Appendix 4D
Half Year Report

Results for Announcement to the Market

1. Details of reporting period

Current reporting period:	6 months ended 30 June 2023
Previous corresponding reporting period:	6 months ended 30 June 2022

2. Results for announcement to the market

	6 months ended 30 June 2023 $	6 months ended 30 June 2022 $	Change %
Revenues from ordinary activities	**2,288,703**	1,713,165	34%
Profit/(loss) from ordinary activities after tax attributable to members	**(39,537)**	(68,399)	42%
Net profit/(loss) for the period attributable to members	**(39,537)**	(68,399)	42%

Commentary on results for the period
Commentary on the above figures is included in the accompanying ASX Announcement and the attached Interim Financial Report for the half year ended 30 June 2023.

3. Net tangible assets per security

	30 June 2023	31 December 2022
Net tangible assets	**3,850,088**	3,693,084
Number of shares on issue at reporting date	**10,716,208,211**	10,716,208,211
Net tangible assets per ordinary security	**0.00036**	0.00034

4. Gain or loss of control over entities
There was no change in the period.

5. Dividends
There were no dividends paid during the period and the Company does not propose to pay any dividends.

6. Dividend reinvestment plans
There are no dividend reinvestment plans.

7. Associates and joint ventures
The Company has no associates or joint ventures.

8. Audit / review status
The Interim Financial Report for the half year ended 30 June 2023 has been reviewed. The Auditors Review Statement accompanies the Interim Financial Report.

VOLT POWER GROUP LIMITED

ABN: 62 009 423 189

INTERIM FINANCIAL REPORT

Half-year ended 30 June 2023

TABLE OF CONTENTS

Corporate Directory

ABN: 62 009 423 189

Directors
Adam Boyd
Paul Everingham
Simon Higgins
Peter Torre

Company Secretary
Peter Torre

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Kewdale WA 6105

Share Register
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Level 12
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Perth WA 6000

Website
www.voltpower.com.au

Auditors
BDO Audit (WA) Pty Ltd
Level 9 Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Solicitors
Thomson Greer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Bankers
Commonwealth Bank of Australia
Corporate Financial Services
Level 14C, 300 Murray Street
Perth WA 6000

Stock Exchange Listings
Australian Securities Exchange (ASX)
ASX Code: VPR

Directors' Report

The directors of the consolidated entity (referred to hereafter as the Group) consisting of Volt Power Group Limited ("Volt" or "the Company") and the entities it controlled at the end of or during the half year ended 30 June 2023, submit their report for the six months ended 30 June 2023.

1. Directors

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

Adam Boyd – Executive Chairman
Paul Everingham - Non-Executive Director
Simon Higgins – Non-Executive Director
Peter Torre – Non-Executive Director and Company Secretary

2. Corporate and operational review

- This Interim Consolidated Financial Report has been prepared on the basis that Volt and its controlled entities are going concerns for financial reporting purposes.

- In July 2023, the Company completed the sale of Volt shares under an Unmarketable Parcel Share Sale Facility (UMPSS Facility). Under the UMPSS Facility all individual holdings of 333,333 Volt Shares or less were defined by the ASX listing rules as an Unmarketable Parcel. There were 1,403 holdings deemed Unmarketable Parcels that were sold under the UMPSS Facility from a total of 2,304 shareholdings. These holdings totalled 68,438,279 Volt Shares comprising ~0.639% of the total 10,716,208,211 Volt shares on issue. As at 23 August 2023, the Company had 891 individual shareholders.

3. Principal activities

The principal activities of the Group during the period were:

ATEN (100% owned)

The ATEN Technology achievements during the period comprise:

- The Company's ATEN Technology is a waste heat to zero emission, baseload electricity generation solution that utilizes recovered low grade industrial waste heat as its energy source. The ATEN Technology requires no water and operates autonomously without a requirement for operating personnel.

