2023

Financial Report

New Energy Technology Ltd

ACN: 645 447 374

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Introduction

New Energy Technology Ltd is in the business of accelerating the green fuel value chain by investing in and commercialising the most promising technologies, consulting to majors, originating infrastructure projects, and introducing suppliers with customers.

Vision: All fuel is climate friendly

Mission: Accelerate the green fuel value chain

Strategy: Experts identify critical value chain gaps likely to slow the development of the value chain, and fill them with the highest impact new technologies, consulting, and infrastructure

Revenue model: Capital gains on technology investments plus revenue from consulting, commercialisation, and commissions

Business strategy: Create high return multiples from each technology investment through hands-on-commercialisation, and by using the consulting, projects, and introductions divisions to scale each of the technologies

Shareholder Return Strategy: IPO when conditions are favourable; return 50% of each liquid asset sale proceeds directly to shareholders; future sale of entire portfolio

Financial Highlights

Gross returns on portfolio investments to date:
7.24X

Revenue
$4.05 million

Sizable revenue again from investment gains and consulting

Profit after tax
$1.84 million

Another year of profit shows consistency in performance

Net assets
$27.6 million

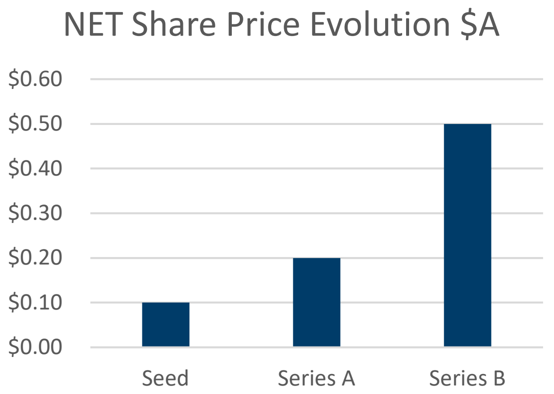
Strong balance sheet growth driven by further portfolio investment gains

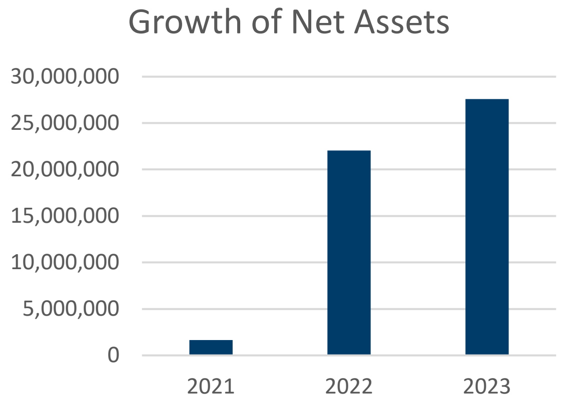
Cash and cash equivalents
$1.98 million

Good liquidity positions the business for further growth

Profit per share to date
$0.24

Net assets per share
$0.34





Directors’ note to Shareholders

The Directors here present the report on New Energy Technology Ltd (“the Company”) for the financial year ended 30 June 2023. Unless otherwise stated, all dollar amounts in this report are presented in Australian dollars ($).

FY23 was a year of consolidation, profitability, and preparation for the next phase of growth. The Company focused on creating value within the existing 5 portfolio companies, bedding down the consulting division, gaining new insights to leverage emerging market developments, and targeting new high conviction technology investments.

The emerging global green fuel landscape has developed rapidly since NET was founded in 2020. The Company remains at the forefront of this development by winning increasingly granular data-driven insights into the emerging value chain. These insights are gained through hands-on involvement across the value chain - in the form of consulting to majors, infrastructure development, immersive support of our technology companies, and ongoing deep in-house research and modelling. Data overwhelmingly continues to suggest to the Company that green fuels will be central in the new energy landscape (see below ‘Market Insights’ section for details). This approach of advantageous deep insights has delivered outsized investment returns and strong profitability.

NET’s first investment, Starfire, previously increased in value 13X from an initial $2M up to $26M. NET’s second investment, Joltech, increased in value 9X during the reporting period, from an initial $0.44M up to $4.1M. This helps consolidate the successful demonstration of NET’s ability to create outsized value for shareholders by delivering on the Company’s stated business plan that has remained essentially the same since 2020. Two other portfolio companies, Naco and Supercritical, are both currently raising capital at significant mark-ups, and that gain is anticipated to flow through to NET’s balance sheet in FY24. The fifth investment showed little gain during the reporting period, but subsequently has risen in value by over 75%.

Value creation through immersive expert work inside the investee companies - on their boards, in executive strategy, through technical support, providing customer and partner introductions, analysis and insights and advice on markets, and growth and scaling work of all kinds has helped all the investee companies thrive.

In a short time, the emerging green fuel technology landscape and investment ecosystem have changed dramatically. To optimise returns through competitor advantage, data-driven expert insights are constantly updated to identify where future bottlenecks in the emerging value chain are likely to be, and this informs investment strategy.

25 new technology investment targets were reviewed during the period, with some progressing through the pipeline, such as the hydrogen storage tank startup NGT, which reached the Investment Committee’s Final Investment Decision (FID) phase, but none passed the Company’s high FID bar of near-unanimous ‘very high conviction of disruptive climate impact and high return multiples’. This demonstrates the high level of care the Company takes in deploying shareholder capital in service of the mission and investment returns. Further capital was successfully invested into existing portfolio company Naco on favourable terms.

A strong pipeline of new target technology companies across the hydrogen value chain is being progressed with a view to alternative hydrogen generation, electrolyser componentry and methods of manufacturing, ammonia-to-power technologies including turbines, pyrolysis, compression, ammonia cracking, piping, and direct ammonia production. As at the date of publication, 4 targets are in due diligence, including one in Perth, Western Australia.

Directors’ note to Shareholders

3 of the 4 infrastructure projects in origination by the Company in Spain and Australia are proceeding, with the 4th on the back burner. The highlight from the period is a signed Letter of Intent from an investment grade off-taker to purchase the full production output of the Spanish Project.

$3.03M in capital was raised through issuing new shares in the Company’s Series B at $0.50/share, $400K of convertible loans was converted to shares at $0.45 along with the Series B as per binding terms, and $665K of Seed round options (roughly 1/3rd of all Seed Options) were exercised almost 2yrs early at a 20% discount price of $0.20.

Revenue of $4M was recorded and profit after tax was $1.84M. Total assets grew from $28.5M to $34.6M, while net assets grew from $22M to $27.6M. The simple value uplift multiple on deployed capital for portfolio investments from January 2021 to the end of this reporting period was 7.24X. Net assets per share was $0.34, and booked profit per share to date was $0.24.

This annual report reflects on the successful year the Company had and provides a reference for the next phase of growth through technology investment and commercialisation, consulting, and projects. The Directors wish to extend gratitude to all the shareholders for their confidence in the team and the business to create outsized financial returns and meaningful climate impact as the Company drives to fulfil its critical mission of accelerating the green fuel value chain to reach net zero faster.

Based on the science, it is no exaggeration to state that the Company’s mission, if successful fulfilled, will help save many lives and ecosystems around the world.

The Directors hope that shareholders find this Annual report reflects rewards over and above the trust given to the Company, and that the general public find inspiration and an invitation to get involved.

Rowan Logie and Greg Stace

Founders and Directors

Operations Review

Portfolio Investments

NETs has 5 active investments in our portfolio.

Starfire Energy

Starfire Energy invented the first technology globally that can produce green ammonia using intermittent power sources like wind and solar. The plant can ramp production up and down quickly to take advantage of these green energy sources. In 2020 Starfire successfully tested a prototype producing 10kg/day of green ammonia from renewable energy sources.

