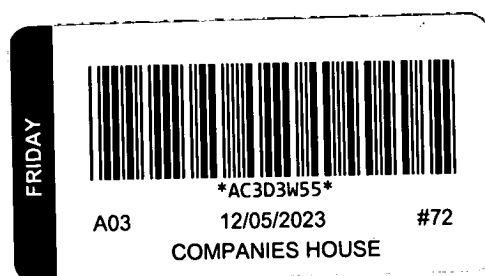


Pelican Point Power Limited

Company No: 02904282

Annual report and financial statements

For the year ended 31 December 2022



Pelican Point Power Limited
Index to the financial statements

Company No: 02904282

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Pelican Point Power Limited**Company No: 02904282****Strategic report**

The directors present the Strategic report of Pelican Point Power Limited (*the Company*) for the year ended 31 December 2022.

Principal activities

The principal activity of the Company during the year was the generation and sale of energy (electricity and gas) in Australia.

Business review and KPI's

The key financial performance indicator of the business and by which management assesses the performance of the business is earnings before interest, tax, depreciation and amortisation (*EBITDA adjusted for fair value gains or losses on derivatives*). This measure can be reconciled to the gross profit or loss and operating profit or loss before interest and taxation, shown in the income statement on page 13, as follows:

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000	Year ended 31 December 2020 A\$'000
Gross (loss)/profit and operating (loss)/profit	(143,568)	35,921	58,355
Adjust for:			
Depreciation and amortisation	18,852	18,143	21,679
Fair value (losses)/gains on derivatives	(51,850)	(135,989)	18,493
EBITDA adjusted for fair value gains or losses on derivatives	(176,566)	(81,925)	98,527

The decrease in EBITDA of A\$94,641,000 between 2021 and 2022 is due to a few different factors with the predominant driver being a significant increase in gas prices during 2022 which impacted margins on plant generation. There was also a lower volume of electricity generated due to more plant outages during 2022.

The statement of financial position on page 14 of the financial statements shows the Company's financial position at year end of the current and preceding year. The net assets have decreased from A\$185,666,000 at 31 December 2021 to A\$8,727,000 at 31 December 2022 principally as a result of an unfavourable derivative movements (net movement \$79,290,000) driven by higher volatility in the energy market. No distributions were declared and paid during the financial year ended 31 December 2022 (2021: \$15.000 million).

The Company is required to meet a number of occupational health, safety and environmental requirements. Compliance with these is closely monitored through the use of the non-financial key performance indicators. During the current financial year, there were no reportable environmental incidents or breaches and there were no lost time injuries suffered by the Company's employees or contractors.

The directors monitor the financial performance of the Company through the use of key performance indicators (*KPIs*). The ENGIE group manages its business and measures the delivery of its strategic objectives through the application of KPIs at both an ENGIE division and group level.

On 26 August 2019, the Australian Energy Regulator (*AER*) commenced proceedings in the Federal Court of Australia against the Company. The AER alleges that the Company contravened certain clauses of the National Electricity Rules by failing to disclose to the Australian Energy Market Operator all of the physical plant capability that could be made available on 24 hours' notice for 8 February 2017 by the Pelican Point Power Station, as part of its "PASA" availability for that day. This proceeding is

Pelican Point Power Limited
Strategic report**Company No: 02904282**

pending judgment by the Federal Court of Australia. The Company contested and vigorously defended the alleged contraventions.

Principal risks and uncertainties

The Company's activities expose it to changes in commodity prices. It is also exposed to credit and liquidity risk from its operations. The Company has policies and procedures to manage each of these exposures and management monitors these risks and reports any exposures to the Board on a quarterly basis.

Credit risk

The Company manages credit exposure to counterparties by establishing clearly defined limits, policies and procedures. The largest receivables relate to amounts lent to undertakings within the ENGIE group. The Company continually reviews debtor balances and the credit risk associated with these positions. The Company believes that payment default remains a low risk.

With respect to treasury activities, the Company's financial counterparty credit exposure is limited to arrangements with relationship banks and cash pooling arrangements within the ENGIE group. This results in a concentration of risk in respect of the Company's cash balances, but the risk of default remains low given ENGIE's and the relationship banks' strong credit ratings.

The Company monitors its credit exposure to trading counterparties within clearly defined limits, with the credit worthiness of trading counterparties being continually reviewed. Payments from trading counterparties are required to be settled by a set date, which is monitored closely by the Company.

Commodity price and market liquidity risk

In the ordinary course of its operations, the Company is exposed to commodity price and market liquidity risks on gas and electricity. The Company also uses derivative products to offer its clients hedging instruments or to hedge its own positions. The use of derivatives is governed by strict adherence to the group wide policies of ENGIE. The Board and Management actively monitor the performance of the Company and its exposures to price fluctuations to ensure that they remain within acceptable limits.