- The zero emission, zero fuel, and zero OPEX benefits of the ATEN Technology compels customers seeking Carbon Intensity and operating cost reductions to investigate ATEN Technology retro-fit opportunities. The benefits include:

  - Enhanced energy efficiency: ~10 - 30%
  - Low-cost zero emission generation: ~20 - 50% cheaper than generation equivalent solar/BESS hybrid solution
  - Scope 1 emission reduction: Material carbon intensity reduction outcomes
  - Grid stability: Baseload supply delivering capacity and system stability enhancement
  - No water consumption: Reduced environmental approval requirements and OPEX
  - Autonomous operation: No operational personnel required and reduced OPEX
  - Small footprint: Retro-fit to existing brownfields site & reduced regulatory approval requirements
  - Hydrogen / ammonia fuel compatible: Compatible with & enhances hydrogen fuel viability
  - SMC eligibility: Creates SMCs when deployed at remote site locations (subject to accreditation)

- The ATEN Technology delivers zero emission generation capacity with a lower levelized long term cost of energy relative to:

  - New diesel fueled generation capacity;
  - New gas fueled generation capacity where site delivered gas prices exceed $3 – 4.50/GJ (subject to heat resource);
  - Solar/BESS hybrid generation; and
  - Wind turbine hybrid generation.

- The Company continued business development activities to communicate the technical, commercial and zero-emission benefits of the ATEN "waste heat to power" technology to major energy and resource sector businesses that operate significant power station, on-shore LNG production and/or industrial process assets that vent a significant unutilized waste heat resource to atmosphere.

- As previously reported, the Company (together with OEM supply partners) completed a Preliminary Study on the installation of two 7MW zero emission, base load ATEN Waste Heat to Power systems with a combined ~14MW of baseload generation capacity at an existing Australian domiciled network connected baseload, open cycle gas fired power station.

- The Table below highlights the results of the Preliminary Study compared to an equivalent annual generation Solar/BESS solution necessary to supply the equivalent, consistent 24/7 electricity generation (inclusive of partial load shifting to a required ~160MWh BESS):

Description	**Units**	**Combined ATEN 1 & 2**	**Solar / BESS Equiv.**	**Vs Solar**
Capacity (net)	MW (AC)	14.0	47.0	(33)
Annual Generation	MWh	116,508	116,508	-
Capital Cost	$'M	~60.0	230.0	(170)
Utilisation	%	95.0	28.5	Baseload Vs Intermittency
Annual Scope 1 CO_2 Abatement	CO_2t	~70,000	~70,000	-
Levelised Cost of Energy (LCOE[1])	A$/MWh	~64	~194	(130)

[1] LCOE is based on an ATEN CAPEX, related lifecycle maintenance and OPEX Vs Solar / BESS (14MW by 12 hours storage capacity), related lifecycle maintenance and OPEX in Northern Australia using the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life.

- The Table highlights that a ~47MW (AC) solar array and a ~168MWh battery energy storage system is required to generate the equivalent annual electricity as a 14MW(net) ATEN Waste Heat to Power installation. Importantly, the upfront CAPEX is ~A$170 million lower. The Preliminary Study was completed on the basis that no additional transmission or ancillary services CAPEX was required to connect the proposed Solar / BESS equivalent generation system.

- Critically, the ATEN Waste Heat to Power system is highly compatible with and complimentary to a solar / wind hybrid roll-out supported by gas-fired OCGT infrastructure significantly reducing the carbon intensity of the necessary dispatchable capacity to provide inertia, frequency management and grid stabilization support.

- The populist view that intermittent solar and wind generation is capable of viably achieving reliable and low-cost electricity in all incremental renewable penetration scenarios (from 20-100% renewable penetration) provides some initial resistance to the adoption of the ATEN Technology. However, enterprises that apply sound technical (transient event risk analysis) and commercial evaluation (including transmission, ancillary services and control system development CAPEX) and mission critical energy supply risk considerations engage the valuable opportunity that the ATEN Technology presents.