In March 2021, the Company invested $2.1 million in Starfire Energy ("Starfire") in exchange for 9% of the shares of Starfire and a seat on its Board of Directors. By the end of the reporting period the Company's shares in Starfire were valued at $25.8M.

In 2021 Starfire successfully completed their 100kg/day production unit, producing 100 kilograms of green ammonia. In 2022, Starfire continued with its development as planned, building out an industrial scale 5T/day production unit and successfully testing it. NET Director Rowan Logie visited Starfire in Denver in the USA, and saw their expanded premises and was impressed with the team and the work.

$24M was successfully raised to fully fund the 5T/day development in a Series B during the reporting period. This valued the company at USD$225M post-money, providing a 13.5X investment gain for the Company. New investors that participated in the Series B included Samsung, IHI, and Pavilion Capital (part of Temasek). Existing investors also participated including Mitsubishi, Chevron, Osaka Gas USA, and AP Ventures. NET did not invest any further capital, instead sticking to the Company strategy of preserving capital for early stage targets where the impact can be greater and the investment returns greater.

Starfire received a prestigious award, the Emerging Cleantech Company of the year from the Colorado Cleantech Industries Association (https://www.prlog.org/12942417-2022-colorado-cleantech-awards-winners-announced.html)

NET is preparing to offer part of it's holding for sale to take advantage of the investment gains and to fund further investment activities. We believe Starfire will be a crucial part of 'green giant' ammonia projects globally and offer an excellent fit for applications next to renewable projects, capturing the sizable proportion of this large market segment. Contact Company management if you are interested in acquiring Starfire shares.

Starfire can help accelerate the green fuel value chain through faster scaling of economical clean ammonia production, because their technology is more compatible with intermittent renewable energy sources.

Joltech

In 2022 Jolt invented a new way to coat electrodes that makes them run at much higher efficiency, last much longer, and use less precious metals. These are all important developments towards making green hydrogen fuels economical. Independent test results show Jolt's technology radically improves the economics of green hydrogen.

Operations Review

In August 2022 the Company invested AU$439K into Jolt as the sole investor in its Seed round capital raise. The Company's shares in Jolt were valued at AU$4.1M by the end of the reporting period. This values Jolt at AU$54M.

Jolt successfully closed a EURO 6M Series A in FY2023, led by Climentum Capital Fund, Ship2B, and BSocial Impact Fund. Subsequent to the reporting period, in October 2023, Santander, one of Europe's largest banks, invested EURO 1.495M.

The Company views Jolt as having the potential to capture a material portion of the current market in electrode coatings for electrolysers, water treatment, and batteries.

Other Highlights:

- The Catalonia's Government provided EURO 1.5M of convertible equity financing to help Jolt develop it's first commercial manufacturing plant in the region https://elmon.cat/moneconomia/empreses/govern-inverteix-15-milions-jolt-empresa-de-produccio-hidrogen-39190/
- Jolts supplies electrodes to world-wide electrolyser manufacturer Hydep's for their new AEM commercial electrolyser.
- Business Insider named Jolt as one of the world's 53 most exciting tech companies of 2023 https://www.businessinsider.com/most-promising-climate-tech-startups-vcs-2023-10
- Startup CFO named Jolt in the top 10 startups https://tscfo.com/en/top-10-startups-july-2/
- Ops director interviewed on TV (in Spanish) https://lhdigital.cat/general/lentrevista-de-linformatiu-26-10-2023-arturo-vilavella-director-operacions-jolt/
- Catalonia's top 10 most disruptive companies of 2023 https://catalonia.com/-/catalonia-ten-most-disruptive-companies-of-2023?id=1079799&utm_source=linkedin&utm_medium=social&utm_campaign=xxss

Naco Technologies

In May 2022 (prior to the reporting period) the Company invested $224,000 into Latvian-based green hydrogen technology developer Naco Technologies Ltd ("Naco") in their Seed round capital raise, in exchange for 1.6% of shares in Naco. The investment round was led by veteran Eastern European VC fund Untitled Ventures and the European Commission-funded Buildit Seed Fund.

During the reporting period the Company invested a further $568,000 into Naco Technologies on the same terms as the Seed round, taking the Company's holdings up to 5.5%.

Naco has invented a patented nano-coating technique for use in electrolysers to produce green hydrogen, and in fuel cells to turn hydrogen into electricity. This technique has been proven in many independent tests by third parties, including many industry majors, to translate into major cost savings and increased product lifetimes and help accelerate the green fuel value chain.

Using the Seed round capital, Naco refined the technology and built it's first production line to begin supplying product to customers against many indicative orders.

Company Director Rowan Logie and Head of Engineering Come Gerome have visited Naco on multiple occasions and the team continues to support their growth and scaling.

Operations Review

Naco are currently raising equity capital for their first commercial scale manufacturing plant to be based in Poland. We anticipate their Series A to close in the coming months at a materially higher valuation, delivering investment gains for the Company.

Other highlights:

- In Sept 2023 (subsequent to the reporting period) Naco unveiled their cutting edge pilot production plant in Latvia. The Company's head of Engineering Come Gerome attended in person and also spent time with the executives to support business and technology strategy. Latvia's Minister of Finance, Arvils Aseradens, attended, and said, "It is very important to see businesses embodying the national policy – transformation of economy towards green economy. Today I see a completely different pace and level of ambition, where we are talking about hydrogen, related technologies, potential ecosystems, and a lot of innovative ideas. I'm happy to see an excellent example of a company in green economy space here in Latvia. I congratulate Naco Technologies` team with a successful launch of the production facilities to support the green hydrogen economy and strengthen Latvia's position in this field. I wish Naco Technologies good luck with the project. It has a huge potential to become a significant part of a global ecosystem."
- Naco won the Latvian Startup Award in the Breakthrough category, along with special recognition from Latvian President, in Sept 2023.
- Naco announced a partnership with Ballard Power Systems, one of the world's leading hydrogen product manufacturers, in October 2023
- Naco secured a €2.3 million grant from European Innovation Council and SMEs Executive Agency (EISMEA), as well as investment, for a total of €10 million
- In November 2022 Naco won a place in the Top 30 award winners from the first edition of the Tech Tour Sustainability22 Flagship Programme

Founder Aleks on the cover of Forbes Latvia

Operations Review

Naco's lab and unveiling of the new production line

Supercritical

On 25 December 2021 the Company invested $763,978 of capital into London-based green hydrogen production technology venture Supercritical Solutions Ltd, in exchange for 3.4% of shares and a board seat. Co-investors include Anglo American, Deep Science Ventures Limited, Lowercarbon Capital, and Jericho Ventures.

Supercritical's ground-breaking electrolyser technology has the potential to reduce green hydrogen production costs by up to 26%. Importantly, their technology outputs hydrogen at very high pressure - 230 bars – as needed by industry. This represents a significant step up from the current best-in-class, delivering material further cost savings for hydrogen end-users. Supercritical also has partnership support from energy major Shell.

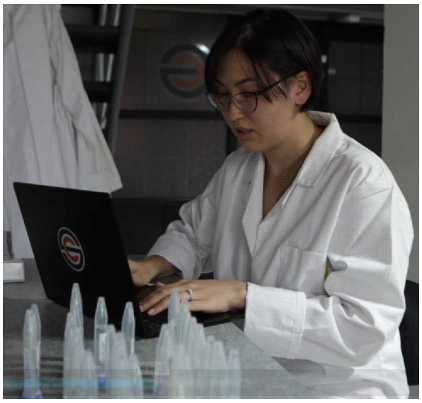
Recent lab results have shows extraordinary efficiency results in producing hydrogen, and they are currently doing further testing to confirm these results.

