# 2022 Annual Report

1 July 2021 to 30 June 2022

New Energy Technology Ltd

ACN: 645 447 374

# Table of Contents

# Introduction

## New Energy Technology Ltd (NET)

Incorporated on 27 October 2020

- **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

**NET is needed**

- Hydrogen will be central in the new energy landscape
- New technology is needed to unlock the value chain
- Investors want access but incumbents don't give exposure or multiples
- Investors want co-investment deal flow pre-vetted by domain experts
- Leading technology is unlisted in Europe and USA
- Complex technology and markets require expertise
- A disrupted market requires diversification
- Technology requires new infrastructure projects as customers
- End-to-end value chain deals are needed to unlock progress
- Hydrogen supply constraints will see production projects in demand
- Third parties need expert advice on how to participate
- Technology companies need commercialisation and BD help

**NET is the solution**

1. NET offers immediate exposure to a rapidly growing diversified pool of green hydrogen technology ventures, infrastructure projects, consulting contracts, and sales commission deals.
2. NET is a global team of experts with extensive experience in:
    - developing and commercialising new green energy technologies including in hydrogen
    - inventing major energy projects including renewables
    - consulting to support green energy
3. NET offers an opportunity to invest in hydrogen, and have experts:
    - access, invest in, and develop a diversified portfolio of leading global unlisted technologies
    - originate infrastructure projects
    - consult to others for equity and fees
    - earn sales commissions

# Introduction

**Structure (figures as of 31 October 2022)**

**Hydrogen Tech Investments & Commercialisation**

Green hydrogen/ammonia focus
$30 million portfolio
9X uplift in 18 months

**Infrastructure**

4X upstream projects

**NET Ltd**
Diversified green hydrogen business
Australian Public Company - unlisted

**Consulting**

Global major clients

**Commissions**

Profitable contracts

# Financial Highlights

For the financial year ended 30 June 2022

**Revenue**
**$24.07 million**

Driven by gains in technology investments and income derived from consulting activities, both of which leverage the expertise of NET's team

**Profit after tax**
**$17.28 million**

A robust turnaround from a $0.3 million loss after tax in the previous financial year

**Net assets**
**$22.05 million**

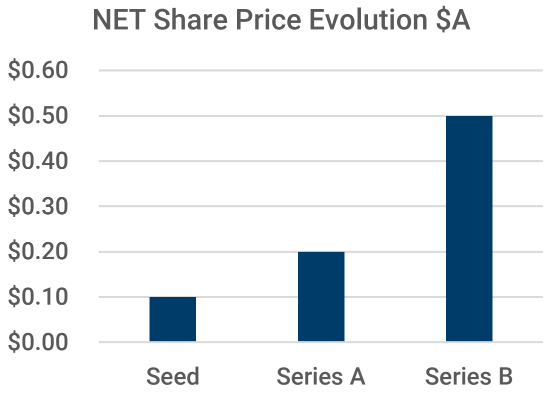
Strong balance sheet driven by gains in portfolio investments and manageable liabilities

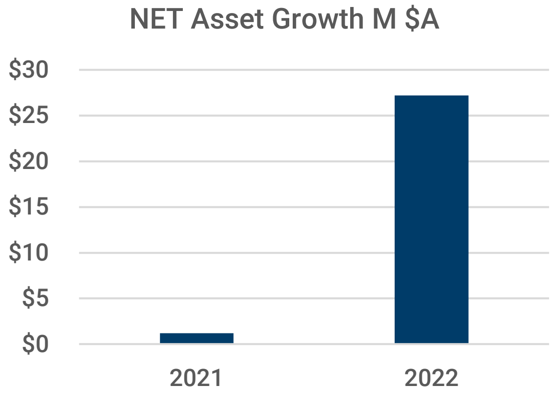
**Cash and cash equivalents**
**$1.04 million**

Driven by gains in technology investments and income derived from consulting activities, both of which leverage the expertise of NET's team

**Profit per share**
**$0.22**

**Net assets per share**
**$0.27**



# Directors' Note to Shareholders

Directors' note to Shareholders

The Directors present the report on New Energy Technology Ltd ("the Company") for the financial year ended 30 June 2022. Unless otherwise stated, all dollar amounts in this report are presented in Australian dollars ($).

FY22 has been a story of remarkable growth for the Company. With three new investments, two consulting agreement with global majors, one lucrative commissions agreement, and completing 2 funding rounds with a Series A and convertible note. The first investment has already gone 14X from their Series A to their Series B, demonstrating NET's ability to create outsized shareholder returns by delivering on the Company's business model. The Company's value creation through immersive expert operational work inside the investee companies on their board, with executive strategy, customer and partner introductions, advice, analysis, and all growth and scaling work has helped all the investee companies thrive and we anticipate a significant uplift in value in the next funding rounds for each.

There is a strong pipeline of target technology companies across the hydrogen value chain with a view to pyrolysis, compression, hydrogen storage, ammonia cracking, piping, sensors, alternative hydrogen generation and new generation electrolysers and components. The Company's infrastructure projects in origination in Spain and Australia are proceeding as planned, with the highlight being a signed Letter of Intent from an investment grade off-taker to purchase the full production output of the Spanish Project.

The Ukrainian situation has accelerated the need for decarbonised energy. New fossil fuel based projects have and will struggle to access capital markets and insurance, leaving the race to develop and build the best blue and green hydrogen / ammonia projects as a critical national security issue. As the hydrogen value chain logic emerges and evolves, the Company has been able to capitalise on its deep expertise and data-drive insights about where the market is heading. This delivers the Company significant competitive advantage, allowing more accurate assessments of the promise of each technology in terms of what role they can play in the emerging value chain.

This annual report reflects on the successful year the Company had and provides a platform 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 your confidence in the team and the business to create outsized financial returns and meaningful climate impact in fulfilling the mission of accelerating the green fuel value chain to reach net zero faster.

The Directors hope that shareholders find this Annual report reflect achievement over and above that trust.

**Greg Stace** and **Rowan Logie**

Founders and Directors

# Operations Review

### Investment in Starfire Energy & Company begins commercialisation support

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. The investment was financially closed the following month and was divided into two tranches—$1.2 million paid at the close and the remainder upon achieving the target daily production of 100 kilograms of green ammonia ("Starfire Series A Milestone"). The Starfire Series A Milestone was achieved in August 2021, which was one year earlier than projected. The Company paid the second trance, securing the full 9% of allocated 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.

The Company can benefit financially through the increasing value of a material equity position in the world's most advanced green ammonia production technology more compatible with intermittent renewable energy sources.


### Memorandum of Understanding with Starfire for commercialisation

To fulfil the Company's business plan of creating value inside the investee technology businesses through executing commercialisation activities, the Company signed a memorandum of understanding with Starfire ("Starfire MoU"), which secured the Company exclusive rights to negotiate a reseller type agreement in Australia for Starfire products, and non-exclusive globally. Definitive documents are under preparation as at the time of publication. Under the terms, it is agreed the Company will receive success fees for introducing customers that purchase Starfire products. The Company has since executed many commercialisation activities for Starfire, some of which are reported here below.