HYTEN (100% owned)

- As previously reported, the Company continued to advance the flowsheet development of a combined ATEN Waste Heat to Power system with a proven, high efficiency alkaline water electrolyser for production of zero emission hydrogen. The combined ATEN / electrolyser system is called, HYTEN. The Company has secured a positive assessment of the HYTEN Waste Heat to Hydrogen technology's preliminary Patent Cooperation Treaty international patent application with all claims confirmed as novel, inventive and compliant.

- The initial HYTEN preliminary feasibility / concept study activities were completed in Q4 FY21 and the results are highly encouraging. The preliminary engineering activities have confirmed that HYTEN has numerous cost and technical competitive advantages relative to an equivalent annual electricity supply "Green Hydrogen" Solar to Hydrogen system.

  These include:

  - A ~50% lower LCOE[1] for zero emission electricity supply to the electrolyser;
  - ~300% greater electrolyser utilization performance (baseload Vs intermittent power supply);
  - At least 50%+ lower electrolyser related CAPEX; and
  - All delivering a significantly lower Levelised Cost of Hydrogen (LCOH[1]).

- A HYTEN Preliminary Study report indicated that a HYTEN system is capable of a levelized hydrogen production cost of ~US$2 – 3/kg (HYTEN LCOH <US$3/kg Vs Solar/H2 LCOH ~US$8-9/kg).

Wescone (100% owned)

Wescone salient activities and outcomes during the period comprised:

- The Company's Wescone business is the Original Equipment Manufacturer (OEM) of the proprietary W300 sample crusher extensively deployed in the global iron ore and assay laboratory industries. The Wescone OEM offering comprises three sample crushing equipment solutions with alternative dimensional feed acceptance capabilities.

- During HY23 the Wescone business performed well, with results marginally above budget for the period. Wescone continues to respond to multiple new tender requests and enquiry opportunities and facilitate the expansion of its partner business in Africa.

- The Wescone African distributor and experienced sample system design & installation partner, Solid Process Automation (Pty) Ltd (SPA), delivered, installed and commissioned two Wescone W300 Series 3 crushers to a South African domiciled iron ore mine during the period. This deployment has highlighted the capabilities of SPA and advanced the Wescone growth strategy into Africa. Subsequently, several new African domiciled sales enquiries from potential end user customers have been received and quoted. Further, SPA has completed formal vendor accreditation with these potential new customers.

EcoQuip Australia Pty Ltd (EcoQuip) (100% owned)

EcoQuip salient achievements and activities for the period include:

- EcoQuip is the OEM of a Mobile Solar Light & Communications Tower (MSLT) solution incorporating the proprietary high efficiency EcoQuip technology platform. The technology platform comprises a Solar / Battery Energy Storage System (BESS), sophisticated power management and illumination solution delivering up to a 40% performance efficiency increase compared to similar industry standard Solar / BESS Systems.

- The EcoQuip MSLT has "market leading" illumination and power budget performance, end user telemetry with pre-emptive notifications and remote-control capability. These capabilities have been achieved partnering with US military fabrication, electronics and software development supply chain businesses. The MSLT can deliver 'mission critical' power budget performance required for reliable remote site illumination and autonomous mining communications network reinforcement. EcoQuip invested a further ~$0.3 million during the period in further development of its client portal interface and telemetry capabilities.

- The EcoQuip MSLT is a zero emission, zero maintenance & zero OPEX mobile light tower solution. The MSLT has the illumination performance and BESS power budget reliability to disrupt the traditional diesel fueled light tower market. The MSLT is 50% cheaper to hire and operate than a diesel fueled equivalent. The zero lifecycle, maintenance and OPEX capability reduces the need for site based skilled labour and delivers safety enhancement outcomes.

