Janus Electric Ltd

Annual Financial Report

For the financial year ended 30 June 2022

Contents

Compilation Report

We have compiled the acgrouping general purpose financial statements of Janus Electric Ltd which comprise the aggregated statement of financial position as at 30 June 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

THE RESPONSIBILITY OF THE DIRECTORS

The Directors of Janus Electric Ltd are solely responsible for the information contained in the general purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

OUR RESPONSIBILITY

On the basis of information provided by the Directors of Janus Electric Ltd we have compiled the acgrouping general purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the Directors of Janus Electric Ltd.

To the extent permitted by law, we do not accept liability for any loss or damage that any person, other than Janus Electric Ltd, may suffer arising from any negligence on our part.

No person should rely on the general purpose financial statements without having an audit or review conducted.

KPMG

KPMG
Dated: 3rd February 2023

Directors Report

The Directors present their report together with the aggregated financial statements of Janus Electric Ltd (the "Group") for the year ended 30 June 2022. The financial statements are aggregated from the date of acquisition on 13 December 2021 when Janus Electric Ltd acquired 100% of Janus Energy Pty Ltd. Therefore the comparative period represents a standalone group.

1. Directors

The Directors of the parent group at any time during or since the end of the financial year are:

Tony Fay	Appointed 09/02/2021
David Nothdurft	Appointed 06/10/2020
Bevan Dooley	Appointed 07/07/2020

2. Chairman Letter - Tony Fay

The year ending 30 June 2022 was a very busy period for the Janus Electric team. In addition to continuing to develop its core truck offering, Janus became an unlisted public group during the year with the acquisition of a wholly owned subsidiary, Janus Energy on December 13, 2021. We appointed Grant Thornton as our auditor and the board is building out a governance model that will see the group well placed as it continues to grow. Janus has limited management bandwidth and I thank the Co-Founders, engineers and workshop leaders for the immense effort that they continue to put in to ensure that the group succeeds.

Employee safety is a key management and Board focus and I am pleased to report that, with the exception of a rolled ankle, there were no work place related injuries during the year.

Having managed COVID-19 related shutdowns and absenteeism the team was able to make significant progress in developing the Janus business from proof of concept to a business that is now retrofitting customer trucks, building charge and change stations and assembling batteries.

One of the highlights of the year was the announcement made in March that Janus would be partnering with OZ Minerals and Qube logistics in a project known as Vision Electric. This project is aimed at reducing the carbon footprint of the mining industry and will result in the worlds heaviest road going battery electric vehicle coming into service in early 2023.

The announcement of the Vision Electric project sparked immense interest from the mining community in the Janus solution and we are in ongoing discussions with several of Australia's leading mining companies regarding retrofitting their Class 8 prime mover fleets.

Another highlight was the Janus technology showcase held in Sydney in April. Janus was able to demonstrate its trucks in action and built an immense amount of interest amongst the over two hundred industry participants who attended on the day. As a result of the showcase Janus saw a surge in orders from fleet owners who are keen to be able to provide their customers with a zero-emission transport solution. The interest in Janus has continued and the group now has orders for over 100 truck conversions.

Janus raised capital during the year in an extremely difficult market environment. The group remains capital constrained and will be raising further funds early in the New Year.

Funds are required to employ more skilled workers, expand our production facility and speed up battery assembly. Battery assembly, in particular, is a challenging issue for the group and one that the management team is working on to ensure that we have enough batteries to meet the demand for converted trucks.

The push towards zero emission solutions for the transport industry continues to gain momentum and Janus is well placed to capitalise on it. We have customer trucks that will soon begin operations and I am confident that the publicity generated from these deployments will further heighten interest in the Janus proposition.

Janus continues to attract attention from overseas fleet owners. US and European fleets are extremely interested to watch our progress and to adopt the Janus solution once it has been proven in the Australian market.

The year ahead will be challenging but I have no doubt that the Janus team is up to the challenge. I would like to thank the entire Janus team for the incredible effort that they have put in so far and also thank our shareholders for their continued support.

3. Managing Director Letter - Bevan Dooley

Dear fellow shareholders, I am pleased to report the status of Janus Electric Ltd as of February 3rd 2023 as we continue down our stated mission of electrifying Australia's heavy vehicle fleet.

Workforce
Janus continues to grow the workforce and despite the current skilled labour shortage we have managed to expand our workforce to 35 FTE's including contractors. Unfortunately we did have a single lost time injury where an employee rolled his ankle on a piece of timber while walking. This incident highlighted the continuous vigilance required with regard to housekeeping.

Technology
The Group now considers its technology suite proven with trucks in the field, the charge and change stations operational in Berkeley Vale and Brisbane and our asset management software up and running. It is the view of the group that the technology suite will continue to be improved as we strive for excellence. Investigations into the battery fire that occurred in August are ongoing and the group has engaged Mott MacDonald to review our current battery technology to ensure that it meets the appropriate standards and is fit for purpose.

The new JCM-540 units are about to enter test phase. This will ensure that Janus Trucks are seen as some of the most powerful trucks on the road.

Business Model Roll Out
Demand from fleet customers has exceeded our expectations. The group currently has over 120 trucks on order which are seed vehicles into a fleet of 7,500 vehicles. Three customer builds have begun with the Cement Australia T410 to be delivered shortly.
The group has 2 operational charge and change stations (Brisbane and Berkeley Vale) with 2 more to shortly go into South Australia servicing Fennel Forestry and Oz Minerals. Currently we are in negotiations for access to locations on the M1 between Brisbane and Melbourne.

External Fabrication
The group has managed to outsource the majority of metal and plastic fabrication. We are still actively searching for electrical partners to manufacture the battery packs as well as the charge and change stations.