Interest rate risk

The Company had interest-bearing assets that comprised A\$nil (2021: A\$nil) of cash held at bank and A\$17,392,000 (2021: A\$137,290,000) of intercompany debtors at the end of the reporting period. With respect to interest bearing liabilities the Company had no interest-bearing liabilities as at the end of the reporting period.

Employees

Details of employee costs and numbers can be found in notes 4(a) and 4(b) of the financial statements.

Pelican Point Power Limited

Company No: 02904282

Strategic report

Streamlined Energy and Carbon Reporting (SECR)

The directors have considered the Streamlined Energy and Carbon Reporting requirements and conclude that it has not consumed more than 40,000 kWh of energy therefore qualifies as a low energy user and is exempt from reporting under these regulations.

Section 172(1) Statement

The directors have considered the matters set out in Section 172(1)(a) to (f) when performing their duty to promote the success of the Company. Power generation is an industry where, the following are key:

- acting to guarantee continued supply capacity;
- understanding changing market conditions;
- working closely with suppliers;
- sustainability; and
- working safely

The directors have constant regard for each of these aspects of the company's operations to ensure that decisions made are both in the best interests of the Company and are fair to the Company's multiple stakeholders.

As well as being heavily involved in the day-to-day operational activities of the Company, each of the Company's directors are also members on the Board of International Power (Australia) Holdings Pty Limited, the Company's ultimate Australian owned Parent entity, which allows for strong alignment between the Company's strategy and the wider Group.

The Board meets regularly to oversee implementation of the Company's strategy. This includes, but is not limited to, reviewing the Company's performance against forecasts, authorising and monitoring capital investment, assessing compliance with environmental regulations and maintaining high level of active training to promote a safe working environment, all of which contribute directly to the long term success of the Company. The Company's strategy is aimed to address current changes in the market to remain relevant in the longer term and position itself with options in possibly nascent and growing markets and products.

The directors consider the Company's employees to be integral to its continued success. Formal training is delivered with consideration given to individual training requirements, the Company's operational needs and compliance with regulations. In doing so the directors believe that the Company's employees are well equipped to understand the culture and values of the Company and their obligations to promote ethical and fair working practices.

Strong relationships with suppliers and contractors allow the Company to mitigate health and safety risk, promote high standards and ensure realistic expectation on delivery of goods and services. Our procurement, business ethics and sustainability functions engage directly with suppliers around key issues to ensure our values and our policies are upheld.

The Company regularly engages with contractors, suppliers and contributes to the local economy. This involves providing local employment opportunities, using local suppliers and supporting the local community where possible. There is a strong focus on environment and sustainability impacts of the Company operations which is aligned with the wider group mission to become a leader in zero-carbon transition for energy generators.

Pelican Point Power Limited

Company No: 02904282

Strategic report

Events after the end of the reporting period

There are no matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

By order of (approved by and signed on the behalf of) the Board of directors

DocuSigned by:

Rik De Buyserie

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H De Buyserie

Director

10 May 2023

Pelican Point Power Limited**Company No: 02904282****Directors' report**

The directors present their annual report and audited financial statements of Pelican Point Power Limited for the year ended 31 December 2022.

Information disclosed in the Strategic report

The following information has been disclosed in the strategic report and forms part of this report by cross-reference:

- Principal activities
- Business review
- Principal risks and uncertainties
- Employees
- Streamlined Energy Carbon Reporting
- Section 172(1) statement
- Events after the end of the reporting period and future developments

Financial risk management objectives and policies

Please refer to the Strategic report where these have been disclosed.

Going concern

The directors are satisfied that the Company has adequate resources to continue to operate for at least twelve months from approval of the financial statements. Accordingly, the directors continue to adopt the 'going concern' basis for the preparation of the financial statements. For further information on the assessment please see Note 1.

The Company has net assets of A\$8,727,000 (2021: \$185,666,000) and a current asset deficit of A\$68,666,000 as at 31 December 2022 (2021: surplus of \$86,339,000).

Directors

The directors who held office during the financial year and to the date of this report were as follows:

Name	Position held in the Company	Date appointed	Date resigned
A Hyland	Director	24 May 2022	14 November 2022
A Honorat	Chairman	7 December 2018	24 May 2022
L Kim	Director	14 November 2022	20 February 2023
H Sahara	Director	18 March 2021	
H De Buyserie	Chairman	14 November 2022	

Political donations

The Company did not make any political donations during the year (2021: A\$nil).

Directors' and officers' liability insurance

ENGIE S.A. has implemented global insurance arrangements covering the Company's directors and officers against legal liabilities that arise from their position as directors or officers of the Company. In addition, a local policy has been procured for International Power (Australia) Holdings Pty Ltd and its subsidiaries which cover the Company's directors and officers against similar liabilities.

The terms of the contracts of insurance prohibit the disclosure of the nature of the liabilities insured against and the amount of the premium.

International Power (Australia) Holdings Pty Ltd has entered into deeds of access and indemnity pursuant to which it indemnifies the Company's directors and a Company Secretary against certain

Pelican Point Power Limited

Company No: 02904282

Directors' report

liabilities and legal costs in their capacity as officers of International Power (Australia) Holdings Pty Ltd and its subsidiaries.

