

Appendix 4E

Preliminary final report

1. Company Details

Name of entity

ENERGY TECHNOLOGIES LIMITED

ABN or equivalent company reference

38 002 679 469

Financial year ended ('current period')

30 June 2021

Financial year ended ('previous period')

30 June 2020

2. Results for announcement to the market

\$A'000

|   |      |                            |    |                                    |
|---|------|----------------------------|----|------------------------------------|
| 2.1 Revenues from operating activities  | Down | 6.9%                       | to | 9,428                              |
| 2.2 Profit from operating activities after tax attributable to members  | Down | 21.3%                      | to | (5,341)                            |
| 2.3 Profit for the period attributable to members   | Down | 21.3%                      | to | (5,341)                            |
| <b>2.4 Dividends</b>  |      | <b>Amount per security</b> |    | <b>Franked amount per security</b> |
| Final dividend  |      | NIL                        |    | NIL                                |
| Interim dividend  |      | NIL                        |    | NIL                                |
| 2.5 Record date for determining entitlements to the dividend  |      | Not applicable             |    |                                    |
| 2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:   |      |                            |    |                                    |
| Revenue from operating activities, 2.1 above, excludes \$1,414,600 job keeper assistance received under federal government legislation in support of business, and \$97,858 of other government support - refer Note 2, Revenue from Continuing Operations. |      |                            |    |                                    |
| Energy Technologies Limited (EGY) has reported a consolidated loss for the year after tax and minority interests of \$5,341,189 (FY2020 loss of \$4,402,220).   |      |                            |    |                                    |
| The FY2021 results include a loss after tax of \$4,217,090 (FY2020 loss of \$3,374,589) reported by subsidiary Bambach Wires and Cables Pty Ltd (BWC).  |      |                            |    |                                    |
| There will be further discussion of the result below.   |      |                            |    |                                    |

### 3. Details of Individual and Total Dividends

|                          | Date dividend is payable | Amount per security | Franked amount per security at 30% tax | Amount per security of foreign source dividend |
|--------------------------|--------------------------|---------------------|--|--|
| <b>Final dividend:</b>   | Current year             | -¢                  | -¢                                     | -¢   |
|                          | Previous year            | -¢                  | -¢                                     | -¢   |
| <b>Interim dividend:</b> | Current year             | -¢                  | -¢                                     | -¢   |
|                          | Previous year            | -¢                  | -¢                                     | -¢   |

#### Total dividend per security (interim plus final)

|                       | Current year | Previous year |
|-----------------------|--------------|---------------|
| Ordinary securities   | -¢           | -¢            |
| Preference securities | -¢           | -¢            |

### 4. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation:

<provide plan details, if any>

N/A

The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan:

<date, if applicable>

N/A

### 5. Statement of retained earnings

|  | Current period - \$A'000 | Previous corresponding period - \$A'000 |
|--|--------------------------|---|
| Accumulated losses at the beginning of the financial year  | (17,745)                 | (13,343)                                |
| Net loss attributable to members                           | (5,341)                  | (4,402)                                 |
| <b>Accumulated losses at the end of the financial year</b> | <b>(23,086)</b>          | <b>(17,745)</b>                         |

#### 6.1 Net Tangible Asset backing

|   | Current period | Previous corresponding period |
|---|----------------|-------------------------------|
| Net tangible asset* backing per ordinary security | \$0.045        | \$0.097                       |

\* Net tangible assets calculations above include the right-of use assets and lease liabilities.

