HYDROGENUS
Energy Limited

# Annual Report

## Financial year ending 30 June 2025

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## CORPORATE INFORMATION

ABN : 56 163 460 884

Directors
Mark A Smith
Marcus A Clayton
Pieter J Bruinstroop

Company Secretary
Pieter J Bruinstroop
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## CHAIRPERSON'S LETTER

Dear Fellow Shareholders

It is with pleasure that we present the Annual Report for Hydrogenus Energy Limited for the period ending 30 June 2025. This is our third annual report as a public company.

This report shows a loss for the year of $965,073 and accumulated losses of nearly $3.3m, which represents the cost of initially developing our technology and now seeking to commercialise it.

In 2020, we set out to solve one problem, that being to develop a robust reliable and practical engine fuelled by zero carbon producing hydrogen to replace liquid fossil fuelled carbon producing engines to provide electrcity on demand.

This we have done.

As of the date of this report, our first Hydrogenus Energy modified Internal Combustion Engine ("HYE-ICE") powered genset, manufactured to our specifications and under our supervision, is on a ship booked to arrive at the Port of Melbourne in the last week of December. That HYE-ICE powered genset will then be trucked to the factory of D W Controls in Ballarat, where we will install our patented hydrogen fuel system and the 100kW HYE-ICE powered generator set will be commissioned and synchronised with the grid.

We will stage a demonstration of the grid synchronised 100kW HYE-ICE powered generator at the end of January. All of our shareholders will be invited to this event as well as supply authorities and others that have a relevant interest.

This is a very significant and important milestone for your company.

We have developed the engine and technology as we originally planned and we are now actively commercialising that technology. We have also identified some very exciting new opportunities which are presented to us by the unique features of the HYE-ICE in combination with the IP from D W Controls.

Over recent years, the increasing proportion of Variable Renewable Energy in our electrical supply, which will only increase in the future, has caused a number of problems, including :

1. The need for back-up, both locally and grid based
2. The need for Long Duration Energy Storage (many days, weeks)
3. Curtailment and Dumping - as more electricity is produced, the proportion that does not get into the grid increases as supply already exceeds demand; in Victoria in 2024, grid prices were negative for 1,855 hours or 21% of the time, and 2025 looks like it will be more
4. Falls in generation cost are wiped out by increasing the unit cost of transmission resulting from variability, and
5. Especially with increasing roof-top solar, grid stability is negatively impacted, increasing the risk of grid failure.

Batteries and diesel generators are being used to cover these problems. Batteries are high quality, but their storage cost is very high.

Hydrogenus Energy's IP offers a crucial part of the solution to these problems today, and within 6 months we expect to have a complete solution that is simpler, more robust, technically superior and affordable.

Other parts of our solution include :

- Being able to synchronise our electrical output with the grid and be certified as compliant with all Australian standards;
- A means to store excess electricity so that it can be used at a later time;
- A mechanism for longer term storage of energy; and
- A way to convert this stored energy back into electrical supply, for either the grid or for a micro-grid.

In March 2025, we executed an agreement with D W Controls, a family-owned electrical business based in Ballarat that has over 50 years' experience in the manufacture of electrical switchboards and more recently has connected over 1,000 diesel fuelled generators to support the gird when the supply is disrupted, either locally or more generally.

D W Controls is licensed to connect up to 5MW of generation capacity in any single instance to the grid.

D W Controls has developed its own IP for grid firming, which is adding energy to the grid, and also for grid forming, which is keeping the frequency and voltage of the grid within control limits.

On Monday, 1 December, it was reported in the media that the life of Australia's largest coal fired power station, Eraring in the Hunter Valley, needs to be extended by at least a year. The Chief Executive of the Australian Energy Market Operator (AEMO) was reported as saying that Eraring was not required to provide energy, but is essential for inertia, which maintains the grid frequency.

Batteries are not able to do this and so big fly-wheels, called Synchronous Condensers, need to be added to batteries to ensure the grid is stable and Australia does not experience a collapse such as happened in Spain and Portugal on 28 April.

The HYE-ICE is able to provide virtually instantaneous response to changes in load, if the HYE-ICE is operating at last at 20% load. No other engine can do this.