Dividends

No distributions were declared and paid during the financial year ended 31 December 2022 (2021: \$15.000 million).

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 419 of the *Companies Act 2006*.

Auditors

Deloitte LLP was appointed as the Company's statutory auditor for the year ended 31 December 2022.

Pursuant to Section 487 of the *Companies Act 2006*, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of (approved by and signed on behalf of) the Board of directors

DocuSigned by:

Rik De Buyserie

H De Buyserie

Director

10 May 2023

Pelican Point Power Limited

Company No: 02904282

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the *Companies Act 2006*. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information including on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Pelican Point Power Limited

Company No: 02904282

Independent auditor's report to the members of Pelican Point Power Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Pelican Point Power Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Pelican Point Power Limited

Company No: 02904282

Independent auditor's report to the members of Pelican Point Power Limited

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Pelican Point Power Limited**Company No: 02904282****Independent auditor's report to the members of Pelican Point Power Limited**

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Impairment of plant, machinery and equipment due to level of estimation and judgement required by management:
 - Assessing the indicators of impairment in relation to plant, machinery and equipment
 - Comparing management's discount rate used in the impairment model with our acceptable range of discount rates;
 - Evaluating the forecast cash flows within the model by comparing the key assumptions to the external third party evidence and forecasts where possible; and
 - Performing testing over the logic of the model to ensure that its calculating the cash flow forecast correctly.
- Revenue being recognised which did not occur due to fraudulent manual journal entries
 - Reconciling the difference between the revenue recognised and the invoices issued during the year;
 - Obtaining a listing of manual journals to revenue through using our profiling software; and
 - Obtaining third party evidence and supporting rationale for the manual journals posted throughout the year.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Pelican Point Power Limited

Company No: 02904282

Independent auditor's report to the members of Pelican Point Power Limited

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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James Isherwood ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
10 May 2023

Pelican Point Power Limited

Company No: 02904282

Income statement**For the year ended 31 December 2022**

		Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
	Note		
Revenue	2	236,321	280,263
Cost of sales		(379,889)	(244,342)
Gross (loss)/profit and operating (loss)/profit	3	(143,568)	35,921
Interest receivable and similar income	6	1,276	137
Interest payable and similar expenses	7	(1,113)	(982)
Other gains and losses	8	(51,586)	(135,989)
Impairment loss on property, plant and equipment	10	-	(56,265)
Loss before taxation		(194,991)	(157,178)
Tax credit on loss	9	18,052	62,729
Loss for the financial year		(176,939)	(94,449)

All results are from continuing operations.

Total comprehensive income for the financial year is to equal profit for the financial year in years ended 31 December 2022 and 31 December 2021.

The notes on pages 17 to 43 form part of these financial statements.

Pelican Point Power Limited
Statement of financial position
As at 31 December 2022

Company No: 02904282

		As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Non-current assets	Note		
Property, plant and equipment	10	179,053	167,852
Intangible assets	11	1	2
Debtors	13	12,236	-
Deferred tax asset	18	12,214	-
Derivative financial assets	22	2,373	353
Total non-current assets		205,877	168,207
Current assets			
Inventories	12	12,347	12,303
Debtors	13	22,461	25,355
Other financial assets	14	17,392	137,290
Cash at bank and in hand	15	-	-
Derivative financial assets	22	2,689	2,117
Total current assets		54,889	177,065
Total assets		260,766	345,272
Current liabilities			
Creditors	16	(45,824)	(28,717)
Provisions for liabilities and expenses	17	(6,060)	(6,152)
Derivative financial liabilities	22	(71,671)	(55,857)
Total current liabilities		(123,555)	(90,726)
Non-current liabilities			
Provisions for liabilities and expenses	17	(24,517)	(25,143)
Deferred tax liability	18	-	(5,838)
Derivative financial liabilities	22	(103,967)	(37,899)
Total non-current liabilities		(128,484)	(68,880)
Total liabilities		(252,039)	(159,606)
Net assets		8,727	185,666
Capital and reserves			
Called-up share capital	20	1	1
Share premium account	21	131,999	131,999
Retained earnings		(123,273)	53,666
Equity shareholder's funds		8,727	185,666

The notes on pages 17 to 43 form part of these financial statements.