## 6.2 Earnings per security (EPS)

|   | Current period | Previous corresponding period |
|---|----------------|-------------------------------|
| Basic EPS (cents)   | (3.4)          | (5.1)                         |
| Net loss after tax for the period attributable to members (\$'000s) | (5,341)        | (4,402)                       |
| Weighted average number of ordinary securities                      | 157,704,223    | 85,668,582                    |

## 7. Details of entities over which control has been gained or lost during the period

7.1 A Name of entity 

|   |
|---|
| No entities were acquired during the period |
|---|

7.2 A Date from which control was gained 

|  |
|--|
|  |
|--|

7.3 A Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from operating activities during the period and the profit or loss of such entities during the whole of the previous corresponding period 

|  |
|--|
|  |
|--|

7.1 B Name of entities 

|  |
|--|
| No entities were disposed of during the period |
|--|

7.2 B Date from which control was gained / lost 

|  |
|--|
|  |
|--|

7.3 B Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from operating activities during the period and the profit or loss of such entities during the whole of the previous corresponding period 

|  |
|--|
|  |
|--|

## 8. Details of Associates and Joint Ventures:

| <i>Name of entity</i> | <i>Percentage holding 30 June 2021</i> | <i>Percentage holding 30 June 2020</i> |
|-----------------------|--|--|
| N/A                   |  |  |

8.1 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

## 9 - Comments by directors

EGY has reported a consolidated loss after tax and minorities for FY2021 of \$5,341,189 (FY2020 loss after tax and minorities \$4,402,220). Wholly owned subsidiary Bambach Wires and Cables Pty Ltd (Bambach) reported a loss after tax of \$4,217,090 (FY2020 loss \$3,374,589).

The Bambach business was substantially impacted in the financial period to 30 June 2021. Covid-19 disruptions, which were magnified in Victoria, interrupted the relocation and commissioning of the full-scale operations of the Manufacturing operations in Rosedale, which in turn, inhibited the ability to drive utilisation at the factory. With the delay in the final installation of the machine centres, stock items were greatly reduced which hampered the ability to not only drive sales but deliver product into existing sales channels. Furthermore, training and upskilling of the workforce was hampered as a result restricting both productivity and advancement of the factory. The company did make decisions in the first half that limited the impact of similar events in the second half pertaining to these issues which reduced the loss in the second half and the company remains well poised to handle further setbacks. However, due to these events there was a strain on the working capital available to the business which further impacted the ability to grow sales. As disclosed in the financial period to 30 June 2020, the company had several legacy debt obligations which further constricted the ability to source the necessary working capital. The company announced on 28 May 2021 that it had re-structured its Working Capital Facility and further updated the market on 30 July 2021 that, in part, said re-structuring had seen an immediate increase in sales by 68%. The company's target market continues to show strength and the opportunity to grow sales, with the available working capital, remains in place. The company believes that it is better placed to handle further interruptions in the FY2022 period.

10. This report is based on accounts to which one of the following applies.

- |                                     |  |                          |  |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/>            | The accounts have been audited.  | <input type="checkbox"/> | The accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

11. Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review:

The Preliminary Financial Report is based on the Group's 2021 annual financial report, the accounts of which are in the process of being audited. No matters have arisen thus far which would result in a dispute or qualification in the current year.

12. Description of dispute or qualification if the accounts have been audited or subject to review:

N/A

Sign here:



Print name: Brian Jamieson  
Chairman

Date: 31 August 2021

## ENERGY TECHNOLOGIES LIMITED

### CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2021

|  | Notes | CONSOLIDATED          |                       |
|--|-------|-----------------------|-----------------------|
|  |       | 2021<br>\$'000        | 2020<br>\$'000        |
| <b>CONTINUING OPERATIONS</b>                                       |       |                       |                       |
| Sale of goods  | 2a    | 9,428                 | 10,126                |
| Cost of sales  |       | <u>(6,794)</u>        | <u>(7,643)</u>        |
| Gross profit   |       | 2,634                 | 2,483                 |
| Other revenue  | 2b    | 1,787                 | 761                   |
| Marketing expenses   |       | (41)                  | (124)                 |
| Occupancy expenses   |       | (203)                 | (453)                 |
| Administrative expenses  |       | (5,027)               | (4,484)               |
| Finance costs  | 3     | (1,594)               | (1,242)               |
| Depreciation and amortisation expenses                             | 3     | (2,503)               | (1,236)               |
| Impairment of plant & equipment                                    | 3     | (299)                 | -                     |
| Other expenses   |       | <u>(98)</u>           | <u>(82)</u>           |
| <b>LOSS FOR THE YEAR BEFORE INCOME TAX</b>                         |       | <b>(5,344)</b>        | <b>(4,377)</b>        |
| Income tax expense   |       | <u>(12)</u>           | <u>(38)</u>           |
| <b>LOSS FOR THE YEAR AFTER INCOME TAX</b>                          |       | <b>(5,356)</b>        | <b>(4,415)</b>        |
| <b>LOSS ATTRIBUTABLE TO MINORITY INTEREST</b>                      |       | <b>15</b>             | <b>13</b>             |
| <b>LOSS ATTRIBUTABLE TO MEMBERS OF ENERGY TECHNOLOGIES LIMITED</b> |       | <b><u>(5,341)</u></b> | <b><u>(4,402)</u></b> |