Other highlights:

- In 2021, Supercritical worked with OZ Minerals (now a BHP company), to evaluate how its high pressure electrolyser could drive costs out of the mining value chain. Results showed that they need 10x less energy to achieve the required pressure, and it would reduce our energy demand by a further 25% with the use of their copper roaster's waste heat.
- Supercritical Solutions won Best Pitch award at the Brown Rudnick's Hydrogen Pitch Event
- Recognised by CEMEX Ventures as one of the top Clean-tech solutions for 2023, reshaping the next phase of the Construction Technology ecosystem https://www.cemexventures.com/cleantech-construction-map-2023/
- Listed as a top 100 global startup by Start Up Energy Transition in the #SET100.

Operations Review

- Published exciting results from their GreeNH3 project in partnership with ScottishPower and Proton Ventures. Details here: https://www.supercritical.solutions/case-studies/greenh3



Investment in Australian clean ammonia production project developer Pilot Energy (ASX: PGY)

In June 2022 the Company acquired a strategic holding in Australian-based clean fuel production project developer Pilot Energy for $205,700. The Company conducted two years of due diligence before investing. Pilot Energy is an existing energy business with infrastructure and assets in Western Australia suitable for rapid transition and expansion to produce clean fuel at export scale. During the reporting period the Company made a further investment of $200,000 into Pilot Energy, resulting in the Company holding 23,422,486 shares, equivalent to 2.25% of shares on issue. During the reporting period the value of these shares fluctuated nominally, but as of publication of this report, the value has increase by approximately 75%.

Other highlights

- MoUs signed with Knutsen NYK Carbon Carriers AS, KC8 Capture Technologies Limited and Svante Technologies Inc
- Pilot Energy to acquire Triangle Energy's interest in the Cliff Head Oil Joint Venture. The transaction will strengthen Pilot's ability as 100% owner and operator to complete the transformation of the Cliff Head facility to a Carbon Capture & Storage (CCS) project.
- The transaction will enable Pilot to introduce key strategic partners to fund the development and participate in the broader Mid West Clean Energy Project in Western Australia.
- Pilot Energy Limited and KC8 Capture Technologies entered into an MoU to collaborate on offering a carbon capture and storage (CCS) solution
- Received $1.1M under the Australian Government's R&D Tax Incentive program,
- Executed a binding convertible note agreement with a syndicate of sophisticated investors for an investment in the company of $3 million.
- Signed an MoU with Canadian carbon capture & removal solutions provider Svante to collaborate on offering a one-stop-shop solution for carbon capture, transportation, and storage to industrial businesses with hard-to-avoid CO2 emissions
- Video here https://www.pilotenergy.com.au/videos-webcasts

Operations Review

NET rejects hydrogen storage tank technology developer NGT for investment

On 30 September 2022 the Company signed terms to invest AUD$385,000 of seed capital into Swiss-based green hydrogen technology venture Next Generation Tanks ("NGT") in exchange for 10% of shares in NGT and a board seat.

After 12mths of due diligence the Investment Committed rejected the proposed investment because it didn't reach the Company's high bar for Final Investment Decision of requiring internal consensus of very high conviction of disruptive climate impacts and high investment return multiples.

Consulting

On 2 May 2022 the Company entered into a contract with energy major Energie Baden AG (EnBW), based in Germany, to provide ongoing strategic and execution support for EnBW's ambitious entrance into the hydrogen economy. During the reporting period the consulting contract was bedded down and is now viewed by the parties as a long-term agreement. Subsequent to the reporting period the contract was expanded with monthly revenues to the Company increased.

EnBW's €60 billion annual revenue comes largely from nuclear and fossil fuel energy generation, but it is leading the world working to fully transition to green energy within a few short years. To assist in this transition, the Company delivers strategic advice, and undertakes detailed reviews and provide technical guidance to support the origination and development of upstream, midstream and downstream hydrogen participation opportunities for EnBW internationally. The Company also undertakes key strategic activities to lay the groundwork for its energy transition to hydrogen and ammonia.

This can accelerate the green fuel value chain by assisting a capital-rich, investment grade actor to get comfortable putting capital and resources into the green fuel landscape, and by helping to ensure that participation is directed towards credible business activities that stand the best chance of playing a meaningful role in the emerging landscape.

The Company benefits financially through monthly revenue, allowing the Company's capital to be deployed towards activities that can make profit rather than spent on operational costs. The Company can also benefit financially through the client acting as a co-investor in technologies and a project partner in infrastructure and a commodity off-taker. In addition, the Company can benefit through the client becoming a commodity off-taker, therefore unlocking upstream and mid-stream financing and development, in which the Company may have direct commercial interests.

Infrastructure Projects originated by the Company

NET is originating 3 projects. The Company's Spanish project has an indicative offtake agreement from an investment-grade end-user but is challenged by difficulties in securing a transport route from the production site to the sea. Assessment and coordination with authorities is ongoing.

The Onslow project is close to going to market to fundraise. As a hybrid blue / green project the Company views the pricing before subsidies as comparable to two likely production centers of Oman and the US, except that the Onslow project production site is much closer to the big markets of Japan, Korea, and Singapore, lowering transport costs significantly.

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This makes the Onslow project potentially attractive to consumers concerned about security of supply. When compared to many other projects, it is rare in that it has access to natural gas for blue fuel production. The Company's extensive modelling indicates it has the potential to offer some of the lowest cost decarbonised molecules in the market. Current modelling is for approximately 90% blue and 10% Green fuel production. For those interested in investing, please contact us.

The third project supported by the Company is Pilot Energy's Mid-West Development. The Company has introduced a potential off-taker for their project and has a consulting agreement in place for when this work ramps up. The Company views this as a highly promising low carbon ammonia solutions in Australia.

Infrastructure Projects the Company is providing support to

The Company also provides support to third party infrastructure projects through its consulting work. These projects could each potentially offer participation opportunities for NET in the future:

1. *Delta Rhine Corridor Ammonia pipeline:* This Co2 and Hydrogen pipe has space allocated for the ammonia. We are the main supporters of a massive ammonia pipeline that could transfer up to 25Million Tonnes of ammonia a year - the equivalent of 8 nuclear power plants running baseload
2. *Coastal ammonia to power production* in Germany and Netherlands
3. *Ammonia to heat pilot* project at an ammonia import facility
4. *Ammonia cracking* at a German port
5. *Floating ammonia power plant* development in Italian, Dutch and German ports
6. *VLAC - Very Large Ammonia Carriers* development as a direct competition against LNG vessels
7. *Firm decarbonised Baseload power* - linking renewables and ammonia power production
8. *Ammonia storage in salt caverns* research

NET Fundraising

The Company is constantly looking for ways to optimise value creation for shareholders. The highest priority is a liquid exit in the FY24, and the Company is actively working on that. This would allow for distributions to shareholders and also capital for organic growth. The Company views this as feasible within FY24, though it may take longer.

NET Series A Recap:

In December 2021 the Company successfully closed capital raising in the Series A round ("Series A Capital Raise"). A total of $3.02 million was raised by the Company in exchange for the issuance of 20,133,333 ordinary shares of the Company at $0.15/share, which brought the valuation of the Company at the close of Series A Capital Raise to $12,047,375. The funds from the Series A Capital Raise were used towards tranche 2 of investment in Starfire, investment in Supercritical, investment in Jolt, and investment in Naco, as well as operational costs.

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NET Series B Capital Raise Closed

During the reporting period the Company successful raised $3.03M by selling newly issued shares at $0.50/share. This triggered the conversion of the $400K of convertible notes at a 10% discount as per binding terms.