- Since Q3 2021, EcoQuip has deployed 35x MSLTs at the Chevron operated Gorgon natural gas project located on Barrow Island pursuant to a 5-year master hire agreement. Most recently, 10x new MSLT units were deployed in April 2023. This second deployment of 10x MSLT units to Barrow Island was outstanding product validation of the EcoQuip MSLT solution. The Barrow Island MSLT fleet has continued to operate with outstanding reliability and illumination performance and has displaced 100% of the diesel-fueled light tower fleet used for daily operations. We are continuing to advance discussions with Chevron to expand the Barrow domiciled MSLT deployment.

- In April/May 2023, EcoQuip submitted two tender responses to Thiess Contracting and FMG respectively. To date these potential customers have not provided EcoQuip with a formal response, however, have verbally confirmed the Tenders continue to remain in the evaluation phase. EcoQuip continues to encourage these Tier 1 resource sector companies to trial all mobile solar light tower alternatives prior to making a procurement decision. EcoQuip understands that a site-based trial will highlight the significant competitive advantage of the EcoQuip MSLT solution.

- In May 2023, BHP Iron Ore Pty Limited (BHP) completed a 12-month EcoQuip demonstration trial pursuant to an MSLT demonstration trial agreement. The BHP team responsible for the trial evaluation has recommended to management that BHP move to a procurement process. Whilst EcoQuip considers this a significant and positive development, we have been advised by BHP that the management decision is uncertain and may take 3-6 months due to internal priorities and personnel availability. The 4x MSLT units deployed during the trial remain on site deployment.

- EcoQuip launched a new website and initiated a new targeted marketing strategy during the period.

- EcoQuip advanced MSLT demonstration trial arrangements with multiple parties including Pilbara Minerals during the period. Further, numerous demonstrations of the EcoQuip MSLT were performed for significant potential EcoQuip resource sector customers.

- The Volt Board approved a commitment to manufacture 20x new EcoQuip MSLT units during the period. These 20x new MSLTs are scheduled for completion in Q4 2023.

- During FY22, EcoQuip applied significant resources to advance the negotiation of an exclusive MSLT distribution agreement for the east coast of Australia with an established equipment sales and hire business (National Hire Group). These negotiations advanced from early stage to detailed term sheet and thereafter, detailed contract documentation. The negotiation period included a successful demonstration trial of two MSLT units at the Albermarle owned and operated Kemerton lithium hydroxide facility in South-Western Australia. Negotiations ceased after the National Hire Group sought to set aside the draft contract developed over 12-months and fundamentally change the commercial terms of the proposed arrangements. Further, the National Hire Group requested the supply of up to twenty EcoQuip MSLT units for "on-hire" to Albermarle without contractual documentation. Neither arrangement proceeded.

4. Results

The Group recorded a total comprehensive loss after income tax, attributable to owners, for the six months ended 30 June 2023 of $39,537 (2022: loss of $68,399). The net asset position of the Group at 30 June 2023 was $4,740,394 (December 2022: $4,415,000).

As at 30 June 2023, the Group had cash and cash equivalents of $1,917,920.

Net cash outflow during the six months ended 30 June 2023 of $356,688 was comprised of:

- Net cash inflow from operating activities of $418,308;
- Net cash outflow from investing activities of ($703,213) and
- Net cash outflow from financing activities of ($71,783).

The Table below summarises the 2023 Half Year Report in enhanced detail highlighting an increase in ordinary revenue and ordinary earnings compared to the corresponding prior 6-month period.

Description	6-months ended 30 June 2023 ($'000)	6-months ended 30 June 2022 ($'000)	Change
Revenue from Ordinary Activities	2,289	1,713	34%
Adjusted EBITDA[1]	690	336	106%
EBITDA	325	138	135%
Loss Attributable to Members	(40)	(68)	42%

[1] excluding $0.4 million (HY23) and $0.2 million (HY22) of non-cash executive option issue expense.

The Company continues to grow its Ordinary Revenues (+34%) reflecting the ongoing uptake of the Wescone W300 crusher solution and EcoQuip Mobile Solar Light / Comms Tower solution.

