterly from excess cashflow, following repayment of senior principal and interest, and after allowing 12 months' working capital.
- The loan must be repaid in full on change of control other than to the lenders.
- Windlab must not declare or make or pay any dividend or other distributions while any amount is outstanding in respect of the Loan.

25 Auditor's Remuneration

During the year, the following fees were paid or payable for services provided by the auditors of the parent entity, and other entities within the consolidated group:

	2019	2018
	$	$
i. Audit services		
Grant Thornton Australia	228,555	214,275
Grant Thornton South Africa	–	7,751
ii. Other Services		
Grant Thornton Corporate Finance	15,000	29,929
Grant Thornton Australia – Taxation	–	36,000

26 Financial Risk Management

Overview

The Group's principal financial instruments comprise receivables, payables, loans, cash and short-term deposits.

The Group has exposure to the following risks from its use of financial instruments:

- interest rate risk;
- currency risk;
- credit risk; and
- liquidity risk.

Different methods are used by the Group to measure and manage different types of risks to which it is exposed. These include:

- monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange;
- ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk; and
- monitoring levels of liquidity risk through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Board. The overall objective is to support the delivery of the Group's financial targets whilst protecting future financial security.

The policies for managing each of these risks is summarised below.

Risk Exposures and Responses

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market interest rates relates primarily to the Group's cash, short term deposits and interest bearing loans.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian and African variable interest rate risk:

	2019	2018
	$	$
Financial Assets		
Cash and cash equivalents	15,539,823*	4,682,414
Financial Liabilities		
Interest bearing liabilities	9,840,870	3,031,296

* $12,043,694 is restricted for use within Windlab East Africa (2018: $nil).

The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, interest rates and the mix of products.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. At 31 December 2019, if interest rates had moved had moved 5 basis points, with all other variables held constant, post tax profit would have been affected as follows:

	Effect on Profit before Tax Higher/(Lower)	
	2019 $	2018 $
Consolidated		
+0.50% (50 basis points)	28,495	8,256
– 0.50% (50 basis points)	(28,495)	(8,256)

The larger fluctuations of profit in 2019 are due to significantly higher cash and cash equivalent of $15,539,823 held compared to 2018; (2018: $4,682,414), which has been partially offset by an increase in the debt facility.

Reasonably possible movements in interest rates used in the interest rate sensitivity analysis were based on forecast interest rate movements sourced from financial institutions.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian dollar (AUD). The currencies in which these transactions are primarily denominated are USD, ZAR, TZS, and KES.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates to address short-term imbalances.

26 Financial Risk Management (continued)

Risk Exposures and Responses (continued)

Currency risk (continued)

At 31 December 2019, the Group had the following exposure to foreign currency, denominated in the respective currencies:

	As at 31 December 2019 2019				As at 31 December 2018 2018				
	USD	ZAR	TZS	KES	CAD	USD	ZAR	TZS	KES
Financial Assets									
Cash and cash equivalents	8,482,140	800,237	1,000,000	934,316	51	63,039	652,930	1,000,000	10,000
Trade and other receivables	166,925	4,874,114	31,024,201	2,620,324	–	131,827	5,237,298	12,498,352	452,444
	8,649,065	5,674,351	32,024,201	3,554,640	51	194,866	5,890,228	13,498,352	462,444
Financial Liabilities									
Trade and other payables	226,025	1,351,776	2,835	1,511,922	–	51,717	2,185,300	15,926,303	1,415,454
	226,025	1,351,776	2,835	1,511,922	–	51,717	2,185,300	15,926,303	1,415,454
Net exposure	8,423,040	4,322,575	32,021,366	2,042,718	51	143,149	3,704,928	(2,427,951)	(953,010)

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date.

At 31 December 2019, had the Australian dollar moved 5%, with all other variables held constant, pre tax profit and equity would have been affected as follows:

	Effect on Profit before Tax Higher/(Lower)	
	2019 $	2018 $
Judgements of reasonably possible movements		
Increase in foreign exchange rate by 20% (2018: 10%)	2,504,005	55,336
Decrease in foreign exchange rate by 20% (2018: 10%)	(2,504,005)	(55,336)

The change of 5% was selected to reflect financial institutions' forecast of currency movement in the next 12 months.

The movements in profit/(loss) in 2019 is higher than that in 2018 due an increase in the level of USD cash and cash equivalents held from 2018.

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of historical movements and forecast exchange rate movements sourced from financial institutions.
- The reasonably possible movement was calculated by taking the foreign currency spot rate as at balance date, moving this spot rate by the reasonably possible movements and then re-converting the foreign currency into AUD with the new spot rate.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The credit risk is managed on a group basis. Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Financial Instruments and cash deposits

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions. In addition, the group does not hold collateral relating to other financial assets (e.g. derivative assets, cash and cash equivalents held with banks).