This helps accelerate the green fuel value chain by speeding up Starfire's go-to-market, therefore unlocking more economical production of clean ammonia at scale early, which in turn gives volume customers comfort on supply, enabling them to progress off-take agreements, which unlocks project finance earlier for upstream and mid-stream project developers.

The Company's outsized profit from Starfire may be traced to the Company's commercialisation work.

**Memoranda of Understanding with Western Gas Corporation**

In mid-2021 the Company entered into a memorandum of understanding with Western Gas Corporation ("Western Gas MoU").

The Western Gas MoU is an agreement between the parties to collaborate on a joint study on the transition of Western Australia's Onslow Energy Hub from a fossil fuel production and export hub to a green fuel production and export hub, intending to jointly originate a GW-scale project. Baker Hughes has also been involved in and contributed to the study. Over one year of feasibility study has been undertaken by the combined teams and is ongoing. Discussions with Governments, off-takers, engineering partners, potential capital partners, and others are ongoing as at the time of publication.

This helps accelerate the green fuel value chain by progressing understanding of and planning for export volume production of clean fuel from the established molecules hub at Onslow.

WESTERN GAS

**Memorandum of Understanding between Starfire and Western Gas**

As a result of work by the Company, Western Gas and Starfire entered into an agreement in early 2022 to undertake a joint study investigating the feasibility of a commercial pilot project at Onslow in Western Australia utilising Starfire technology to produce clean ammonia.

This helps accelerate the value chain by speeding up Starfire's go-to-market and providing commercial credibility.

The Company benefits financially through Starfire having an agreement for a commercial pilot project, making Starfire's commercial growth more credible and may raise the valuation of the company, thereby increasing the value of the Company's shares.

**Memorandum of Understanding with Norstar Shipping Pty Ltd ("Norstar MoU")**

The Company has entered into an MoU with Norstar Group under which NET will provide strategic advisory to support Norstar Group establish a major green fuel mid-stream supply chain and trading business including ownership and operation of a fleet of ammonia carriers. In exchange, NET will receive equity in Norstar's new green fuel mid-stream business.

The Company has introduced Norstar to multiple upstream suppliers and bankable downstream customers, unlocking potential commercial viability for a fleet of ammonia carrier vessels. In addition, the Company has secured indicative backing for the fleet from an investment-grade energy major willing to provide balance-sheet support for the mid-stream fleet financing.

This can accelerate the green fuel value chain by speeding up the development of mid-stream infrastructure through third party balance sheet support, making green fuel end-users more comfortable to sign off-take agreements, which in turn may unlock financing for upstream projects.

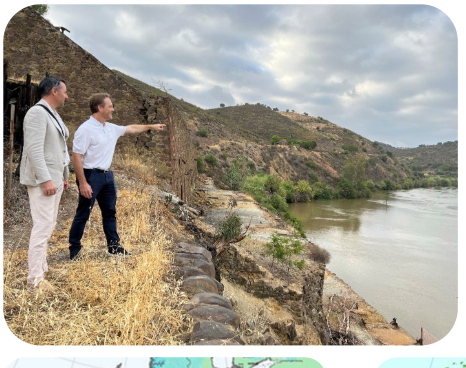
The Company hopes to benefit financially through equity in a new mid-stream shipping business that owns and operates a fleet of ammonia carriers. In addition, the Company gets benefit from an accelerated mid-stream because a credible and economical mid-stream unlocks off-take, which unlocks project financing for upstream production projects. These upstream projects can in turn become commercial customers for the technology businesses the Company has shares in, delivering credible scaling for those technology businesses, and therefore may increasing the value of the Company's shares.

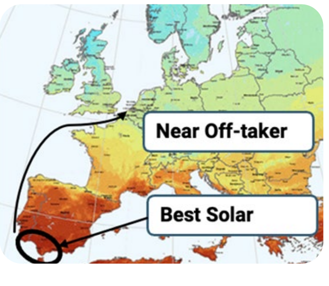
**Spanish green ammonia production project origination**

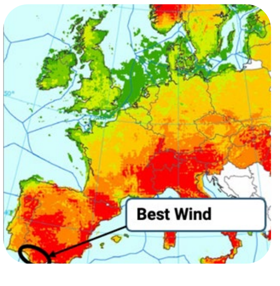
In early 2021 the Company began originating a wholly owned green ammonia production project in Spain. The Company deployed internal resources to undertake extensive feasibility and design studies investigating optimal sites, infrastructure configuration, off-takers, regulatory requirements, and project design. Land specialists were then engaged on commercial terms to assist in securing suitable properties identified by the Company. Discussions with finance partners are underway to take the project through towards construction.

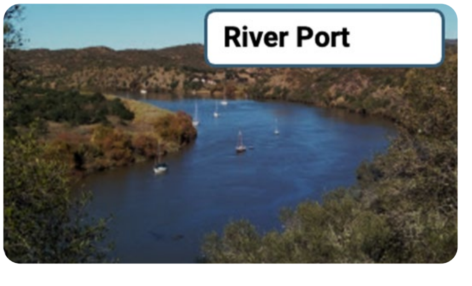
This can accelerate the green fuel value chain by providing volume green ammonia for export to Germany, unlocking net zero power generation in Germany, as well as decarbonisation across various industries.

The Company can benefit financially from early ownership in an upstream green fuel production project through eventual free carry in an operating producer or taking a developer liquid exit prior to construction.





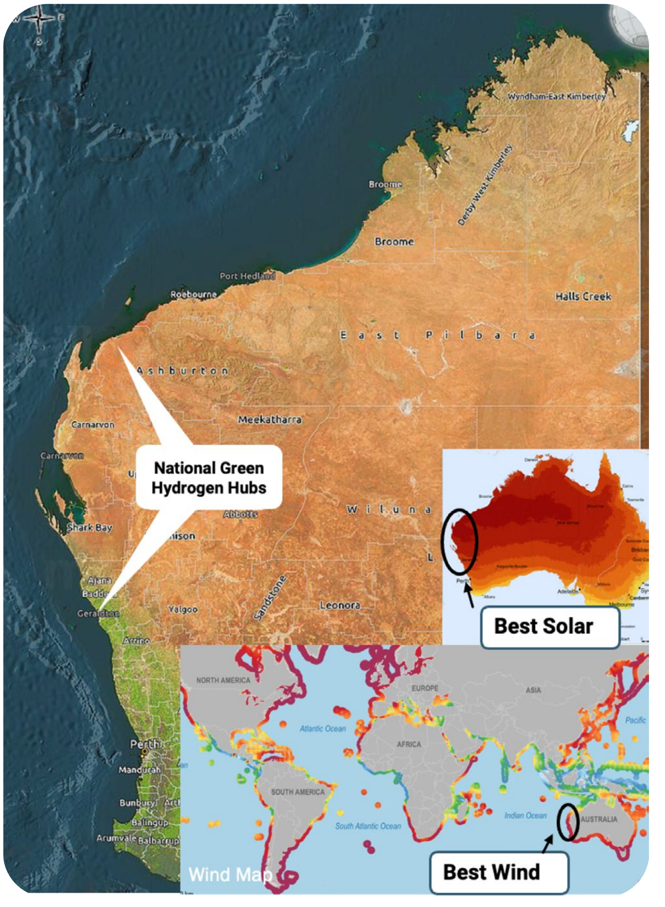
## Western Australian green ammonia production infrastructure project with Japanese majors

In November 2021, the Company entered into an indicative agreement giving it 20% of a major green ammonia infrastructure project consortium in the midwestern region of Western Australia involving a Japanese industrial major and a Japanese renewable energy company. Under Non-Disclosure Agreement terms, the other parties cannot be publicly identified.