Dealership Network
The group continues to receive a great deal of interest from existing diesel truck workshops in becoming conversion partners which we refer to as dealers. We have ready and willing conversion partners in Brisbane, Sydney, Melbourne, Adelaide and Perth. When the time is right we will begin to bring some of these dealers online.

International Expansion Opportunity

The group applied for and was accepted into the University of California LA GAP program. This program utilises PHD candidates from the UCLA Anderson school of Business to create a market entry strategy for foreign companies. This market entry study was presented to the group in December 2022. The US has approximately 40 times the number of trucks as Australia and the distances between its major population centers are ideally suited to the Janus business model.

Challenges

The group needs to rapidly expand its workforce and dealership network in order to meet customer demand and engage the market fast enough to create critical mass. Continuing to refine our products and drive costs down in order to ensure the business model is compelling to our fleet clients will be tantamount to our success. Group strategy remains to outsource as much of the fabrication as possible in order to scale the Janus business model.

Finance

Total expense for the 22FY were on the order of $8 Million with approximately $6.5 Million spent on R&D and product development. Customer receipts were in the order of 100k. The group continues to make use of the R&D tax offset.

4. Environmental regulation

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The group monitors compliance with environmental regulations. The Directors are not aware of any significant breaches during the period covered by their report.

5. Principal activities

The principal activities of the group for the year ended 30 June 2022 were:

- Development of the Janus Software platform to support the Janus Ecosystem
- Development of the Janus Conversion Modules that enable the conversion of any Class 8 truck in the world to electric
- Development of the Janus battery
- Development of the Battery charge and charge station

Janus management is happy to report to stakeholders that all of the above activities were in test at 30 June 2022. Since the end of the financial year all of the above items have entered commercial service and are now deemed minimum viable product to enter the market. As such external customer builds have begun.

Janus has also engaged in a US market entry strategy with the University of California, Anderson School of Business. The final report from the study was presented to the group in December 2022.

6. Review of operations and results of those operations

OVERVIEW OF THE GROUP

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year, the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

There was no impact on the amounts recognised, measured and classified in the statements of financial position, financial performance and cash flows of the Group as a result of the change in basis of preparation.

The profit/(loss) of the Group after income tax is ($2,058,777) (2021: ($2,191,255)). The Directors are satisfied with the performance and operations of the Group during the financial year.

7. Significant changes in the state of affairs

Other than the acquisition of Janus Energy there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

8. Dividends

There were no dividends paid, recommended or declared during the current financial period

9. Events subsequent to reporting date

On 14 July 2022, a battery fire occurred on our premises at Berkley Vale. The fire destroyed our Kenworth T403 prototype truck and superficially damaged our Kenworth T610 Glider. Fortunately, no injuries were sustained, and fire was controlled by the local brigade. The Kenworth T403 was our first truck and our prototype, which was built 2.5 years ago, as a result the truck was not suitable for commercial service and was scheduled at the end of August to be updated to our latest technology. The technology used has been incrementally developed and since its inception has progressed exponentially. Any issues encountered during construction of the prototype, have been engineered out and are not being utilised in our current conversions.

From our initial investigations, we suspect that the fire was a result of one of these engineering challenges that has since been engineered out of our current solution. That being said the group has engaged Mott MacDonald to conduct a full review of our battery technology in order to ensure that we are compliant with all relevant standards and that the suspected causes of the fire have been addressed.

On 18 July 2022, the entitlement offer (19 April 2022) was re-priced from $3.50 per share to $2.50 per share. The initial participants in the offer at $3.50 per share were re-priced to $2.50 per share, resulting in 499,657 shares issued to these initial participants. This reflected the difference in shares that would have been issued to the existing shareholders had the original price been $2.50.

On 18 July 2022, 1,212,789 shares were issued to new investors at $2.50 per share, raising $3,031,973.

On 5 August 2022, following completion of the capital raising, the group issued 125,000 director options to Tony Fay and 75,000 Director Options to David Nothdurft. These options are exercisable at $1.50 and expire on 5 August 2025.

There were no other matters or circumstances arising after 30 June 2022 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

10. Likely developments

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Directors Report

11. Directors & Secretary

DIRECTORS

Name:	Tony Fay
Title:	Non-Executive Chairman
Qualifications:	Bachelor of Ag Science (Melb Uni)
Experience:	Tony has over 35 years in financial markets and is an experienced Executive with focus on governance and compliance. Tony was chairman on ASX listed group Invest Limited (ASX: RZI)

Name:	David Nothdurft
Title:	Non-Executive Director
Qualifications:	BBus (USQ), MBA (USQ)
Experience:	David's career spans 40 years of professional transport, logistics and supply chain management experience. He has held senior leadership and management roles in large Australian and international road and rail transport and supply chain solutions businesses including large privately owned businesses, ASX listed and Government owned corporations. During his career David has 20 years' experience in the challenging SME road transport market as an owner, advisor, managing director and shareholder.

Name:	Bevan Dooley
Titles:	Managing Director
Qualifications:	Mechanical Engineer (Honours QUT, QLD 1996)
Experience:	Bevan has over 25 years' engineering experience in systems engineering, mechanical engineering, design of complex integrated systems, chemical process design, gas turbine and combustion systems, fuel processing and cost effective prototyping. Bevan has held board positions on various entities and taken companies to stock exchange listing.

GROUP SECRETARY

Max Crowley - appointed 12 August 2022

Mr Crowley is an experienced corporate lawyer and group secretary specialising in ASX listings, employee equity schemes, capital raising and providing advice on corporate governance and compliance issues. Mr Crowley is Group Secretary to ASX-listed companies 8common Limited and Fertoz Limited. As a member of Automic Group's Group Secretary team, Mr Crowley assists a number of ASX listed, unlisted public and proprietary companies across a range of industries.