Seed Options Converted

In June 2023 the company offered an early conversion discount of 20% for seed option holders and during June and July 2023 3.325M options were converted under those terms. The round is partially included in the reporting period and partially subsequent to the period as the 'close' was after 30 June.

The Company now has no convertibles or debts. The number of Seed options remaining is 6,766,250. There are no other options or share rights.

Market insights:

During the FY23 the Company developed a far more granular set of insights into how the clean fuel value chain is likely to emerge. Some previous insights have been confirmed, such as that hydrogen for light vehicles is very unlikely to progress in the face of battery developments and the incredibly challenging physics and economics of hydrogen. Other insights have developed richness and granularity, such as use cases for ammonia-to-power and -heat and hydrogen-to-power and -heat.

Insights about global supply chains likely to provide the backbone of the new value chain have developed. For example, it is clear to us that Europe is highly unlikely to produce green or blue hydrogen fuels at scale and will need to import. The reasons are complicated but include the following factors. First, the low availability of depleted wells suitable for carbon sequestration as determined by geological data gathered from previous enhanced recovery. Second, low availability of green electrons in the European grid and prioritisation of new green grid electrons to electrification of existing use cases such as electric vehicles, heat, and commercial and industrial uses. Third, as described below, the European REDIII regulations in final draft form as of publication will not allow hydrogen fuels produced in Europe to be certified as green or be eligible for subsidies if they draw on grid power, even green grid power. In other words, a production plant must supply it's own green electrons to power any hydrogen production, which in most cases in not feasible.

Green hydrogen and ammonia are made from renewable energy and water and air. Blue hydrogen and ammonia use natural gas and carbon sequestration. The Company views ammonia as the leading candidate for the fuel of the 21st Century and hold the view it is highly likely to replace much LNG and coal in the power and heat sector eventually. More and more actors are coming to the same conclusion.

FY23 was one of learning and adaption for the NET team. Capital markets tightened significantly, some of the large hydrogen stocks took a beating in the market as they weren't finding customers. We anticipate that the next phase will be one of hesitancy – actors will continually evaluate technologies and projects, but will be reluctant to commit, and then, once the various regulatory support programs are finalised across the world, projects will begin proceeding. Some of these programs are mentioned in the next section.

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The Company's modelling and analysis reveals great challenges in bringing green hydrogen fuels to market, mainly cost. The Company views this as solvable through disruptive efficient technologies, but that will take time. Blue hydrogen produced using cheap natural gas from the USA, made even cheaper thanks the potential IRA subsidies including the hydrogen subsidy and the carbon sequestration subsidy for enhanced recovery, will likely results in blue fuels flowing from Louisiana into Rotterdam at scale as the first clean fuel for Europe. Australia is the leading likely supplier to Japan. Middle East producers may supply some Asian countries.

REDIII and the IRA

Demand for low carbon molecules is likely to be driven by European and US legislation. Green fuel adoption faces significant challenges, costing from 1.2X to 6X more than carbon intensive fuels for some time and in most places. A carbon price and/or green subsidy will be required to make green fuel competitive even by 2030.

The European Union's ambitious green fuel plan, the *Renewable Fuels Energy Directive* (REDIII) has been approved by the EU Parliament and is in implementation phase. Targets include European industry switching to 42% renewable fuel consumption by 2030 and 60% by 2035. To deliver on this it would require the same energy as 30 nuclear power plants producing hydrogen all the time.

In addition, the EU's carbon border adjustment mechanism (CBAM) is now in place and will be applied to many imports.

The USA's Inflation Reduction Act (IRA) is providing very large subsidies for the production of green (45V) and blue (45Q subsidy program) hydrogen fuels. Details of how the 45V have not been announced but are anticipated to include a mix of direct capital cost subsidies and a contract for difference (CFD) mechanism to close the price gap between cheap dirty versus clean expensive molecules. The Company is tracking over 20 blue fuel projects in the US Gulf coast and their potential to kick start the global ammonia-to-energy supply chain by offering cheaper clean molecules.

Japanese and Korean governments are driving development through government bilateral and consortium partnerships with local major energy suppliers and consumers focused on switching to green fuel. The specific mechanisms at play are less transparent, making it harder to provide general assessment of implications.

An additional key driver in the landscape is shifts in capital markets. In 2020 hydrogen technologies and projects found it extremely difficult to get funding. In a very short time large pools of capital have redirected towards climate tech and energy transition infrastructure. Some of the biggest capital pools – retirement funds – are under increasing social and legal pressure to divest from carbon intensive investments and switch to climate friendly assets.

This selection outlining some of the bigger economic drivers for green and blue ammonia (and hydrogen) adoption on the planet does not do justice to the complexity and richness of the emerging markets.

We here include a quote from the World Energy Outlook report by the International Energy Agency. We here quote from the 2023 report, just released:

"The world is finding innovative answers. There is noticeably less reliance on early-stage technologies to reach net zero emissions in the updated NZE Scenario than in our first roadmap report in 2021. At that time, technologies not available on the market, i.e. at prototype or demonstration phase, delivered nearly 50% of the emissions reductions needed in 2050 to reach

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net zero. Now that number is around 35% (Figure 1.17). Progress has been driven by both public and private efforts to further develop and commercialise new clean energy technologies, spurred by supportive government policies and the growing market prize of the clean energy economy. Energy R&D spending by globally listed companies exceeded USD 130 billion in 2022, an increase of 25% from 2020, and clean energy venture capital flows remain strong, despite the more difficult macroeconomic environment.

“Part of this shift is also due to increased confidence in direct electrification as a cost-effective approach. In the road transport sector, for example, cost reductions and standardisation for commercial lithium-ion batteries in particular have strengthened the business case for electromobility over other options for all types of road transport. Overall, the decarbonisation of road transport in the 2023 NZE Scenario relies around ten percentage points less on technologies under development in 2050 than was the case in the 2021 version, in part because of a reduction in the share of hydrogen fuel cell electric heavy-duty vehicles.

“Simply cutting spending on oil and gas will not get the world on track for the NZE Scenario; the key to an orderly transition is to scale up investment in all aspects of a clean energy system. The development of a clean energy system and its effect on emissions can be reinforced by policies that ease the exit of inefficient, polluting assets, such as ageing coal plants, or that restrict the entry of new ones into the system. But the urgent challenge is to increase the pace of new clean energy projects, especially in many emerging and developing economies outside China, where investment in energy transitions needs to rise by more than five times by 2030 to reach the levels required in the NZE Scenario. A renewed effort, including stronger international support, will be vital to tackle obstacles such as high costs of capital, limited fiscal space for government support and challenging business environments.”

https://www.iea.org/reports/world-energy-outlook-2023

The Company’s extensive and detailed inhouse modelling based on cutting edge industry data gained through immersion inside the value chain allows the Company to penetrate into the dynamics of production proposals, mid-stream scenarios, and end use cases, and analyse them using the different clean fuel types and across geographies.

This allows the Company to piece together a picture of how the global green fuel value chain might likely emerge, and to form granular insights on where the likely value chain gaps will be in the coming years and decades. This informs the Company’s insight-driven investment strategy decisions, which is what delivers the Company competitive advantage to achieve outsized shareholder returns.

Director's report

Your directors present their report on New Energy Technology Ltd (New Energy Technology or the Company) for the year ended 30 June 2023.

1. Directors

The following persons held office as a Director of the Company for the financial year ended 30 June 2023 and as at the date of this report:

Mr Rowan Logie	
Mr Gregory Stace	
Mr Tim Goldsmith	Appointed 24 October 2022
Mr Glynn Ellis	Resigned on 30 August 2022

2. Company Secretary

At incorporation of the Company, Rowan Logie was appointed Company Secretary of the Company. No other person has held this position.

