

Energy Technologies Limited 1Q FY2025 Quarterly Activities Report and Appendix 4C

Key highlights:

- **Quarterly cash receipts of A\$3.2m, up 23% on June 2024 Quarter;**
- **Net Cash operating outflows of \$1.28m, a 52.6% improvement on June 2024 Quarter;**
- **Renewable Energy Division becomes operational and records initial sales receipts of \$328k;**
- **Wholesale product agency/distribution agreement with Tratos Group finalised and implemented within the Purchased Sales Division;**
- **On 12 September 2024, announced a non-renounceable pro-rata rights issue to eligible shareholders to raise up to c. \$12.7 million; and**
- **\$6.00m line of credit secured to support continued execution of the revised business plan including anticipated growth of the Renewable Energy and Purchased Sales divisions.**

Energy Technologies Limited (ASX: EGY or “the Company”), is pleased to release its Quarterly Activities Report and Appendix 4C Quarterly Cash Flow Report for the period ended September 2024 (“1Q FY2025”).

During 1Q FY2025, EGY recorded cash receipts of A\$3.2m, up 23% on the immediately preceding quarter ending 30th June 2024 (“June 2024 Quarter”) facilitated by inaugural cash receipts in an amount of \$328k from the Renewable Energy Division (as to which refer below).

The increased cash receipts and continued execution in respect of the previously announced revised business plan contributed to a significant reduction in 1Q FY2025 net cash operating outflows to \$1.28m, a 52.6% improvement over the June 2024 Quarter.

The revised business plan re-focuses the Company from being predominantly concerned with the manufactured sales of specialised low voltage wires and cables to a broadening of commercial pursuits comprising:

- adopting strict financial margin metrics for the Manufactured Sales Division, whereby – absent a compelling commercial rationale - low margin production orders are transferred to the Purchased Sales Division;
- the commissioning of the of the Renewable Energy Division, which currently comprises the recently announced wholesale distribution agreement with the Gantner Group; and
- the establishment of the Purchased Sales Division with the recently announced wholesale distribution agreement with the Tratos Group, which now enables EGY to offer the complete suite of medium and high voltage wires, cables and allied products.

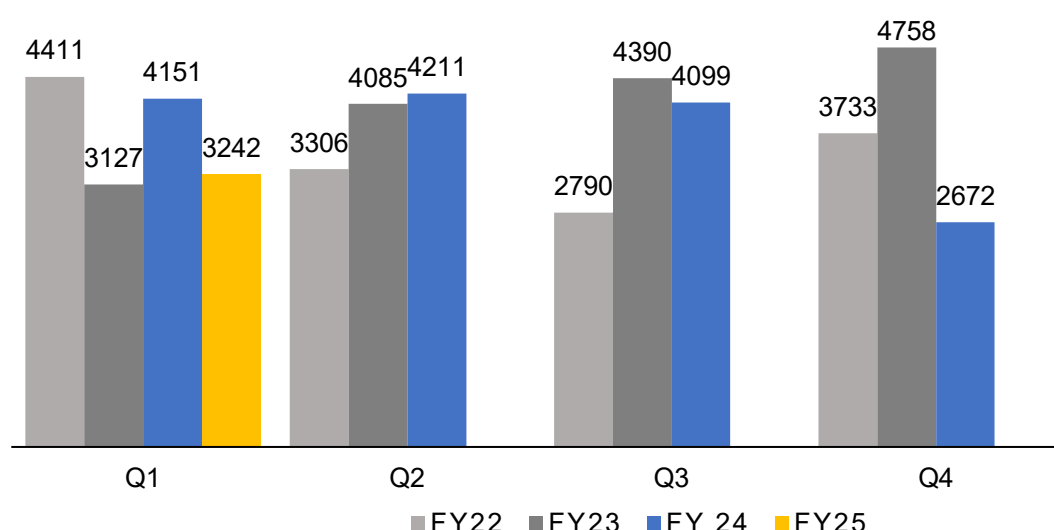
As a consequence of the continued execution of the transformative business plan, EGY not only enjoyed its first sales from the Renewable Energy Division during 1Q FY2025 but importantly has been able to confidently commence tendering in this sector supported by the recent:

- procurement of a \$6.00m line of credit; and
- launch of the c. \$12.7m non-renounceable pro rata rights issue.

With the forgoing initiatives, EGY can now comfortably meet any working capital requirements arising from its' enhanced business activities. In this respect the Board reserves the right to place the rights issue shortfall as the working capital requirements dictate.