The project being originated by the consortium is envisioned as a multi-GW green ammonia export project. Over one year of studies have been conducted, mostly provided by the Company. A tier 1 external engineering consultancy was engaged and delivered parts of the feasibility study. Finance has been provided by the Japanese partners.

This can accelerate the green fuel value chain by providing volume green ammonia for export to Japan, unlocking net zero power generation in Japan as well as net zero steel production.

The Company can benefit financially from early ownership in an upstream green fuel production project through eventual free carry in an operating producer or taking a developer liquid exit prior to construction.




## Series A Capital Raise

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. (See sections below for information on Supercritical, Jolt, and Naco investments).

This can help accelerate the green fuel value chain by giving the Company the resources to support new technologies that can make the green fuel value chain more efficient and therefore speed up commercial adoptions.

The Company can benefit financially through capital gains returns from investing in the most promising new technologies and those ventures becoming more valuable, with the Company eventually selling it's shares at a profit.

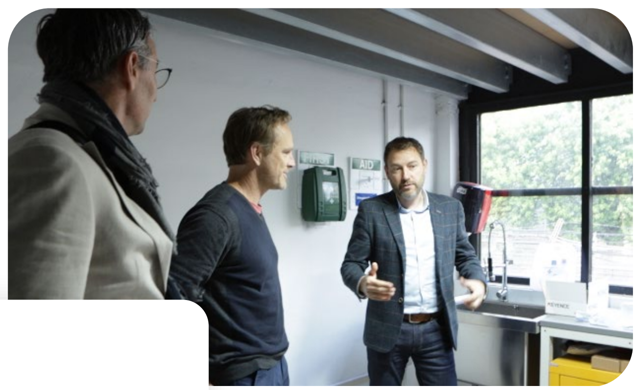
### Investment in Supercritical Solutions Ltd

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.

This can accelerate the green fuel value chain by making green fuel materially cheaper for end users, therefore unlocking customer purchases, which in turn unlocks upstream and mid-stream infrastructure financing and development.

The Company can benefit financially through Supercritical shares increasing in value, and the Company eventually selling its shares for a profit.

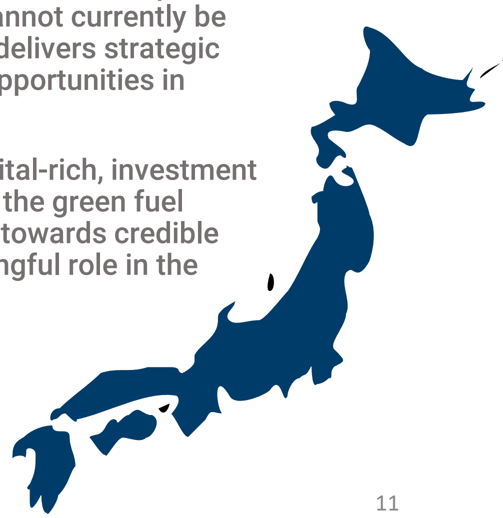


SUPERCRITICAL

### Consulting contract secured with Japanese major trading house

In March 2022 the Company secured a consulting services contract with a Japanese major trading company. Under Non-Disclosure terms the client cannot currently be publicly identified. Under the terms of the contract the Company delivers strategic market and technology insights and live business collaboration opportunities in exchange for $15,000 in monthly fees.

This may 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.

**Starfire develops new ammonia cracking technologies**

On 6 April 2022, the Company announced that Starfire has invented two new ammonia cracking technologies that produce ready-for-end-use green fuel.

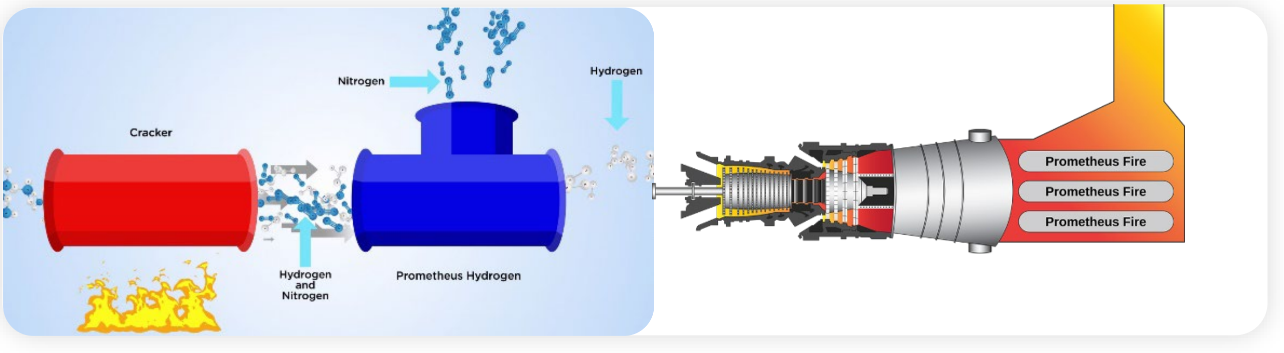
Starfire's original technology "Rapid Ramp" produces green ammonia—a zero-carbon hydrogen-rich fuel optimal for transport, storage, and power generation. However, some applications require hydrogen to be available in a pure form, rather than in the form of ammonia. To solve this problem, Starfire has produced two crackers— "Prometheus Fire" and "Prometheus Hydrogen".

The "Prometheus Fire" technology produces a burnable blend consisting of 70% ammonia and 30% hydrogen that can be used for power generation, while the "Prometheus Hydrogen" technology produces an ultra-high priority H2 for use in fuel cells and industrial applications such as green steel.

Starfire has been in talks with potential end-users to integrate these technologies in their turbines and have these turbines sold and used as ammonia-ready for zero-carbon power generation.

These technologies can accelerate the green fuel value chain by unlocking new end-use markets for green ammonia.

The Company can benefit financially by these new end-use markets expanding demand for green ammonia, which in turn may increase demand for Starfire's green ammonia production technology.




**Convertible Loan**

In April 2022, certain existing shareholders of the Company offered additional financing to further support the operations of the Company. The Company decided to accept the offer in the form of convertible loans and notified all shareholders regarding the offer and extended the same terms to all existing shareholders.

