ASX Announcement 28 April 2022

Energy Technologies Limited 3Q FY22 Quarterly Activities Report and Appendix 4C

Key highlights

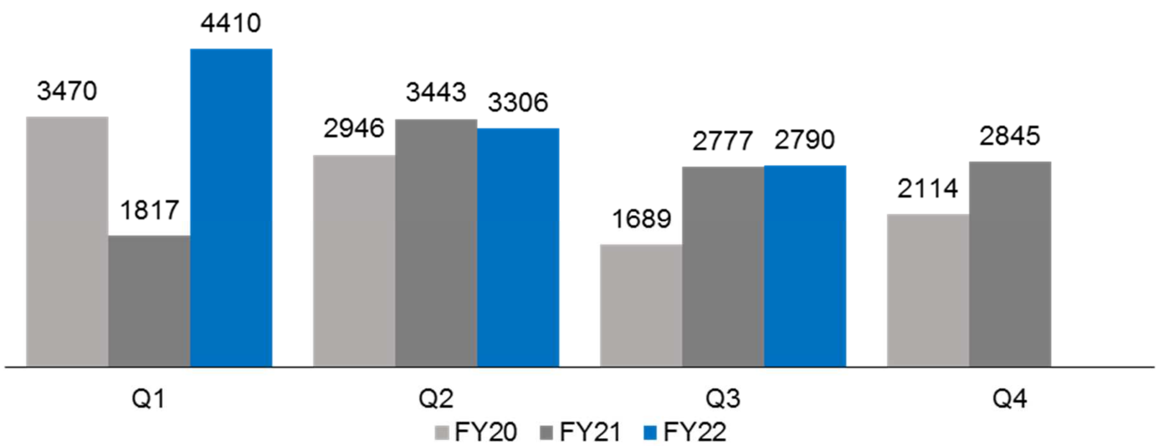
- **Achieved quarterly cash receipts of A$2.79m taking the first half cash receipts to $10.5m, up 31% on the Previous Corresponding Period (PCP)**
- **Achieved quarterly unaudited sales revenue of A$3.46m, up 57% on the Previous Corresponding Period (PCP)**
- **Achieved unaudited operational revenue, for the nine months to 31 March 2022, of A$9.51m, up 52% on the Previous Corresponding Period (PCP)**

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 March 2022 ("3Q FY22").

During the quarter, Bambach experienced further disruptions to factory operating staff due to COVID isolation and the company welcomes the recent round of easing restrictions. Despite this, sales and production continued to grow. Sales and the order book remain stronger than last year and the markets that Bambach deliver to are buoyant and have a healthy to strong outlook.

Total Inventory remains high at $5.67m albeit $2.0m consist of raw materials, sub-assemblies and work in progress further highlighting the strength in sales.

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



Bambach CEO, Alf Chown said, *"Demand is continuing to pull through as evidenced by the stronger sales numbers and it is forecast that the sales mix will continue to move toward higher margin product as the economy moves towards the new normal."*

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.

– 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 www.energytechnologies.com.au.

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	**Quarter ended ("current quarter")**
38 002 679 469	31 MARCH 2022

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		2,790	10,507
1.2	Payments for			
	(a)	research and development	(3)	(13)
	(b)	product manufacturing and operating costs	(3,373)	(12,915)
	(c)	advertising and marketing	(10)	(98)
	(d)	leased assets	(16)	(86)
	(e)	staff costs	(883)	(3,841)
	(f)	administration and corporate costs	(94)	(1,234)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		-	9
1.5	Interest and other costs of finance paid		(185)	(756)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		76	1,877
1.8	Other (restructure)		(61)	(479)
1.9	**Net cash from / (used in) operating activities**		(1,759)	(7,029)

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	businesses	-	-
	(c)	property, plant and equipment	(92)	(210)
	(d)	investments	-	-
	(e)	intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	20	24
	(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	-	-
2.6	**Net cash from / (used in) investing activities**	(72)	(186)

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,000
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	-	(516)
3.5	Proceeds from borrowings	2,320	3,737
3.6	Repayment of borrowings	(334)	(4,469)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Repayment of Convertible Notes)	-	(2,395)
3.10	**Net cash from / (used in) financing activities**	1,986	7,357

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	110	123
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,759)	(7,029)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(186)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,986	7,357
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	265	265

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	265	110
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)**	265	110

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	125
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 $51K Director's Fee and $74 K Salary

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	5,500	4,780
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	613	613
7.4	**Total financing facilities**	6,113	5,393

7.5	**Unused financing facilities available at quarter end**	720

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 Grow Finance Pty Ltd, with a limit of $1,850,000. Interest is charged on the facility at rate of the base rate, currently 6.59% and margin rate is 2.14%. The total interest rate is 8.73% per annum. Balance drawn at end of quarter $1,134,804. No maturity date.

7.1 Secured Trade Finance Facility, lender Grow Finance Pty Ltd, with a limit of $3,650,000. Term Charges 12.00% per annum. Balance drawn at end of quarter $3,645,292. No maturity date.

7.3: Hire purchase and finance lease liabilities secured by the underlying assets $112,715. Lender: Various financiers. Interest Rates varies between 5.90% to 12.50% per annum.

7.3 Unsecured loan from director for $500,000. Interest rate 10.00% per annum. Maturity Date is 10th March 2023.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,759)
8.2	Cash and cash equivalents at quarter end (item 4.6)	265
8.3	Unused finance facilities available at quarter end (item 7.5)	720
8.4	Total available funding (item 8.2 + item 8.3)	985
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.56

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: Yes

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: Yes, through the increase in inventories which has been a focus of the company to mitigate the current climate and reserves the right, as evidenced in the past, to draw on debt and equity markets if the need arises.

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: Yes, the company has significantly increased its inventories to ~A$6m to be available for sale and reserves the right, as evidenced in the past, to draw on debt and equity markets if the need arises.

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: 28 April 2022

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.