12. Meetings of Directors

The number of meetings of the group's Board of Directors ('the Board') held during the period ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Audit & Risk	
	Held	Attended	Held	Attended
Tony Fay	5	5	-	-
David Nothdurft	5	5	-	-
Bevan Dooley	5	5	-	-

13. Shares Under Option

Unissued ordinary shares of the group under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
6 October 2020	1 January 2024	$1.00	75,000
6 October 2020	1 March 2024	$1.25	75,000
6 October 2020	30 June 2025	$1.50	75,000
6 October 2020	1 January 2026	$2.00	75,000
9 February 2021	1 January 2024	$1.00	125,000
9 February 2021	1 March 2024	$1.25	125,000
9 February 2021	30 June 2025	$1.50	125,000
9 February 2021	1 January 2026	$2.00	125,000
23 March 2021	31 December 2023	$1.50	1,152,000
23 March 2021	31 December 2023	$1.50	288,000
			2,240,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the group or of any other body corporate.

14. Shares Issued on the Exercise of Options

There were no ordinary shares of the group issued on the exercise of options during the period ended 30 June 2022 and up to the date of this report.

15. Indemnification and insurance of officers and auditors

Officers

The group has indemnified the directors and executives of the group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the group paid a premium in respect of a contract to insure the directors and executives of the group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Auditors

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

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

16. Proceedings on behalf of the Group

There are no current proceedings on behalf of the Group.

17. Auditor 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.

Grant Thornton Audit Pty Ltd 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

Peter Anthony Fay

Tony Fay
Non-Executive Chairman
Date: : 3rd February 2023

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Sydney NSW 2000
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Auditor's Independence Declaration

To the Directors of Janus Electric Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Janus Electric Limited for the year ended 30 June 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 audit; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 3 February 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	2022 $	2021 $
Sales		-	-
Cost of Sales		(87,050)	-
Gross Loss		**(87,050)**	**-**
Administration Expenses		(417,702)	(9,569)
Advertising, Marketing and Promotions		(140,581)	(81,994)
Professional Fees		(154,377)	(30,961)
Depreciation and Amortisation		(132,712)	(35,437)
Employee Benefits Expense		(612,452)	-
Share Based Payment Expenses		(143,395)	(402,623)
Interest expense		(100,966)	(8,236)
Foreign Exchange Losses		(1,248)	-
Expected Credit Loss		-	(1,590,109)
Legal fees		(51,474)	(32,326)
Research and Development Expenses		(3,224,646)	-
Repairs and Maintenance		(3,754)	-
Other Income	2	3,011,580	-
Loss before income tax expense		**(2,058,777)**	**(2,191,255)**
Income tax expense	17	-	-
Loss after income tax		(2,058,777)	(2,191,255)
Other Comprehensive income		-	-
Total Comprehensive Income		**(2,058,777)**	**(2,191,255)**

Statement of Financial Position

As at 30 June 2022

	Note	2022 $	2021 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	968,550	2,983,506
Trade and Other Receivables	4	3,681,845	16,445
Other Current Assets	5	13,200	13,200
Total Current Assets		**4,663,595**	**3,013,151**
NON CURRENT ASSETS			
Property, Plant and Equipment	6	162,279	25,209
Right-Of-Use Assets	7	108,155	175,257
Intangibles	8	45,777	-
Total Non Current Assets		**316,211**	**200,466**
Total Assets		**4,979,806**	**3,213,617**
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	9	2,858,498	13,704
Financial Liabilities	10	2,163,392	-
Provisions	11	24,068	-
Other Current Liabilities	12	123,418	118,984
Total Current Liabilities		**5,169,376**	**132,688**
NON CURRENT LIABILITIES			
Other Liabilities	13	6,403	87,561
Total Non Current Liabilities		**6,403**	**87,561**
Total Liabilities		**5,175,779**	**220,249**
Net Assets/(Liabilities)		**(195,973)**	**2,993,368**
Equity			
Share Capital	14	5,933,193	4,186,192
Reserves	14	(2,036,634)	998,431
Accumulated Losses	15	(4,250,032)	(2,191,255)
Other Contributed Equity		157,500	-
Total Equity/(Deficiency)		**(195,973)**	**2,993,368**

Statement of Changes in Equity

As at 30 June 2022

	Note	Share Capital $	Reserves $	Accumulated Losses $	Other Contributed Equity $	Total $
Balance at 7 July 2020		-	-	-	-	-
Loss		-	-	(2,191,255)	-	(2,191,255)
Total Comprehensive Income		**-**	**-**	**(2,191,255)**	**-**	**(2,191,255)**
Share Capital Issued		4,900,000	-	-	-	4,900,000
Capital Raising Costs Issued		(713,808)	-	-	-	(713,808)
Share Based payment expense		-	998,431	-	-	998,431
Balance at 30 June 2021		**4,186,192**	**998,431**	**(2,191,255)**	**-**	**2,993,368**
Loss		-	-	(2,058,777)	-	(2,058,777)
Total Comprehensive Income		**-**	**-**	**(2,058,777)**	**-**	**(2,058,777)**
Transfer to group reorganization Reserve		-	(3,178,460)	-	-	(3,178,460)
Share Capital Issued	14	1,747,001	-	-	-	1,747,001
Share Based payment expense		-	143,395	-	-	143,395
Shares to be issued		-	-	-	157,500	157,500
Balance at 30 June 2022		**5,933,193**	**(2,036,634)**	**(4,250,032)**	**157,500**	**(195,973)**