Trade and other receivables

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date which is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to secure its trade and other receivables. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The Group considers trade receivables to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a trade receivables to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cash flows.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the payment profile for sales over the past 48 months before 31 December 2019 as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 December 2019			**Trade receivables**			
			Past due days			
	Current	**< 30 Days**	**30-60 days**	**61- 90 days**	**> 91 days**	**Total**
Expected credit loss rate	0%	0%	0%	0%	0%	-
	$	**$**	**$**	**$**	**$**	**$**
Gross carrying amount	–	238,514	122,884	4,952	10,425	376,775
Life time expected credit loss	–	–	–	–	–	–

31 December 2018			**Trade receivables**			
			Past due days			
	Current	**< 30 Days**	**30-60 days**	**61- 90 days**	**> 91 days**	**Total**
Expected credit loss rate	0%	0%	0%	0%	0%	–
	$	**$**	**$**	**$**	**$**	**$**
Gross carrying amount	–	31,064	1,005	–	–	32,069
Life time expected credit loss	–	–	–	–	–	–

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Windlab management manages its assets and liabilities with liquidity in mind, and monitors future cash flows and liquidity. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

26 Financial Risk Management (continued)

Risk Exposures and Responses (continued)

Liquidity risk (continued)

Maturity analysis of financial assets and liabilities based on management's expectation

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. These assets and liabilities are considered in the Group's overall liquidity risk. Windlab management monitor's existing financial assets and liabilities to enable an effective controlling of future risks, and the following table reflects expectations of management of expected settlement of financial assets and liabilities.

As at 31 December 2019	Less than 6 months	6 to 12 months	1 to 2 years	2-5 years	Total Contractual Cash Flow	Carrying Amount
	$	$	$		$	$
Financial Assets						
Cash & cash equivalents	15,487,342*	52,481	–	–	15,539,823	15,539,823
Trade receivables and other receivables	2,574,701	–	–	–	2,574,701	2,574,707
Total	18,062,043	52,481	–	–	18,114,524	18,114,524
Financial Liabilities						
Trade & other payables	1,911,974	–	–	–	1,911,974	1,911,974
Interest bearing loans & borrowings	3,646,624	287,218	6,780,849	298,031	11,012,722	9,840,870
Total	5,558,598	287,218	6,780,849	298,031	12,924,696	11,752,844
Net maturity	12,503,445	(234,737)	(6,780,849)	(298,031)	5,189,828	6,361,680

* Cash held by Windlab East Africa is restricted for use within that entity. Cash balances to which this restriction applies is $12,043,694 (2018: nil).

As at 31 December 2018	Less than 6 months	6 to 12 months	1 to 2 years	Total Contractual Cash Flow	Carrying Amount
	$	$	$	$	$
Financial Assets					
Cash & cash equivalents	4,682,414	–	–	4,682,414	4,682,414
Trade receivables and other receivables	1,150,436	324,871	–	1,475,307	1,475,307
Total	5,832,850	324,871	–	6,157,721	6,157,721
Financial Liabilities					
Trade & other payables	2,415,632	–	–	2,415,632	2,415,632
Interest bearing loans & borrowings	110,142	113,277	3,276,522	3,499,941	3,031,296
Total	2,525,774	113,277	3,276,522	5,915,573	5,446,928
Net maturity	3,307,076	211,594	(3,276,522)	242,148	710,793

The Group monitors forecasts of liquidity reserves on the basis of expected cash flow so that positive liquidity coverage is maintained.

Fair value

The aggregate fair values of financial assets and liabilities approximate their book values.

27 Share-Based Payments

Pre IPO Employee Share Option Plan

The Pre-IPO Employee Share Plan was established prior to the Company's listing in August 2017. Options issued under the plan remain outstanding but no further options may be issued after 30 June 2017. Under the plan, participants were granted options which only vest if certain conditions are met. Participation in the plan was at the Board's discretion and no individual had a contractual right to participate in the plan or to receive any guaranteed benefits.

The options vest in the following instalments:

- Twenty five percent (25%) of the options vest one calendar year after the grant date; and
- The remainder of the options vest on or after the end of each month pro rata over the subsequent 36 months.

For the non-executive directors, earlier vesting periods may have been agreed. The options may not be exercised to any extent after the expiration date.

Current expiration dates range from 30 June 2018 to 30 June 2022. Options were granted under the plan for no consideration.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

The exercise price of options is determined by the Board on the grant date.

Fair value of these options were determined at grant date by incorporating all factors that knowledgeable and willing market participants would consider in setting the fair value. The fair value recognised each reporting period over the vesting period represents employee services in consideration for the equity instruments to be received in the future.

Prior to the IPO, a number of Options granted under the current ESOP were exercised by the holders. Windlab lent the consideration for exercise of the options to holders on the following terms:

- the loans will be for a maximum of 3 years;
- interest is payable on the loans at a rate equivalent to the benchmark interest rate published by the Australian Taxation Office; and
- the loans will be on a limited recourse basis.

In preparation for the IPO it was determined that a one-for-four share split should be implemented. This also resulted in an adjustment to the number of options on issue and their respective strike prices. Each option was replaced with four options each while the strike price of the new options was divided by four. This resulted in the equivalent value of options being retained on an aggregate basis for each option holder. This did not result in a change in share based payment expenses being recorded and the existing options will continue on the original profile while the employee remains in employment prior to exercise/expiry.

The fair values of options granted were determined using a Black-Scholes model that takes into account factors specific to the ESOPs, such as the vesting period. The following key assumptions were used in the valuation for the year ended 31 December 2017:

	Pre-IPO ESOP
Grant Date	21/2/2017
Share Price at date of Grant (note: estimated pre-IPO)	$0.44
Volatility	35%
Interest Rate	5%
Dividend Yield	0%

The underlying volatility was determined by reference to historical data of the Company's share price from the date of listing to 31 December 2017.