The accompanying notes form part of these financial statements.

## ENERGY TECHNOLOGIES LIMITED

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

|   | CONSOLIDATED   |                |
|---|----------------|----------------|
|   | 2021<br>\$'000 | 2020<br>\$'000 |
| <b>LOSS FOR THE YEAR</b>  | <b>(5,356)</b> | <b>(4,415)</b> |
| <b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX:</b>   |                |                |
| <b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b> |                |                |
| Movement in foreign exchange relating to translation of controlled foreign entities                     | 8              | (2)            |
| Exchange difference on foreign exchange relating to minorities  | 7              | (2)            |
| <b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)</b>  | <b>15</b>      | <b>(4)</b>     |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>  | <b>(5,341)</b> | <b>(4,419)</b> |
| <b>TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:</b>  |                |                |
| Members of the parent entity  | (5,333)        | (4,404)        |
| Minority equity interest  | (8)            | (15)           |
|   | <b>(5,341)</b> | <b>(4,419)</b> |
| <b>Earnings per Share</b>   |                |                |
| From continuing operations:   |                |                |
| • Basic loss per ordinary share (cents)   | (3.4)          | (5.1)          |
| • Diluted loss per ordinary share (cents)   | (3.4)          | (5.1)          |

## ENERGY TECHNOLOGIES LIMITED

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

|                                      | Notes | CONSOLIDATED   |                |
|--------------------------------------|-------|----------------|----------------|
|                                      |       | 2021<br>\$'000 | 2020<br>\$'000 |
| <b>CURRENT ASSETS</b>                |       |                |                |
| Cash and cash equivalents            |       | 123            | 28             |
| Trade and other receivables          |       | 4,303          | 4,188          |
| Inventories                          |       | 3,969          | 2,327          |
| Other current assets                 |       | 546            | 357            |
| <b>TOTAL CURRENT ASSETS</b>          |       | <b>8,941</b>   | <b>6,900</b>   |
| <b>NON-CURRENT ASSETS</b>            |       |                |                |
| Property, plant and equipment        |       | 12,113         | 12,872         |
| Right of use assets                  | 5     | 3,156          | 3,877          |
| Intangibles                          |       | 6,246          | 4,737          |
| Deferred tax assets                  |       | 217            | 229            |
| Other receivables                    |       | 280            | 215            |
| <b>TOTAL NON-CURRENT ASSETS</b>      |       | <b>22,012</b>  | <b>21,930</b>  |
| <b>TOTAL ASSETS</b>                  |       | <b>30,953</b>  | <b>28,830</b>  |
| <b>CURRENT LIABILITIES</b>           |       |                |                |
| Trade and other payables             |       | 4,133          | 6,270          |
| Financial liabilities                |       | 5,147          | 3,865          |
| Short-term provisions                |       | 1,029          | 846            |
| Lease liabilities                    | 5     | 923            | 882            |
| Deferred Income                      |       | 487            | -              |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <b>11,719</b>  | <b>11,863</b>  |
| <b>NON-CURRENT LIABILITIES</b>       |       |                |                |
| Financial liabilities                |       | 2,395          | 339            |
| Lease liabilities                    | 5     | 2,772          | 3,395          |
| Long-term provisions                 |       | 132            | 157            |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |       | <b>5,299</b>   | <b>3,891</b>   |
| <b>TOTAL LIABILITIES</b>             |       | <b>17,018</b>  | <b>15,754</b>  |
| <b>NET ASSETS</b>                    |       | <b>13,935</b>  | <b>13,076</b>  |
| <b>EQUITY</b>                        |       |                |                |
| Issued capital                       | 6     | 31,484         | 25,351         |
| Contributed equity                   |       | -              | 300            |
| Reserves                             |       | 5,790          | 5,782          |
| Share based payment reserve          |       | 366            | -              |
| Accumulated losses                   |       | (23,086)       | (17,745)       |
| <b>Parent interests</b>              |       | <b>14,554</b>  | <b>13,688</b>  |
| Minority interests                   |       | (619)          | (612)          |
| <b>TOTAL EQUITY</b>                  |       | <b>13,935</b>  | <b>13,076</b>  |