On 9 May 2022, the Company announced that it has reached financial close on the convertible loan with a combined sum of $400,000 ("the Convertible Loan"), by which a total of five shareholders participated.

The terms of the Convertible Loan provided that at the next capital raise that is larger than $2 million, the Convertible Loan will automatically be convertible to ordinary shares of the Company at a discount of 10% to the share price at the time. This conversion price reflects a valuation floor of $15 million and a valuation cap of $50 million. The Convertible Loan will remain outstanding until November 2023.

The Company can benefit financially through using the capital to invest in and commercialise technology businesses and getting capital gains if those business become more valuable.

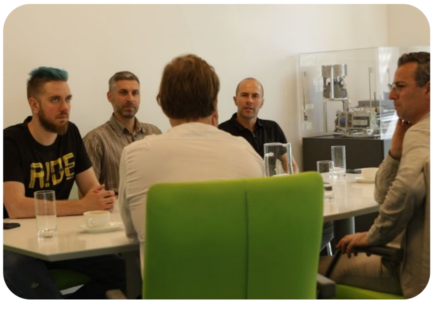
### Investment in Naco Technologies & Company begins commercialisation support

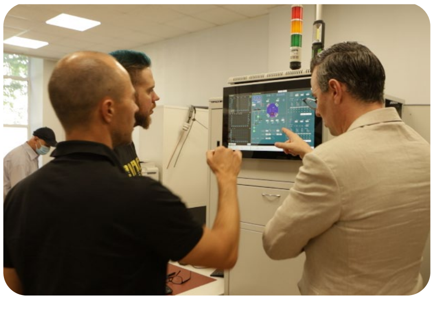
In May 2022 the Company invested $224,000 in Latvian-based green hydrogen technology developer Naco Technologies Ltd (“Naco”), in exchange for 1.6% of shares in Naco. In addition, the Company secured rights to acquire up to 10% of Naco’s next capital raise at a 10% discount. The investment round was led by veteran Eastern European VC fund Untitled Ventures and the European Commission-funded Buildit Seed Fund.

Naco has produced a patented nano-coating technique for use in electrolysers to produce green hydrogen, and in fuel cells to turn hydrogen into electricity, which could translate into major cost savings and increased product lifetimes and help accelerate the green fuel value chain. Their team has previously developed a nano-coating technology for the motor vehicle industry and successfully sold off that application to a vehicle company.

Naco is post-revenue, currently servicing a dozen major companies on a consulting basis utilising their rare expertise in nano-coatings and will use the funding from this capital raise to develop a commercial pilot production line.

The Company can benefit financially through Naco shares increasing in value, and the Company eventually selling its shares for a profit.





### Consulting contract secured with German energy major EnBW

On 2 May 2022 the Company entered into a contract with Energie Baden-Württemberg AG (EnBW), based in Germany, to provide ongoing strategic and execution support for EnBW’s ambitious entrance into the hydrogen economy.

EnBW’s €32-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 will offer strategic advice, undertake 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 will also undertake 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.


**Letter of Intent signed with European energy major for purchase of full output from Spanish green ammonia production project**

The Company has been developing a wholly owned green ammonia production project in Huelva, Spain, called Iberian Emerald Hydrogen ("IEH"), with IEH covering the development of this greenfield project and the production, sale and delivery of green ammonia produced by the project.

On 21 June 2022, the Company announced that it has received a letter of intent (LOI) signed by a European energy major to purchase the green ammonia from IEH, which will be supplied from Spain to Germany. Specifically, under the LOI, IEH will develop a green ammonia plant in southern Spain with solar, wind and storage, and the purchaser agrees to support the project to reach construction and work towards entering into a binding long-term green ammonia offtake agreement with IEH for the full production output.

The project plan includes a 100-megawatt electrolyser, wind, solar, energy storage and ammonia storage. The project is planned to produce up to 100,000 tons of RED II-compliant green ammonia per annum, with the first shipment to Germany targeted for 2026.

This can accelerate the green fuel value chain by unlocking development finance to progress the project and move towards production and export of green fuel to Germany, which in turn will support other actors across the supply chain to progress economical solutions.

The Company can benefit from a wholly owned green ammonia production project with an investment grade off-taker because it unlocks development finance to progress towards construction, and eventually having a free carry in a commercial major production project or by selling its ownership in the project before construction. In addition, the Company can benefit by incorporating into the infrastructure design, where most suitable, the technologies that the Company owns shares in. In this way, the Company can become a first commercial scale customer for the technology businesses it owns shares in, which may make those businesses more credible and increase the value of the shares that the Company owns.

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

In June 2022 the Company acquired a strategic holding of 10,089,153 shares 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. The Company and Pilot Energy may make a joint announcements in future regarding other matters that cannot be disclosed at this time due to ASX regulations.

This can accelerate the green fuel value chain by giving the Company good strategic footing on which to negotiate deeper involvement with Pilot Energy, as a result of which the Company may be able to support Pilot to reach volume production faster.

The Company may benefit financially through having a liquid holding of Pilot Energy shares that could increase in value, and that could provide a positioning opportunity for commercial agreements with Pilot Energy of a more material nature.

Pilot Energy

THE FOLLOWING ACTIVITIES TOOK PLACE SUBSEQUENT TO THE REPORTING DATE.

**Investment in Jolt Solutions & Company begins commercialisation support**

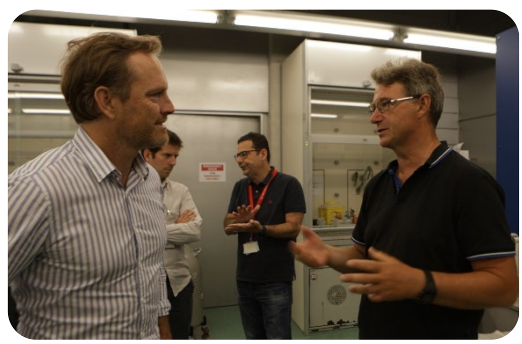
In August 2022 the Company invested $439,000 into Spanish green hydrogen technology developer Jolt Solutions in exchange for 10% of shares and a board seat. The Company led the fundraising round.

Jolt's innovative electrode manufacturing technology could potentially reduce the cost of producing green hydrogen by 20% or more.

The Company joined the board of directors and immediately began intensive commercialisation support, including product design, market insights and analysis, go-to-market strategy, customer introductions, investor introductions, governance advice, executive strategy, capital raising advice, and more.

This can accelerate the green fuel value chain by making green fuel materially cheaper for end users, therefore unlocking customer purchases, which in turn unlocks upstream and mid-stream infrastructure financing and development.

The Company can benefit financially through Jolt shares increasing in value, and the Company eventually selling its shares for a profit.



**Further Investment in Naco Technologies**

In September 2022 the Company signed binding terms to invest a further US$400,000 into Naco Technologies. Naco need the capital to construct their first commercial manufacturing line in early 2023 and the parties agreed the Company would provide the capital on the same valuation and other terms as under the previous seed round. The Company Board determined that this represented good value, as the valuation has been set over a year ago and Naco had already progressed significantly with its product development and customer engagement, reducing the risk profile. The capital will become payable early in 2023.