27. Share-Based Payments (continued)

Share options issued under pre IPO ESOP

Grant Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	Number	Number	Number	Number	Number	Number
8/07/2014 – 17/03/2015	30/06/2019	0.50	720,000	–	(720,000)	–	–	–
01/04/2016	30/06/2021	0.50	542,000	–	(12,000)	–	530,000	530,000
21/02/2017	30/06/2022	0.75	80,000	–	–	–	80,000	80,000
28/04/2017	30/06/2022	0.75	648,000	–	(24,000)	–	624,000	624,000
			1,990,000	**–**	**(756,000)**	**–**	**1,234,000**	**1,234,000**

Post IPO Employee Share Option Plan and Performance Rights Plan

Windlab has adopted a new employee share Option plan (ESOP) and new share performance rights plan (PRP). The rules of the New ESOP and New PRP are summarised as following:

- Options and Performance Rights may be granted to a full-time or part-time employee, a non-executive director, a contractor (40% full-time equivalent (FTE)) or a casual employee (40% FTE) of Windlab or any of its associated bodies corporate.
- Options are not granted if the shares to be received under the grant exceed either:
- 5% of the total number of issued Shares at the time of grant, but excluding offers under section 708 of the Corporations Act and offers under a disclosure document; or
- 10% of the total number of issued Shares at the time of grant.
- Each option entitles the participant to receive one ordinary share in Windlab and may be exercised on a cashless basis.
- An Option or Performance Right does not confer any rights to participate in a new issue of Shares by Windlab.
- An unvested Option or performance right lapses upon the first to occur of the following:
  - its expiry date;
  - any applicable performance condition not being satisfied prior to the end of any prescribed performance period;
  - a transfer or purported transfer of the option or performance right in breach of the rules;
  - 30 days following the day the participant ceases to be employed or engaged by Windlab or an associated body corporate by resigning voluntarily and not recommencing employment with Windlab or an associated body corporate before the expiration of that 30 days;
  - 30 days following the day the participant ceases to be employed or engaged by Windlab or an associated body corporate by reason of his or her death, disability or bona fide redundancy, or any other reason with the approval of the board and the participant has not recommenced employment with Windlab or an associated body corporate before the expiration of those 30 days, however the board has the discretion to deem all or any of the options or performance rights to have vested; or
  - termination of the participant's employment or engagement with Windlab or an associated body corporate on the basis the participant acted fraudulently, dishonestly, in breach of the participant's obligations or otherwise for cause.
- A vested but unexercised option or performance right lapses upon the first to occur of the following:
  - its expiry date;
  - a transfer or purported transfer of the option or performance right in breach of the rules; or
  - if Windlab's issued capital is reorganised (including consolidation, subdivision, reduction, or return), then the number of options and performance rights, the exercise price or both or any other terms will be reorganised in a manner determined by the board which complies with the Listing Rules.
  - Options and performance rights are not transferable otherwise than by transmission to a legal personal representative on the death of the participant or to the participant's trustee in bankruptcy on the bankruptcy of the participant.

The fair values of options granted were determined using a Black-Scholes model that takes into account factors specific to the ESOPs, such as the vesting period. The following key assumptions were used in the valuation for the years ended 31 December 2019 and 31 December 2018:

	Post-IPO ESOP	Post-IPO ESOP
	2019	2018
Weighted average share price ($)	1.47	1.47
Volatility	33%	33%
Interest Rate	5%	5%
Dividend Yield	0%	0%

The underlying volatility was determined by reference to historical data of the Company's share price.

Share options issued under post IPO ESOP

Grant Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Lapsed during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	Number	Number	Number	Number	Number
23/08/2017	1/12/2022	2.00	1,904,000	–	(96,000)	1,808,000	1,054,640
12/04/2018	12/04/2023	1.65	250,000	–	–	250,000	104,164
17/05/2018	30/06/2023	1.54	670,000	–	–	670,000	279,164
			2,824,000	**–**	**(96,000)**	**2,728,000**	**1,437,968**

Performance Based Payments

The Group granted Senior Executives during the year a performance rights as part of the Long-Term Incentive Plan.

Each vested performance right shall be automatically converted into one Ordinary Share on the vesting date subject to the performance hurdles. The performance hurdles of each vested tranche shall be tested against an absolute total shareholder return (TSR) compound annual growth rate for the period from the grant date to the vesting date.

Acknowledging the nature of the wind farm development business and the fact that project investments may take time to result in shareholder returns, where the relevant performance hurdles have not been met at 2nd or 3rd year anniversary of the grant date, the unvested portion may be reassessed at the 4th anniversary of the Grant Date based on the cumulative growth of the 4 year period.

None of the Performance Rights shall be exercisable unless a TSR of 15% pa has been achieved, after which, they are exercisable as follows:

Condition met	Vesting
2 years from the Grant Date	25% of the rights shall vest
3 years from the Grant Date	25% of the rights shall vest
4 years from the Grant Date	50% of the rights shall vest
Total Shareholder Return Per Annum Achieved of 15%	50%
Total Shareholder Return Per Annum Achieved For each 1% increment above 15% up to 25%	5%
Total Shareholder Return Per Annum Achieved of 25%	100%

27. Share-Based Payments (continued)

Performance Right Plan details

Grant Date	Expiry Date	Exercise price	Balance at start of the year	Granted during the year	Lapsed during the year	Balance at end of the year	Vested and exercisable at end of the year
		$	Number	Number	Number	Number	Number
28/03/2019	27/03/2023	–	–	472,860	–	472,860	–
12/04/2019	12/04/2023	–	–	88,350	–	88,350	–
		–	–	**561,210**	–	**561,210**	–

A Monte-Carlo simulation model is used to estimate the future share price taking the share price at each Grant Date and simulating this value forward to calculate a share price at the vesting dates. This share price is used to determine the Total Shareholder Return which determines the Performance Rights vesting percentage at each vesting date. The payout is discounted back to the Valuation Date.