2. Dividends paid or recommended

The Company did not pay dividends for the year ended 30 June 2023 (30 June 2022: nil).

4. Principal activities

The Company is in the business of accelerating the green hydrogen value chain by investing in and commercialising the most promising technologies, originating infrastructure projects, consulting to majors, and introducing suppliers with customers.

- **Vision:** All fuel is climate friendly
- **Mission:** Accelerate the green fuel value chain
- **Strategy:** Experts ID critical value chain gaps and fill them with the highest impact new technologies, infrastructure, and consulting
- **Revenue model:** Capital gains on technology investments plus revenue from commercialisation and consulting and commissions
- **Business strategy:** Create high return multiples from each technology investment through hands-on-commercialisation, and by using the consulting, projects, and introductions divisions to scale each of the technologies
- **Shareholder Return Strategy:** IPO when conditions are favourable; return 50% of each liquid asset sale proceeds directly to shareholders; future sale of entire portfolio

5. Financial review

<u>Operating results</u>

- For the financial year ended 30 June 2023, the Company delivered a profit after tax of $1,844,655 (30 June 2022: $17,284,051 profit).

- The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Director’s report

Financial position

- The net assets of the Company as at 30 June 2023 was $27,585,116 (30 June 2022: $22,050,959).
- As at 30 June 2023, the Company’s cash and cash equivalent was $1,984,040 (30 June 2022: $1,042,112)and had available working capital of $1,955,445 (30 June 2022: $1,014,106).

6. Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Company during the financial year.

7. Matters subsequent to reporting date

In July 2023, the Company received an additional $440,000 in cash upon the exercise of 2,200,000 options at an exercise price of $0.20.
There are no other significant after balance date events that are not covered in this Directors’ Report or within the financial statements at Note 19.

8. Future developments, prospects and business strategies

Likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

9. Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Director's report

10. Information on directors

Mr Rowan Logie
Director and Company Secretary

Rowan is a Director of Investment and Commercialisation. He is the Founder of The Growth Group and PowerMinder, and has previously founded 12 ventures and provided growth and scaling advisory to more than 70 ventures. He has also led complex energy technology product development.

Mr Gregory Stace
Director

Gregory is a Director of Technology, Commercials and People. He is the Founder and Chief Executive Officer of Earthed and Founder of Avensol. Gregory also founded and built Switzerland's second largest solar installer. He has advised energy giants on decarbonization strategy and launched and grew a leading global microgrid business.

Mr Tim Goldsmith
Director (appointed 24 October 2022)

Mr Goldsmith has a wealth of international experience, including former capital markets and advisory with PwC, is currently a long-serving Chairman of Australia's most successful dedicated hydrogen technology developer Hazer Group (ASX:HZR), and recently served as President and CEO of the Rincon lithium asset that Rio Tinto have acquired for US$825 million.

Mr Glynn Ellis
Director (resigned 30 August 2022)

Director's report

11. Company Secretary

Mr Rowan Logie holds a Bachelor of Arts, Master of Arts, and is a Ph.D. Candidate. Mr Logie was appointed as Company Secretary at incorporation of the Company on 27 October 2020. No other person has held this position

12. Meetings of Directors and committees

	Director Meetings	
	Number eligible to attend	*Number attended*
Mr Rowan Logie	3	3
Mr Gregory Stace	3	3
Mr Tim Goldsmith	0	0

Whilst the directors only had 3 formal meetings during the financial year, the current board of directors meet regularly on a monthly basis.

13. Director interests

The relevant interest of each director in the shares or options over such instruments issued by the Company and other related bodies corporate, as notified by the directors to the ASIC in accordance with subsection 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options
Mr Rowan Logie	19,700,000	-
Mr Gregory Stace	19,700,000	-
Mr Tim Goldsmith	2,319,444	-

14. Options

No options in the Group were granted during or since the end of the financial year and there were 8,966,250 options outstanding at the date of this report.

15. Indemnity and insurance of Directors and Officers

The Company has not entered into agreements to indemnify the Directors of the Company against liabilities that may arise from their position as Directors of the Company.

16. Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company 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 Company was not a party to any such proceedings during the year.

Director’s report

17. Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under subsection 307(C) of the Corporations Act 2001 is set out on the following page.

This Director’s Report is made in accordance with a resolution of the Directors pursuant to subsection 307(C) of the Corporations Act 2001.

Mr Rowan Logie

Director

Dated this Tuesday, 31 October 2023

Auditor's independence declaration

Under Section 307c Of The Corporations Act 2001 (Cth)
To The Directors Of **New Energy Technology Ltd**

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2023

	Note	2023	2022
		$	$
Revenue	2	4,050,673	24,074,954
Expenses			
Administrative expenses		(229,541)	(44,398)
Consulting expenses	3	(1,361,592)	(766,277)
Share based payments	12	-	(236,520)
Profit before income tax expense		2,459,540	23,027,759
Income tax expense	4	(614,885)	(5,743,708)
Profit after income tax expense for the year		1,844,655	17,284,051
Other comprehensive profit for the year, net of tax		-	-
Total comprehensive profit		1,844,655	17,284,051

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2023

	Note	2023	2022
		$	$
Current assets			
Cash and cash equivalents	5	1,984,040	1,042,112
Trade and other receivables	6	98,357	26,749
Total current assets		2,082,397	1,068,861
Non-current assets			
Financial assets	7	31,988,264	27,180,561
Deferred tax asset	8	554,129	248,712
Total non-current assets		32,542,393	27,429,273
Total assets		34,624,790	28,498,134
Current liabilities			
Trade and other payables	9	126,952	54,755
Total current liabilities		126,952	54,755
Non-current liabilities			
Borrowings	10	-	400,000
Deferred tax liability	8	6,912,722	5,992,420
Total non-current liabilities		6,912,722	6,392,420
Total liabilities		7,039,674	6,447,175
Net assets		27,585,116	22,050,959
Equity			
Issued capital	11	8,745,856	4,819,834
Option reserve	11	-	236,520
Retained profits		18,839,260	16,994,605
Total equity		27,585,116	22,050,959

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the financial year ended 30 June 2023

	Note	Issued capital	Option reserve	Accumulated losses	Total
		$	$	$	$
Balance at July 1, 2021		1,941,992	-	(289,446)	1,652,546
Loss after income tax expense/benefit for the period		-	-	17,284,051	17,284,051
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the year		-	-	17,284,051	17,284,051
Transaction with owners, directly in equity					
Issued capital	11	3,020,000	-	-	3,020,000
Capital raising costs	11	(142,158)	-	-	(142,158)
Share based payments		-	236,520		236,520
Balance on 30 June 2022		4,819,834	236,520	16,994,605	22,050,959
Balance on 1 July 2022		4,819,834	236,520	16,994,605	22,050,959
Profit after income tax expense/benefit for the year		-	-	1,844,655	1,844,655
Other comprehensive income for the year, net of tax		-	-	-	1,844,655
Total comprehensive income for the year		-	-	1,844,655	1,844,655
Transaction with owners, directly in equity					
Issued capital	11	4,109,020	-	-	-
Capital raising costs	11	(182,998)	-	-	4,109,020
Share based payments	12	-	(236,520)	-	(182,998)
Balance on 30 June 2023		8,745,856	-	18,839,260	27,585,116

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the financial year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		369,464	105,275
Payments to suppliers and employees		(1,509,457)	(441,373)
Net cash used in operating activities	5	(1,139,993)	(336,098)
Cash flows from investing activities			
Purchase of investments in equity instruments		(1,207,581)	(2,016,456)
Net cash used in investing activities		(1,207,581)	(2,016,456)
Cash flows from financing activities			
Proceeds from borrowings	10	-	400,000
Net proceeds from issued capital	11	3,289,502	2,877,842
Net cash provided by financing activities		3,289,502	3,277,842
Net increase in cash held		941,928	925,287
Cash at the beginning of the period		1,042,112	116,824
Cash at the end of the year	5	1,984,040	1,042,112

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the financial statements and notes of New Energy Technology. New Energy Technology is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue on 31 October 2023 by the directors of the Company.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in order to meet the Directors' reporting requirements. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the Corporations Act 2001 (Cth).