Pelican Point Power Limited
Statement of financial position
As at 31 December 2022

Company No: 02904282

The financial statements of Pelican Point Power Limited (Company no. 02904282) were approved by the Board of directors and authorised for issue on 10 May 2023. They were signed on its behalf

by: DocuSigned by:

Rik De Buyserie

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H De Buyserie

Director

Pelican Point Power Limited**Company No: 02904282****Statement of changes in equity****For the year ended 31 December 2022**

	Called-up share capital A\$'000	Share premium account A\$'000	Retained earnings A\$'000	Total A\$'000
Equity shareholder's funds at 1 January 2021	1	131,999	163,115	295,115
Loss for the financial year	-	-	(94,449)	(94,449)
Total comprehensive loss	-	-	(94,449)	(94,449)
Dividends to equity holders	-	-	(15,000)	(15,000)
Equity shareholder's funds at 31 December 2021	1	131,999	53,666	185,666
Equity shareholder's funds at 1 January 2022	1	131,999	53,666	185,666
Loss for the financial year	-	-	(176,939)	(176,939)
Total comprehensive loss	-	-	(176,939)	(176,939)
Equity shareholder's funds at 31 December 2022	1	131,999	(123,273)	8,727

The notes on pages 17 to 43 form part of these financial statements.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022****General information**

Pelican Point Power Limited (*the Company*) is a private limited company incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company is limited by shares. The address of its registered office is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 5.

Going concern

The directors are satisfied that the Company has adequate resources to continue to operate for at least twelve months from approval of the financial statements. Accordingly, the directors continue to adopt the 'going concern' basis for the preparation of the financial statements.

The company has net assets of A\$8,727,000 (2021: \$185,666,000) and a current asset deficit of A\$68,666,000 as at 31 December 2022 (2021: surplus of \$86,339,000).

On 8 September 2022, International Power (Australia) Holdings Pty Ltd (*IPAH*), a parent of the Company, provided a letter of financial support to the Company in the form of a \$90.000 million negative balance limit under the Intra Group Funding Agreement dated 4 July 2014 with GDFSM Finance Pty Ltd. This financial support is ongoing and not time limited. It will only be used so that Pelican Point can meet its ongoing financial obligations and satisfy its debts as and when they fall due and payable.

IPAH also have a \$300 million Committed Working Capital Facility as part of a Syndicated Facilities Agreement entered into on 13 May 2022 of which nil was drawn as at 31 December 2022. The Company would have access to this facility if required through a cross guarantee deed should this funding be required.

1 Accounting policies

The following accounting policies have been applied consistently in both the current and prior year in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of preparation

The Company meets the definition of a qualifying entity under FRS (*Financial Reporting Standard*) 100 issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* and in accordance with applicable accounting standards. These financial statements have also been prepared on the going concern basis, and under the historical cost convention except for certain financial instruments that are measured at fair value as noted below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- (a) Financial instruments as required by IFRS 7 *Financial Instruments, Disclosures*;
- (b) financial instrument valuation techniques and input used for fair value measurement as required by paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*;
- (c) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and at the end of the period), and
 - ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment* (a reconciliation of the carrying amount of property, plant and equipment at the beginning and at the end of the period);

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022****(a) Basis of preparation (continued)****(d) the following paragraphs of IAS 1:**

- i. 10(d) (the requirement to present a statement of cash flows),
- ii. 16 (the requirement to make an explicit and unreserved statement of compliance with IFRSs),
- iii. 38A (the requirement to present a minimum of two primary statements, including cash flow statements),
- iv. 38B-D (the requirement to disclose comparative information for narrative disclosures and for information going beyond the requirements of IFRSs additional comparative information),
- v. 40A-D (the requirement to present a third statement of financial position),
- vi. 111 (the requirement for disclosure of cash flow information), and
- vii. 134 to 136 (the requirement to disclose the entity's objectives, policies and processes for managing capital);

(e) the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows for the period;**(f) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to disclose when an entity has not applied a new IFRS that has been issued but is not yet effective;****(g) the requirements of paragraph 17 and 19A of IAS 24 *Related Party Disclosures* to disclose key management personnel compensation; and****(h) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.**

Where relevant, equivalent disclosures have been given in the group accounts of ENGIE S.A.. The group accounts of ENGIE S.A. are available to the public and can be obtained as set out in note 25.

The Company is a subsidiary of International Power (Australia) Holdings 2 Pty Ltd and of its ultimate parent, ENGIE S.A.. It is included in the consolidated financial statements of ENGIE S.A. which are publicly available.

The Company's functional currency is Australian dollars. The financial statements of the Company are presented in Australian dollars and are rounded to the nearest thousand Australian dollars.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022***New standards, interpretations and amendments adopted by the Company*

The Company has applied a number of amendments to IFRSs and new Interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022.

The adoption of those listed below have not had any material impact on the disclosures or on the amounts reported in these financial statements:

Amendments to IFRS 3 Reference to the Conceptual Framework

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(b) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

Revenue is derived from the sale of electricity, gas and related services. Electricity and gas revenue is recognised when control of the energy has passed through the grid at the spot price at a given time. Revenue from related services is recognised once delivered through pool mechanisms to counterparties or in accordance with the terms of any related contracts for difference payments.

(c) Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022****(d) Superannuation pension scheme**

The Company contributes to a defined contribution superannuation scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount expensed in the income statement represents the contributions payable to the scheme in respect of the accounting period.

(e) Property, plant and equipment

Items of property, plant and equipment are recognised at historical cost less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of these items is not revalued as the Company has elected not to apply the allowed alternative method, which consists of regularly revaluing one or more categories of property, plant and equipment.