A combination of the mechanical inertia inherent in an ICE, with the IP developed by D W Controls, means that combining our technologies produces a generator that is grid forming. Synchronous Condensers are not grid forming and would not be useful after a grid collapse and during subsequent startup. The HYE-ICE system can be grid forming from start up after a grid collapse, minimising recovery time.

Hydrogen is an expensive fuel and it is difficult to store as it can permeate through its container, and is expensive to transport as a result. After much discussion and desk top research, we determined that cracking hydrogen from ammonia would be economically feasible, if we could source an ammonia cracker than is suited to our engine.

The great advantage of an ICE, especially the HYE-ICE where the fuel is inducted into the combustion chamber at relatively low pressure, is that our fuel does NOT need to be of high purity, in contrast to high pressure ICEs and Fuel Cells.

This means that an ammonia cracker appropriate for the HYE-ICE:

- Does not need the added costs and process losses incurred in seeking high purity;
- Is able to use the heat generated by the HYE-ICE as the energy source for cracking; and
- Does not need to be stored at high pressure, with costs in the exotic materials required and the losses associated with compression.

We have been working on a program to produce a device, adapted from proven technology, that is associated with the exhaust manifold of the engine for about 3 months. As with all R&D programmes, we cannot be certain as to when we will see the result we are seeking, but we are targetting March 2026 for the prototype and May – June for it to be available as a product.

When this is done, then we will have also solved the problem of low cost Long Duration Energy Storage; if energy is to be stored for more than 2 hours, our solution is cheaper and safer than batteries.

We already have lots of interest in our product and while we have very strong indications of sales, when we have developed our ammonia cracker the interest will be many times stronger as we will then have a product that is lower cost than any other form of electrcity on demand, that is robust and without the pollution from particulates, nitrous oxides and sulphurous oxides.

Over the course of 2026 we expect to refine our package in a number of different ways and achieve sales that will more than justify the investment made and the patience shown by our shareholders.

As we progress through our commercialisation journey, your Board is committed to ensuring the appropriate risk, compliance and governance structures are adhered to. The Company will undertake a review process to implement necessary risk mitigation measures and ensure that appropriate policies are incorporated into the business. This review will also include our patent portfolio to ensure we have the necessary IP protection and that shareholder value is protected.

I would also like to take this opportunity to thank our shareholders for their support over the last year, and to thank the other Board members and the CEO for their contributions. Your Board remains firmly focussed on executing our strategy to realise value for our shareholders.

Mark A Smith
Chair

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2025.

## Directors

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

Mark Smith (Chair and Non-Executive Director)
Marcus Clayton (Executive Director and Chief Technology Officer)
Pieter Bruinstroop (Executive Director, Chief Financial Officer and Company Secretary)

## Principal activities

During the financial year, the entity focused on the initial development of the Intellectual Property of the modifications to an Internal Combustion Engine required for an ICE to operate safely, effectively and efficiently using hydrogen as its only fuel.

As of 30 June 2025, the entity had achieved this objective and further development has taken place to achieve higher output and improved efficiency.

Financing is now being sought to develop a demonstration operation, pursue early stage commercial interest and protection of our Intellectual Property.

## Dividends

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

## Review of operations

The loss for the company after providing for income tax amounted to $965,073 (30 June 2024: $635,666).

## Significant changes in the state of affairs

During the year the Company signed its first commercial agreement for the sale and technical support of its technology, collecting $21,450 in receipts from customer.

## Matters subsequent to the end of the financial year

With the exception of the matters discussed in the going concern note, there has been no matter or circumstance arisen since 30 June 2025 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.

## Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

## Environmental regulation

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

## Information on directors

| | |
|---|---|
| Name: | Mark Smith |
| Title: | Chair and Non-Executive Director |
| Qualifications: | B App.Sc. (Geol.) |

Experience and expertise: Mark is a petroleum geologist with over 40 years of geoscience and management experience in Australia, South East Asia, South America and North America. Mark was a founding Director of Karoon Energy (KAR.ASX), from start-up to a market cap of $A 1.5B. He stepped down from the Board of Karoon at the November 2019 Annual General Meeting, finally ceasing with Karoon in June 2021. Mark has had a long-held interest and involvement in renewables and associated developing technologies through Bennett Clayton Pty Ltd.

