

Placement and Capital Management Update

Highlights:

- **Placement:** Tranche 1 of the Placement, totalling \$475,000, has been received in full.
- **Loan:** Agreement in principle reached for a \$150,000 short-term loan.
- **Convertible Note:** \$1.13M Convertible Note amended and agreed, subject to an Independent Expert Report and shareholder approval

Environmental Clean Technologies Limited (ASX: **ECT**) ("**ECT**" or "**Company**") is pleased to provide an update on its financing and capital management initiatives.

Placement Update

Following the announcement on 18 February 2025, the Company confirms that Tranche 1 of the Placement, consisting of 475,000,000 shares at \$0.001 to raise \$475,000, has been completed, and the funds received. These funds provide additional financial flexibility to advance key initiatives. Shares will be allotted today. Tranche 2 of the Placement, which consists of 275,000,000 shares at \$0.001 to raise an additional \$275,000, requires shareholder approval. The Company anticipates calling a general meeting in the coming weeks to seek that approval.

Short-Term Loan Agreement

The Company has agreed in principle to secure a short-term loan facility from its joint venture entity, Zero Quest Pty Ltd ("**ZQ**"), under the following key terms:

- **Loan Amount:** \$150,000
- **Term:** 8 weeks
- **Interest Rate:** 15% per annum
- **Security:** Second-ranking interest up to a maximum of \$150,000 plus interest

The ZQ Loan will provide additional working capital support as the Company continues to execute its strategic initiatives. The loan has no material impact on ZQ's operations or financial position. For the purposes of listing rules 10.1.1 to 10.1.4, ZQ is not a related party or a child entity of ECT, nor is it a substantial shareholder of ECT. ZQ is also not an associate of a related party, child entity, or substantial shareholder.

Convertible Note Amendment

Further to the Company's announcement on 17 December 2024 regarding a \$1.13M Convertible Note, the Company has agreed in principle to amend the terms, subject to an Independent Expert Report (IER) and shareholder approval at the forthcoming general meeting. The proposed amendments include:

- Revised conversion rate of **\$0.0011** per share, replacing the previous rate of **\$0.00425**, being a 10% premium to the recent Placement.
- Security: General security agreement providing security over all assets of the Company other than R&D Tax Incentive Rebates and Intellectual Property (IP).

These amendments seek to align the loan terms with prevailing market conditions while supporting the Company's long-term growth objectives.

Next Steps

The Company remains focused on delivering its strategic objectives and will continue to evaluate funding and capital management opportunities to support growth initiatives. Shareholders will be updated as developments occur.

This announcement has been authorised for release by the Board of Environmental Clean Technologies Limited.

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Forward-looking Statement

This announcement may contain forward-looking statements regarding future events or performance, including but not limited to projections of financial results, anticipated growth, and business strategies. These forward-looking statements are based on current expectations, assumptions, and projections that involve inherent risks and uncertainties. Actual results may differ materially from those anticipated due to various factors, including market conditions, regulatory changes, technological advancements, and economic conditions.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws.

Investors should carefully consider the risks and uncertainties disclosed in the Company's periodic reports filed with the Australian Securities Exchange (ASX) and other regulatory authorities. Forward-looking statements are provided as of the date of this announcement, and the Company disclaims any obligation to update them, except as required by law.