Australian Accounting Standards (AASs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Company incurred a profit for the year of $1,844,655 and a net cash out-flow from operating activities of $1,139,993.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has cash and cash equivalents of $1,984,040 and minimal liabilities as at 30 June 2023.
- The Company intends to and is committed to explore strategic opportunities to further drive revenue growth and profitability.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds from future capital raisings, generating sufficient revenues through its investments and managing its contractual and discretionary cash outflows in line with available funds to enable the Company to meet both its current obligations and its committed future expenditure.

Notes to the Financial Statements

Given the strong support received from the current capital raise, the Directors are confident of the company's ability to remain a going concern.

Financial position

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. The amounts presented in the financial statements have been rounded to the nearest dollar.

Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 1(k).

Accounting policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements. The Company has considered the implications of new and amended Accounting Standards applicable for annual reporting periods beginning after 1 July 2022 but determined that their application to the financial statements is either not relevant or not material.

Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

Notes to the Financial Statements

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Foreign currency transactions and balances

- Functional and presentation currency
  Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, referred to as the functional currency. The financial statements are presented in Australian dollars ($), which is the Company's functional and presentation currency.

- Transaction and balances
  Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalents 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 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. All other liabilities are classified as non-current.

Notes to the Financial Statements

Financial instruments—assets

Classification

From incorporation, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Notes to the Financial Statements

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial instruments—liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Notes to the Financial Statements

For financial liabilities measured at amortised cost, 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.

Recognition and derecognition

Regular way purchases of financial liabilities are recognised on trade-date, the date on which the Company commits to purchase the financial liability. Financial liabilities are derecognised when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

Measurement

At initial recognition, the Company measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Finance income and expenses

The Company's finance income and finance costs include interest income and interest expense.Interest income or expense is recognised using the effective interest method. All revenue is stated net of the amount of value added taxes; see Note 1(j).

Notes to the Financial Statements

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST 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 receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST 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.

Critical accounting estimates and judgments

The Board discusses the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates and do not believe there are any estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Key estimate—taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

Fair value measurement of financial Assets – equity investments

At each reporting date the Company measures its equity investments at fair value, based on the best estimates by directors. These estimates take into account factors attributable to the specific investee company as well as other factors such as those attributable to the broader market and economy. Valuations of unlisted equity investments are subject to significant judgements and the valuations themselves can increase or decrease significantly at each reporting date, largely depending on the success or otherwise of the investee company. Increases or decreases in the valuation of equity investments are recorded in profit or loss in the period recognised.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations (AASB) issued by the Australian Accounting Standards Board (AASB Board) that are mandatory for the current reporting period. These new standards did not have any significant impact on the Company's financial statements for the financial year ended 30 June 2022.

Any new, revised or amending AASBs that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these financial statements. These standards are not expected to significantly impact on the Company's future financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 2. REVENUE

	2023 $	2022 $
International consulting	450,552	105,275
Unrealised gain on financial assets	3,600,121	23,969,679
	4,050,673	24,074,954

NOTE 3. PERSONNEL AND CONSULTING EXPENSES

	Note	2023 $	2022 $
Audit fees	17	16,000	15,000
Consulting and accounting		30,916	64,071
Legal		63,197	39,049
Contractors		1,251,479	648,157
		1,361,592	766,277

NOTE 4. INCOME TAX EXPENSE/(BENEFIT)

1. Income tax expense/(benefit)

	Note	2023 $	2022 $
Current tax		-	-
Deferred tax	8	614,885	5,743,708
		614,885	5,743,708

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 4. INCOME TAX EXPENSE

2. Reconciliation of income tax expense to prima facie tax payable

	2022	2023
	$	$
Prima facie tax on operating loss at 25% (2022: 26%)	614,885	5,743,708
Change in tax rate	-	2,894
Share based payment	-	59,130
Prior years assets not recognised	-	(75,256)
Income tax expense/(benefit)	614,885	5,743,708

NOTE 5. CASH AND CASH EQUIVALENTS

1. Current

	2022	2023
	$	$
Cash at bank	1,984,040	1,042,112
	1,984,040	1,042,112

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 5. CASH AND CASH EQUIVALENTS

2. Net cash provided by/(used in) operating activities

	2023	2022
	$	$
Reconciliation of cash flow from operations to loss after income tax		
Profit after income tax expense for the year	1,844,655	17,284,051
Non-cash flows in profit from ordinary activities:		
Share based payment	-	236,520
Unrealised gains on financial assets	3,600,121	(23,969,679)
Accrued income	(81,088)	-
Changes in assets and liabilities		
Decrease in trade and other receivables	9,480	324,547
Increase in trade and other payables	72,195	44,755
Increase in income and deferred tax	614,886	5,743,708
Cash flow provided by/(used in) operating activities	1,139,993	(336,098)

3. Changes in assets and liabilities arising from financing income

	2022	Cash Inflows/ (outflows)	Non-cash	2023
	$	$	$	$
Borrowings	400,000	(400,000)	-	-
Issued capital	4,819,834	3,926,022	-	8,745,856
	5,219,834	3,526,022	-	8,745,856

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 6. TRADE AND OTHER RECEIVABLES

	2023	2022
	$	$
Current		
GST	17,269	19,249
Other receivables	-	7,500
Accrued income	81,088	-
	98,357	26,749

NOTE 7. FINANCIAL ASSETS

	2023	2022
	$	$
Non-current		
Financial assets—equity instruments: investments at fair value	31,988,264	27,180,561
Total financial assets	31,988,264	27,180,561
Financial assets – equity instrument		
Investments, at fair value:		
Shares in unlisted corporations	31,496,392	26,978,778
Shares in listed corporations	491,872	201,783

Equity instrument financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 8. DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
Provisions/ Accruals	30,016	6,250		-	30,016	6,250
Losses	524,113	242,462		-	524,113	242,462
Financials assets		-	6,892,450	5,992,420	6,268,537	(5,992,420)
Accrued income			20,272		20,272	
Tax assets/ (liabilities)	554,129	248,712	6,912,722	5,992,420	6,842,938	(5,743,528)

Movements	Provisions/ Accruals $	Losses $	Financial assets $	Accrued Income $	Total $
Balance at 1 July 2021	-	-	-	-	-
(Charged)/credited to statement of comprehensive income	3,750	172,600	(5,992,420)	-	(5,816,070)
Change in income tax rate	(100)	(2,794)	-	-	(2,894)
Amounts recognised from prior periods	2,600	72,656	-	-	75,256
Carrying amount at 30 June 2022	6,250	242,462	(5,992,420)	-	(5,743,708)
Balance at 1 July 2022	**6,250**	**242,462**	**(5,992,420)**	**-**	**(5,743,708)**
(Charged)/credited to statement of comprehensive income	**23,766**	**281,651**	**(900,030)**	**(20,272)**	**(614,885)**
Change in income tax rate	**-**	**-**	**-**	**-**	**-**
Amounts recognised from prior periods	**-**	**-**	**-**	**-**	**-**
Carrying amount at 30 June 2023	**30,016**	**524,113**	**(6,892,450)**	**(20,272)**	**(6,358,593)**

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 9. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Accruals	120,068	25,000
EnBW payable	-	29,755
Accounts Payable	6,884	-
	126,952	54,755

NOTE 10. BORROWINGS

	2023 $	2022 $
Convertible notes	-	400,000
	-	400,000

During the 2022 financial year, the Company obtained $400,000 in convertible notes at an interest rate of 5% pa with no interest being accrued and the loan will automatically convert to shares at the Company's next capital raise. If not converted after 18 months the loan will be repaid with accrued 5% pa interest calculated daily. These convertible notes were automatically converted in April 2023, in accordance with the Company raising a minimum of $2 million.