The following tables list the inputs to the model used for the years ended 31 December 2019 and 2018:

	Tranche 1	Tranche 2
Grant Date	28 March 2019	12 April 2019
Share price on Grant date	$1.00	$1.00
Vesting Date	27–Mar-21	11–Apr-21
	27-Mar-22	11–Apr -22
	27-Mar-23	11–Apr -23
Dividend Yield	0%	0%
Risk Free Rate	1.44% 2 year zero coupon rate	1.48% 2 year zero coupon rate
	1.40% 1 year forward, 2 years from Grant date	1.40% 1 year forward, 2 years from Grant date
	1.41% 1 year forward, 3 years from Grant date	1.58% 1 year forward, 3 years from Grant date
Volatility	46.09%	46.12%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the shares is indicative of future trends, which may not necessarily be the actual outcome. The dividend yield assumption of 0% reflects the boards opinion that it will not be paying dividends for the foreseeable future.

28 Non-Controlling Interest

Investment in Windlab East Africa (Pty) Ltd – Non-Controlling Interest

On 25 February 2019, Windlab Limited entered into an agreement with Eurus Energy Holdings Corporation (Eurus) in which Eurus subscribed for 25% of the shares in Windlab East Africa (Pty) Ltd (WEA) for USD$10.0m. WEA holds the rights to existing and future development projects in Ethiopia, Kenya, Tanzania, Zambia, Uganda, Rwanda, Burundi and Malawi. Following satisfaction of conditions precedent, including the completion of corporate structuring and statutory filings and approvals, the transaction was completed on 20 March 2019.

The Group considers that it controls Windlab East Africa (Pty) Ltd (WEA) as it controls the Board of Directors of that entity. Certain reserved matters require approval of the minority director or the minority shareholder, but the Group considers that these rights are protective rather than substantive and do not provide the minority shareholder with control.

With its 25% shareholding in WEA, Eurus has the right to proportional Board representation of WEA, customary minority protections and a first right to provide equity on competitive terms for the construction of the projects in these countries. As the Windlab Group has the ability to direct the relevant activities of WEA (being the development of projects in the relevant territories), it controls WEA and therefore its assets, liabilities, income and expenses are included in the consolidated financial statements of the Group. The Non- Controlling Interest held by Eurus in the results and equity of WEA are shown in the consolidated statement of profit or loss and other comprehensive income and statement of financial position respectively.

As part of the transaction, cash held by WEA is restricted for use within that entity. The cash balance in the Group accounts to which this restriction applies is $12.04M (2018: $nil).

Prior to the sale, the carrying amount of Windlab East Africa (Pty) Ltd, was $2,523,142. Windlab recognised an increase in non-controlling interests of $3,720,961 and an increase in equity attributable to the owners of the parent by an increase additional paid in capital of $9,700,977 and a reduction in accumulated losses of $353,746.

The effect on Non-Controlling Interest is summarised as follows:

	2019
Non-controlling Interest	**$**
Issue of paid up share capital to Eurus	4,134,136
Transaction costs attributable to Eurus	(59,429)
Share of losses transferred to non-controlling interest on sale of WEA	(353,746)
	3,720,961

The effect on equity to the owners of Windlab during the year ended 31 December 2019 is summarised as follows:

	2019
Owners of the Parent	**$**
Consideration paid by non-controlling interest	14,013,401
Issue of paid up share capital to Eurus	(4,134,136)
	9,879,265
Transaction costs attributable to Windlab	(178,288)
Excess Consideration paid recognised as Additional Paid in Capital within Equity	**9,700,977**
Share of losses transferred to non-controlling interest on sale of WEA	**353,746**

Per Note 2.3 WEA is consolidated into these financial statements, and a non-controlling interest is shown on the Balance Sheet representing non-controlling interest in WEA's net assets. WEA made a loss in the period ending 31 December 2019 of US$1,990,559.

Verdigre Land and Wind Partners LLC ("VLWP")

Windlab holds an investment in a special purpose vehicle VLWP. Windlab has the ability to appoint three of the five directors of VLWP and thereby controls VLWP. Per Note 2.3 VLWP is therefore consolidated into these financial statements, and a non-controlling interest is shown on the Balance Sheet representing non-controlling interest in VLWP's net assets. VLWP made a loss in the year ending 31 December 2019 of US$17,747 (2018: loss of US$16,580).

