

Endless Solar Corporation Limited

ABN 51 122 708 061

Interim Report - 31 December 2022

Endless Solar Corporation Limited

Corporate directory

31 December 2022

Directors

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

Company secretary

Mr. Mark Licciardo
Mertons Corporate Services 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 2022

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2022.

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. Chris Baring-Gould - Non Executive Director
Mr. Kevin Mooney - 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 year.

Review of operations

The loss for the company after providing for income tax amounted to \$61,209 (31 December 2021: profit of \$70,250).

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 2022

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the left.

David Craig

16 March 2023

**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 2022, 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.



Connect National Audit Pty Ltd
George Georgiou FCA
Managing Director
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
16 March 2022

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 16 March 2023.

Endless Solar Corporation Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Dec 2022 \$	Dec 2021 \$
Revenue	2	-	165,019
Expenses			
Administration Expenses		(51,209)	(47,769)
Fair Value Loss on Financial Assets		(10,000)	(47,000)
		<u> </u>	<u> </u>
Profit/(loss) before income tax expense		(61,209)	70,250
Income tax expense		-	-
		<u> </u>	<u> </u>
Profit/(loss) after income tax expense for the half-year attributable to the owners of Endless Solar Corporation Limited		(61,209)	70,250
Other comprehensive income for the half-year, net of tax		-	-
		<u> </u>	<u> </u>
Total comprehensive income for the half-year attributable to the owners of Endless Solar Corporation Limited		<u><u> </u></u>	<u><u> </u></u>

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 2022

	Note	Dec 2022 \$	Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents		1	59
Trade and other receivables		178,580	165,790
Other	3	7,722	-
Total current assets		<u>186,303</u>	<u>165,849</u>
Non-current assets			
Loan - related party		46,512	46,512
Other financial assets	4	3,000	13,000
Intangibles	5	3,503,677	3,494,339
Total non-current assets		<u>3,553,189</u>	<u>3,553,851</u>
Total assets		<u>3,739,492</u>	<u>3,719,700</u>
Liabilities			
Current liabilities			
Trade and other payables	6	52,889	660,710
Loan - related party	7	34,014	34,014
Other	8	74,713	74,713
Total current liabilities		<u>161,616</u>	<u>769,435</u>
Non-current liabilities			
Loan - related party	9	763,207	74,388
Total non-current liabilities		<u>763,207</u>	<u>74,388</u>
Total liabilities		<u>924,823</u>	<u>843,822</u>
Net assets		<u>2,814,669</u>	<u>2,875,878</u>
Equity			
Issued capital		5,011,032	5,011,032
Accumulated losses		<u>(2,196,363)</u>	<u>(2,135,154)</u>
Total equity		<u>2,814,669</u>	<u>2,875,878</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 2022

	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2021	4,811,032	-	(2,193,034)	2,617,998
Profit after income tax expense for the half-year	-	-	70,250	70,250
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	70,250	70,250
Balance at 31 December 2021	<u>4,811,032</u>	<u>-</u>	<u>(2,122,784)</u>	<u>2,688,248</u>
	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>

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 2022

	Dec 2022 \$	Dec 2021 \$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(58)	(35,060)
GST Refunds from ATO	-	33,193
	<hr/>	<hr/>
Net cash used in operating activities	(58)	(1,867)
	<hr/>	<hr/>
Net cash from investing activities	-	-
	<hr/>	<hr/>
Net cash from financing activities	-	-
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(58)	(1,867)
Cash and cash equivalents at the beginning of the financial half-year	59	2,128
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	<u>1</u>	<u>261</u>

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

Note 1. Significant accounting policies

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 half-years presented, 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').

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. 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

Historical cost convention

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

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Note 1. Significant accounting policies (continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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.

Note 1. Significant accounting policies (continued)

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company 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, being their finite life of 10 years.

Patents and trademarks

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

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial half-year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Endless Solar Corporation Limited
Notes to the financial statements
31 December 2022

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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 2022. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Revenue

	Dec 2022 \$	Dec 2021 \$
Sales	-	165,019

Note 3. Current assets - other

	Dec 2022 \$	Jun 2022 \$
Prepayments	7,722	-

Note 4. Non-current assets - other financial assets

	Dec 2022 \$	Jun 2022 \$
Financial assets fair value through profit or loss	3,000	13,000

Note 5. Non-current assets - intangibles

	Dec 2022 \$	Jun 2022 \$
Development - at cost	2,969,471	2,961,123
Patents and trademarks - at cost	511,206	510,216
Software - at cost	23,000	23,000
	<u>3,503,677</u>	<u>3,310,362</u>

Endless Solar Corporation Limited
Notes to the financial statements
31 December 2022

Note 6. Current liabilities - trade and other payables

	Dec 2022	Jun 2022
	\$	\$
Trade payables	2,188	622,164
Accruals	12,155	-
Other payables	38,546	38,546
	<u>52,889</u>	<u>660,710</u>

Note 7. Current liabilities - borrowings

	Dec 2022	Jun 2022
	\$	\$
Loan from related parties	<u>34,014</u>	<u>34,014</u>

Note 8. Current liabilities - other

	Dec 2022	Jun 2022
	\$	\$
Other provisions	<u>74,713</u>	<u>74,713</u>

Note 9. Non-current liabilities – borrowings

	Dec 2022	Jun 2022
	\$	\$
Unsecured loan from directors	<u>763,207</u>	<u>74,388</u>

Note 10. Equity - dividends

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

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 2022

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 2022 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

16 March 2023

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 2022 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 2022;
- 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 11 comprising a summary of significant 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. 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. 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 2022 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 Pty Ltd

George Georgiou FCA

Managing Director

ASIC Authorised Audit Company No.: 521888

Melbourne, VIC 3000

16 March 2023