The accompanying notes form part of these financial statements



## ENERGY TECHNOLOGIES LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2021

|  | Issued<br>Capital | Reserves | Share Based<br>Payment<br>Reserve | Accumulated<br>Losses | Minority<br>Interest | Total   |
|--|-------------------|----------|-----------------------------------|-----------------------|----------------------|---------|
|  | \$'000            | \$'000   | \$'000                            | \$'000                | \$'000               | \$'000  |
| <b>Balance at 1 July 2019</b>  | 25,279            | 5,784    | -                                 | (13,343)              | (597)                | 17,123  |
| <b>Comprehensive income</b>  |                   |          |                                   |                       |                      |         |
| Loss for the year  | -                 | -        | -                                 | (4,402)               | (13)                 | (4,415) |
| Other comprehensive loss for the year  | -                 | (2)      | -                                 | -                     | (2)                  | (4)     |
| <b>Total comprehensive loss for the year</b>   | -                 | (2)      | -                                 | (4,402)               | (15)                 | (4,419) |
| <b>Transactions with owners, in their capacity as owners, and other transfers</b>      |                   |          |                                   |                       |                      |         |
| Contributions of equity  | 72                | -        | -                                 | -                     | -                    | 72      |
| Cash for equity received in advance  | 300               | -        | -                                 | -                     | -                    | 300     |
| <b>Total transaction with owners, in their capacity as owners, and other transfers</b> | 372               | -        | -                                 | -                     | -                    | 372     |
| <b>Balance at 30 June 2020</b>   | 25,651            | 5,782    | -                                 | (17,745)              | (612)                | 13,076  |
| <b>Comprehensive income</b>  |                   |          |                                   |                       |                      |         |
| Loss for the year  | -                 | -        | -                                 | (5,341)               | (15)                 | (5,356) |
| Other comprehensive loss for the year  | -                 | 8        | -                                 | -                     | 8                    | 16      |
| <b>Total comprehensive loss for the year</b>   | -                 | 8        | -                                 | (5,341)               | (7)                  | (5,340) |
| <b>Transactions with owners, in their capacity as owners, and other transfers</b>      |                   |          |                                   |                       |                      |         |
| Contributions of equity -net of capital raising costs                                  | 6,133             | -        | -                                 | -                     | -                    | 6,133   |
| Contributions of equity received in advance – shares issued during the year            | (300)             | -        | -                                 | -                     | -                    | (300)   |
| Unlisted share options   | -                 | -        | 366                               | -                     | -                    | 366     |
| <b>Total transaction with owners, in their capacity as owners, and other transfers</b> | 5,833             | -        | 366                               | -                     | -                    | 6,199   |
| <b>Balance at 30 June 2021</b>   | 31,484            | 5,790    | 366                               | (23,086)              | (619)                | 13,935  |

The accompanying notes form part of these financial statements.

