

ASX Announcement

19th April 2024

Energy Technologies Limited 3Q FY2024 Quarterly Activities Report and Appendix 4C

Key highlights:

- **Achieved quarterly cash receipts of A\$4.099m, down 6.6% on the Previous Corresponding Period (PCP);**
- **Net Cash operating outflows A\$407k, up 79.7% on PCP.**
- **Purchased Sales division booked its first sales.**
- **Wholesale Distribution Agreements have been identified and are currently under negotiation.**

Energy Technologies Limited (ASX: EGY or “the Company”), a 100% owner of Bambach Wires and Cables Pty Ltd (Bambach) which manufactures low voltage copper insulated cables, is pleased to release its Quarterly Activities Report and Appendix 4C Quarterly Cash Flow Report for the period ended March 2024 (“3Q, FY2024”).

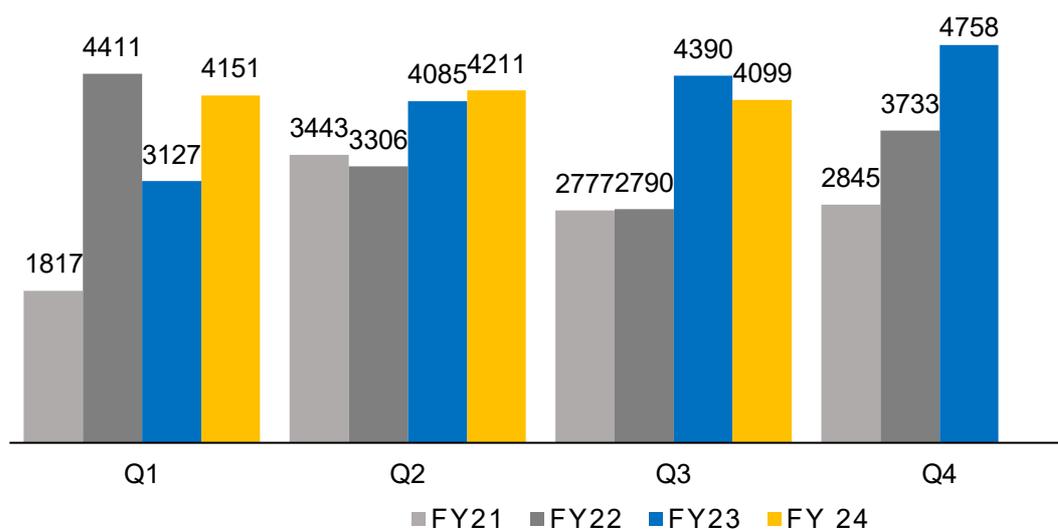
During the quarter, Energy Technologies Limited recorded cash receipts of A\$4.09m. This result was down 6.6% on PCP and reflects the change in the Company’s business plan that focused on reducing the working capital allocation through the period for manufactured sales. As previously disclosed, the manufacturing division is moving toward a margin focus strategy to work in conjunction with the Purchased Sales and Wholesale Distribution launch which will, once fully deployed, move the company forward.

Net cash operating outflows reflected this with a quarterly outflow of A\$407k, an improvement of 79.7% on PCP, and an improvement of 74.3% on the last quarter. The company plans to ramp up the Purchased Sales and launch the Wholesale Distribution Divisions in the next quarter and expects to see an increase in spending through the investment in stock for the current quarter.

As disclosed in the recent Investor Presentation, short term targets have been identified for the Wholesale Distribution Division and the company will continue to update the market as progression comes to hand.

In summary, the company is pleased with the outcomes of the Strategic Review and the swiftness and diligence of execution in readying the company for its next stage and looks forward to the FY25 year.

Figure 1: EGY Quarterly Cash Receipts (A\$'000)



ASX Listing Rule 4.7C.3

In accordance with ASX Listing Rule 4.7C, payments made to related parties included in item 6.1 of the Appendix 4C incorporate director's fees and salary.

There were no substantive business activities during the quarter.

– END –

About Energy Technologies

Energy Technologies Limited (ABN 38 002 679 469) has a 100% ownership of Bambach Wires and Cables Pty Ltd, a manufacturer of low voltage copper insulated cables. Learn more about Energy Technologies at website www.energytechnologies.com.au.

For more information, please contact:

General enquiries

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Company Secretary

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This announcement is authorised by Energy Technologies Limited's Board of Directors

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ENERGY TECHNOLOGIES LIMITED

ABN

38 002 679 469

Quarter ended ("current quarter")

31st March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,099	12,461
1.2 Payments for		
(a) research and development	(46)	(64)
(b) product manufacturing and operating costs	(2,510)	(11,288)
(c) advertising and marketing	(10)	(37)
(d) leased assets	(7)	(17)
(e) staff costs	(967)	(2,942)
(f) administration and corporate costs	(438)	(1,252)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(530)	(1,384)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1	23
1.8 Other (restructure)	-	-
1.9 Net cash from / (used in) operating activities	(407)	(4,499)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(30)	(84)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2	33
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Government Grant	-	-
2.6	Net cash from / (used in) investing activities	(28)	(51)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds /(Repayment) from issue of convertible debt securities	1,455	6,812
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	315
3.6	Repayment of borrowings	(1,168)	(2,581)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	287	4,546
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	193	49
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(407)	(4,499)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(51)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	287	4,546
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	45	45

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	45	193
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	45	193

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	96
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

6.1 \$22K Director's Fee and \$74 K Salary

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	8,100	3,664
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	13,252	13,252
7.4 Total financing facilities	21,352	16,916

7.5 **Unused financing facilities available at quarter end** 4,436

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1: Secured Debtor Finance Facility - lender Cash Flow Finance Pty Ltd trading as Earlypay. Interest is charged on the facility at rate of the base rate, currently 12.85% and margin rate is 1.85%. Balance drawn at end of quarter \$ 1,042,330. No maturity date.

7.1 Secured Trade Finance Facility - lender Cash Flow Finance Pty Ltd trading as Earlypay. Term Charges 5.85% per 120 days. Balance drawn at end of quarter \$2,621,254. No maturity date.

7.3: Hire purchase and finance lease liabilities secured by the underlying assets – various maturity dates. The main liability, a secured equipment finance loan with balance outstanding at the end of the quarter of \$144,621, with interest rate on the loan of 15.81% per annum and matures on 5 March 2026.

7.3 Secured loan from director of subsidiary Bambach Wires and Cables Pty Ltd for \$190,000. Interest rate 10.00% per annum. Maturity Date is as agreed by the parties.

7.3 Secured Equipment Finance loan with balance outstanding at end of quarter \$1,492,714. Interest rate 13.81% per annum and Lender Grow Finance Pty Ltd. Matures August 2027.

7.3 Convertible Notes issued of \$11,411,500 to noteholders. These notes have a face value of \$1.00, attract a coupon rate of 10% and are convertible at \$0.08.

Of these notes \$600,000 matures in October 2024, \$1,000,000 matures in February 2025, and \$3,000,000 matures in October 2025. These notes amount to \$4,600,000 and interest is payable monthly.

The remaining notes amount to \$6,811,500, which was received from August 2023 to March 2024, mature twenty-four months from the issue date or such later date as is agreed in writing between the parties. Interest is payable on maturity.

All notes can be paid back by the company at their discretion.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(407)
8.2 Cash and cash equivalents at quarter end (item 4.6)	45
8.3 Unused finance facilities available at quarter end (item 7.5)	4,436
8.4 Total available funding (item 8.2 + item 8.3)	4,481
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	11.01
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 19th APRIL 2024

Authorised by: EGY BOARD OF DIRECTORS.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.