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 $	2021 $
OPERATING ACTIVITIES			
Cash Receipts from Customers		912,399	-
Cash Paid to Suppliers and Employees		(5,769,214)	(170,791)
Proceeds from Research and Development grants		750,257	-
Interest Paid		(20,657)	(8,236)
Net Cash used in Operating Activities		**(4,127,215)**	**(179,027)**
INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment	6	(127,012)	(25,595)
Acquisition of Intangibles	8	(46,413)	-
Cash acquired in consolidation		19,390	-
Acquisition of Investments		(200)	-
Net Cash used in Investing Activities		**(154,235)**	**(25,595)**
FINANCING ACTIVITIES			
Proceeds from Rocking Horse loan		500,000	-
Proceeds from Issue of Shares		1,904,501	4,800,000
Transaction Costs related to Loans and Borrowings		-	(18,000)
Lending to Related Parties		-	(1,590,109)
Repayments of Other Liabilities		(138,007)	(3,763)
Net Cash from Financing Activities		**2,266,494**	**3,188,128**
Net Increase/(Decrease) in Cash and Cash Equivalents		**(2,014,956)**	**2,983,506**
Cash and Cash Equivalents at the Beginning of the Year		2,983,506	-
Cash and Cash Equivalents at the End of the Year	3	**968,550**	**2,983,506**

Notes to the Financial Report

Note 1 Accounting Policies

GENERAL INFORMATION AND REPORTING ENTITY

Janus Electric Ltd (the Group) is a public company incorporated in Australia. Janus Electric Ltd owns 100% of the sole subsidiary, Janus Energy Pty Ltd. Together on aggregation these entities form 'The Group'. The address of the Group's registered office and principal place of business are as follows:

Registered Office
13 Apprentice Drive
Berkeley Vale NSW 2261

Principal Place of Business
13 Apprentice Drive
Berkeley Vale NSW 2261

The Group's principal activities are - developing and implementing an Electric Drive Train for Class 8 Prime Movers; and - developing an exchangeable battery solution and charge and change station infrastructure to support Electric Class 8 Prime Movers.

This financial report was approved by the board of directors on Friday 3rd February 2023.

FINANCIAL REPORTING FRAMEWORK AND STATEMENT OF COMPLIANCE

The Group does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards. Accordingly, the information in these financial statements has been prepared in accordance with the recognition and measurement requirements in Australian Accounting Standards and the disclosures in AASB 1060 Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

For the purposes of preparing the financial statements, the Group is a for-profit entity.

BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

FUNCTIONAL & PRESENTATION CURRENCY

These financial statements are presented in Australian dollars, which is the Group's functional currency. The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial statements and Directors Report have been rounded to the nearest dollar

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Details of the specific judgement, estimates and assumptions that have the most significant effects on the amounts recognised in the financial statements are summarised in the Notes.

CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Group has initially adopted the following standard and amendments from 1 July 2021.

- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For- Profit and Not- for- Profit Tier 2 Entities;
- AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For- Profit Private Sector Entities.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A number of other new standards are also effective from 1 July 2021 but they do not have a material effect on the Group's financial statements.

BASIS OF CONSOLIDATION

i. Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see (A) (ii)) . In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified reassessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (P) (ii)) . Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Notes to the Financial Report

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Janus Electric acquired 100% of Janus Energy on 13 December 2021. This transaction has been accounted for as a group reorganization.

The Group adopted an aggregation approach whereby only post 13 December 2021 acquisition profit and loss balances were brought to account. Inter group transactions and balances post acquisition have been eliminated on aggregation with a reserve created for the opening balance of retained earnings pre acquisition.

ii. Subsidiaries

Subsidiaries are entities controlled by the parent of the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Janus Electric Ltd acquired 100% of Janus Energy Pty Ltd on 13 December 2021. Janus Energy Pty Ltd is the sole active subsidiary of the parent. WNS limited is also owned 100% by Janus Electric but a dormant company.

iii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv. Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of associates, until the date on which significant influence ceases.

v. Transactions eliminated on aggregation

Intra- group balances and transactions, and any unrealised income and expenses arising from intra- group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Material uncertainty – Going Concern

The group has incurred net losses after tax of $2,058,777 and net cash outflows from operations of $4,127,215 for the year ended 30 June 2022. Cash and cash equivalents as at 30 June 2022 is $968,550. These conditions indicate a material uncertainty that may cast a significant doubt about the group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The group is dependent on further capital raises or external financing to maintain operations and continue, through its subsidiary Janus Energy Pty Ltd (acquired on 13 December 2021), the development and the implementation of an electric drive train for prime movers and the development of an exchangeable battery solution and charge and change station infrastructure to support Electric Class Prime Movers. As at the date of this report, the group is engaged with third party capital raise provider to manage its latest capital round. Based on this expected raising and the group's cash-flow forecasts (which include the development activities incurred by Janus Energy Pty Ltd), the directors are confident that the consolidated entity will be able to continue as a going concern.

Should the group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

PROPERTY PLANT & EQUIPMENT

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight- line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	40	years
Plant and Equipment	5 - 11	years
Fixtures and Fittings	5 - 10	years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

RIGHT OF USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

FINANCIAL INSTRUMENTS

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in the "at amortized cost" category particularly include trade accounts receivable (not including factoring), cash and cash equivalents and other receivables.

Cash equivalents are short-term, extremely liquid financial investments that can be converted to cash at any time and that are only subject to insignificant risks of changes in value.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e. g. liquidity risk and administrative costs) , as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable- rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e. g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities in the category “at amortized cost” are mainly liabilities (borrowings) to banks and trade accounts payables.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non- cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

IMPAIRMENT OF ASSETS

i. Financial assets

Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost and contract assets.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12- month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i. e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward- looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability- weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i. e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive) .