| | |
|---|---|
| Name: | Mark Allen (Marcus) Clayton |
| Title: | Executive Director |
| Qualifications: | PGDip Data Communications, PGCert Specialised (Military) Equipment |
| Experience and expertise: | Marcus formally trained and served in the RAAF, where he was charged with looking after “everything that did not fly.”, which included air traffic control towers, radio, radar, computer networks and some classified work. He then worked in Factory Automation and robotics for 15 years before joining John Bennett to establish Bennett Clayton. Marcus has managed several innovative projects, and Bennett Clayton has been a finalist in the Australian Clean Tech Open, and past winner of the Green Globe award, a member of the Federal Cleantech Industry Capability Team, and a member of the WG7 advisory committee to the South Australian Government. |

| | |
|---|---|
| Name: | Pieter Bruinstroop |
| Title: | Executive Director |
| Qualifications: | B Econ, B Com (Hons), GDip Bus (Advance Finance and Investment), (former) CPA |
| Experience and expertise: | In 1985, Pieter drafted the economic sections of Photo-Voltaic and Wind Turbine R&D funded through the National Energy Research, Development & Demonstration programme. He subsequently worked for the Commonwealth Government on the North West Shelf project. Subsequently Pieter was a fund manager for 11 years, adding significant value in each of his 3 positions. He also worked for 7 years as an equity analyst for 3 different stockbrokers prior to establishing Beer & Co where he has been responsible for corporate advising and commissioned research. |

## Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

| | Full Board | |
|---|---|---|
| | Attended | Held |
| Mark Alexander Smith | 8 | 8 |
| Mark (“Marcus”) Allen Clayton | 8 | 8 |
| Pieter Jan Bruinstroop | 8 | 8 |
| | 24 | 24 |

### Shares under option

During the year 625,000 of shares under option expired at 30 June 2025.

### Shares issued on the exercise of options

The following ordinary shares of the company were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

| Date options exercised | Exercise Price | Number of shares issued |
|---|---|---|
| 1 June 2025 | $1.25 | 250,000 |
| 1 June 2025 | $2.50 | 25,000 |
| | | 275,000 |

## Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

## Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

## 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.

## Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

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

Pieter Bruinstroop
Executive Director, Chief Financial Officer and Company Secretary

8 December 2025

William Buck
ACCOUNTANTS & ADVISORS

# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

## To the directors of Hydrogenus Energy Limited

As lead auditor for the audit of Hydrogenus Energy Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

**William Buck Audit (Vic) Pty Ltd**
ABN 59 116 151 136

**N. S. Benbow**
Director
Melbourne, 8 December 2025

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com williambuck.com

# Hydrogenus Energy Limited Contents
**30 June 2025**



## General information

The financial statements cover Hydrogenus Energy Limited as a consolidated entity consisting of Hydrogenus Energy Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Hydrogenus Energy Limited's functional and presentation currency.

Hydrogenus Energy Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

### Registered office

Block Arcade Suite 324
96 Elizabeth Street
Melbourne VIC 3000

### Principal place of business

Block Arcade Suite 324
96 Elizabeth Street
Melbourne VIC 3000

A description of the nature of the consolidated entity'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 8 December 2025. The directors have the power to amend and reissue the financial statements.

**Hydrogenus Energy Limited**
**Statement of profit or loss and other comprehensive income**
**For the year ended 30 June 2025**

| | Note | 2025<br>$ | 2024<br>$ |
|---|---|---|---|
| **Revenue** | | | |
| Other income | 3 | 316,875 | 218,918 |
| **Expenses** | | | |
| Finance costs | | (45,609) | (55,234) |
| Research and development costs | | (479,185) | (200,588) |
| Administration | | (502,887) | (346,879) |
| Depreciation and Amortisation | | (37,394) | (33,387) |
| Employee Benefit Expense | | (216,873) | (218,496) |
| **Loss before income tax expense** | | (965,073) | (635,666) |
| Income tax expense | | — | — |
| **Loss after income tax expense for the year attributable to the owners of Hydrogenus Energy Limited** | | (965,073) | (635,666) |
| Other comprehensive income for the year, net of tax | | — | — |
| **Total comprehensive income for the year attributable to the owners of Hydrogenus Energy Limited** | | (965,073) | (635,666) |