## ENERGY TECHNOLOGIES LIMITED

### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

|   | Notes    | CONSOLIDATED   |                |
|---|----------|----------------|----------------|
|   |          | 2021<br>\$'000 | 2020<br>\$'000 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |          |                |                |
| Receipts from customers   |          | 10,848         | 11,198         |
| Receipts from Government Grants - R & D grant                   |          | 782            | 949            |
| Receipts from Government Grants – JobKeeper and Cash Flow Boost |          | 1,659          | 372            |
| Interest Received   |          | -              | 1              |
| Payments to suppliers and employees                             |          | (16,472)       | (10,993)       |
| Finance costs   |          | (1,424)        | (1,043)        |
| <b>NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>       | <b>4</b> | <b>(4,607)</b> | <b>484</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |          |                |                |
| Proceeds from sale of property, plant and equipment             |          | -              | 13             |
| Purchases of property, plant and equipment                      |          | (848)          | (1,920)        |
| Purchases of intangible development assets                      |          | (3,511)        | (1,508)        |
| <b>NET CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>            |          | <b>(4,359)</b> | <b>(3,415)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |          |                |                |
| Proceeds from issue of shares                                   |          | 6,500          | -              |
| Less outflows of raising capital                                |          | (865)          | -              |
| Proceeds from contribution of equity                            |          | -              | 300            |
| Proceeds from borrowings  |          | 6,508          | 2,308          |
| Proceeds from government grants                                 |          | -              | 1,452          |
| Advance received – government grants                            |          | 487            | -              |
| Repayment of borrowings   |          | (3,044)        | (966)          |
| Repayment of lease liabilities                                  |          | (525)          | (587)          |
| Proceeds of Loans from directors                                |          | -              | 422            |
| <b>NET CASH INFLOWS FROM FINANCING ACTIVITIES</b>               |          | <b>9,061</b>   | <b>2,929</b>   |
| <b>NET INCREASE (DECREASE) IN CASH HELD</b>                     |          | <b>95</b>      | <b>(2)</b>     |
| Add: Opening cash brought forward                               |          | 28             | 30             |
| <b>CLOSING CASH AT THE END OF THE YEAR</b>                      |          | <b>123</b>     | <b>28</b>      |

The accompanying notes form part of these financial statements.

## ENERGY TECHNOLOGIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

#### 1. BASIS OF PREPARATION

##### a) Basis of preparation

The preliminary final report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The preliminary final report should be read in conjunction with the half-year financial report of Energy Technologies Limited as at 31 December 2020. It is also recommended that the financial report be considered together with any public announcements made by Energy Technologies Limited and its controlled entities during the year ended 30 June 2021 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

This preliminary final report has been prepared in accordance with the requirements of the Australian Securities Exchange listing rules.

This preliminary final report does not constitute the full financial report for the year ended 30 June 2021.

##### b) Going Concern

The consolidated entity made a FY2021 loss after tax attributable to members of \$5,341,189 (2020: loss of \$4,402,220). The consolidated entity incurred negative cash flows from operations of \$4,607,398 for the year ended 30 June 2021 (2020: positive \$483,741).

Fully owned subsidiary Bambach Wires and Cables (Bambach) incurred a loss after tax of \$4,217,090 (2020: \$3,374,589). This loss was impacted by the impact of Covid-19, and by transitional issues in relocating the primary manufacturing facility from Sydney to Victoria.

This matter gives rise to a material uncertainty that may cast doubt upon the consolidated entity's ability to continue as a going concern. The ongoing operation of the consolidated entity is dependent upon it achieving cash flow positive trading operations from its existing business.

Management have prepared a cash flow projection for the period to 30 September 2022 that supports the ability of the consolidated entity to continue as a going concern. Supporting the cash flow projection is the fact that the company restructure as reported last year is materially complete and the large manufacturing facility in Rosedale Victoria is operational and progressing to full production capability. This facility is capable of producing up to 250 tonnes of finished product per month. The cash flow remains conservative in revenue projections FY2022 and further cost savings are projected. The company balance sheet remains strong with net assets of \$13.94m.