29 Operating Segments Information

The Windlab Group with operations consisting of renewable energy development and operational activities, is organised into business units based on three geographical regions as being Australia, Africa and North America. Management monitors the operating results of each segment separately for the purpose of making operational and investment decisions. Segment performance is evaluated based on project expenditure relative to budget, and measures used are in compliance the accounting policies applied in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

31 December 2019	Asset Management	Developments				Other			Total
	Australia $	Australia $	East Africa $	Southern Africa $	North America $	Segments $	Corporate $	Elimination $	$
Revenue									
External customers	3,663,078	–	–	380,591	–	4,043,669	–	–	4,043,669
Other revenue	585	37,581	310,799	39,159	1,269	389,393	967,944	(81,803)	1,275,534
Foreign Exchange	–	–	–	–	–	–	339,513	(236,975)	102,538
Share of loss from associate and joint venture	–	(11,233,246)	–	–	–	(11,233,246)	–	–	(11,233,246)
Total revenue	**3,663,663**	**(11,195,665)**	**310,799**	**419,750**	**1,269**	**(6,800,184)**	**1,307,457**	**(318,778)**	**(5,811,505)**
Expenses									
Depreciation & Amortisation	52,257	46,661	53,289	28,972	4,050	185,229	166,147	–	351,376
Movements in Inventories	–	(1,781,149)	(736,533)	–	(224,173)	(2,741,855)	–	–	(2,741,855)
Project costs	41,013	2,363,965	1,601,254	287,032	292,838	4,586,102	26,320	(303,848)	4,308,574
Employee Benefits Expense	2,126,124	1,152,318	558,570	394,727	232,584	4,464,323	3,172,315	(74,404)	7,562,234
Write off loans/investment	–	(306,450)	–	–	–	(306,450)	391	306,059	–
Finance Costs	9,094	–	–	–	–	9,094	191,540	–	200,634
Other Expenses	416,839	179,869	591,257	253,283	70,656	1,511,904	1,396,607	(89,456)	2,819,055
Segment Profit/(Loss) before tax	**1,018,336**	**(12,850,879)**	**(1,757,038)**	**(544,264)**	**(374,686)**	**(14,508,531)**	**(3,645,863)**	**(157,129)**	**(18,311,523)**
Total Assets	**878,287**	**30,503,237**	**14,288,722**	**347,901**	**2,344,968**	**48,363,115**	**13,340,206**	**(2,902,809)**	**58,800,512**
Total Liabilities	**327,807**	**468,957**	**825,152**	**167,067**	**78,696**	**1,867,679**	**11,868,346**	**(297,611)**	**13,438,414**
Other disclosures									
Investments in an associate and a joint venture	–	20,745,196	–	–	–	20,745,196	–	–	20,745,196
Non-Current Asset expenditure including development costs	2,185	3,241,122	1,844,027	838	2,049,424	7,137,596	379,067	–	–

31 December 2018 (restated)	Asset Management	Developments				Other			Total
	Australia $	Australia $	East Africa $	Southern Africa $	North America $	Segments $	Corporate $	Elimination $	$
Revenue									
External customers	2,953,901	–	–	346,974	130,202	3,431,077	57,499	–	3,488,576
Other revenue	17,568	63,050	7,306	40,538	1,089	129,551	384,234	–	513,785
Share of profit from associate and joint venture	–	2,072,397	–	–	–	2072397	–	–	2,072,397
Total revenue	**2,971,469**	**2,135,447**	**7,306**	**387,512**	**131,291**	**5,633,025**	**441,733**	**–**	**6,074,758**
Expenses									
Depreciation & Amortisation	13,984	33,136	43,355	13,849	1,380	105,704	30,741	–	136,445
Movements in Inventories	–	(3,546,941)	(659,023)	–	(617,600)	(4,823,564)	725	–	(4,822,839)
Project costs	36,947	3,759,755	811,658	334,223	650,827	5,593,410	13,683	–	5,607,093
Loss of control of subsidiary	–	–	–	–	4,504,193	4,504,193	–	(666,660)	3,837,533
Employee Benefits Expense	2,043,438	815,483	101,180	432,551	141,269	3,533,921	1,935,941	(3,956)	5,465,906
Finance Costs	–	(361,843)	(42,786)	295	586	(403,748)	454,805	3,956	55,013
Other Expenses	267,112	56,390	122,664	339,737	82,157	868,060	1,625,462	–	2,493,522
Foreign Exchange	–	(390)	–	–	–	(390)	(1,268,450)	1,280,739	11,899
Segment Profit/(Loss) before tax	**609,988**	**1,379,857**	**(369,742)**	**(733,143)**	**(4,631,521)**	**(3,744,561)**	**(2,351,174)**	**(614,079)**	**(6,709,814)**
Total Assets	**449,760**	**42,026,488**	**1,176,555**	**307,122**	**2,163,307**	**46,123,232**	**5,805,201**	**(95,139)**	**51,833,294**
Total Liabilities	**188,940**	**1,269,238**	**208,225**	**161,110**	**65,145**	**1,892,658**	**6,317,573**	**–**	**8,210,231**
Other disclosures									
Investments in an associate and a joint venture	–	34,042,999	–	–	–	34,042,999	–	–	34,042,999
Non-Current Asset expenditure including development costs	16,087	2,849,944	187,635	119,711	1,815,987	4,989,364	51,756	–	5,041,120

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

29 Operating Segments Information (continued)

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

	2019	2018
	$	$
Reconciliation of assets		
Segment operating assets	**48,363,115**	**46,123,232**
Eliminations		
Investments in Subsidiaries	(2,526,904)	(4,358)
Property Plant and Equipment	(90,781)	(90,781)
Other debtors	(285,124)	–
Corporate		
Property Plant and Equipment	212,010	89,309
Development	37,648	37,648
Investment in Subsidiaries	2,523,248	813
Tax asset	5,079,911	–
Cash	3,200,285	4,399,320
Other Corporate Assets	2,287,104	1,278,111
Total assets	**58,800,512**	**51,833,294**
Reconciliation of liabilities		
Segment operating liabilities	**1,867,679**	**1,892,658**
Eliminations		
Trade and other payables	(297,611)	–
Corporate		
Corporate interest bearing liabilities	9,840,870	3,031,296
Other corporate liabilities	2,027,476	1,518,386
Income tax payable	–	577,349
Deferred tax liabilities	–	1,190,542
Total liabilities	**13,438,414**	**8,210,231**
Reconciliation of profit		
Segment (loss)/profit	(14,508,531)	(3,744,561)
Corporate costs	(3,645,863)	(2,351,174)
Elimination of inter segmental profits	(157,129)	(614,079)
Profit before tax	**(18,311,523)**	**(6,709,814)**

Adjustments and eliminations

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues are eliminated on consolidation.