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

## Hydrogenus Energy Limited
## Statement of financial position
## As at 30 June 2025

| | Note | 2025 | 2024 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 4 | 11,778 | 742 |
| Trade and other receivables | | 325,725 | 227,451 |
| Total current assets | | 337,503 | 228,193 |
| **Non-current assets** | | | |
| Right-of-Use Assets | | 97,815 | 13,910 |
| Total non-current assets | | 97,815 | 13,910 |
| **Total assets** | | 435,318 | 242,103 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 5 | 1,000,991 | 619,813 |
| Lease liabilities | | 41,501 | 14,243 |
| Provisions | | 53,966 | 37,793 |
| Financial liabilities | 6 | 392,710 | 313,493 |
| Unearned Income | | 21,450 | - |
| Total current liabilities | | 1,510,618 | 985,342 |
| **Non-current liabilities** | | | |
| Lease liabilities | | 58,012 | - |
| Total non-current liabilities | | 58,012 | - |
| **Total liabilities** | | 1,568,630 | 985,342 |
| **Net assets/(liabilities)** | | (1,133,312) | (743,239) |
| **Equity** | | | |
| Issued Capital | 7 | 2,164,445 | 1,453,500 |
| Share based payment reserve | | - | 472,383 |
| Accumulated losses | | (3,297,757) | (2,669,122) |
| **Total deficiency in equity** | | (1,133,312) | (743,239) |

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

**Hydrogenus Energy Limited**
**Statement of changes in equity**
**For the year ended 30 June 2025**

| **Consolidated** | **Issued Shares** $ | **Share-based payments reserves** $ | **Accumulated Losses** $ | **Total deficiency in equity** $ |
|---|---|---|---|---|
| Balance at 1 July 2023 | 1,196,000 | 472,383 | (2,033,456) | (365,073) |
| Loss after income tax expense for the year | - | - | (635,666) | (635,666) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | | | (635,666) | (635,666) |
| Contributions of equity, net of transaction costs (note 7) | 257,500 | - | - | 257,500 |
| Balance at 30 June 2024 | 1,453,500 | 472,383 | (2,669,122) | (743,239) |

| | **Issued Shares** $ | **Share-based payments reserves** $ | **Accumulated Losses** $ | **Total deficiency in equity** $ |
|---|---|---|---|---|
| Balance at 1 July 2024 | 1,453,500 | 472,383 | (2,669,122) | (743,239) |
| Loss after income tax expense for the yea | - | - | (965,073) | (965,073) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | (965,073) | (965,073) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contributions of equity, net of transaction costs (note 7) | 200,000 | - | - | 200,000 |
| Exercise of options, net of transaction costs (note 12) | 375,000 | - | - | 375,000 |
| Expiry of unexercised options | - | (336,438) | 336,438 | - |
| Transfer of vesting charge on exercise of Options | 135,945 | (135,945) | - | |
| Balance at 30 June 2025 | 2,164,445 | - | (3,297,757) | (1,133,312) |

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

**Hydrogenus Energy Limited**
**Statement of cash flows**
**For the year ended 30 June 2025**

| | Note | 2025 $ | 2024 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers (inclusive of GST) | | 21,450 | - |
| Payments to suppliers (inclusive of GST) | | (801,594) | (422,845) |
| Proceeds from grant income | | 218,343 | 251,191 |
| Interest received | | 258 | 575 |
| Interest and other finance costs paid | | (45,609) | (55,234) |
| Net cash used in operating activities | 14 | (607,152) | (226,313) |
| Net cash from investing activities | | - | - |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | 7 | 200,000 | 257,500 |
| Proceeds (repayment) from borrowings - third parties | | (10,864) | (67,900) |
| Proceeds (repayment) from borrowings - related parties | | 465,081 | 68,591 |
| Repayment of lease liabilities | | (36,029) | (33,466) |
| Net cash from financing activities | | 618,188 | 224,725 |
| Net decrease in cash and cash equivalents | | 11,036 | (1,588) |
| Cash and cash equivalents at the beginning of the financial year | | 742 | 2,330 |
| Cash and cash equivalents at the end of the financial year | | 11,778 | 742 |

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

## Note 1. Material accounting policy information

### New or amended Accounting Standards and Interpretations adopted
The consolidated entity 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.