**Signing of terms to invest in hydrogen storage tank technology developer NGT**

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. NGT's innovative hydrogen storage tank technology has the potential to reduce hydrogen transport costs by more than 20%. The Company is set to lead the round.

This can accelerate the green fuel value chain by making hydrogen storage and transport materially cheaper, which is needed for the green fuel value chain to become economical.

The Company can benefit financially through NGT shares increasing in value, and the Company eventually selling its shares for a profit.

NGT

New Generation Tanks

**Company's shares in Starfire Energy re-valued upwards to $28.2M**

On 24 October 2022, following the close of Starfire's Series B capital raise, the Company announced that its share interest in Starfire is at 7.6% and is worth $28.2 million. Samsung led the Starfire Series B, which raised over US$23M, with a number of other new investors joining the round. All other existing investors further invested into the Series B, sustaining or increasing their percentage holdings, including Chevron, Mitsubishi, Osaka Gas, and APVentures.

The Company did not participate with additional capital in Starfire's Series B round because the Directors determined that the Company's capital could achieve greater impact towards the mission and shareholder return by instead focusing on new technologies. Starfire is now well supported in its commercialisation by its own strong Board and numerous majors as investors and through multiple Joint Development Agreements for its products. The Company formed the view that NET's expertly directed strategic capital can have greater impact in other new technologies.

The Company is seeking a partial liquid exit of its Starfire holding for the same reasons as just noted above, and to provide significant non-dilutive capital that can be returned to shareholders and deployed towards new business activities.

The Company's representative, Greg Stace, has resigned from the Starfire Board to make room for Samsung, which is working to jointly commercialise Starfire product and is therefore well positioned to support Starfire's Board.

**Series B Capital Raise**

In October 2021 the Company offered to issue 20,000,000 new shares in the Company in exchange for $10,000,000 capital ("Series B Capital Raise") to fund growth across all divisions.

As at the date of publication, the Company has received applications and funds for $2,100,000 worth of shares. Discussions with many potential investors are advanced in Perth, Sydney, Melbourne, and London. A London firm has been mandated to lead the raise in the UK and Europe.

A successful Series B Capital Raise can help accelerate the green fuel value chain by giving the Company the resources to support new technologies that can make the green fuel value chain more efficient and therefore speed up commercial adoptions.

The Company can benefit financially through capital gains returns from investing in the most promising new technologies and those ventures becoming more valuable, with the Company eventually selling its shares at a profit.

# 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 2022.

### 1. Directors

The following persons held office as a Director of the Company for the financial year ended 30 June 2022 and as at the date of this report:

| | |
|---|---|
| **Mr Glynn Ellis** | Resigned on 30 August 2022 |
| **Mr Rowan Logie** | |
| **Mr Gregory Stace** | |
| **Mr Tim Goldsmith** | Appointed 24 October 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 2022 (30 June 2021: 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.

### 5. Financial review

Operating results

- For the financial year ended 30 June 2022, the Company delivered a profit after tax of $17,284,051 (30 June 2021: $289,446 loss).

- 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.

Financial position

- The net assets of the Company as of 30 June 2022 was $22,050,959 (30 June 2021: $1,652,546).

- As of 30 June 2022, the Company's cash and cash equivalent was $1,042,112 (30 June 2021: $116,824) and had available working capital of $1,014,106 (30 June 2021: $458,120).

### 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.

# Director's report

### 7. Matters subsequent to reporting date

On 25 July 2022, the Company invested in a company based in Spain called Joltech Solutions, S.L to acquire a 10% interest in the company for EUR $300,000.

On 20 September 2022, all options held by team members were exercised by the optionholders whom elected to convert the options via a cashless mechanism which only resulted in 10,950,000 options being converted to ordinary shares in the Company, with the remaining 14,078,571 being forfeited by the optionholders.

On 30 September 2022 the Company signed terms to invest $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. NGT's innovative hydrogen storage tank technology has the potential to reduce hydrogen transport costs by more than 20%. The Company is set to lead the round.

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.

## 10. Information on Directors

**Mr Glynn Ellis**
Director (resigned 30 August 2022)

Glynn has two decades in new energy technologies and projects working from global major and with leadership in the transition to low carbon energy investments. He is the Founder and Chief Executive Officer of H2X Energy in Malaysia, and Founder and Managing Director of Thales New Energy.

**Mr Rowan Logie**
Director and Company Secretary

Rowan is a Director of Investments 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 and Projects. 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.

## 11. Company Secretary

Mr Rowan Logie holds a Bachelor of Arts and a Master of Arts. 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 for the year 30 July 2022

| | Director Meetings | |
|---|---|---|
| | *Number eligible to attend* | *Number attended* |
| Mr Glynn Ellis | 4 | 4 |
| Mr Rowan Logie | 4 | 4 |
| Mr Gregory Stace | 4 | 4 |

## 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 Glynn Ellis | 200,000 | - |
| Mr Rowan Logie | 19,700,000 | - |
| Mr Gregory Stace | 19,700,000 | - |

## 14. Options

25,028,571 options in the Group were granted during or since the end of the financial year ended 30 June 2022, and there were 10,921,250 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 financial year ended 30 June 2022.

**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 Greg Stace**

Director

Dated this Friday, 28 October 2022

# Auditor's independence declaration

MOORE

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## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF NEW ENERGY TECHNOLOGY LTD

I declare that, to the best of my knowledge and belief, during the financial period ended 30 June 2022, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Dated in Perth Western Australia, this 28th day of October 2022.

# Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2022

| | Note | 30 June 2022<br>$ | 30 June 2021<br>$ |
|---|---|---|---|
| **Revenue** | 2 | 24,074,954 | - |
| *Expenses* | | | |
| Administrative expenses | | (44,398) | (13,460) |
| Consulting expenses | | (766,277) | (275,986) |
| Share based payments | 12 | (236,520) | - |
| **Profit/(loss) before income tax expense** | | 23,027,759 | (289,446) |
| Income tax expense | 4 | (5,743,708) | - |
| **Profit/(loss) after income tax expense for the year** | | 17,284,051 | (289,446) |
| **Other comprehensive profit/(loss) for the year, net of tax** | | - | - |
| **Total comprehensive profit/(loss)** | | 17,284,051 | (289,446) |