In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Property, plant and equipment is depreciated mainly using the straight-line method over the following useful lives:

- buildings: 16 years; and
- plant, machinery and equipment: 3 to 15 years.

Property, plant or equipment in the course of construction for production are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Residual value is calculated on prices prevailing at the date of acquisition. Useful lives and residual values are reviewed at the end of every reporting period.

Impairment of property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022**

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Inventories

Operating stocks of fuel, consumables and spares are valued at the lower of cost and costs associated including purchase price and other costs directly attributable to the acquisition of the stocks and net realisable value (estimated value in use).

(g) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(h) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (*FVTOCI*):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (*FVTPL*).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022**

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see *Equity instruments designated as at FVTOCI* below); and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see *Financial assets at FVTPL* below).

(i) Financial Instruments*Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "interest income" line item (note 6).

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022***Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see *Amortised cost and effective interest method* and *Equity instruments designated as at FVTOCI* above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see *Equity instruments designated as at FVTOCI* above).
- Debt instruments that do not meet the amortised cost criteria (see *Amortised cost and effective interest method* above) or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'Unrealised gains on financial instruments' line item in the statement of profit or loss and other comprehensive income.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022**

investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

*Financial liabilities and equity instruments*Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) a contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVTPL.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022**

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Unrealised gains on financial instruments' line item in the statement of profit or loss and other comprehensive income.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) a contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

Company No: 02904282

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 22.

Derivatives are classified as at FVTPL in line with the notes above at the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

(j) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount can be reliably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to their present value where the impact is material.

Site restoration

Provision is made for the rehabilitation of sites which require remediation of existing conditions resulting from past and present operations, if and when a legal or constructive obligation arises. The estimated future restoration obligations include removing facilities and restoring the affected areas. Estimates for future restorations are reviewed and reassessed regularly, based on current legal requirements and technology and management's best estimate. They are discounted to present value using the risk free rate plus a premium for risk as determined by management. Changes in estimates are dealt with on a prospective basis. Uncertainty exists as to the amount of restoration obligations that will be incurred due to the impact of changes in underlying factors and related issues, such as environmental legislation.

For year ended 31 December 2022, change in estimates are due to an update to the present value as at 31 December 2022. There has been no change to the nominal estimated costs for rehabilitation.

(k) Employee benefits

Employee benefits include those leave benefits accrued as a result of service provided by employees up to the reporting date including any related on-costs. Annual leave and long service leave benefits expected to be settled within twelve months of the reporting date are measured at their undiscounted amounts based on expected remuneration rates.

Other employee benefits including their related on-costs payable later than one year have been measured at their present value of the estimated future cash flows to settle those benefits. Consideration has been given to expected future salary levels, historical staff turnover rates, periods

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022**

of service and historical trends of leave taken. The discount rate applied is the yield at the reporting date of government bonds that have maturities approximating the terms of the Company's obligations.

(I) Critical accounting judgements and key sources of estimation uncertainty

In the course of preparation of the financial statements judgements and estimates have been made in applying the Company's accounting policies that have had a material effect on the amounts recognised in the financial statements. The application of the Company's accounting policies requires the use of estimates and the inherent uncertainty in certain forward-looking estimates may result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year. Critical accounting estimates are subject to continuing evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in light of known circumstances. Critical accounting estimates and judgements in relation to these financial statements are considered below:

There are no critical accounting judgements to note, only key sources of estimation uncertainty as stated below.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting period end that may result in significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year are set out below:

- the recoverable amount of generation plant; and
- valuation of financial instruments.

Recoverable amount of generation plant

In accordance with IAS 36, impairment tests are carried out on tangible assets where there is an indication that the assets may be impaired. Such indications may be based on events or changes in the market environment, or on internal sources of information. Intangible assets that are not amortised are tested for impairment annually.

An impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the assets performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The key assumptions used by management in these calculations are cash flow projections for revenue streams which have been calculated using the forecast power prices based on forward price curves and expected generating volumes, with post-tax discount rates 7.75% for merchant revenue. Capital expenditure for plant outages are planned with major outage costs during 2023 and 2024 and minor outage costs in 2025 and 2026. The impairment review has identified significant headroom in the recoverable amount above its carrying value.

Valuation of financial instruments

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022**

The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial instruments that are not traded in an active market (for example, over the counter derivatives) are determined by using valuation techniques. The Company uses valuation techniques consistent with established valuation methodology applicable to each instrument. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. The fair value of electricity contracts has been derived by valuing the contract portfolio volume at the end of the period at the forward market price for electricity contracts applying at 31 December 2022.

The key inputs considered in value the electricity derivatives include discount rates, current underlying price of the commodity, options strike price, implied volatility of the commodity and time until expiration of the contracts entered.

For the current electricity derivative portfolio, the sensitivity on a \$10/MWh movement would result in a \$39 million movement in derivative balances. The sensitivity on a 10% change in price would result in a \$25 million movement in derivative balances.