EGY CEO Nick Cousins commented: *"We are currently pursuing a range of tenders that extend beyond revenue opportunities in our Renewable Energy Division. EGY is strategically positioned to enhance revenue growth in both the Purchased Sales and Manufactured Sales divisions. Our ability to provide comprehensive solutions across low, medium, and high voltage wires, cables, and related products will enable us to capitalise on these opportunities effectively".*

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, salary and superannuation benefits. EGY paid a total of \$111,720 in Director's Fees, Salaries and superannuation to the related parties in this current quarter.

Other than disclosed herein, there were no substantive business activities during the quarter.

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About Energy Technologies

Energy Technologies Limited (ABN 38 002 679 469) specialise in providing high-quality electrical cables for a wide range of applications across the Low Voltage (LV), Medium Voltage (MV), and High Voltage (HV) markets. Our comprehensive product offerings cater to diverse industries, with a particular focus on Infrastructure, Renewables, Defence and Mining sectors.

Learn more about Energy Technologies at website www.energytechnologies.com.au.

For more information, please contact:

General enquiries

Corporate Communications

Mr. Gregory Knoke

Company Secretary

greg.knoke@energytechnologies.com.au

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")

30th September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,242	3,242
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(2,825)	(2,825)
	(c) advertising and marketing	(5)	(5)
	(d) leased assets	(35)	(35)
	(e) staff costs	(1,042)	(1,042)
	(f) administration and corporate costs	(300)	(300)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(324)	(324)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3	3
1.8	Other (restructure)	-	-
1.9	Net cash from / (used in) operating activities	(1,286)	(1,286)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(14)	(14)
	(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	2
	(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	(12)	(12)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Repayment from issue of convertible debt securities	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,450	2,450
3.6	Repayment of borrowings	(1,148)	(1,148)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Proceeds from exercise of options	-	-
3.10	Net cash from / (used in) financing activities	1,302	1,302
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	67	67
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,286)	(1,286)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,302	1,302
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	71	71

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	71	67
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)	71	67

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	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

6.1 \$12.5K Director's Fee and \$99.5K remuneration (inclusive of superannuation)

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	11,150	6,161
7.2	Credit standby arrangements	6,000	-
7.3	Other (please specify)	12,379	12,379
7.4	Total financing facilities	29,529	18,540

7.5	Unused financing facilities available at quarter end	10,989
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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 Earlypay Cashflow Finance Pty Ltd. Interest is charged on the facility at rate of the base rate, currently 12.85% less margin rate of 1.85%. Balance drawn at end of quarter \$714,561. No maturity date.

7.1 Secured Trade Finance Facility – lender Earlypay Cashflow Finance Pty Ltd. Term Charges 5.85% per 120 days. Balance drawn at end of quarter \$2,396,124. No maturity date.

7.1 Unsecured short-term loans of \$3,050,000 from shareholders and convertible note holders. These loans incur an interest rate of 18% per annum. Of these loans \$1,500,000 matures in December 2024 or such other date as agreed between the parties and \$1,550,000 matures in February 2025 or such other date as agreed between the parties.

7.2 A \$6,000,000 line of credit has been provided by a shareholder and convertible note holder, to be drawn upon as required, and is in place until 31 October 2025. The interest rate on the facility is 18% per annum.

7.3 Secured Equipment Finance loan with balance outstanding at end of quarter \$1,315,490. Interest rate 13.81% per annum and Lender Grow Funding Pty Ltd. Matures August 2027.

7.3: Secured Equipment Finance loan with balance outstanding at the end of the quarter \$112,479. Interest rate 15.80% per annum and Lender Procuret. Matures 5 March 2026.

7.3 Secured loan from director for \$190,000. Interest rate 10.00% per annum. Maturity Date is as agreed by the parties.

7.3 Convertible Notes issued of \$10,761,500 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, \$1,000,000 matures in February 2025, and \$3,000,000 matures in October 2025. These notes amount to \$4,000,000 and interest is payable monthly.

The remaining notes amount to \$6,761,500, 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)	(1,286)
8.2	Cash and cash equivalents at quarter end (item 4.6)	71
8.3	Unused finance facilities available at quarter end (item 7.5)	10,989
8.4	Total available funding (item 8.2 + item 8.3)	11,060
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.60
<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?	
	Answer: N/A	
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?	
	Answer: N/A	
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?	
	Answer: N/A	
<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: 31st October 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.