



## Quarterly Activity Report and Appendix 4C

**22 April 2020:** Environmental Clean Technologies Limited (ASX: ECT) (ECT or Company) provides the following quarterly activity report and Appendix 4C.

### Quarterly Activity Report – 1 January to 31 March 2020

At the beginning of the quarter the Company was raising capital to assist with funding the rebuild of its Bacchus Marsh facility which was substantially destroyed by fire in October 2019. Funds raised together with insurance proceeds and borrowings will fund the rebuild. Other activities were largely focused on completing the design of the facility, identifying possible suppliers and clean up following the fire.

In March 2020, the Company's business continuity plan was activated in response to the COVID-19 pandemic. The impact of this will be material from the commencement of the quarter beginning 1 April 2020 as the Company looks to reduce costs and assess the impact on currency movements, overseas supply chains and consider local alternatives.

The Appendix 4C summarises the cash flows for the previous quarter which were not materially different to prior quarters other than:

- Receipts from customers reduced substantially due to production ceasing as a result of the fire.
- Receipt of \$1.1M in insurance proceeds compared to \$650K in the prior quarter.
- Receipt of \$1.688M from the non-renounceable rights issue and associated capital raising costs of \$159K.

Cash on hand at the end of the quarter was \$1.775M compared to \$219K at the end of the prior quarter.

*Authorised for release by Glenn Fozard – Chairman*

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## Appendix 4C

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

**Name of entity**

Environmental Clean Technologies Limited

**ABN**

28 009 120 405

**Quarter ended ("current quarter")**

31 March 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3	128
1.2 Payments for		
(a) research and development	(368)	(996)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets	(6)	(72)
(e) staff costs	(189)	(646)
(f) administration and corporate costs	(575)	(1,340)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		(18)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		1,511
1.8 Other (insurance proceeds)	1,100	1,750
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(33)</b>	<b>319</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		(178)
(d) investments		
(e) intellectual property		(40)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	(f) other non-current assets Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(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	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(218)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,688	1,688
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(159)	(159)
3.5	Proceeds from borrowings	60	995
3.6	Repayment of borrowings		(1,314)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		77
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,589</b>	<b>1,287</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	219	387
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(33)	319
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(218)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,589	1,287

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,775</b>	<b>1,775</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,775	219
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,775</b>	<b>219</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(144)
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

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (R & D lending facility- see below)	550	410
7.4 <b>Total financing facilities</b>		

7.5 **Unused financing facilities available at quarter end** 140

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.

The Company's research and development rebate loan facility allows for the provision of funding to the Company where eligible research and development expenditure is incurred. Each drawdown is made in line with the terms of the facility and is based on the accrued value of the anticipated AusIndustry Tax Incentive program for the respective financial year.

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(33)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,775
8.3 Unused finance facilities available at quarter end (Item 7.5)	140
8.4 Total available funding (Item 8.2 + Item 8.3)	1,915
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	58

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: No. The operating cash flows for the coming quarter will be reduced due to the implementation of the Company's business continuity plan as a result of the COVID-19 pandemic which has necessitated a contraction of activity. Note that the amount at Item 8.5 has been influenced by the receipt of insurance proceeds as disclosed in Item 1.8.

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: Yes. The Company's prospectus for a non renounceable right issue has been issued. The shortfall application period remains open until 10 May 2020 and the company has approximately \$900K available to issue by the closing date. The Company expects to borrow further funds from their R&D incentive lending provider and receive additional insurance proceeds once activities return to normal and the construction of the Bacchus Marsh facility commences.

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: Yes. Cash on hand is expected to provide enough cash for the business to continue operations.

## 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: 17 April 2020

Authorised for release by the board of directors.

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### About ECT

ECT is in the business of commercialising leading-edge energy and resource technologies, which are capable of delivering financial and environmental benefits.

We are focused on advancing a portfolio of technologies, which have significant market potential globally.

ECT's business plan is to pragmatically commercialise these technologies and secure sustainable, profitable income streams through licensing and other commercial mechanisms.

### About Coldry

When applied to lignite and some sub-bituminous coals, the Coldry beneficiation process produces a black coal equivalent (BCE) in the form of pellets. Coldry pellets have equal or superior energy value to many black coals and produce lower CO<sub>2</sub> emissions than raw lignite.

### About HydroMOR

The HydroMOR process has the potential to revolutionise primary iron making.

HydroMOR is a simple, low cost, low emission, hydrogen-driven technology which enables the use of 'low value' feedstocks to produce primary iron.

### About COHgen

The COHgen process has the potential to deliver a lower cost, lower emission method for hydrogen production from brown coal.

COHgen is currently advancing through fundamental laboratory development to inform its patent application ahead of scale up and commercialisation.

### About CDP-WTE

The catalytic depolymerisation-based waste-to-energy process converts 'low-value' resources into higher-value diesel and other valuable by-products.

CDP-WTE can be deployed as a standalone solution or integrated with the Coldry process to deliver higher-value, lower-emission energy solutions to lignite resource owners.

### Areas covered in this announcement:

ECT (ASX:ECT)	ECT Finance	ECT India	Aust. Projects	R&D	HVTF	Business Develop.	Sales
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