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ii. Non- financial assets

At each reporting date, the Group reviews the carrying amounts of its non- financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

INTANGIBLES

i. Recognition and measurement

Goodwill	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Research and development	Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliablythe product or process is technically and commercially feasible, future economic benefitare probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight- line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

patents and trademarks:	3 - 20	years
development costs:	2 - 5	years
customer relationships	4 - 5	years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

EMPLOYEE BENEFITS

i. Short- term employee benefits

Short- term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share- based payment arrangements

The fair value of the amount payable to employees in respect of share appreciation rights (SARs) , which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognised in profit or loss.

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Other long- term employee benefits

The Group's net obligation in respect of long- term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

v. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

PROVISIONS

Provisions are determined by discounting the expected future cash flows at a pre- tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties	A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities. For 30 June 2022 (Nil) (2021: Nil)
Onerous contracts	A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see (P) (ii)). For 30 June 2022 (Nil) (2021: Nil)

SHARE CAPITAL

i. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with AASB 112.

ii. Preference shares

The Group’s redeemable preference shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non- discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

Non- redeemable preference shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group’s equity instruments. Discretionary dividends thereon are recognised as equity distributions on approval by the Group’s shareholders.

REVENUE & OTHER INCOME

Revenue is not recognised unless the Group has a contract with a customer which is approved in writing and/or acknowledged in line with customary business practises such as a signed customer contract and/or through the issuance of a purchase order to the Group, which identifies each parties rights and the payment terms, has commercial substance and it is probable that consideration will be received by the Group. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

The Group assesses customer contracts at inception to identify individual performance obligations to its customers arising from the contract, with a performance obligation representing each promise to the Group's customers. Where appropriate, the Group combines a series of performance obligations that are substantially the same and have the same pattern of transfer to the customer.

Pursuant to the terms of the customer contract, if it is expected and probable that discounts and volume based rebates will be granted, then the discount and/or volume based rebate is recognised as a reduction of revenue as the associated revenue is recognised.

The Group accounts for contract modifications as a separate contract where the scope of the contract changes and the pricing of the scope change is based on stand-alone selling prices. In instances where one of the above is not satisfied the Group accounts for a contract modification as if it were part of an existing contract. In such an instance the effect of the modification on the consideration is recognised as an adjustment to revenue on a cumulative catch-up basis.

The Group's contracts with customers are either for the sale of goods or multi element contracts ('projects') which can incorporate a combination of the provision of services, design and testing together with the sale of goods and installation.

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

Notes to the Financial Report

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

ROUNDING

Rounding is performed on all display values to the nearest dollar. Note totals may differ to the items above as totals are rounded independently.

FINANCE INCOME AND FINANCE COSTS

The Group's finance income and finance costs include interest expense on financial loans.

Note 2 Other Income

	Note	2022 $	2021 $
OTHER INCOME			
Other Revenue		33,272	-
Research and Development Tax Incentive Income		2,970,183	-
Rent Reimbursement		8,125	-
Total Other Income		**3,011,580**	**-**

The research & development (R&D) income above is in relation to the 2022 R&D claim made by Janus Energy Pty Ltd.. Noting that this income was received during December 2022 upon Lodgement of the tax return.

Notes to the Financial Report

Note 3 Cash and Cash Equivalents

RECONCILIATION OF CASH

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Note	2022 $	2021 $
Cash in Bank		968,550	2,983,506
		968,550	**2,983,506**

Note 4 Trade and Other Receivables	Note	2022 $	2021 $
CURRENT			
Accounts Receivable		549,600	-
Prepayments		21,155	7,605
R&D Tax Receivable		2,970,183	-
GST		140,907	8,840
Total Current Trade and Other Receivables		**3,681,845**	**16,445**

Note 5 Other Current Assets	Note	2022 $	2021 $
Security Deposit		13,200	13,200
Total Other Current Assets		**13,200**	**13,200**

Note 6 Property, Plant and Equipment

	Plant and Equipment at Cost	Total
Gross carrying amount	25,595	**25,595**
Accumulated depreciation and impairment losses	(386)	**(386)**
Net carrying amount at 1 July 2021	25,209	**25,209**
Assets acquired in consolidation	20,000	**20,000**
Depreciation acquired in consolidation	(2,049)	**(2,049)**

	Plant and Equipment at Cost	Total
Additions	127,012	**127,012**
Depreciation	(7,893)	**(7,893)**
Net carrying amount at 30 June 2022	162,279	**162,279**
Gross carrying amount	172,607	**172,607**
Accumulated depreciation and impairment losses	(10,328)	**(10,328)**
Net carrying amount at 30 June 2022	(162,279)	**162,279**

Note 7 Right of Use Asset (ROUA)

	ROUA	Total
Gross carrying amount	210,308	**210,308**
Accumulated depreciation and impairment losses	(35,051)	**(35,051)**
Net carrying amount at 1 July 2021	175,257	**175,257**
Assets acquired in consolidation	97,849	**97,849**
Depreciation acquired in consolidation	(40,771)	**(40,771)**
Additions	-	**-**
Depreciation	(124,180)	**(124,180)**
Net carrying amount at 30 June 2022	108,155	**108,155**
Gross carrying amount	308,157	**308,157**
Accumulated depreciation and impairment losses	(200,002)	**(200,002)**
Net carrying amount at 30 June 2022	108,155	**108,155**

Note 8 Intangibles Assets and Goodwill	**Note**	**2022 $**	**2021 $**
INTANGIBLES			
Intangible Assets		46,413	-
Less Accumulated Depreciation on Intangible Assets		(636)	-
Total Intangibles		**45,777**	**-**