Geographical Information

	2019	2018
	$	$
Revenue from external customers		
Australia	3,663,078	3,011,401
East Africa	–	–
Southern Africa	380,591	346,974
North America	–	130,201
	4,043,669	**3,488,576**

The revenue information above is based on the locations of the customers.

	2019	2018
	$	$
Non-current operating assets		
Australia	24,367,570	46,214,964
East Africa	1,844,027	187,635
Southern Africa	838	119,711
North America	2,049,424	1,815,987
	28,261,859	**48,338,297**

Non-current assets for this purpose consist of property, plant and equipment, investments and inventory.

30 Earnings Per Share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2019	2018 Restated
	$	$
Profit attributable to ordinary equity holders of the parent for basic and diluted earnings per share	(11,186,802)	(3,938,177)

No adjustment to profit was necessary in 2019 and 2018.

	2019	2018
	Number	Number
Weighted average number of ordinary shares for basic EPS	67,650,543	67,371,562
Weighted average number of ordinary shares adjusted for the effect of dilution	**67,650,543**	**67,371,562**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

31 New Accounting Standards

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

Standard Name	Effective date for the Group	Requirements	Impact
Conceptual Framework AASB 2019-1: *Conceptual Framework for Financial Reporting* *Amendments to Australian Accounting Standards – Reference to the Conceptual Framework*	1 January 2020	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: ◆ Chapter 1 – The objective of financial reporting ◆ Chapter 2 – Qualitative characteristics of useful financial information ◆ Chapter 3 – Financial statements and the reporting entity ◆ Chapter 4 – The elements of financial statements ◆ Chapter 5 – Recognition and derecognition ◆ Chapter 6 – Measurement ◆ Chapter 7 – Presentation and disclosure ◆ Chapter 8 – Concepts of capital and capital maintenance AASB 2019-1 has also been issued, which sets out the amendments to other pronouncements for references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the *Framework for the Preparation and Presentation of Financial Statements* (July 2004), and not the definitions in the revised Conceptual Framework.	This is will be applicable to the Group in the future, and will be applied accordingly to applicable transactions when they arise.

Standard Name	Effective date for the Group	Requirements	Impact
AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business*	1 January 2020	AASB 2018-6 amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments: ◆ clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; ◆ remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; ◆ add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; ◆ narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and ◆ add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.	This is not applicable to the Group at this point in time. However, when such a transaction arises, the Group will undertake a detailed assessment.
AASB 2018-7: *Amendments to Australian Accounting Standards – Definition of Material*	1 January 2020	This Standard amends AASB 101 *Presentation of Financial Statements* and AAS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	These amendments do not have any material impact on the Group.
AASB 2019-3 : *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*	1 January 2020	These amendments were issued in response to the effects of Interbank Offered Rates reform on financial reporting and provide mandatory temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.	This is not applicable to the Group at this point in time. However, when such a transaction arises, the Group will undertake a detailed assessment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

Standard Name	Effective date for the Group	Requirements	Impact
AASB 2019-5 : *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*	1 January 2020	This Standard amends AASB 1054 by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 on the potential effect of an IFRS Standard that has not yet been issued by the AASB so that such entity complying with Australian Accounting Standards can assert compliance with IFRS Standards.	This is not applicable to the Group at this point in time. However, when such an event arises, the Group will undertake the relevant disclosures as required.
AASB 2014-10: *Amendments to Australian Accounting Standards– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2022	The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business. This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128. *The mandatory effective date of AASB 2014-10 has been deferred to 1 January 2022 by AASB 2017-5.	When such a transaction arises in the future, the Group will undertake a detailed assessment.

Directors' Declaration

In the opinion of the Directors of Windlab Limited:

The consolidated financial statements and notes of Windlab Limited are in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of its financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and
- Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *the Corporations Regulations 2001*; and
- There are reasonable grounds to believe that Windlab Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of *the Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2019.

Note 2 confirms that the consolidated statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

Roger Price
Director

Pippa Downes
Director

Dated this 31st day of March 2020

Independent Auditor's Report

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Independent Auditor's Report

To the Members of Windlab Limited

Report on the audit of the financial report

Qualified opinion

We have audited the financial report of Windlab Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of Windlab Limited is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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Basis for qualified opinion

The Group owns a 50% interest in Kennedy Energy Park Pty Ltd ("Kennedy"). The investment in Kennedy Energy Park is accounted for using the equity method in accordance with *AASB 128 Investments in Associates and Joint Ventures* and has a carrying value as at 31 December 2019 of $11,870,621 (2018: $23,568,367).