5. Events occurring after the reporting period

Other than disclosed elsewhere in this report, no matters or circumstances have arisen since 30 June 2023 that have significantly affected the group's operations, results or state of affairs, or may do so in future years.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Adam Boyd
Executive Chairman
29 August 2023

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF VOLT POWER GROUP LIMITED

As lead auditor for the review of Volt Power Group Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Volt Power Group Limited and the entities it controlled during the period.

Glyn O'Brien

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

29 August 2023

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Note	**30 June 2023** **$**	30 June 2022 $
Revenue from contracts with customers	6	**2,288,703**	1,713,165
Cost of sales		**(218,668)**	(184,092)
Gross profit		**2,070,035**	1,529,073
Other income		**-**	2,159
Consultants and advisors		**(231,445)**	(196,400)
Employment benefits expense		**(783,881)**	(679,890)
Share based payment expense		**(364,931)**	(197,266)
General and administration expenses		**(707,778)**	(596,112)
Finance income		**13,084**	265
Finance expenses		**(34,621)**	(26,111)
Finance costs - net		**(21,537)**	(25,846)
Profit/(loss) before income tax expense		**(39,537)**	(164,282)
Income tax expense		**-**	-
Profit/(loss) from continuing operations		**(39,537)**	(164,282)
Other comprehensive income for the half year, net of tax		**-**	-
Total comprehensive income/(loss) for the half year		**(39,537)**	(164,282)
Profit/(loss) for the half year is attributable to:			
Minority interests		**-**	(95,883)
Owners of Volt Power Group Limited		**(39,537)**	(68,399)
Total comprehensive income/(loss) for the half year is attributable to:			
Minority interests		**-**	(95,883)
Owners of Volt Power Group Limited		**(39,537)**	(68,399)
Earnings/(loss) per share:		**cents**	cents
Basic profit/(loss) for the period attributable to ordinary equity holders of the parent		**(0.0004)**	(0.0007)
Diluted profit/(loss) for the period attributable to ordinary equity holders of the parent		**(0.0004)**	(0.0007)
Earnings/(loss) per share from continuing operations:			
Profit/(loss) from continuing operations attributable to ordinary equity holders of the parent		**(0.0004)**	(0.0007)
Diluted profit/(loss) from continuing operations attributable to ordinary equity holders of the parent		**(0.0004)**	(0.0007)

The above Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Financial Position
As at 30 June 2023

	Note	**30 June 2023 $**	31 December 2022 $
Assets			
Current assets			
Cash and cash equivalents		**1,917,920**	2,274,608
Trade and other receivables	7	**857,127**	291,430
Inventory		**247,258**	305,642
Other current assets		**105,591**	108,017
Total current assets		**3,127,896**	2,979,697
Non-current assets			
Property, plant and equipment	8	**3,299,684**	2,950,210
Intangible assets	9	**763,451**	531,633
Right of use assets	10	**126,855**	190,283
Other non-current assets		**115,715**	115,715
Total non-current assets		**4,305,705**	3,787,841
Total assets		**7,433,601**	6,767,538
Liabilities			
Current Liabilities			
Trade and other payables		**1,693,402**	722,441
Employee benefit liabilities		**63,681**	53,982
Lease liabilities and borrowings	11	**317,920**	315,267
Provisions	12	**290,574**	770,000
Total current liabilities		**2,365,577**	1,861,690
Non-current liabilities			
Lease liabilities and borrowings	11	**320,515**	490,848
Employee benefit liabilities		**7,115**	-
Total non-current liabilities		**327,630**	490,848
Total liabilities		**2,693,207**	2,352,538
Net assets		**4,740,394**	4,415,000
Shareholders' Equity			
Share capital	13	**76,861,879**	76,861,879
Reserves		**8,266,189**	7,901,258
Accumulated losses		**(80,387,674)**	(80,348,137)
Total Shareholders' Equity		**4,740,394**	4,415,000