### Going concern
These financial statements have been prepared on a going concern basis, notwithstanding that for the year ended 30 June 2025 the entity generated a net loss of $965,073, cash outflows from operations for the year were $607,152. As at 30 June 2025, the entity had a working capital deficit of $1,133,312 and owed $1,172,320 to related parties through loans and trade and other payables which are classified as a current liability..

These factors indicate a material uncertainty exists which may cast significant doubt on the entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

The directors have prepared a financial forecast for the twelve months from the date of approval of these financial statements. The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis after considering the financial forecasts, and the following:

- The entity’s ability to raise capital is supported by its recent and ongoing capital raising activities. The forecast includes equity applications made to the Company, with $540,000 in cash received subsequent to year-end. In addition, the Company has received further indications of interest for equity investment. Based on the entity’s track record of successfully attracting capital, the Directors believe these capital raising activities will eventuate.
- The entity has largely completed its initial Research & Development and has applied for and been granted a patent over its invention and is now focussed on commercialisation of its Intellectual Property, so that future R&D expenditure will be determined by available working capital and near term revenue;
- The entity has received interest in purchases of engines modified using the Intellectual Property developed by the entity and the Directors expect to receive revenue from sales during the forecast period; and
- The entity has been able to curtail non-operating expenses including costs for employing and retaining key management personnel, as represented in Note 9, including amounts owing to them as at report date, as set out in Note 9. These key management personnel have written to the entity as at the date of signing these financial statements advising that they will, if necessary to safeguard the entity’s quantum of available working capital, to defer calling upon amounts owing to them, for at least as long as the forecast period.

*Subsequent events*
As at the date of signing these financial statements, the entity has decreased its deficit of current assets relative to current liabilities. This has been influenced by the following:

- The Company has received R&D tax incentive from ATO in the period from 30 June 2025 by amount of $216,894 after net off with Radium capital R&D Loan.
- After year-end, the Company successfully raised additional equity capital through the issue of shares. Total subsequent equity raised $540,000 for 270,000 fully paid ordinary shares at $2.00 each. These funds were received in relation to applications for shares made post year-end. The Directors consider these capital inflows to be significant in supporting the Company's ongoing operations and its ability to continue as a going concern.

These financial statements do not include any adjustments to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, which might be necessary should the Company not be able to continue as a going concern.

### 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.

**Note 1. Material accounting policy information (continued)**

*Critical accounting estimates*
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Revenue recognition**
The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*
Management assessed that a verbal agreement entered during the year does not meet the criteria for revenue recognition as control of goods had not transferred at year-end.

*Government grants and research and development credits*
Government grants including research and development incentives are recognised at fair value when there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to research and development expenditure are recognised as income over the periods necessary to match the grant costs they are compensating. The incentive is recognised as income as it is not tied to offsetting assessable income in tax.

*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.

**Employee benefits**

*Short-term employee benefits*
Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

*Share-based payments*
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

**Note 1. Material accounting policy information (continued)**

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**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 30 June 2024. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

## Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Research and Development Rebate*
The company is entitled to claim grant credits from the Australian Government in recompense for its research and development program expenditure. The program is overseen by AusIndustry, which is entitled to audit and/or review claims lodged for the past 4 years. In the event of a negative finding from such an audit or review, AusIndustry has the right to rescind and clawback those prior claims, potentially with penalties. Such a finding may only occur in the event that those expenditures do not appropriately qualify for the grant program. In their estimation, considering also the independent external expertise they have contracted to draft and claim such expenditures, the directors of the company consider that such a negative review has a remote likelihood of occurring.

*Non-recognition of deferred tax assets*
The directors have not booked any deferred tax assets in-respect of timing differences not carry-forward tax losses given the uncertainty as to when or if the Company will be able to utilize those losses through future assessable income in the future.