The company also raised \$3.4m through a rights issue and \$1.6m by placement in July 2020, a further \$1.8m by placement in December 2020 and has issued \$2.395m Convertible Notes from February 2021 to May 2021.

These financial statements have been prepared on the basis of a going concern as the Directors believe the Group will be able to pay its debts as and when the fall due because:

- the Group completed a review of the operational structure of the business subsequent to year end, and has identified and is implementing significant operating cost savings;
- the Rosedale facility is fully operational and the move is complete.
- the Group has maintained ongoing support from its financiers and shareholders throughout 2021;

Notwithstanding the above if the continued financial performance is not sustained and one or more of the planned measures do not eventuate or are not able to be resolved in the Group's favour, then in the opinion of the Directors, there will be a significant uncertainty regarding the ability of the Group to continue as a going concern and pay its debts and obligations as and when they become due and payable.

If the Group is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business at amounts different from those stated in the financial report.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classifications of liabilities that might be necessary should the Group not continue as a going concern.

## ENERGY TECHNOLOGIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

|  | CONSOLIDATED  |               |
|--|---------------|---------------|
|  | 2021          | 2020          |
|  | \$'000        | \$'000        |
| <b>2. REVENUES FROM CONTINUING OPERATIONS</b>  |               |               |
| <b>a) Revenue from continuing operations</b>   |               |               |
| Sale of goods transferred at a point in time   | 9,428         | 10,126        |
|  | 9,428         | 10,126        |
| <b>b) Other revenues from continuing operations</b>  |               |               |
| R&D Grant  | 273           | 126           |
| Finance revenue  | 1             | 8             |
| Jobkeeper payment scheme   | 1,415         | 513           |
| Other income   | 98            | 114           |
|  | 1,787         | 761           |
| <b>Total revenue and other revenue from continuing operations</b>  | <b>11,215</b> | <b>10,887</b> |
| <b>3. EXPENSES</b>   |               |               |
| Included in the determination of net profit / (loss) before tax from continuing operations are the following expenses. |               |               |
| <b>Depreciation and amortisation of: non-current assets</b>  |               |               |
| Plant and equipment  | 1,178         | 373           |
| Building and leasehold improvements  | 58            | 20            |
| Furniture, fixtures and fittings   | 15            | 12            |
| Motor vehicles   | 37            | 24            |
| Computer equipment   | 20            | 11            |
| Intangibles  | 474           | 198           |
| Right of use asset amortisation  | 721           | 598           |
| Total depreciation and amortisation of non-current assets  | 2,503         | 1,236         |
| Borrowing costs expensed:  |               |               |
| Borrowing expense  | 769           | 618           |
| Interest expense   | 631           | 425           |
| Lease finance charges  | 194           | 199           |
|  | 1,594         | 1,242         |
| Superannuation contributions   | 583           | 506           |
| Impairment of plant & equipment  | 299           | -             |
| Operating lease rental expense:  |               |               |
| Minimum lease payments – short term leases   | 560           | 740           |