2 Revenue

All revenue from sale of energy and other revenue is derived in Australia.

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Revenue from sale of energy	236,294	279,841
Other revenue	27	422
	236,321	280,263

3 Operating loss

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Operating loss is stated after earning/(charging)		
Profit on disposal of property, plant and equipment	264	-
Staff costs	(9,764)	(9,648)
Depreciation of tangible assets	(18,851)	(18,142)
Amortisation of intangible assets	(1)	(1)
	(28,352)	(27,791)

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022****4 Directors' and employees' remuneration**

The directors did not receive any fees or emoluments from the Company during the year (2021: A\$nil) directly attributable to their position within the Company. There exist no qualifying services from directors attributable to the company and director fees are paid by other entities in their management of the group as a whole (of which nil is applicable to this entity).

(a) Employees' remuneration

Salaries and other staff costs were as follows:

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Wages and salaries	8,661	8,587
Social security costs	386	400
Defined contribution pension costs	717	661
Total employees' remuneration	9,764	9,648

(b) Employee numbers

The average number of full-time equivalent employees for the year ended 31 December 2022 was 4 administration employees (2021: 4) and 31 operations employees (2021: 30)

5 Auditor's remuneration

The auditor's remuneration in respect of the statutory audit for the year ended 31 December 2022 and 31 December 2021 was borne by the Company.

The analysis of auditor's remuneration is as follows:

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Auditors remuneration for the year	152	133

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

Company No: 02904282

6 Interest receivable and similar income

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Bank interest and fees receivable	-	1
Interest receivable from ENGIE group undertakings	1,276	136
Total interest income for financial assets measured at amortised cost	1,276	137

ENGIE group undertakings are subsidiaries of ENGIE S.A.

7 Interest payable and similar expenses

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Bank interest payable	8	7
Interest expense - related party	128	-
Unwinding of discount on provisions	977	975
Total interest expense for financial liabilities measured at amortised cost	1,113	982

8 Other gains and losses

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Loss on fair value of derivative instruments	(51,850)	(135,989)
Gain on disposal of property, plant and equipment	264	-
Total other losses	(51,586)	(135,989)

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

Company No: 02904282

9 Tax credit on profit

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Total tax credit	18,052	62,729

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Reconciliation of the total tax credit		
Loss before taxation	(194,991)	(157,178)
Current tax credit Australian tax rate of 30% (2021: 30%)	58,497	47,153
Non-deductible entertainment, sponsorships and donations	(1)	(8)
Prior year adjustments	(2,454)	-
Derecognition of Australian income tax (credit)/liability	(37,990)	15,584
Total tax credit on loss for the year	18,052	62,729

The Company is a tax resident of Australia and therefore a tax reconciliation using the Australian Corporate tax rate has been presented above.

Derecognition of Australian income tax (credit)/liability relates to the contractual agreement for all Australian tax credits and charges recognised by Pelican Point Power Limited to be settled within the International Power (Australia) Holdings Pty Limited consolidated tax group with no consideration due.

Pelican Point Power Limited**Company No: 02904282****Notes to the financial statements****For the year ended 31 December 2022****10 Property, plant and equipment**

	Freehold land and buildings A\$'000	Plant, machinery and equipment A\$'000	Assets in course of construction A\$'000	Total A\$'000
Cost				
At 1 January 2022	3,686	509,486	3,096	516,268
Additions	-	-	33,358	33,358
Change in estimate for site restoration	-	(1,680)	-	(1,680)
Disposals	-	(11,941)	-	(11,941)
Reclassification to plant spares	-	(7,036)	-	(7,036)
Transfers	8	34,654	(34,662)	-
At 31 December 2022	3,694	523,483	1,792	528,969
Depreciation				
At 1 January 2022	(1,267)	(347,149)	-	(348,416)
Depreciation expense	(68)	(18,783)	-	(18,851)
Disposals	-	11,908	-	11,908
Reclassification to plant spares	-	5,443	-	5,443
Impairment losses	-	-	-	-
At 31 December 2022	(1,335)	(348,581)	-	(349,916)
Net book value at 31 December 2022	2,359	174,902	1,792	179,053
Net book value at 31 December 2021	2,419	162,337	3,096	167,852

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

11 Intangible assets

	Software A\$'000	Total A\$'000
Cost		
At 1 January 2022	1,281	1,281
Additions	-	-
At 31 December 2022	1,281	1,281
Amortisation		
At 1 January 2022	(1,279)	(1,279)
Amortisation expense	(1)	(1)
At 31 December 2022	(1,280)	(1,280)
Net book value at 31 December 2022	1	1
Net book value at 31 December 2021	2	2

12 Inventories

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Current		
Consumables	2,155	2,911
Plant spares	10,192	9,392
	12,347	12,303

There is no material difference between the carrying value of inventories and their replacement cost.