Notes to the Financial Report

Note 9 Trade and Other Payables

	Note	2022 $	2021 $
CURRENT			
Accounts Payable		1,395,372	13,704
Superannuation Payable		10,282	-
Wages Payable		36	-
Accrued Interest Expense		80,308	-
Deferred Income – contract liabilities		1,372,500	-
Total Current		**2,858,498**	**13,704**

Note 10 Financial Liabilities

	Note	2022 $	2021 $
Loan - Rocking Horse Capital Group		1,130,000	-
Loan - Solid Energy Tech Pty Ltd		583,492	-
Loan - Forsyth Investments		449,900	-
Total Current		**2,163,392**	**-**

Rocking Horse Capital Group
The loan held with Rocking Horse capital group is an interest-bearing loan charging 15% per annum. The loan supplied operates as an advance on the Research & Development grant applied for by Janus Electric. Thus, upon cash payment of any Research & Development grant the funds will be distributed initially to Rocking Horse Capital Group to reduce the loan balance to nil and distribute any excess to Janus Electric.

Solid Energy Tech Pty Ltd
The loan held with Solid Energy Technologies is a related party loan bearing no interest, the loan statement confirms that repayment will not be requested until Janus Electric is in a financial position to do so.

Forsyth Investments
The loan held with Forsyth Investments is a related party loan bearing no interest, the loan statement confirms that repayment will not be requested until Janus Electric is in a financial position to do so.

Note 11 Provisions

	Note	$	$
CURRENT			
Provision for Annual Leave		24,068	-
Total Current		**24,068**	**-**

Notes to the Financial Report

Note 12 Other Current Liabilities	Note	2022 $	2021 $
Lease Liability		123,418	118,984
Total Other Current Liabilities		**123,418**	**118,984**

Note 13 Other Liabilities	Note	2022 $	2021 $
Lease Liability		6,403	87,561
Total Other Liabilities		**6,403**	**87,561**

Note 14 Capital and Reserves

A. SHARE CAPITAL AND RESERVE

	Date	Shares/options	Issue price	$
MOVEMENT IN ORDINARY SHARES				
Balance	1 July 2021	14,800,000		4,186,192
Entitlement Offer - 19 April 2022 to existing shareholders	19 April 2022	499,142	$3.50	1,747,001
Balance	30 June 2022	**15,299,142**		**5,933,193**
Movement in options				
Opening balance	1 July 2021	2,240,000		
Closing balance	30 June 2022	2,240,000		

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the group 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.

Notes to the Financial Report

Capital risk management

The group'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 group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group 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.

B. NATURE AND PURCHASE OF RESERVES

i. Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

ii. Group reorganisation reserve

On 13 December 2021 Janus Electric Ltd acquired 100% of Janus Energy Pty Ltd in a group reorganisation transaction. Accordingly, this transaction has been treated as an aggregation under the parent, Janus Electric Ltd. The profit and loss balances post acquisition have been aggregated at 30 June 2022 with the pre-acquisition balances forming a group reorganization reserve on aggregation.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

	$	$
Movement in share-based Payments Reserve	**2022**	**2021**
Balance at Beginning of Year (1 July)	998,431	-
Share Based payments to Directors	143,395	998,431
Balance at End of Year (30 June)	**1,141,826**	**998,431**
Movement in Group Reorganisation reserve		
Balance at Beginning of Year (1 July)	-	-
Transfer to group reorganization reserve – acquisition of Janus Energy Pty Ltd	(3,178,460)	-
Balance at End of Year (30 June)	**(3,178,460)**	**-**
Total reserves	**(2,036,634)**	**998,431**

Notes to the Financial Report

Note 15 Accumulated losses

	Note	2022 $	2021 $
Opening Balance		(2,191,255)	-
Current Year Earnings		(2,058,777)	(2,191,255)
Total Accumulated losses		**(4,250,032)**	**(2,191,255)**

Note 16 Interests in Subsidiaries

Set out below are the details of the subsidiaries held directly by the group:

Name of the Subsidiary	Proportion of ownership interest held by the group at period-end	
	2022	2021
World.Net Services Limited	90%	90%
Janus Energy Pty Ltd	100%	-

On 13 December 2021 Janus Electric Ltd acquired 100% of Janus Energy Pty Ltd in a group reorganisation transaction.

Note 17 Income Tax

RECONCILIATION OF PRIMA-FACIE INCOME TAX TO TAX EXPENSE

	Note	2022 $	2021 $
Accounting Loss before Tax		(2,058,777)	(2,191,255)
Notional tax (benefit) using the Group's Domestic Tax Rate		(514,694)	(547,813)
Notional Income Tax Benefit		**(514,694)**	**(547,813)**
Unrecognised DTA on Tax Losses		**514,694**	**547,813**
Income Tax expense		**-**	**-**

The standard rate of tax applied to taxable profit is 25% (2021: 25%).

Note: The deferred tax asset has not been recognized as the group is not yet generating commercial, trading revenue and does not have the ability to pay taxes and utilize the tax loss benefit. A DTA will be recognized in future years if it is probable that economic benefits will be realized from the recognition of an asset.

The group has a total of $1,132,736 of tax losses at 30 June 2022 to be carried forward to offset against any future taxable profits in future years, stemming from Janus Electric ($664,313) & Janus Energy ($468,423) respectively.

Note 18 Financial Instruments

ACCOUNTING CLASSIFICATIONS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Group'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 group.

Risk management is carried out by the Board of Directors ('the Board').

Market risk

Price risk

The group is not exposed to any significant price risk.

Credit risk

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The group currently has limited exposure to credit risk.

Liquidity risk

Vigilant liquidity risk management requires the group 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 group 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.