## Note 3. Other Income

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| R&D Grants | 316,617 | 218,343 |
| Interest income | 258 | 575 |
| Other income | 316,875 | 218,918 |

## Note 4. Trade and other receivables

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| *Current assets* | | |
| R&D Tax Incentive Grant | 316,617 | 218,343 |
| Rental deposit | 9,108 | 9,108 |
| Other income | 325,725 | 227,451 |

## Note 5. Trade and other payables

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| *Current liabilities* | | |
| Trade payables | 104,872 | 100,203 |
| Trade payables to related parties | 879,193 | 464,700 |
| Other payables | 16,926 | 54,910 |
| | 1,000,991 | 619,813 |

Refer to note 8 for further information on financial instruments.

## Note 6. Loan payables

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| *Current liabilities* | | |
| Loan payable to directors | 293,127 | 204,042 |
| R&D loan payable | 96,472 | 107,336 |
| Loan payable to contractors | 3,111 | 2,115 |
| | 392,710 | 313,493 |

## Note 6. Loan payables (continued)

*Loan payables to directors and contractors*
As of 30 June 2025, the entity had been loaned a total of $129,000 (2024 : $92,495) by GOH-PJB Superannuation Fund which is the superannuation fund of Pieter Bruinstroop, an Executive Director of the company. Interest is payable on these funds and is charged at a fixed rate of 0.035% (2024: 0.035%) per day. Accumulated interest payable at balance date is $40,250 (2024 : $21,714 ). The GOH-PJB Superannuation Fund has agreed with the company that repayment of this will be made only out profit produced by the company's operations.

The remaining loan payables to directors and contractors are non-interest bearing, unsecured and due on demand.

*R&D loan payable*
This loan is secured against present and future right, title and interest in refund entitlement and proceed and other assets necessary to enable the lessor to obtain the benefit of the refund. Interest is charged monthly at a fixed rate of 15% (2024:15%) per annum. It has a limit of $93,443 (2024: $108,100) which matures on 31 December 2025 (2023: 31 December 2024) upon which point it is repayable to the loan holder at call and there is no equity conversion agreement. The Company fully repaid the R&D loan payable on 24 September 2025.

## Note 7. Issued capital

| | 2025 shares | 2024 shares | 2025 $ | 2024 $ |
|---|---|---|---|---|
| Ordinary shares - fully paid | 3,566,750 | 3,191,750 | 2,164,445 | 1,453,500 |

*Movements in ordinary share capital*

| Details | Date | Shares | Issue Price | $ |
|---|---|---|---|---|
| Balance | 1 July 2023 | 3,063,000 | | 1,196,000 |
| Shares issues for investor funds | 29 August 2023 | 25,000 | $2.00 | 50,000 |
| Share issues for services | 25 January 2 | 10.000 | $2.00 | 20.000 |
| Balance | 30 June 2024 | 3,191,750 | | 1,453,500 |
| Share issues for investor funds | 25 August 2024 | 10,000 | $2.00 | 20,000 |
| Share issues for investor funds | 21 January 2025 | 25,000 | $2.00 | 50,000 |
| Share issues for investor funds | 12 March 2025 | 30,000 | $2.00 | 60,000 |
| Share issues for investor funds | 14 March 2025 | 5,000 | $2.00 | 10,000 |
| Share issues for investor funds | 16 April 2025 | 25,000 | $2.00 | 50,000 |
| Share issues for investor funds | 4 June 2025 | 5,000 | $2.00 | 10,000 |
| Shares issues- exercised of options | 1 June 2025 | 250,000 | $1.25 | 312,500 |
| Shares issues- exercised of options | 1 June 2025 | 25,000 | $2.50 | 62,500 |
| Vesting charge transferred from share-based payment reserve on conversion of options | 1 June 2025 | - | $0.00 | 135,945 |
| Balance | 30 June 2025 | 3,566,750 | | 2,164,445 |

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## Note 7. Issued capital (continued)

*Capital risk management*
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

## Note 8. Financial instruments

***Financial risk management objectives***
The Company’s financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and borrowings. The Board of Directors are responsible for monitoring and managing financial risk exposures of the Company

The company's activities only exposes it to liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed.

***Liquidity risk***
Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities. As at 30 June 2025, with the exception of lease liabilities, all financial liabilities had maturity terms of 60 days or less (2024: 60 days or less).