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

# Statement of Financial Position

For the financial year ended 30 June 2022

| | Note | 30 June 2022 | 30 June 2021 |
|---|---|---|---|
| | | $ | $ |
| *Current assets* | | | |
| Cash and cash equivalents | 5 | 1,042,112 | 116,824 |
| Trade and other receivables | 6 | 26,749 | 351,296 |
| **Total current assets** | | 1,068,861 | 468,120 |
| *Non-current assets* | | | |
| Financial assets | 7 | 27,180,561 | 1,194,426 |
| Deferred tax asset | 8 | 248,712 | - |
| **Total non-current assets** | | 27,429,273 | 1,194,426 |
| **Total assets** | | 28,498,134 | 1,662,546 |
| *Current liabilities* | | | |
| Trade and other payables | 9 | 54,755 | 10,000 |
| **Total current liabilities** | | 54,755 | 10,000 |
| *Non-current liabilities* | | | |
| Borrowings | 10 | 400,000 | - |
| Deferred tax liability | 8 | 5,992,420 | - |
| **Total non-current liabilities** | | 6,392,420 | - |
| **Total liabilities** | | 6,447,175 | 10,000 |
| **Net assets** | | 22,050,959 | 1,652,546 |
| *Equity* | | | |
| Issued capital | 11 | 4,819,834 | 1,941,992 |
| Option reserve | 11 | 236,520 | - |
| Retained profits | | 16,994,605 | (289,446) |
| **Total equity** | | 22,050,959 | 1,652,546 |

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 2022

| | Note | Issued capital | Option reserve | Accumulated losses | Total |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| Issued at incorporation 27 October 2020 | | 2 | - | - | 2 |
| Loss after income tax expense/benefit for the period | | - | - | (289,446) | (289,446) |
| Other comprehensive income for the period, net of tax | | - | - | - | - |
| **Total comprehensive income for the year** | | - | - | (289,446) | (289,446) |
| *Transaction with owners, directly in equity* | | | | | |
| Issued capital | 11 | 2,058,250 | - | - | 2,058,250 |
| Capital raising costs | 11 | (116,260) | - | - | (116,260) |
| **Balance on 30 June 2021** | | 1,941,992 | - | (289,446) | 1,652,546 |
| Balance on 1 July 2021 | | 1,941,992 | - | (289,446) | 1,652,546 |
| Profit after income tax expense/benefit for the year | | - | - | 17,284,051 | 17,284,051 |
| Other comprehensive income for the year, 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 | 12 | - | 236,520 | - | 236,520 |
| **Balance on 30 June 2022** | | 4,819,834 | 236,520 | 16,994,605 | 22,050,959 |

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 2022

| | Note | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|---|
| | | $ | $ |
| *Cash flows from operating activities* | | | |
| Receipts from customers | | 105,275 | - |
| Payments to suppliers and employees | | (441,373) | (630,742) |
| **Net cash used in operating activities** | 5 | (336,098) | (630,742) |
| *Cash flows from investing activities* | | | |
| Purchase of investments in equity instruments | | (2,016,456) | (1,194,426) |
| **Net cash used in investing activities** | | (2,016,456) | (1,194,426) |
| *Cash flows from financing activities* | | | |
| Proceeds from borrowings | 10 | 400,000 | - |
| Net proceeds from issued capital | 11 | 2,877,842 | 1,941,992 |
| **Net cash provided by financing activities** | | 3,277,842 | 1,941,992 |
| **Net increase/(decrease) in cash held** | | 925,288 | 116,824 |
| Cash at the beginning of the period | | 116,824 | - |
| **Cash at the end of the year** | 5 | 1,042,112 | 116,824 |

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 2022

## NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These are the financial statements and notes of New Energy Technology Ltd ("the Company"). New Energy Technology Ltd is a company limited by shares, domiciled and incorporated in Australia. The Company was incorporated on 27 October 2020.

The financial statements for the financial year ended 30 June 2022 were authorised for issue on 28 October 2022 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 (AASBs) 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. For the financial year ended 30 June 2022, the Company incurred a profit after tax of $17,284,051 and a net cash outflow from operating activities of $(336,098).

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 $1,042,112 and minimal liabilities as of 30 June 2022
- The Company plans to undertake a capital raise in November 2022 to continue the growth of the business and to provide sufficient working capital
- 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.

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) Critical Accounting Estimates and Judgements.

## 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.

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.

## 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.

- 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.

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) Good and Services Tax

### 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 2022

## NOTE 2. REVENUE

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| International consulting | 105,275 | - |
| Unrealised gain/(loss) on financial assets | 23,969,679 | - |
| | 24,074,954 | - |

## NOTE 3. PERSONNEL AND CONSULTING EXPENSES

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| Audit fees | 15,000 | 10,000 |
| Consulting and accounting | 64,071 | 48,033 |
| Legal | 39,049 | 12,871 |
| Contractors | 648,157 | 205,082 |
| | 766,277 | 275,986 |

## NOTE 4. INCOME TAX EXPENSE/(BENEFIT)

a. Income tax expense/(benefit)

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| Current tax | - | - |
| Deferred tax | 5,743,708 | - |
| | 5,743,708 | |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 4. INCOME TAX EXPENSE/(BENEFIT)

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

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| Prima facie tax on operating loss at 25% (2021: 26%) | 5,756,940 | (75,256) |
| Deferred tax assets not brought to account | - | 75,256 |
| Change in tax rate | 2,894 | - |
| Share based payment | 59,130 | - |
| Prior years assets not recognised | (75,256) | - |
| Income tax expense/(benefit) | 5,743,708 | - |

## NOTE 5. CASH AND CASH EQUIVALENTS

a. Current

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| Cash at bank | 1,042,112 | 116,824 |
| | 1,042,112 | 116,824 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 5. CASH AND CASH EQUIVALENTS

b. Net cash used in operating activities

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| **Reconciliation of cash flow from operations to loss after income tax** | | |
| Profit/(loss) after income tax expense/(benefit) for the year | 17,284,051 | (289,446) |
| **Non-cash flows in profit from ordinary activities** | | |
| Share based payment | 236,520 | - |
| Unrealised gains on financial assets | (23,969,679) | - |
| *Changes in assets and liabilities* | | |
| (Increase)/decrease in trade and other receivables | 324,547 | (351,296) |
| Increase/(decrease) in trade and other payables | 44,755 | 10,000 |
| Increase/(decrease) in income tax | 5,743,708 | - |
| **Cash flow from operations** | (336,098) | (630,742) |

c. Changes in assets and liabilities arising from financing income

| | 1 July 2021 | Cash inflows | Non-cash | 30 June 2022 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Borrowings | - | 400,000 | - | 400,000 |
| Issued capital | 1,941,992 | 2,877,842 | - | 4,819,834 |
| | 1,941,992 | 3,277,842 | - | 5,219,834 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 6. TRADE AND OTHER RECEIVABLES

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| GST | 19,249 | 28,296 |
| Other receivables | 7,500 | 323,000 |
| | 26,749 | 351,296 |

## NOTE 7. FINANCIAL ASSETS

| | 30 June 2022 | 27 October 2020 to 30 June 2021 |
|---|---|---|
| | $ | $ |
| Non-current | | |
| Financial assets—equity instruments | 27,180,561 | 1,194,426 |
| Total Financial Assets | 27,180,561 | 1,194,426 |
| Investments at fair value | | |
| Shares in unlisted corporations | 26,978,778 | 1,194,426 |
| Shares in listed corporations | 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 2022