Remaining contractual maturities

The following tables detail the groups's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2022	Weighted Average Interest Rate %	1 Year or Less $	Between 1 & 2 Years $	Between 2 & 5 Years $	Over 5 Years $	Remaining Contractual maturities $
Non-derivatives						
Non-interest bearing						

Trade payables	-	1,395,372				1,395,372
Interest-bearing - variable						
Lease Liability	12.00	129,640	6,500			136,140
Loan - Rocking Horse	15.00	1,210,309				1,210,309
Loan - Solid Energy Tech	-	583,492				583,492
Loan - Forsyth Investments	-	449,900				449,900
Total non-derivatives		**3,768,713**	**6,500**	**-**	**-**	**3,775,213**

2021	Weighted Average Interest Rate %	1 Year or Less $	Between 1 & 2 Years $	Between 2 & 5 Years $	Over 5 Years $	Remaining Contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	13,704				13,704
Interest-bearing - variable						
Lease Liability	12.00	135,914	90,640			226,554
Total non-derivatives		**149,618**	**90,640**	**-**	**-**	**240,258**

Note 19 Auditors Remuneration

	Note	2022 $	2021 $
AUDIT AND REVIEW SERVICES			
Audit and Review of Financial Statements		74,000	40,000

Note 20 Capital Commitments

The Group has no material capital commitments. (2021: Nil)

Note 21 Contingencies

CONTINGENT LIABILITIES

As at 30 June 2022 there are no contingent liabilities (2021: Nil)

CONTINGENT ASSETS

As at 30 June 2022 there are no contingent assets (2021: Nil)

Note 22 Subsequent Events

On 14 July 2022, a battery fire occurred on our premises at Berkley Vale. The fire destroyed our Kenworth T403 prototype truck and superficially damaged our Kenworth T610 Glider. Fortunately, no injuries were sustained, and fire was controlled by the local brigade. The Kenworth T403 was our first truck and our prototype, which was built 2.5 years ago, as a result the truck was not suitable for commercial service and was scheduled at the end of August to be updated to our latest technology. The technology used has been incrementally developed and since its inception has progressed exponentially. Any issues encountered during construction of the prototype, have been engineered out and are not being utilised in our current conversions.

From our initial investigations, we suspect that the fire was a result of one of these engineering challenges that has since been engineered out of our current solution. That being said the group has engaged Mott MacDonald to conduct a full review of our battery technology in order to ensure that we are compliant with all relevant standards and that the suspected causes of the fire have been addressed.

On 18 July 2022, the entitlement offer (19 April 2022) was re-priced from $3.50 per share to $2.50 per share. The initial participants in the offer at $3.50 per share were re-priced to $2.50 per share, resulting in 499,657 shares issued to these initial participants. This reflected the difference in shares that would have been issued to the existing shareholders had the original price been $2.50.

On 18 July 2022, 1,212,789 shares were issued to new investors at $2.50 per share, raising $3,031,973.

On 5 August 2022, following completion of the capital raising, the group issued 125,000 director options to Tony Fay and 75,000 Director Options to David Nothdurft. These options are exercisable at $1.50 and expire on 5 August 2025.

There were no other matters or circumstances arising after 30 June 2022 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Notes to the Financial Report

Note 23 Share Based Payments

A share option plan was established by the company and approved by the Board during the 2021 financial year. Throughout the 2022 financial year there were no new options granted over ordinary shares with 2,240,000 outstanding as at 30 June 2022.

Set out below are summaries of options granted under the plan:

Number of options	**2022**	**2021**
	$	**$**
Outstanding at the beginning of the financial period	2,240,000	-
Granted	-	2,240,000
Outstanding at the end of the financial period	**2,240,000**	**2,240,000**

2022

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
06/10/2020	01/01/2024	$1.00	75,000	-	-	-	75,000
06/10/2020	01/03/2024	$1.25	75,000	-	-	-	75,000
06/10/2020	30/06/2024	$1.50	75,000	-	-	-	75,000
06/10/2020	01/01/2026	$2.00	75,000	-	-	-	75,000
09/02/2021	01/01/2024	$1.00	125,000	-	-	-	125,000
09/02/2021	01/01/2024	$1.25	125,000	-	-	-	125,000
09/02/2021	30/06/2024	$1.50	125,000	-	-	-	125,000
09/02/2021	01/01/2026	$2.00	125,000	-	-	-	125,000
23/03/2021	31/12/2023	$1.50	1,152,000	-	-	-	1,152,000
23/03/2021	31/12/2023	$1.50	288,000	-	-	-	288,000
			2,240,000	**-**	**-**	**-**	**2,240,000**

No options were granted during the current financial period, options granted during the 2021 financial year had the following grant dates & fair values:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-Free interest rate	Fair value at grant date
06/10/2020	01/01/2024	$1.00	$1.00	95.00%	-	0.1701%	$0.61
06/10/2020	01/03/2024	$1.00	$1.25	95.00%	-	0.1701%	$0.58
06/10/2020	30/06/2024	$1.00	$1.50	95.00%	-	0.3305%	$0.64
06/10/2020	01/01/2026	$1.00	$2.00	95.00%	-	0.3305%	$0.62
09/02/2021	01/01/2024	$1.00	$1.00	95.00%	-	0.1051%	$0.58
09/02/2021	01/01/2024	$1.00	$1.25	95.00%	-	0.1051%	$0.55
09/02/2021	30/06/2024	$1.00	$1.50	95.00%	-	0.4058%	$0.62
09/02/2021	01/01/2026	$1.00	$2.00	95.00%	-	0.4058%	$0.60
23/03/2021	31/12/2023	$1.00	$1.50	95.00%	-	0.1051%	$0.48
23/03/2021	31/12/2023	$1.00	$1.50	95.00%	-	0.1051%	$0.48