13 Debtors

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Current		
Trade debtors	14,547	14,679
Amounts owed by ENGIE group undertakings:		
Current account	4,997	9,701
Interest	139	13
Total financial assets classified as loans and receivables	19,683	24,393
Prepayments	1,924	962
Deposits and guarantees	854	-
	22,461	25,355

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

13 Debtors (continued)

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Non-current		
Prepayments	12,236	-
	<u>12,236</u>	<u>-</u>
Total debtors	<u>34,697</u>	<u>25,355</u>

ENGIE group undertakings are subsidiaries of ENGIE S.A.

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

As at 31 December 2022 trade debtors of A\$nil (2021: A\$nil) were past their due date. At 31 December 2022, trade debtors and other debtors of A\$nil (2021: A\$nil) were impaired.

Amounts owed by ENGIE group undertakings includes A\$4,997,000 (2021: A\$9,701,000) which are unsecured, interest-free and repayable on demand.

14 Other financial assets

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Amounts owed by ENGIE group undertakings - loans	17,392	137,290
	<u>17,392</u>	<u>137,290</u>

ENGIE group undertakings are subsidiaries of ENGIE S.A. The carrying value of other financial assets approximates fair value.

The A\$17,392,000 (2021: A\$137,290,000) was deposited with GDFSM Finance Pty Limited an ENGIE group company, under a cash pooling arrangement and accrues interest based on the overnight rate published by the Reserve Bank of Australia.

15 Cash at bank and in hand

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Cash at bank	-	-

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

16 Creditors: amounts falling due within one year

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Trade creditors	32,447	17,426
Amounts owed to ENGIE group undertakings	12,398	9,842
Interest payable to related parties	129	-
Financial liabilities measured at amortised cost	44,974	27,268
Deferred revenue	-	559
Other creditors	850	890
Total current creditors	45,824	28,717

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.
 ENGIE group undertakings are subsidiaries of ENGIE S.A.

17 Provisions for liabilities and expenses

	Note	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Current			
Employee entitlements		2,205	2,297
Provision for litigation		3,855	3,855
		6,060	6,152
Employee benefits		77	-
Site restoration	17(a)	24,440	25,143
		24,517	25,143
		30,577	31,295

Employee benefits and entitlements represents short and long term employee benefits in respect of annual leave and long service leave. Short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Long-term employee benefits are measured as the present value of estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

Provision for litigation represents legal fees and settlement estimated for Australian Energy Regulator legal proceedings highlighted in the Strategic Report. The case is ongoing.

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

17 Provisions for liabilities and expenses
(continued)

(a) Movement in site restoration

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
At 1 January	25,143	21,475
Unwind of discount of provision estimates included in the cost base of tangible assets	977	975
Change in estimate for site restoration	(1,680)	2,693
At 31 December	24,440	25,143

The site restoration is expected to occur in 2038. Refer to Note 1(k) above for explanation of provision including nature, calculations and change in estimates.

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

18 Recognised deferred tax assets and liabilities

(a) Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31	31	31	31	31	31
	December	December	December	December	December	December
	2022	2021	2022	2021	2022	2021
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Tangible fixed assets	-	-	(36,300)	(39,423)	(36,300)	(39,423)
Accruals	1,186	1,352	(2,564)	(2,564)	(1,378)	(1,212)
Derivatives	41,650	26,326	-	-	41,650	26,326
Provisions	8,242	8,471	-	-	8,242	8,471
Tax asset/(liability)	51,078	36,149	(38,864)	(41,987)	12,214	(5,838)

(b) Movement in deferred tax during the year

	Balance	Recognised	Recognised in	Balance
	1 January	in the	the statement of	31
	2022	income	comprehensive	December
	A\$'000	statement	income	2022
	A\$'000	A\$'000	A\$'000	A\$'000
Tangible fixed assets	(39,423)	3,123	-	(36,300)
Accruals	(1,212)	(166)	-	(1,378)
Derivatives	26,326	15,324	-	41,650
Provisions	8,471	(229)	-	8,242
Total	(5,838)	18,052	-	12,214

	Balance	Recognised	Recognised in	Balance
	1 January	in the	the statement of	31
	2021	income	comprehensive	December
	A\$'000	statement	income	2021
	A\$'000	A\$'000	A\$'000	A\$'000
Tangible fixed assets	(60,253)	20,830	-	(39,423)
Stocks	(2,564)	2,564	-	-
Accruals	1,369	(2,581)	-	(1,212)
Derivatives	(14,471)	40,797	-	26,326
Provisions	7,352	1,119	-	8,471
Total	(68,567)	62,729	-	(5,838)

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

19 Financing arrangements

	2022	2021
	\$'000	\$'000
Access was available to the following lines of credit:		
Total facilities		
Working capital facilities	90,000	-
	90,000	-
Used at reporting date		
Working capital facilities	-	-
	-	-
Unused at reporting date		
Working capital facilities	90,000	-
	90,000	-

On 4 July 2014, the Company entered into an Intra Group Funding Agreement with GDFSM Finance Pty Ltd. The purpose of the facility is to provide the Company with access to funds for working capital.