## Note 9. Key management personnel disclosures

*Directors*
The following persons were directors of Hydrogenus Energy Limited during the financial year:
Mark Smith
Marcus Clayton
Pieter Bruinstroop

*Compensation*
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

| | **2025** | **2024** |
|---|---|---|
| | **$** | **$** |
| Short-term employee benefits | 651,346 | 541,615 |
| Post-employment benefits | 20,700 | 19,800 |
| Share-based payments | - | - |
| | 672,046 | 561,415 |

In addition, there were loans and trade and other payables to key management personnel totalling $293,127 (2024: $204,042) - refer to Note 6.

## Note 10. Remuneration of auditors

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

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| *Audit services - William Buck* | | |
| Audit and preparation of the financial statements | 16,750 | 14,438 |

## Note 11. Contingent liabilities

The company has given a bank guarantee as at 30 June 2025 of $9,108 (2024: $9,108) in respect of its rental agreement.

There were no further contingent liabilities as at 30 June 2025 and 30 June 2024.

## Note 12. Related party transactions

*Parent entity*
Hydrogenus Energy Limited is the parent entity.

*Key management personnel*
Disclosures relating to key management personnel are set out in note 9.

*Transactions with related parties*
There were credited transactions with related parties during the current year are set out in note 5.

*Receivable from and payable to related parties*
Disclosures relating to trade payables to related parties are set out in note 5. There were no trade receivables to related parties at the current and previous reporting date.

*Loans to/from related parties*
Disclosures relating to loans from related parties are set out in note 6 ,the entity had been loaned a total of $129,000 (2024 : $92,495) details the loan from GOH-PJB Superannuation Fund, which is a related entity holding just under 11% of the shares on issue and is the second largest shareholder. During the year a director settled loans payable to him through the issue of shares for the exercise of $375,000 of share options.

There were loans from related parties at the current reporting date from Martin Sheahan by $2,426, loan from Mark Smith by $77,000, loan from Marcus Clayton by $44,159 and loan from Shay O’Brien by $3,111

## Note 13. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 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

## Note 14. Reconciliation of loss after income tax to net cash used in operating activities

| | **2025** **$** | **2024** **$** |
|---|---|---|
| Loss after income tax expense for the year | (965,073) | (635,666) |
| Adjustments for: | | |
| Depreciation and amortisation | 37,394 | 33,387 |
| Change in operating assets and liabilities: Increase in trade and other receivables | (76,824) | 32,848 |
| Increase in trade and other payables | 381,178 | 324,421 |
| Increase in employee benefits | 16,173 | 18,697 |
| Net cash used in operating activities | (607,152) | (226,313) |

**Hydrogenus Energy Limited**
**Consolidated entity disclosure statement**
**As at 30 June 2025**

Hydrogenus Energy Limited does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

As the Company has no subsidiaries, the directors have concluded that there is no consolidated entity disclosures required to meet Corporations Act requirements.

**Hydrogenus Energy Limited**
**Directors' declaration**
**30 June 2025**

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 consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

Pieter Bruinstroop
Executive Director, Chief Financial Officer and Company Secretary
8 December 2025

William Buck
ACCOUNTANTS & ADVISORS

# Independent auditor's report to the members of Hydrogenus Energy Limited

## Report on the audit of the financial report

### Our opinion on the financial report

In our opinion, the accompanying financial report of Hydrogenus Energy Limited (the Company), is in accordance with the *Corporations Act 2001*, including:

— giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### What was audited?

We have audited the financial report of the Company, which comprises:

— the statement of financial position as at 30 June 2025,

— the statement of profit or loss and other comprehensive income for the year then ended,

— the statement of changes in equity for the year then ended,

— the statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement and

— the directors' declaration.

## Basis for opinion

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

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

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com williambuck.com.au

William Buck
ACCOUNTANTS & ADVISORS

## Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of $965,073 during the year ended 30 June 2025 and, as of that date, the Company's current liabilities exceeded its total assets by $1,160,616. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the financial report

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

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

## Auditor's responsibilities for the audit of the financial report

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

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

This description forms part of our auditor's report.

William Buck

**William Buck Audit (Vic) Pty Ltd**
ABN 59 116 151 136

**N. S. Benbow**
Director
Melbourne, 8 December 2025

HYDROGENUS
Energy Limited

***Zero Carbon Electricity, on Demand at a Lower cost***