As disclosed in Note 14(d), the Group recognised its share of an impairment loss which equated to $14,657,557. The impairment loss reflects the write down of a cash generating unit owned by Kennedy. As outlined in Note 14(d), there are a number uncertainties surrounding the numerous assumptions in the value in use model used to determine carrying amount of the cash generating unit owned by Kennedy. We have been unable to obtain sufficient appropriate audit evidence to support these uncertainties and therefore the value of the investment in Kennedy may be materially higher or lower than the value reported in the financial report of Kennedy, and as a result the share of profit from associate and joint venture and related tax balances may also be materially higher or lower than those reported in the financial report. 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 are independent of the Group 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 report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of matter – COVID-19

We draw attention to Note 23 of the financial report, which describes the circumstances relating to the material subsequent event regarding COVID-19 and the uncertainty surrounding any potential financial impact on the financials. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Basis for Qualified Opinion* and *Emphasis of Matter – COVID -19* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter
Investments accounted for using the equity method – Power Purchase Agreements (Note 4.1)	
The Group owns a 50% interest in Kennedy Energy Park Pty Ltd ("Kennedy") and a 25% interest in Kiata Wind Farm Holdings Pty Ltd ("Kiata"). Kiata and Kennedy enter into Power Purchase Agreements ("PPAs") to ensure they can sell electricity at predetermined prices. As the energy component of the PPAs are net settled with the Australian Energy Market Operator (AEMO), there has been a reassessment of the accounting interpretation for these contracts across the industry, to recognise them as a derivative financial instrument at fair value in the financial statement of the Associate or Joint Arrangement in accordance with AASB 9: Financial Instruments. Changes in the fair value of the PPAs are recorded within other comprehensive income. As a result of the change in accounting policy a retrospective adjustment has been posted, affecting 31 December 2017 and 31 December 2018. Windlab Limited has recognised a reduction in the value of equity accounted investment in Kennedy Energy Park of $9,410,768 for December 2017, and a reduction of $9,254,178 for December 2018. PPAs are considered a Level 3 fair value liability in the financial statements of the Associate or Joint Arrangement as the fair value is estimated using inputs not based on observable market data. Significant management judgement is required to determine the fair value of the financial instruments at year end, including the valuation methodology and appropriateness of inputs and assumptions used. This area is a key audit matter due to the complexity of the valuation and high degree of estimation and judgement required.	Our procedures included, amongst others: • Assessing the appropriateness of the valuation methodology used; • Assessing the objectivity, competence and reliability of management's expert used to forecast the forward electricity pricing used in the derivative valuation; • Utilising an auditor's expert to review the appropriateness of the valuation methodology and inputs; • Assessing the appropriateness of the underlying inputs and assumptions used in the valuation model, including: – Comparing expected future generation volumes to certified technical modelling, and historical volumes actually achieved (where available); – Comparing the forward electricity pricing used in the derivative valuation to available market forecast data; – Comparing the discount rates to our valuation specialist's view of an acceptable range based on market data, comparable companies and industry research. • Performing sensitivity analysis over key inputs of the valuation model; • Recalculating the share of other comprehensive income reflected in the consolidated financial statements; and • Assessing the adequacy of the disclosures in the consolidated financial statements including the disclosures relating to the change in accounting policy, and the related restatement.
Non-controlling interest (Note 28)	
During the year, Windlab Limited entered into an agreement with Eurus Energy Holdings Corporation (Eurus) in which Eurus subscribed for 25% of the shares in Windlab East Africa (Pty) Ltd ("WEA") for $10 million USD. The 25% shareholding granted Eurus the right to proportional Board representation of WEA, protective rights in certain matters, and a first right to provide equity on competitive terms for the construction of projects in the East African region. In accordance with AASB 10: Consolidated Financial Statements, an investor is deemed to control an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.	Our procedures included, amongst others: • Reviewing the share subscription agreement for significant terms in relation to Eurus' rights; • Reviewing management's assessment of control over WEA in accordance with AASB 10: Consolidated Financial Statements; • Reviewing board minutes and board decisions made in WEA since Eurus' investment; • Recalculating the value of non-controlling interest in WEA in accordance with AASB 10: Consolidated Financial Statements; and

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This area is a key audit matter due to the material size of the transaction, and the significant management judgement required to determine whether control over the investee exists.	• Assessing the adequacy of the disclosures in the consolidated financial statements with respect of the non-controlling interest.
Going concern (Note 2.2)	
The Group's use of the going concern basis of accounting and the associated extent of uncertainty is an area of focus due to the high level of judgement required by the Directors and the auditors. The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow forecasts covering the twelve month period from sign off date.	Our procedures included, amongst others: • Reviewing management's assessment of going concern and cash flow forecast to assess whether current cash levels and forecast revenue can sustain operations for a period of at least 12 months from the proposed date of signing; • Inquiring with management the status of current projects; • Assessing the Group's current level of income and expenditure against management's forecast for consistency of relationships and trends to the historical results and our understanding of the business, industry and economic conditions of the Group; • Assessing the reasonableness of mitigating factors determined by management and the Directors; • Performing sensitivity analyses on the forecast cash flows; • Agreeing year end cash balances to bank statements to gain comfort around the opening balances used in the cash flow forecast; and • Reviewing documentation associated with the $20 million facility signed subsequent to year end and as disclosed in note 23.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 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 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, 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 of the Company 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 report, the Directors are responsible for assessing the Group's ability 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 the Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report (continued)

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 this 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

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 9 to 17 of the Directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Windlab Limited and Controlled Entities, for the year ended 31 December 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

L M Worsley
Partner – Audit & Assurance

Sydney, 31 March 2020

ASX Additional Information

ASX Additional information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows:
The information is current as at 18 March 2020.