The above Interim Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Changes in Equity
For the half year ended 30 June 2023

	Note	Share capital $	Reserves $	Accumulated losses $	Total attributable to owners $	Non-controlling interest $	Total equity $
		Attributable to owners of Volt Power Group Limited					
At 1 January 2022		74,132,092	7,004,480	(77,437,094)	**3,699,478**	646,137	**4,345,615**
Total comprehensive profit/(loss) for the half year							
Profit/(loss) for the half year		-	-	(68,399)	**(68,399)**	(95,883)	**(164,282)**
Total comprehensive profit/(loss) for the half year		-	-	(68,399)	**(68,399)**	(95,883)	**(164,282)**
Share based payment expense		-	197,266	-	**197,266**	-	**197,266**
		-	197,266	-	**197,266**	-	**197,266**
At 30 June 2022		74,132,092	7,201,747	(77,505,494)	**3,828,345**	550,254	**4,378,599**
At 1 January 2023		76,861,879	7,901,258	(80,348,137)	**4,415,000**	-	**4,415,000**
Total comprehensive profit/(loss) for the half year							
Profit/(loss) for the half year		-	-	(39,537)	**(39,537)**	-	**(39,537)**
Total comprehensive profit/(loss) for the half year		-	-	(39,537)	**(39,537)**	-	**(39,537)**
Share based payment expense		-	364,931	-	**364,931**	-	**364,931**
		-	364,931	-	**364,931**	-	**364,931**
At 30 June 2023		**76,861,879**	**8,266,189**	**(80,387,674)**	**4,740,394**	-	**4,740,394**

The above Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Consolidated Statement of Cash Flows
For the six months ended 30 June 2023

	Note	**30 June 2023 $**	30 June 2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**1,720,251**	1,982,793
Payments to suppliers and employees (inclusive of GST)		**(1,288,778)**	(1,330,469)
R&D tax refund and other government incentives		**-**	-
Interest received		**13,084**	265
Interest paid		**(26,249)**	(11,498)
Net cash inflows/(outflows) from operating activities		**418,308**	641,091
Cash flows from investing activities			
Payments for property, plant and equipment		**(427,109)**	(435,372)
Payments for internally generated intangible asset		**(276,104)**	(73,208)
Net cash (outflows)/inflows from investing activities		**(703,213)**	(508,580)
Cash flows from financing activities			
Proceeds from borrowings		**-**	565,650
Repayment of borrowings		**(71,783)**	(18,361)
Net cash inflows/(outflows) from financing activities		**(71,783)**	547,289
Net (decrease)/increase in cash and cash equivalents		**(356,688)**	679,800
Cash and cash equivalents at the beginning of the half year		**2,274,608**	1,882,994
Cash and cash equivalents at end of the half year		**1,917,920**	2,562,794

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Notes to the Interim Consolidated Financial Statements
For the six months ended 30 June 2023

1. Corporate Information

The interim consolidated financial statements of Volt Power Group Limited (the “Company” or “Volt”) and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2023 were authorised for issue in accordance with a resolution of directors on 29 August 2023.

Volt Power Group Limited is a for profit company limited by shares, domiciled in Australia, whose shares are publicly traded. The address of the Company’s registered office is 6 Bradford Street, Kewdale WA 6105.

2. Statement of Compliance

The interim consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with AASB134 *Interim Financial Reporting and the Corporations Act 2001*.

The interim consolidated financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group’s annual financial statements as at 31 December 2022.

3. Significant Accounting Policies

(a) Basis of preparation

The interim consolidated financial statements have been prepared based on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars, which is the functional currency of the Company and each of its subsidiaries.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company’s financial report for the year ended 31 December 2022. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has not adopted any new or updated accounting policies in the current period.

(b) Going concern

The Directors are satisfied that the going concern assumption has been appropriately applied in preparing the financial statements and the historical financial information 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 normal course of business.