Notes to the Financial Report

Set out below are options held at the end of the financial period

Option	Class	Exercise price	Number under option
Director options	Granted 6 October 2020 Vested 1 January 2021 Expiring 1 January 2024	$1.00	75,000
Director options	Granted 6 October 2020 Vested 1 March 2021 Expiring 1 March 2024	$1.25	75,000
Director options	Granted 6 October 2020 Vesting 30 June 2022 Expiring 30 June 2025	$1.50	75,000
Director options	Granted 6 October 2020 Vesting 1 January 2023 Expiring 1 January 2026	$2.00	75,000
Director options	Granted 9 February 2021 Vested 1 January 2021 Expiring 1 January 2024	$1.00	125,000
Director options	Granted 9 February 2021 Vested 1 March 2021 Expiring 1 March 2024	$1.25	125,000
Director options	Granted 9 February 2021 Vesting 30 June 2022 Expiring 30 June 2025	$1.50	125,000
Director options	Granted 9 February 2021 Vesting 1 January 2023 Expiring 1 January 2026	$2.00	125,000
Broker options to Aitken Murray Capital Partners	Granted 23 March 2021 Vested 23 March 2021 Expiring 31 December 2023	$1.50	1,152,000
Broker options to Aitken Murray Capital Partners	Granted 23 March 2021 Vested 23 June 2021 Expiring 31 December 2023	$1.50	288,000
			2,240,000

Share based payment expense	**2022 $**	**2021 $**
Amortisation of share-based payment options to Directors based on vesting conditions above	143,395	302,623
Share-based payment for Managing Director equity incentive shares issued on incorporation	-	100,000
Total Share Based payment expense	**143,395**	**402,623**

Notes to the Financial Report

Note 24 Related Parties

KEY MANAGEMENT PERSONNEL

Directors

The following persons were directors of Janus Electric Pty Ltd during the financial year

Tony Fay	Non-Executive Chairman (appointed 9 February 2021)
David Nothduft	Non-Executive Director (appointed 6 October 2020)
Bevan Dooley	Managing Director (appointed 7 July 2020)
Lex Forsyth	General Manager (appointed 7 July 2020)

Remuneration – Key Management Personnel	2022 $	2021 $
Short term benefits	-	-
Share based payments	143,395	402,623
Post employment benefits	-	-
Total Remuneration	**143,395**	**402,623**

Note 25 Related Parties

Parent Entity

Janus Electric Pty Ltd is the parent entity.

Key Management personnel

Disclosures relating to key management personnel are set out in note 24

Loans with related parties

The following loan balances are held in relation to related parties

Notes to the Financial Report

LOANS TO RELATED PARTIES

	2022	2021
	$	$
CURRENT		
Loan Janus Energy	6,212,455	6,212,455
Loan WNS Ltd	50,618	-
Total Current	**6,263,073**	**6,212,455**

LOANS FROM RELATED PARTIES

	2022	2021
	$	$
CURRENT		
Loan - Solid Energy Tech Pty Ltd	583,492	
Loan - Forsyth Investments	449,900	-
Total Current	**1,033,392**	

Notes to the Financial Report

Transactions with related parties

The following transactions occurred with related parties

	2022
Logistic Advisory Pty Ltd – a company associated with David Nothduft	**$**
Research & Development expenses reimbursed	23,474
Total	**23,474**
Solid Tech Technologies Pty Ltd – a company associated with Bevan Dooley	
Research & Development expenses reimbursed	182,238
Repairs & Maintenance expenses reimbursed	2,171
Employee benefit expenses reimbursed	131
Administrative expenses	790
Total	**185,330**
The trustee of XYZ Holdings (Aust) Discretionary Trust – Trust associated with Lex Forsyth	
Research & Development expenses reimbursed	180,000
Administrative expenses	92
Total	**189,092**
Total Related party transactions	**388,896**

Notes to the Financial Report

Trade receivables & Payables

The following Receivables and payables are outstanding with related parties at the end of the financial period.

	2022
Solid Tech Technologies Pty Ltd – a company associated with Bevan Dooley	
Receivables	-
Payables	3,609

Note 26 Parent Entity Disclosures

As at, and throughout, the financial year ended 30 June 2022 the parent entity of the Group was Janus Electric Limited.

Financial Position	2022 $	2021 $
ASSETS		
Current Assets	1,486,664	3,013,151
Non Current Assets	137,356	200,466
Total Assets	**1,624,020**	**3,213,617**
LIABILITIES		
Current Liabilities	1,827,137	132,688
Non Current Liabilities	-	87,561
Total Liabilities	**1,827,137**	**220,249**
Equity		
Share Capital	5,933,193	4,186,192
Reserves	1,141,825	998,431
Accumulated Losses	(7,435,635)	(2,191,255)
Other Contributed Equity	157,500	
Total Equity/(Deficiency)	**(203,177)**	**2,993,368**

Notes to the Financial Report

Financial Performance	2022 $	2021 $
Loss for the Year	(5,244,380)	(2,191,255)
Other Comprehensive Income	-	-
Total Comprehensive Income	**(5,244,380)**	**(2,191,255)**

Contingent liabilities or assets

The parent entity does not have any contingent assets or liabilities (refer note 21).

Capital expenditure commitments

The parent entity has no material capital commitments (refer Note 20).

Directors Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial period ended on that date; and

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

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

On behalf of the directors

Peter Anthony Fay

Tony Fay
Non-Executive Chairman
Date: 3rd February 2023

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Independent Auditor's Report

To the Members of Janus Electric Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Janus Electric Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of $2,058,777 and net cash outflows from operating activities of $4,127,215 during the year ended 30 June 2022, and as of that date, the Group's current liabilities exceeded its total assets by $505,781. 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 Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, 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 Standard – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001*. The Directors' responsibility also includes 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 Group'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 Group 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: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 3 February 2023