On 8 September 2022, International Power (Australia) Holdings Pty Ltd, a parent of the Company, provided a letter of financial support to the Company in the form of a \$90.000 million negative balance limit increase under the Intra Group Funding Agreement dated 4 July 2014 with GDFSM Finance Pty Ltd. The line fee accrues 0.45% pa on the total commitment and the margin accrues the BBSY plus 0.45% pa on the drawn amount.

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

20 Called-up share capital

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Authorised, issued and called-up share capital		
2 ordinary shares of £1.00 each	-	-
1,320 ordinary 'B' shares of A\$1.00 each	1	1
	<u>1</u>	<u>1</u>

The share capital represents the Ordinary Shares in the Company issued at par which carry a right to participate in the distribution of dividends or capital of the Company.

Ordinary shares rank equally between each other with regard to voting rights, the right to receive dividends and also in a distribution of assets on the winding up of the Company.

21 Share premium account

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Share premium account movement		
At 1 January	131,999	131,999
At 31 December	<u>131,999</u>	<u>131,999</u>

22 Derivatives

Financial instruments held at fair value

The year end position of the Company comprises the following classes of derivative financial asset and liabilities. The directors consider that the carrying values (shown below) are equal to the fair values.

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Financial assets at fair value		
Current asset electricity derivative contracts	2,689	2,117
Non-current asset electricity derivative contracts	2,373	353
	<u>5,062</u>	<u>2,470</u>
Financial liabilities at fair value		
Current liability electricity derivative contracts	71,671	55,857
Non-current liability electricity derivative contracts	103,967	37,899
	<u>(175,638)</u>	<u>(93,756)</u>
Net derivative financial position held at fair value through profit or loss	<u>(170,576)</u>	<u>(91,286)</u>

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

22 Derivatives (continued)

Changes in value of financial instruments at fair value

Profit for the year has been arrived at after (charging):

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
At 1 January	(91,286)	50,234
Net charge	(51,850)	(135,989)
Movement in derivative premiums	(27,440)	(5,531)
At 31 December	(170,576)	(91,286)

As at 31 December 2022, all derivatives balances relate to electricity derivative contracts (2021: all derivatives balances related to electricity derivative contracts).

23 Contingent liabilities

Environment

The nature of the Company's business can create potential exposure to environmental matters which the Company may be required to remedy in the future.

Environmental legislation and community expectations are changing rapidly and future obligations arising from these changes could involve the Company in costly remedial work, including expenditure which is capital in nature, or incurring fines for breach of legislation. Work is continually progressing to determine any liabilities that may be associated with these items. Where liabilities can be estimated reliably and it is likely that the expenditure will need to be incurred, appropriate provisions have been made. However, since significant uncertainty exists as to the amount and timing of such obligations the financial impact in relation to environmental and restoration exposures cannot be reliably estimated.

Pelican Point Power Limited
Notes to the financial statements
For the year ended 31 December 2022

24 Related party disclosure

As at 31 December 2022 and 31 December 2021, the Company and its parent, International Power Australia Holdings 2 Pty Limited, were wholly owned subsidiaries of International Power (Australia) Holdings Pty Limited. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 and has therefore not disclosed transactions with wholly owned subsidiaries of International Power (Australia) Holdings Pty Limited.

Transactions with related parties not wholly owned by International Power (Australia) Holdings Pty Limited, and amounts recognised on the statement of financial position were as follows:

Revenue from energy and related products	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Other related parties	541	1,574
Current assets		
Trade receivables	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Other related parties	-	113
Total related party current assets	-	113
Total related party assets	-	113

All transactions with related parties were made on normal commercial terms, in the ordinary course of business, being no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-related parties on an arm's length basis.

Pelican Point Power Limited

Notes to the financial statements

For the year ended 31 December 2022

25 Controlling party and ultimate parent undertaking

The Company's immediate parent undertaking is International Power (Australia) Holdings 2 Pty Limited, which is incorporated in Australia and has the registered address of which is Level 23, 2 Southbank Boulevard, Southbank, Victoria, 3006, Australia.

The directors consider the Company's ultimate parent undertaking and controlling party to be ENGIE S.A. which is incorporated in France and is headquartered in Paris, France, and which is the parent undertaking of the largest group in which the results of the Company are consolidated for the year ended 31 December 2022 and the year ended 31 December 2021. The consolidated financial statements of ENGIE S.A. may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.

The smallest group in which the results of the Company were consolidated for the year ended 31 December 2022 and for the year ended 31 December 2021 was that headed by International Power (Australia) Holdings Pty Limited, incorporated in Australia. The consolidated financial statements of International Power (Australia) Holdings Pty Limited for the year ended 31 December 2022 may be obtained from its registered office by calling or writing to Level 23, 2 Southbank Boulevard, Southbank, Victoria 3006, Australia.

26 Subsequent events

There are no matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.