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 11. ISSUED CAPITAL

	30 Jun 23 No.	30 Jun 22 No.	30 Jun 23 $	30 Jun 22 $
Fully paid ordinary shares at no par value	99,814,722	80,315,834	8,745,856	4,819,834
a. Ordinary shares				
At the beginning of the period	80,315,834	60,182,500	4,819,834	1,941,992
Shares issued during the year:	-	20,133,334	-	3,020,000
▪ Performance Options converted cashless @ $0.40c	10,950,000	-	236,520	-
▪ Ordinary Shares (Series B round)	6,060,000	-	3,030,000	-
▪ Capital introduction fee	100,000	-	50,000	-
▪ Convertible note conversion ($0.45)	888,888	-	400,000	-
▪ Director shares	375,000	-	167,500	-
▪ Seed Options exercised	1,125,000	-	225,000	-
Transaction costs relating to share issues	-	-	(182,998)	(142,158)
At reporting date	99,814,722	80,315,834	8,745,856	4,819,834

	30 Jun 23 No.	30 Jun 22 No.	30 Jun 23 $	30 Jun 22 $
Options	8,966,250	25,028,571	-	236,520
b. Options				
At the beginning of the period	25,028,571	-	236,520	-
Issue of Options during the year	-	25,028,571	-	236,520
Options issued in previous year	10,091,250	-	-	-
Exercise of Options during the year	(12,075,000)	-	(236,520)	-
Options Lapsed	(14,078,571)	-	-	-
At reporting date	8,966,250	25,028,571	-	236,520

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 12. SHARE BASED PAYMENTS

	2023 $	2022 $
Options	-	236,520
	-	236,520

i. Options

The Company issued 25,028,571 Options as an incentive aimed at creating a stronger link between the Company's key personnel's performance and reward, whilst increasing Shareholder value in the Company. The terms and summaries below:

Number of Performance Rights	Date of expiry	Milestone	Vesting terms
25,028,571	22 September 2022	Upon achieving an increase of at least $10 million in the value of the underlying assets as determined by using fair market price.	Immediately upon issue

ii. Fair value of performance rights granted during the year

The fair values were calculated using the Hoadley option pricing model, applying the following inputs issued this year:

	Series A
Grant date share price:	$0.150
Exercise price:	$0.225
Number of options issued:	25,028,571
Issue Date:	22 Jun 2022
Expiry Date:	22 Sep 2022
Volatility:	93.9%
Risk-free interest rate:	3.22%
Expected Vesting Probability	100%
Value	$236,520

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 13. FINANCIAL INSTRUMENTS

1. Financial risk management policies

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital. The Company's financial instruments consist mainly of equity investments in listed and unlisted companies, deposits with banks and accounts payable and receivable.

The Company does not speculate in the trading of derivative instruments.

A summary of the Company's Financial Assets and Liabilities is shown below:

	Floating Interest Rate	Fixed Interest Rate	Non-interest Bearing	30 June 2022 Total
	$	$	$	$
Financial Assets				
▪ Cash and cash equivalents	1,042,112	-	-	1,042,112
▪ Trade and other receivables	-	-	26,749	26,749
▪ Financial assets	-	-	27,180,561	27,180,561
Total Financial Assets	**1,042,112**	**-**	**27,207,310**	**28,249,422**
Financial Liabilities				
Financial liabilities at amortised cost				
▪ Trade and other payables	-	-	54,755	54,755
▪ Borrowings	-	400,000		400,000
Total Financial Liabilities	**-**	**400,000**	**54,755**	**454,755**
Net Financial Assets/(Liabilities)	**1,042,112**	**(400,000)**	**27,152,555**	**27,794,667**

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 13. FINANCIAL INSTRUMENTS

1. Financial risk management policies (continued)

	Floating Interest Rate	Fixed Interest Rate	Non-interest Bearing	30 June 2023 Total
	$	$	$	$
Financial Assets				
▪ Cash and cash equivalents	1,984,040	-	-	1,984,040
▪ Trade and other receivables	-	-	98,357	98,357
▪ Financial assets	-	-	31,988,264	31,988,264
Total Financial Assets	**1,984,040**	**-**	**32,086,621**	**34,070,661**
Financial Liabilities				
Financial liabilities at amortised cost				
▪ Trade and other payables	-	-	126,952	126,952
Total Financial Liabilities	**-**	**-**	**126,952**	**126,952**
Net Financial Assets	**1,984,040**	**-**	**31,959,669**	**33,943,709**

2. Specific financial risk exposures and management

The main risk the Company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk, of which the latter consists of price risk, interest rate risk, and foreign exchange interest rate risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing risks for the Company and setting appropriate risk limits and controls. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Notes to the Financial Statements

For the financial year ended 30 June 2023

Sensitivity

The following table illustrates sensitivities to the Company's exposures to changes in equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

	Profit / $	Equity / $
Year ended 30 June 2022		
+/– 10% in investments	2,718,056	2,718,056
Year ended 30 June 2023		
+/– 10% in investments	3,178,334	3,178,334

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the functional currency of the Company.

The Company has no material exposure to foreign exchange risk.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Company. Movement in interest rates on the Company's financial liabilities and assets is not material.

Sensitivity

The Company is exposed to market interest rates on moneys it has deposited with banking institutions in form of short-term deposits.

At the end of the financial years ended 30 June 2023 and 30 June 2022, the Company had the following financial assets exposed to variable interest rate risk:

	2023	2022
Cash and cash equivalents	1,984,040	1,042,112
	1,984,040	1,042,112

Notes to the Financial Statements

For the financial year ended 30 June 2023

At the end of the financial period, the Company had no financial liabilities exposed to variable interest rate risks.

The Company's cash management policy is to invest surplus funds at the best available rate.

The following table illustrates sensitivity to the Company's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance sheet date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. The sensitivity assumes that the movement in a particular variable is independent of other variables.

	Profit / $	Equity / $
Interest rates		
±100 basis points change in interest rates	Nil	Nil

Due to the low amount of debt exposed to floating interest rates, interest rate risk is not considered a high risk to the Company. Movement in interest rates on the Company's financial liabilities and assets is not material.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

The Company does not have any material credit risk exposure to any single receivable or Company of receivables under financial instruments entered into by the Company.