(c) Research and development

Expenditure during the research phase of a project are recognised as expenditure in the period incurred in line with *AASB 138 intangible assets*.

Expenditure that meets the criteria of development under *AASB 138 intangible assets* are capitalised as intangible assets. These are initially valued at cost and subsequently amortised over an estimated useful life. Development costs previously recognised as expenses are not recognised as an asset in subsequent periods.

(d) Research and development incentive income

Research and development incentives are recognised at fair value when there is reasonable assurance that the incentive will be received. The Company accounts for such allowances on the same basis as the relevant expenditure. If the expenditure is expensed in the income statement, the tax incentive will be recorded in the profit or loss. If the expenditure is capitalised to an asset, the tax incentive will reduce the carrying value of the asset.

(e) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the period ended 30 June 2023 and are not expected to have a material impact.

4. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 December 2022.

5. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Volt Power Group Limited. The Group has determined that it has one operating segment, the provision of services to the mining and construction industries.

6. Revenue from contracts with customers

	30 June 2023 $	30 June 2022 $
Revenue from sales of inventory	**1,734,218**	1,287,988
Revenue from equipment leases	**554,485**	425,177
	2,288,703	1,713,165
Timing of revenue recognition		
At a point in time	**1,734,218**	1,287,988
Over time	**554,485**	425,177
	2,288,703	1,713,165

7. Trade and other receivables

	30 June 2023 $	31 December 2022 $
Trade receivables	**857,127**	284,929
Other debtors	**-**	6,501
	857,127	291,430

8. Property, plant and equipment

	Plant and equipment $	**Work in progress** $	**Office furniture, fittings and equipment** $	**Total** $
31 December 2022				
Opening net book amount	1,600,552	577,109	22,319	2,199,980
Additions	112,731	981,030	13,936	1,107,697
Transfers from work in progress	286,486	(286,486)	-	-
Disposals	(4,813)	-	-	(4,813)
Depreciation charge	(347,396)	-	(5,258)	(352,654)
	1,647,560	1,271,653	30,997	2,950,210
31 December 2022				
Cost or fair value	3,103,755	1,271,653	36,551	4,411,959
Accumulated depreciation	(1,456,195)	-	(5,554)	(1,461,749)
Net book amount	1,647,560	1,271,653	30,997	2,950,210

	Plant and equipment $	Work in progress $	Office furniture, fittings and equipment $	Total $
30 June 2023				
Opening net book amount	**1,647,560**	**1,271,654**	**30,997**	**2,950,211**
Additions	**5,508**	**564,987**	**-**	**570,495**
Transfers from work in progress	**1,386,844**	**(1,386,844)**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**
Depreciation charge	**(218,191)**	**-**	**(2,831)**	**(221,022)**
	2,821,721	**449,797**	**28,166**	**3,299,684**
30 June 2023				
Cost or fair value	**4,413,542**	**449,797**	**36,551**	**4,899,890**
Accumulated depreciation	**(1,591,821)**	**-**	**(8,385)**	**(1,600,206)**
Net book amount	**2,821,721**	**449,797**	**28,166**	**3,299,684**

9. Intangible assets

	30 June 2023 $	31 December 2022 $
Capitalised development costs		
The movements in the net carrying amount of capitalised development costs are as follows:		
Balance at start of period	**531,633**	395,694
Incurred during the period	**290,655**	285,989
R&D tax incentive received	**-**	(62,359)
Amortisation charge	**(58,837)**	(87,691)
Balance at end of period	**763,451**	531,633

10. Right of use assets

The following table shows the movement in right-of-use assets:

	30 June 2023 $	31 December 2022 $
Land and buildings		
Balance at the start of the period	**190,283**	306,857
Additions	**-**	8,225
Amortisation	**(63,428)**	(124,799)
Balance at the end of the period	**126,855**	190,283

In April 2021, the Company entered into a new operating lease for an office and workshop located in Kewdale, Western Australia. These premises currently provide office and workshop accommodation for all the Volt Group business activities. The lease has an initial term to 30 June 2024, with the provision for a further 3-year extension beyond that date. The lease contract provides for a minimum percentage rent increase per year, or CPI, whichever is the greatest.

