ASX Announcement **27 January 2021**

Energy Technologies Limited Quarterly Activities Report and Appendix 4C

Key highlights

- **Achieved quarterly cash receipts of A$3.4m, an 89% increase on last quarter.**
- **EGY Board has been refreshed with the appointment of three new directors.**
- **Successfully raised $1.8m in capital.**
- **Rosedale factory has commenced mainstream production on desired machine centres.**

Energy Technologies Limited (ASX:EGY or "the Company"), a 100% owner of Bambach Wire 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 31 December 2020 ("2Q FY21").

During the quarter, EGY continued to go through a major transformation. In very trying times, the employees worked tirelessly to ensure that the Rosedale factory came online in a safe and COVID regulated environment. The company is pleased to acknowledge all employees that made this possible and is proud to update that the desired centres are now operational. Cash Receipts were up 89% on the previous quarter due to an increased focus on working capital.

Bambach CEO, Alf Chown said, *"EGY and Bambach have made great progress through the quarter with a refreshed board, operationally efficiency gains and a clear pathway to ramping up production. The factory has gone through a massive transformation in the last quarter and is now well positioned to satisfy existing and new markets as we turn our focus to selling our premium products into existing and new markets".*

Corporate update

On 24 December 2020, EGY re-structured its board of directors to have a greater independence over the business. Mr Alf Chown has assumed the role of CEO of Bambach while the intention is to continue this restructure to include the Finance department. All changes are on track and ahead of schedule and the company is very satisfied with how it is progressing. During the quarter ended 31 December 2020, EGY successfully raised $1.8 million through the allocation of 22,500,0000 ordinary shares at an issue price of $0.08.

Operational update

Revenue for the quarter was higher than the previous quarter (~11%), however, delays in installation of key Sydney equipment was, in part, was due to:

- Covid-19 travel restrictions, which continued to delay full production.
- Quality issues which delayed full production have now been addressed and minimal impact is expected to future operations.

The machinery started to ramp up production which allowed stock levels to improve through the quarter and targeted increases are planned over the next three months.

– END –

About Energy Technologies

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

website: www.energytechnologies.com.au

For more information, please contact:

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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")
	31 December 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	3,443	5,260
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(2,809)	(5,460)
	(c) advertising and marketing	(4)	(48)
	(d) leased assets	(17)	(97)
	(e) staff costs	(1,232)	(2,142)
	(f) administration and corporate costs	(336)	(661)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(228)	(345)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,248	1,899
1.8	Other including relocation costs	(75)	(303)
1.9	**Net cash from / (used in) operating activities**	**(10)**	**(1,897)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(353)	(1,001)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	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 (Purchase of Development Assets)	(200)	(400)
2.6	**Net cash from / (used in) investing activities**	**(553)**	**(1,401)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,800	6,500
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	(167)	(583)
3.5	Proceeds from borrowings	255	736
3.6	Repayment of borrowings	(519)	(2,514)
3.7	Transaction costs related to loans and borrowings	(210)	(267)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,159**	**3,872**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6	28
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10)	(1,897)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(553)	(1,401)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,159	3,872
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**602**	**602**

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	602	6
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)**	**602**	**6**

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	126
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 Salary and Director Fee

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	6,894	2,502
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	1,205	1,205
7.4	**Total financing facilities**	8,099	3,707

7.5	**Unused financing facilities available at quarter end**	4,392

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 Moneytech Finance Pty Ltd, with,a limit of $5,000,000. Interest is charged on the facility at rate of 2.65% above base rate, currently 6.12%. Balance drawn at end of quarter $ 731,699. No maturity Date.

7.1 Secured Trade Finance Facility, lender Moneytech Finance Pty Ltd, with a limit of $1,500,000. Interest Rate: 14.17% per annum. Balance drawn at end of quarter $1,376,536. No maturity date.

7.1 Secured Equipment Finance Facility, lender Moneytech Finance Pty Ltd, fully drawn balance at end of quarter $394,256. Interest rate: 16% per annum. Maturity date 30 November 2023.

7.3: Hire purchase and finance lease liabilities secured by the underlying assets $295,165. Lender: Various financiers. Interest Rates varies between 4.90% to 12.50% per annum.

7.3 Unsecured Loan from director for $500,000. Interest rate 15% per annum. Maturity date is 12 February 2021.

7.3 Other unsecured loan $410,000. Interest rate 14.50%. No fixed maturity date.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(10)
8.2	Cash and cash equivalents at quarter end (item 4.6)	602
8.3	Unused finance facilities available at quarter end (item 7.5)	4,392
8.4	Total available funding (item 8.2 + item 8.3)	4,994
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	499.40

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.

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

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.

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: 27 January 2021..

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.