- The company's shares trade on the Australian Securities Exchange – ASX Code: WND
- Number of shareholders 905
- Total ordinary shares issued 68,212,586
- Percentage of total holdings by or on behalf of the 20 largest shareholders 79.56%
- Distribution schedule of holdings:

Fully paid ordinary shares	Number of Holders
1 – 1,000	234
1,001 – 5,000	262
5,001 – 10,000	109
10,001 – 100,000	258
100,001 and over	42

- Shareholders with less than a marketable parcel: 124
- Voting rights: Every shareholder present personally or by proxy or attorney etc, shall, on a show of hands, have one vote and on a poll shall have one vote for every share held. Option holders and warrant holders are not entitled to vote unless they have exercised their rights to convert their options or warrants into ordinary shares in the Company.

Twenty largest holders of quoted equity securities

	Name	Fully paid	
	Ordinary shareholders	**Number**	**Percentage**
1.	EQUITY TRUSTEES LIMITED <FED ALT ASSET REN 1A1 A/C>	12,771,426	18.72
2.	LEND LEASE VENTURES PTY LTD	11,477,728	16.83
3.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,076,721	16.24
4.	NATIONAL NOMINEES LIMITED	3,934,319	5.77
5.	RHODIUM CAPITAL PTY LIMITED <RHODIUM INVESTMENT A/C>	3,150,305	4.62
6.	EPICORP SEED FUND PTY LIMITED	2,255,280	3.31
7.	RHODIUM CAPITAL PTY LIMITED <RHODIUM INVESTMENT A/C>	1,919,020	2.81
8.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,573,411	2.31
9.	NATHAN EDWARD JOSEPH STEGGEL	896,237	1.31
10.	CITICORP NOMINEES PTY LIMITED	871,181	1.28
11.	KEITH WILLARD AYOTTE	666,668	0.98
12.	MR NICHOLAS MCNAUGHTON +	638,668	0.94
13.	BNP PARIBAS NOMINEES PTY LTD <IOOF INSMT MGMT LTD DRP>	515,000	0.75
14.	POCRY INVESTMENTS PTY LIMITED <POCRY INVESTMENT A/C>	493,379	0.72
15.	MR ROGER PRICE	475,389	0.70
16.	UDB PTY LIMITED <BOETTCHER SUPERFUND A/C>	457,696	0.67
17.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	435,285	0.64
18.	MR ROBERT FISHER	337,563	0.49
19.	JEPS NOMINEES PTY LTD <JEPS SUPER FUND A/C>	300,000	0.44
20.	MANTOU REPUBLIC PTY LTD	298,550	0.44
TOTAL		**54,543,826**	**79.96**

ASX Additional Information (continued)

Substantial shareholders

	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
EQUITY TRUSTEES LIMITED <FED ALT ASSET REN 1A1 A/C>	12,771,426	18.72
LEND LEASE VENTURES PTY LTD	11,477,728	16.83
JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,076,721	16.24
NATIONAL NOMINEES LIMITED	3,934,319	5.77

Shares and Warrants on Issue

	Number of Securities
ESOP Options at $0.50 expiring 30 June 2021	530,000
ESOP Options at $0.75 expiring 30 June 2022	80,000
ESOP Options at $0.50 expiring 30 June 2022	624,000
ESOP Options at $2.00 expiring 1 December 2022	1,808,000
ESOP Options at $1.65 expiring 12 April 2023	250,000
ESOP Options at $1.54 expiring 30 June 2023	670,000
Warrants at $2.00 expiring 4 May 2020	300,000
Warrants at $2.00 expiring 30 June 2020	256,484
Warrants at $2.00 expiring 1 April 2021	854,184
2018 LTI Performance Rights issued 27 March 2019	472,860
2018 LTI Performance Rights issued 12 April 2019	88,350

Corporate Governance

The Company's Corporate Governance Policies and Statement can be found on the Company's website at: https://www.windlab.com/corporate-governance/

Corporate Information

ABN 26 104 461 958

Directors

Roger Price
Executive Chairman and Chief Executive Officer

John Cooper
Independent Non-Executive Director
(Retired 12 April 2019)

Pippa Downes
Independent Non-Executive Director

Charles Macek
Independent Non-Executive Director

Joseph O'Brien
Independent Non-Executive Director

Joint Company Secretaries

Robert Fisher
Andrew Cooke

Registered Office

Level 4, 60 Marcus Clarke Street
Canberra ACT 2601
Australia

Principal Place of Business

Level 4, 60 Marcus Clarke Street
Canberra ACT 2601
Australia

Phone: +61 2 6175 4600
Email: info@windlab.com
Web: www.windlab.com

Share Register

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

Enquires within Australia: 1 300 556 161
Enquires outside Australia: +61 3 9415 4000
Email: web.queries@computershare.com.au
Web: www.computershare.com.au

Solicitors

Dentons Australia Pty Ltd
77 Castlereagh Street
Sydney, NSW 2000
Australia

Bankers

Commonwealth Bank
Level 1, Bank House
Cnr London Circuit & Ainslie Ave
Canberra ACT 2601

Auditors

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000