## NOTE 8. DEFERRED TAX ASSETS AND LIABILITIES

| | Assets | | Liabilities | | Net | |
|---|---|---|---|---|---|---|
| | 30 June 2022 $ | 30 June 2021 $ | 30 June 2022 $ | 30 June 2021 $ | 30 June 2022 $ | 30 June 2021 $ |
| Provisions/Accruals | 6,250 | - | - | - | 6,250 | - |
| Losses | 242,462 | - | - | - | 242,462 | - |
| Financials assets | - | - | 5,992,420 | - | (5,992,420) | - |
| Tax assets/(liabilities) | 248,712 | - | 5,992,420 | - | (5,743,708) | - |

| Movements | Provisions/ Accruals $ | Losses $ | Financial assets $ | Total $ |
|---|---|---|---|---|
| Balance at incorporation date | - | - | - | - |
| (Charged)/credited to statement of comprehensive income | - | - | - | - |
| Carrying amount on 30 June 2021 | - | - | - | - |

| Movements | Provisions/ Accruals $ | Losses $ | Financial assets $ | Total $ |
|---|---|---|---|---|
| Balance on 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 on 30 June 2022 | 6,250 | 242,462 | (5,992,420) | (5,743,708) |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 9. TRADE AND OTHER PAYABLES

| | 30 June 2022<br>$ | 30 June 2021<br>$ |
|---|---|---|
| Accruals | 25,000 | 10,000 |
| EnBW payable | 29,755 | - |
| | 54,755 | 10,000 |

## NOTE 10. BORROWINGS

| | 30 June 2022<br>$ | 30 June 2021<br>$ |
|---|---|---|
| Convertible notes | 400,000 | - |
| | 400,000 | - |

During the financial year ended 30 June 2022, the Company obtained $400,000 in convertible notes at an interest rate of 5% per annum 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% per annum interest, calculated daily.

## NOTE 11. ISSUED CAPITAL

Ordinary shares

| | 30 June 22<br>No. | 30 June 21<br>No. | 30 June 21<br>$ | 30 June 22<br>$ |
|---|---|---|---|---|
| Fully paid ordinary shares at no par value | 80,315,834 | 60,182,500 | 4,819,834 | 1,941,992 |
| At the beginning of the period | 60,182,500 | 2 | 1,941,992 | 2 |
| Shares issued during the year | 20,133,334 | 60,182,498 | 3,020,000 | 2,058,250 |
| Transaction costs relating to share issues | - | - | (142,158) | (116,260) |
| At reporting date | 80,315,834 | 60,182,500 | 4,819,834 | 1,941,992 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 11. ISSUED CAPITAL

Options

| | 30 June 2022 No. | 30 June 2021 No. | 30 June 2022 $ | 30 June 2021 $ |
|---|---|---|---|---|
| Options | 25,028,571 | - | 236,520 | - |
| At the beginning of the period | 10,094,250 | - | - | - |
| Issue of 22.5c options expiry: 20.9.22 | 25,028,571 | - | 236,520 | - |
| Issue of 25c options expiry: 24.5.25 | | 10,091,250 | - | - |
| At reporting date | 35,119,821 | 10,091,250 | 236,520 | - |

## NOTE 12. SHARE BASED PAYMENTS

| | 30 June 2022 $ | 30 June 2021 $ |
|---|---|---|
| Options | 236,520 | - |
| | 236,520 | - |

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 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 12. SHARE BASED PAYMENTS

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:

| | |
|---|---|
| **Grant date share price (Series A)** | $0.150 |
| **Exercise price** | $0.225 |
| **Number of options issued** | 25,028,571 |
| **Issue date** | 20 June 2022 |
| **Expiry date** | 20 September 2022 |
| **Volatility** | 93.9% |
| **Risk-free interest rate** | 3.22% |
| **Expected vesting probability** | 100% |
| **Value** | $236,520 |

## NOTE 13. FINANCIAL INSTRUMENTS

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 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 for the financial years ended 30 June 2022 and 30 June 2021 is shown below:

| | 30 June 2021 | | | |
|---|---|---|---|---|
| | Floating interest rate $ | Fixed interest rate $ | Non-interest bearing $ | Total $ |
| Financial assets | | | | |
| Cash and cash equivalents | 116,824 | - | - | 116,824 |
| Trade and other receivables | - | - | 351,296 | 351,296 |
| Financial assets | - | - | 1,194,426 | 1,194,426 |
| **Total financial assets** | 116,824 | - | 1,545,722 | 1,662,546 |
| Financial liabilities at amortised cost | | | | |
| Trade and other payables | - | - | 10,000 | 10,000 |
| **Total financial liabilities** | - | - | 10,000 | 10,000 |
| **Net financial assets/(liabilities)** | 116,824 | - | 1,535,722 | 1,652,546 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 13. FINANCIAL INSTRUMENTS

1. Financial risk management policies (continued)

| | 30 June 2022 | | | |
|---|---|---|---|---|
| | Floating interest rate<br>$ | Fixed interest rate<br>$ | Non-interest bearing<br>$ | Total<br>$ |
| *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 at amortised cost* | | | | |
| Trade and other payables | - | - | 54,755 | 54,755 |
| **Total financial liabilities** | - | - | 54,755 | 54,755 |
| **Net financial assets/(liabilities)** | 1,042,112 | - | 27,152,555 | 28,194,667 |

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 2022

*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 2021 | | |
| +/– 10% in investments | 119,443 | 119,443 |
| Year ended 30 June 2022 | | |
| +/– 10% in investments | 2,718,056 | 2,718,056 |

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 2022 and 30 June 2021, the Company had the following financial assets exposed to variable interest rate risk:

| | 30 June 2022 | 30 June 2021 |
|---|---|---|
| Cash and cash equivalents | 1,042,112 | 116,824 |
| | 1,042,112 | 116,824 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

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 / $ |
|---|---|---|
| **Year ended 30 June 2022** | | |
| ±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 2022

*Impairment losses*

The ageing of the Company's trade and other receivables as of 30 June 2022 and 30 June 2021 was as follows:

| | 30 June 2021 | | | |
|---|---|---|---|---|
| | Gross<br>$ | Impaired<br>$ | Net<br>$ | Past due but not impaired<br>$ |
| Trade receivables | | | | |
| Not past due | 28,296 | - | 28,296 | - |
| Past due up to 60 days | - | - | - | - |
| Past due 60 days to 90 months | - | - | - | - |
| Past due over 90 months | - | - | - | - |
| | 28,296 | - | 28,296 | - |
| Other receivables | | | | |
| Not past due | 323,000 | - | 323,000 | 323,000 |
| **Total** | 351,296 | - | 351,296 | 323,000 |

| | 30 June 2022 | | | |
|---|---|---|---|---|
| | Gross<br>$ | Impaired<br>$ | Net<br>$ | Past due but not impaired<br>$ |
| 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 | - |

**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 2022

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.