11. Lease liabilities and borrowings

	30 June 2023 $	31 December 2022 $
Current		
Non-bank loans	**4,728**	32,376
Lease liabilities	**162,623**	137,015
Hire purchase liabilities[1]	**150,569**	145,876
	317,920	315,267
Non-Current		
Lease liabilities	**-**	93,856
Hire purchase liabilities[1]	**320,515**	396,992
	320,515	490,848
Total lease liabilities and borrowings	**638,435**	806,115

[1]In April 2022, the company's subsidiary EcoQuip Australia Pty Ltd, secured $3M in new financing facilities with Westpac Banking Corporation. These facilities consist of a $2M Revolving Equipment Line and a $1M Trade Finance Facility and are secured against EcoQuip's equipment fleet. At 30 June 2023, the Revolving Equipment Line was drawn to $471k.

12. Provisions

	30 June 2023 $	31 December 2022 $
Service Exchange Provision		
Current		
At the beginning of the period	**770,000**	165,000
Provisions made	**385,000**	605,000
Provision used	**(864,426)**	-
Balance at the end of the period	**290,574**	770,000

Service Exchange Provision
In August 2020, Wescone secured a 5-year purchase service exchange & repair contract with a customer which provides for the replacement of existing installed crushers with the new Wescone W300 Series 4 crusher and the exclusive provision of ongoing repair / service exchange related service for 5 years. Revenue for the sale of each W300 Series 4 crusher is recognized upon delivery, and a provision for the total credit that could potentially be supplied for the corresponding exchange crushers if they are returned, has been recognized at 30 June and offset against revenue recognised during the period.

13. Contributed equity

(a) Share Capital

Ordinary shares	**30 June 2023 shares**	**30 June 2023 $**	31 December 2022 shares	31 December 2022 $
Fully paid	**10,716,208,211**	**76,861,879**	10,716,208,211	76,861,879
Movements in ordinary shares				
Balance at the beginning of the period	**10,716,208,211**	**76,861,879**	9,344,533,558	74,132,092
Issue of shares to non-controlling interests of EcoQuip Australia Pty Ltd	**-**	**-**	1,371,674,653	2,740,351
Share issue costs	**-**	**-**	-	(10,564)
Balance at the end of the period	**10,716,208,211**	**76,861,879**	10,716,208,211	76,861,879

(b) Weighted average number of shares

	30 June 2023 $	30 June 2022 $
Weighted average number of ordinary shares used as denominator for calculating basic profit/(loss) per share	**10,716,208,211**	9,344,533,558
Adjustments for calculation of diluted profit/(loss) per share:		
Options	**-**	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	**10,716,208,211**	9,344,533,558

(c) Unlisted options

	30 June 2023 options	31 December 2022 options
Balance at the beginning of the period	**885,000,000**	660,000,000
Options issued	**-**	405,000,000
Options exercised	**-**	-
Options expired	**(160,000,000)**	(180,000,000)
Balance at the end of the period	**725,000,000**	885,000,000

14. Contingencies

The Group has no contingent assets or contingent liabilities as at 30 June 2023.

15. Events occurring after the reporting period

Other than disclosed elsewhere in this report, no matters or circumstances have arisen since 30 June 2023 that have significantly affected the group's operations, results or state of affairs, or may do so in future years.

Declaration by Directors

In accordance with a resolution of the directors of Volt Power Group Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of Volt Power Group Limited for the half year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:

  i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

  ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) 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 for and on behalf of the directors by:

Adam Boyd

Executive Chairman

Perth

29 August 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Volt Power Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Volt Power Group (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

Glyn O'Brien

Director

Perth

29 August 2023