The objective of the Company is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Company trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is insignificant. The Company's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

Notes to the Financial Statements

For the financial year ended 30 June 2023

Impairment losses

The ageing of the Company's trade and other receivables at reporting date was as follows:

	Gross 2022 $	Impaired 2022 $	Net 2022 $	Past due but not impaired 2022 $
Trade receivables				
Not past due	19,249	-	19,249	-
Past due up to 60 days	-	-	-	-
Past due 60 days to 90 months	-	-	-	-
Past due over 90 months	-	-	-	-
	19,249	-	19,249	-
Other receivables				
Not past due	7,500	-	7,500	-
Total	**26,749**	**-**	**26,749**	**-**

	Gross 2023 $	Impaired 2023 $	Net 2023 $	Past due but not impaired 2023 $
Trade receivables				
Not past due	-	-	-	-
Past due up to 60 days	-	-	-	-
Past due 60 days to 90 months	-	-	-	-
Past due over 90 months	-	-	-	-
	-	-	-	-
Other receivables				
Not past due	98,357	-	98,357	-
Total	**98,357**	**-**	**98,357**	**-**

Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 Company's reputation.

Notes to the Financial Statements

For the financial year ended 30 June 2023

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

- Impairment losses
  The following are the contractual maturities of financial liabilities of the Company:

	Within 1 year		Greater than 1 year		Total	
	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade and other payables	126,952	54,755	-	-	126,952	54,755
Borrowings	-	-	-	400,000	-	400,000
Total contractual outflows	**126,952**	**54,755**	**-**	**400,000**	**126,952**	**454,755**
Financial assets						
Cash and cash equivalents	1,984,040	1,042,112	-	-	1,984,040	1,042,112
Trade and other receivables	98,357	26,749	-	-	98,357	26,749
Financial assets	31,988,264	27,180,561			31,988,264	27,180,561
Total anticipated inflows	**34,070,661**	**28,249,422**	**-**	**-**	**34,070,661**	**28,249,422**
Net (outflows)/ inflow on financial instruments	33,943,709	28,194,667	-	(400,000)	33,943,709	27,794,667

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

NOTE 14. FAIR VALUE MEASUREMENTS

The Company measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Fair value through profit and loss – financial instruments

The Company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

- Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

LEVEL 1	LEVEL 2	LEVEL 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Notes to the Financial Statements

For the financial year ended 30 June 2023

Valuation techniques

The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

			30 June 2022		
	Note	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements					
Financial assets					
Financial assets – equity instruments:					
▪ Shares in listed companies		201,783	-	-	201,783
▪ Shares in unlisted companies	i)	-	26,978,778	-	26,978,778
Total financial assets recognised at fair value		**201,783**	**26,978,778**	**-**	**27,180,561**

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the reporting period.

Notes to the Financial Statements

For the financial year ended 30 June 2023

i) Details of unlisted investments and the valuation approach as at 30 June 2023 are set out as follows:

	Industry Sector	Basis of Valuation	Date of transaction	Fair Value as at 2023 $	Fair Value as at 2022 $
Starfire Fire Energy Inc	Renewable Energy	Price of most recent capital raise	June 2022	25,839,828	25,990,617
SuperCritical	Renewable Energy	Price of entry	Jan 2022	763,978	763,978
Naco Technologies	Renewable Energy	Price of entry	Feb 2023 / June 2022	792,397	224,183
Jolt	Renewable Energy	Price of most recent capital raise	July 2022	4,100,189	-

	30 June 2023 Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Financial assets				
Financial assets – equity instruments:				
▪ Shares in listed companies	491,872	-	-	491,872
▪ Shares in unlisted companies	-	31,496,392	-	31,496,392
Total financial assets recognised at fair value	**491,872**	**31,496,392**	**-**	**31,988,264**

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES

Directors

The following persons were Directors of the Company during the financial year:

1. Glynn Ellis (resigned 3 August 2022)
2. Mr Rowan Logie
3. Mr Gregory Stace
4. Timothy Goldsmith (appointed 24 October 2022)

Shareholdings

The number of ordinary shares in the Company held during the financial year ended by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	2021	Received as part of remuneration	Additions	Disposals/ other	2022
Ordinary shares					
Glynn Ellis	-	-	200,000	-	200,000
Rowan Logie	1	-	15,699,999	-	15,700,000
Gregory Stace	1	-	15,699,999	-	15,700,000
	2	**-**	**31,599,998**	**-**	**31,600,000**

	2022	Received as part of remuneration	Additions[1]	Disposals/ other[2]	2023
Ordinary shares					
Glynn Ellis	200,000	-	-	(200,000)	-
Rowan Logie	15,700,000		4,000,000	-	19,700,000
Gregory Stace	15,700,000	-	4,000,000	-	19,700,000
Tim Goldsmith	-	(375,000)	1,944,444	-	2,319,444
	31,600,000	**(375,000)**	**9,944,444**	**(200,000)**	**41,719,444**

[1]Tim Goldsmith was appointed as a director on 24 October 2022.

[2]Glynn Ellis resigned as a director on 30 August 2022.

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES

Options

The number of options in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at 30-Jun-21 No.	Granted as Remuneration during the year No.	Exercised during the period No.	Other changes during the period No.	Balance at 30-Jun-22 No.	Vested and Exercisable No.	Not Vested No.
Glynn Ellis	-	-	-	-	-	-	-
Rowan Logie	-	9,142,857	-	-	9,142,857	-	9,142,857
Gregory Stace	-	9,142,857	-	-	9,142,857	-	9,142,857
	-	18,285,714	-	-	18,285,714	-	18,285,714

	Balance at 30-Jun-22 No.	Granted as Remuneration during the year No.	Exercised during the period No.	Other changes during the period No.	Balance at 30-Jun-23 No.	Vested and Exercisable No.	Not Vested No.
Glynn Ellis	-	-	-	-	-	-	-
Rowan Logie	9,142,857	-	(4,000,000)	(5,142,857)	-	-	-
Gregory Stace	9,142,857	-	(4,000,000)	(5,142,857)	-	-	-
Tim Goldsmith	-		-	-	-		-
	18,285,714	-	(8,000,000)	(10,285,714)	-	-	-

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 16. RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in Note 15.

Transactions with related parties

The following transactions occurred with related parties:

	Note	2023 $	2022 $
Payments for wages, contractor and director fees:			
Glynn Ellis		-	-
Rowan Logie		250,000	195,727
Gregory Stace		328,164	129,153
Tim Goldsmith	i)	180,000	-
		758,164	324,880
Share-based payments:			
Glynn Ellis		-	-
Rowan Logie		-	86,400
Gregory Stace		-	86,400
		-	172,800
		758,164	497,680

i) Tim Goldsmith received shares in lieu of his directors fees during the year ended 30 June 2023, of which $12,500 has been accrued as at 30 June 2023.

A number of the directors of the Company, or their director-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. The terms and conditions of the transactions with directors and their director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Notes to the Financial Statements

For the financial year ended 30 June 2023

NOTE 17. AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by Moore, the auditor of the company:

	2023	2022
Moore Australia		
Audit and other assurance services		
Audit of financial statements	16,000	15,000
	16,000	15,000

NOTE 18. COMMITMENTS

The Company has no material commitments as at 30 June 2023 (30 June 2022: nil).

NOTE 19. EVENTS SUBSEQUENT TO REPORTING DATE

In July 2023, the Company received an additional $440,000 in cash upon the exercise of 2,200,000 options at an exercise price of $0.20.

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements.

NOTE 20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities
The company had no contingent liabilities at 30 June 2023 (30 June 2022: nil).

Contingent assets
The company had no contingent assets at 30 June 2023 (30 June 2022: nil).

Directors' Declaration

The Directors have determined that the Company is a reporting entity and determined that this general purpose financial statements should be prepared in accordance with the policies outlined in Note 1 to the financial report.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 23 to 54 are in accordance with the Corporations Act 2001 (Cth) and:

a. comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

b. present fairly the Company's financial position as at 30 June 2023 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed by:

GStace

Mr Gregory Stace
Director

Dated this Friday, 31 October 2023

Independent Auditor's Report