| | Within 1 year | | Greater than 1 year | | Total | |
|---|---|---|---|---|---|---|
| | 30 June 2022<br>$ | 30 June 2021<br>$ | 30 June 2022<br>$ | 30 June 2021<br>$ | 30 June 2022<br>$ | 30 June 2021<br>$ |
| *Financial liabilities due for payment* | | | | | | |
| Trade and other payables | 54,755 | 10,000 | - | - | 54,755 | 10,000 |
| Borrowings | - | - | 400,000 | - | 400,000 | - |
| Total contractual outflows | 54,755 | 10,000 | 400,000 | - | 454,755 | 10,000 |
| *Financial assets* | | | | | | |
| Cash and cash equivalents | 1,042,112 | 116,824 | - | - | 1,042,112 | 116,824 |
| Trade and other receivables | 26,749 | 351,296 | - | - | 26,749 | 351,296 |
| Financial assets | 27,180,561 | 1,194,426 | - | - | 27,180,561 | 1,194,426 |
| Total anticipated inflows | 28,249,422 | 1,662,546 | - | - | 28,249,422 | 1,662,546 |
| Net (outflows)/inflow on financial instruments | 28,194,667 | 1,652,546 | (400,000) | - | 27,794,667 | 1,652,546 |

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

# Notes to the Financial Statements

For the financial year ended 30 June 2022

**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**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**LEVEL 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**LEVEL 3**

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 2022

**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 2021 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | $ | $ | $ | $ |
| Recurring fair value measurements | | | | |
| Financial assets | | | | |
| Shares in listed companies | - | - | - | - |
| Shares in unlisted companies | - | 1,194,426 | - | 1,194,426 |
| **Total financial assets recognised at fair value** | - | 1,194,426 | - | 1,194,426 |

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 2022

| | 30 June 2022 | | | |
|---|---|---|---|---|
| | Level 1<br>$ | Level 2<br>$ | Level 3<br>$ | Total<br>$ |
| Recurring fair value measurements | | | | |
| Financial assets | | | | |
| Shares in listed companies | 201,783 | - | - | 201,783 |
| Shares in unlisted companies | - | 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.

**Details of unlisted investments and the valuation approach as of 30 June 2022 are set out as follows:**

| Company | Industry sector | Basis of valuation | Date of transaction | Fair value as at 30 June 2022<br>$ | Fair value as at 30 June 2021<br>$ |
|---|---|---|---|---|---|
| Starfire Fire Energy Inc | Renewable energy | Price of most recent capital raise | June 2022 | 25,990,617 | 1,194,426 |
| SuperCritical | Renewable energy | Price of entry | January 2022 | 763,978 | - |
| Naco Technologies | Renewable energy | Price of entry | June 2022 | 224,183 | - |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## NOTE 15. KEY MANAGEMENT PERSONNEL DISCLOSURES

### Directors

The following persons were Directors of the Company during the financial year ended 30 June 2022:

1. Mr Glynn Ellis
2. Mr Rowan Logie
3. Mr Gregory Stace

### 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:

| | 27 October 2020 | Received as part of remuneration | Additions | Disposals/ other | 30 June 2021 |
|---|---|---|---|---|---|
| | No. | No. | No. | No. | No. |
| Mr Glynn Ellis | - | - | 200,000 | - | 200,000 |
| Mr Rowan Logie | 1 | - | 15,699,999 | - | 15,700,000 |
| Mr Gregory Stace | 1 | - | 15,699,999 | - | 15,700,000 |
| | 2 | - | 31,599,998 | - | 31,600,000 |

| | 1 July 2021 | Received as part of remuneration | Additions | Disposals/ other | 30 June 2022 |
|---|---|---|---|---|---|
| | No. | No. | No. | No. | No. |
| Mr Glynn Ellis | 200,000 | - | - | - | 200,000 |
| Mr Rowan Logie | 15,700,000 | - | - | - | 15,700,000 |
| Mr Gregory Stace | 15,700,000 | - | - | - | 15,700,000 |
| | 31,600,000 | - | - | - | 31,600,000 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

## 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 on 30 June 2021 | Granted as remuneration during the year | Exercised during the period | Other changes during the period | Balance on 30 June 2022 | Vested and exercisable | Not vested |
|---|---|---|---|---|---|---|---|
| | No. | No. | No. | No. | No. | No. | No. |
| Mr Glynn Ellis | - | - | - | - | - | - | - |
| Mr Rowan Logie | - | 9,142,857 | - | - | 9,142,857 | - | 9,142,857 |
| Mr Gregory Stace | - | 9,142,857 | - | - | 9,142,857 | - | 9,142,857 |
| | - | 18,285,714 | - | - | 18,285,714 | - | 18,285,714 |

## 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:

| | 30 June 2022<br>$ | 27 October 2020 to 30 June 2021<br>$ |
|---|---|---|
| Payments for wages, contractor and director fees: | | |
| Glynn Ellis | - | - |
| Rowan Logie | 195,727 | 164,064 |
| Gregory Stace | 129,153 | 21,000 |
| | 324,880 | 185,064 |
| Share-based payments: | | |
| Glynn Ellis | - | - |
| Rowan Logie | 86,400 | - |
| Gregory Stace | 86,400 | - |
| | 172,800 | - |
| | 497,680 | 185,064 |

# Notes to the Financial Statements

For the financial year ended 30 June 2022

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.

## NOTE 17. AUDITOR'S REMUNERATION

During the financial years ended 30 June 2022 and 30 June 2021, the following fees were paid or payable for services provided by Moore Australia, the auditor of the company:

| | 30 June 2022 , $ | 30 June 2021, $ |
|---|---|---|
| Audit of financial statements | 15,000 | 10,000 |
| | 15,000 | 10,000 |

## NOTE 18. COMMITMENTS

The Company has no material commitments as of 30 June 2022 (30 June 2021: nil).

## NOTE 19. EVENTS SUBSEQUENT TO REPORTING DATE

On 25 July 2022, the Company invested in company based in Spain called Joltech Solutions, S.L to acquire a 10% interest in the company for EUR $300,000.

On 20 September 2022, the options were exercised by optionholders whom elected to convert the options via a cashless mechanism which only resulted in 10,950,000 options being converted to ordinary shares in the Company the remaining 14,078,571 were forfeited by the optionholders.

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. NGT's innovative hydrogen storage tank technology has the potential to reduce hydrogen transport costs by more than 20%. The Company is set to lead the round.

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 2022 (30 June 2021: nil).

**Contingent assets**
The company had no contingent assets at 30 June 2022 (30 June 2021: 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 25 to 54, are in accordance with the Corporations Act 2001 (Cth) and:

- comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
- present fairly the Company's financial position as of 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

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:

**Mr Gregory Stace**
**Director**

Dated this Friday, 28 October 2022

# Independent Auditor's Report

MOORE

**Moore Australia Audit (WA)**

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## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF NEW ENERGY TECHNOLOGY LIMITED

### Opinion

We have audited the accompanying financial report of New Energy Technology Ltd ("the Company") which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year ended 30 June 2022, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company.

In our opinion, the accompanying financial report of New Energy Technology Ltd is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the year then ended and;

b. complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

### Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

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**Auditor's responsibility for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Dated in Perth Western Australia, this 28th day of October 2022.