

Endless Solar Corporation Limited

ABN 51 122 708 061

Interim Report - 31 December 2023

Endless Solar Corporation Limited
Corporate directory
31 December 2023

Directors	Mr. David H Craig - Chairman and Executive Director Mr. Chris Baring-Gould - Non Executive Director Ms. Cathy Lin - Non Executive Director Mr. Kevin Alan Mooney - Non Executive Director
Company secretary	Mr. Mark Licciardo Acclime Listed Services Australia Pty Ltd Level 7/330 Collins St Melbourne VIC 3000
Registered office	555 Old Moorooduc Road Tuerong VIC 3915
Principal place of business	555 Old Moorooduc Road Tuerong VIC 3915
Share register	Boardroom Pty Ltd Level 7, 207 Kent Street Sydney NSW 2000
Auditor	Connect National Audit Pty Ltd - ASIC Authorised Audit Company No. 521888 Level 14, 333 Collins Street Melbourne VIC 3000
Stock exchange listing	Endless Solar Corporation Limited shares are listed on the National Stock Exchange

Endless Solar Corporation Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2023.

Directors

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr. David H Craig - Chairman and Executive Director
Mr. Kevin Alan Mooney - Non Executive Director
Mr. Chris Baring-Gould - Non Executive Director
Ms. Cathy Lin - Non Executive Director

Principal activities

The principal activities of the entity during the course of the financial year was research and development activities. No significant changes have occurred in the nature of these activities during the financial half-year.

Review of operations

The loss for the company after providing for income tax amounted to \$484,173 (31 December 2022: \$61,209).

Cool Solar project overview and update

The directors are pleased to provide the following overview and update to this project:

Background: Australia's power reliability will continue to decrease through this decade. The electricity supply system needs targeted investment in dispatchable power. In particular, there is a current shortfall during peak demand (summer afternoons). Electric vehicles will add more generation demand plus upgrades to poles and wires. New power station projects take around a decade from start to finish. This situation is not unique to Australia.

The majority of domestic energy consumption is heating and cooling. Endless Solar has patented "Cool Solar" technology that is capable of significantly reducing domestic electricity and gas demand. The technology is distributed at the point of consumption and may avoid upgrades to poles and wires.

How the technology works

The technology was developed at the Australian National University under an Innovation Australia grant. It uses stored hot water to directly run an air conditioning heat pump. It has very few moving parts so the cost of running the system is very low. When used domestically, the house is always kept at a constant temperature and excess energy collected during the day is stored in an ultra-high efficiency hot water tank. The house and the hot water tank become the system's "batteries". Hot water storage is simple, proven technology that does not degrade over time in the way that electrical batteries do.

Recent advances in high volume 3D printing manufacturing have enabled the key component to be produced in high volume at low cost.

Project Initiation

Endless Energy Solutions (EES) have commenced the first stage of commercialisation development of Endless Solar's Cool Solar technology. EES are currently turning ANU's laboratory solutions into engineering system and hardware designs.

Once the design phase has been completed, an adjustable development test rig will be constructed to enable hardware and control system optimisation.

The intent of this development phase is to have a working engineering demonstration unit available this year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Endless Solar Corporation Limited
Directors' report
31 December 2023

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



David Craig

15 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

As lead auditor for the review of Endless Solar Corporation Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Endless Solar Corporation Limited.



ROBIN KING HENG LI CA RCA
DIRECTOR
CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888
15 March 2024

Endless Solar Corporation Limited

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General information

The financial statements cover Endless Solar Corporation Limited as an individual entity. The financial statements are presented in Australian dollars, which is Endless Solar Corporation Limited's functional and presentation currency.

Endless Solar Corporation Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

555 Old Moorooduc Road
Tuerong VIC 3915

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2024.

Endless Solar Corporation Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Dec 2023	Dec 2022
	\$	\$
Expenses		
Administration Expenses	(481,873)	(51,209)
Fair Value Loss on Financial Assets	-	(10,000)
Depreciation and amortisation expense	(2,300)	-
	<hr/>	<hr/>
Loss before income tax expense	(484,173)	(61,209)
Income tax expense	-	-
	<hr/>	<hr/>
Loss after income tax expense for the half-year attributable to the owners of Endless Solar Corporation Limited	(484,173)	(61,209)
Other comprehensive income for the half-year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the half-year attributable to the owners of Endless Solar Corporation Limited	(484,173)	(61,209)
	<hr/> <hr/>	<hr/> <hr/>
	Cents	Cents
Basic earnings per share	(0.59)	(0.07)
Diluted earnings per share	(0.59)	(0.07)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Endless Solar Corporation Limited
Statement of financial position
As at 31 December 2023

	Note	Dec 2023 \$	June 2023 \$
Assets			
Current assets			
Trade and other receivables		124,124	235,400
Total current assets		<u>124,124</u>	<u>235,400</u>
Non-current assets			
Loan - related party		46,512	46,512
Other financial assets	2	3,000	3,000
Intangibles	3	3,730,800	3,670,206
Trade receivables		164,800	-
Total non-current assets		<u>3,945,112</u>	<u>3,719,718</u>
Total assets		<u>4,069,236</u>	<u>3,955,118</u>
Liabilities			
Current liabilities			
Trade and other payables	4	365,761	174,227
Loan - related party	5	34,014	34,014
Total current liabilities		<u>399,775</u>	<u>208,241</u>
Non-current liabilities			
Loan - related party	6	1,784,701	1,377,944
Total non-current liabilities		<u>1,784,701</u>	<u>1,377,944</u>
Total liabilities		<u>2,184,476</u>	<u>1,586,185</u>
Net assets		<u>1,884,760</u>	<u>2,368,933</u>
Equity			
Issued capital		5,011,032	5,011,032
Accumulated losses		<u>(3,126,272)</u>	<u>(2,642,099)</u>
Total equity		<u>1,884,760</u>	<u>2,368,933</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Endless Solar Corporation Limited
Statement of changes in equity
For the half-year ended 31 December 2023

	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	5,011,032	-	(2,135,154)	2,875,878
Loss after income tax expense for the half-year	-	-	(61,209)	(61,209)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(61,209)	(61,209)
Balance at 31 December 2022	<u>5,011,032</u>	<u>-</u>	<u>(2,196,363)</u>	<u>2,814,669</u>
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	5,011,032	-	(2,642,099)	2,368,933
Loss after income tax expense for the half-year	-	-	(484,173)	(484,173)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(484,173)	(484,173)
Balance at 31 December 2023	<u>5,011,032</u>	<u>-</u>	<u>(3,126,272)</u>	<u>1,884,760</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Endless Solar Corporation Limited
Statement of cash flows
For the half-year ended 31 December 2023

	2023	Dec 2022
	\$	\$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(608,656)	(58)
Net cash used in operating activities	(608,656)	(58)
Net cash from investing activities	-	-
Cash flows from financing activities		
Proceeds from borrowings	608,656	-
Net cash from financing activities	608,656	-
Net decrease in cash and cash equivalents	-	(58)
Cash and cash equivalents at the beginning of the financial half-year	-	58
Cash and cash equivalents at the end of the financial half-year	-	-

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the company are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised (including amortisation of patents in compliance with para 66 (d) of AASB 138) when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit once it is ready for use.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and recognised at cost. They are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Going Concern

The directors have prepared a cash flow which indicates that the company has sufficient funds to continue in the foreseeable future. These assumptions are based on certain economic and operating assumptions about future events and actions that have not yet occurred and may not necessarily occur. The directors are confident that, if necessary, they will be able to raise sufficient capital to enable the continuation of operations until investment returns reach a volume to ensure a return to profitability and positive cash flows.

A director of the company has also issued a letter of financial support to the company for a period in excess of 12 months from the signing of the financial statements.

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 company for the annual reporting period ended 31 December 2023. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Endless Solar Corporation Limited
Notes to the financial statements
31 December 2023

Note 2. Non-current assets - other financial assets

	Dec 2023	June 2023
	\$	\$
Financial assets fair value through profit or loss	3,000	3,000

Note 3. Non-current assets - intangibles

	Dec 2023	June 2023
	\$	\$
Development - at cost	3,180,762	3,092,560
Patents and trademarks - at cost	557,198	554,646
Less: Accumulated amortisation*	(27,860)	-
	<u>529,338</u>	<u>554,646</u>
Software - at cost	23,000	23,000
Less: Accumulated amortisation	(2,300)	-
	<u>20,700</u>	<u>23,000</u>
	<u>3,730,800</u>	<u>3,670,206</u>

* The amortisation of patents is capitalised as directly attributable cost of the 'Development – at cost' intangible asset.

Note 4. Current liabilities - trade and other payables

	Dec 2023	June 2023
	\$	\$
Trade payables	252,502	60,968
Other payables	113,259	113,259
	<u>365,761</u>	<u>174,227</u>

Note 5. Current liabilities - borrowings

	Dec 2023	June 2023
	\$	\$
Loan from related parties	34,014	34,014

Note 6. Non-current liabilities - borrowings

	Dec 2023	June 2023
	\$	\$
Unsecured loan from directors	1,784,701	1,377,944

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 8. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Endless Solar Corporation Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



David Craig

15 March 2024

Independent Auditor's Review Report
To the members of Endless Solar Corporation Limited
Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying Half-year Financial Report of Endless Solar Corporation Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Endless Solar Corporation Limited is not in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the company's financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

The Half-year Financial Report comprises:

- Statement of financial position as at 31 December 2023;
- Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the Half-year ended on that date;
- Notes 1 to 8 comprising a summary of material accounting policies and other explanatory information; and
- The Directors' Declaration.

Responsibilities of the Directors for the Half-year 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 Corporations Act 2001
- For such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Emphasis of Matter regarding uncertainty related to going concern

We draw attention to Note 1 of the financial report which describes that the directors have prepared a cash flow which indicates that the company has sufficient funds to continue in the foreseeable future. These assumptions are based on certain economic and operating assumptions about future events and actions that have not yet occurred and may not necessarily occur. The directors are confident that, if necessary, they will be able to raise sufficient capital to enable the continuation of operations until investment returns reach a volume to ensure a return to profitability and positive cash flows.

A director of the company has also issued a letter of financial support to the company for a period in excess of 12 months from the signing of the financial statements. Our opinion is unmodified in respect of this matter.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 company's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Endless Solar Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD

Authorised Audit Company No. 521888



ROBIN KING HENG LI CA RCA

DIRECTOR

15 March 2024