## ENERGY TECHNOLOGIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

|   | CONSOLIDATED   |                |
|---|----------------|----------------|
|   | 2021<br>\$'000 | 2020<br>\$'000 |
| <b>4. STATEMENT OF CASH FLOWS</b>   |                |                |
| <b>Reconciliation of the net loss after tax to the net cash flows from operations</b> |                |                |
| Loss after income tax   | (5,356)        | (4,415)        |
| Add/(less) Non-cash items   |                |                |
| Depreciation of non-current assets  | 1,308          | 440            |
| Amortisation of intangible assets   | 474            | 198            |
| Amortisation of Right of Use Assets   | 721            | 598            |
| Provision of obsolete and slow moving inventories                                     | 125            | 100            |
| Unrealised foreign exchange movements   | 17             | (3)            |
| Asset Finance interest charges  | 46             | 41             |
| Hire Purchase interest charges  | 12             | 45             |
| Amortisation of other loan interest charges   | 62             | 162            |
| Impairment of plant & equipment   | 299            | -              |
| <b>Non-operating cash flow cash items</b>   |                |                |
| Net gain on disposal of property, plant and equipment                                 | -              | (13)           |
| Shares in lieu of fee   | 20             | 73             |
| Lender reserve deposit movement   | (304)          | 14             |
| Shares-based payments   | 366            | -              |
| Shares in lieu of Director's Fee  | 178            | -              |
| <b>Changes in assets and liabilities</b>  |                |                |
| (Increase) / decrease in trade and other receivables                                  | 1,413          | 640            |
| (Increase) / decrease in inventories  | (1,767)        | 1,052          |
| (Decrease) / Increase in payables and accruals  | (2,137)        | 1,681          |
| (Increase) / decrease in deferred tax asset   | 12             | 38             |
| (Increase) / decrease in other-current assets   | (189)          | (145)          |
| (Increase) / decrease in other-non-current receivables                                | (65)           | (6)            |
| Net movement in provisions for employee entitlements                                  | 158            | (16)           |
| <b>Net cash (used in)/from operating activities</b>                                   | <b>(4,607)</b> | <b>484</b>     |

## ENERGY TECHNOLOGIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

|  | CONSOLIDATED   |                |
|--|----------------|----------------|
|  | 2021<br>\$'000 | 2020<br>\$'000 |
| <b>5. NON CURRENT ASSETS – RIGHT OF USE ASSETS AND LEASE LIABILITIES</b> |                |                |
| <b>Right of Use Assets</b>   | <b>\$</b>      | <b>\$</b>      |
| Right of use   | 4,474          | 4,474          |
| Less: Accumulated Amortisation   | (1,318)        | (597)          |
|  | <b>3,156</b>   | <b>3,877</b>   |

The consolidated entity has leased office premises under operating leases with various expiry dates, some with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| Office premises, factory and warehouse         | 2021<br>\$'000 | 2020<br>\$'000 |
|--|----------------|----------------|
| Balance at the beginning of the financial year | 3,877          | -              |
| Adoption of AASB 16 on 1 July 2019             | -              | 4,474          |
| Additions                                      | -              | -              |
| Amortisation expense                           | (721)          | (597)          |
| Balance at the end of the financial year       | <b>3,156</b>   | <b>3,877</b>   |

|                           | 30 June<br>2021<br>\$'000 | 30 June<br>2020<br>\$'000 |
|---------------------------|---------------------------|---------------------------|
| <b>Lease Liabilities</b>  |                           |                           |
| <b>CURRENT</b>            |                           |                           |
| Lease liabilities         | 668                       | 566                       |
| Hire purchase agreements* | 255                       | 316                       |
|                           | <b>923</b>                | <b>882</b>                |
| <b>NON CURRENT</b>        |                           |                           |
| Lease liabilities         | 2,694                     | 3,321                     |
| Hire purchase agreements* | 78                        | 74                        |
|                           | <b>2,772</b>              | <b>3,395</b>              |
|                           | <b>3,695</b>              | <b>4,277</b>              |

\*Lease liabilities on Hire purchase agreements are secured by the underlying financed assets

## ENERGY TECHNOLOGIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

| 6. CONTRIBUTED EQUITY                                      | CONSOLIDATED       |                |                   |                   |
|--|--------------------|----------------|-------------------|-------------------|
|  | 2021               |                | 2020              |                   |
| Issued capital   | \$                 |                | \$                |                   |
| 172,275,214 (85,772,955 – 2020) ordinary shares fully paid | <b>31,483,891</b>  |                | <b>25,351,729</b> |                   |
| Ordinary Shares  | 2021<br>Number     | 2020<br>Number | \$                | \$                |
| At the beginning of reporting period                       | <b>85,772,955</b>  | 85,486,742     | <b>25,351,729</b> | 25,279,229        |
| 16/08/2019 issued at \$0.24                                | -                  | 131,250        | -                 | 31,500            |
| 13/12/2019 issued at \$0.27                                | -                  | 112,963        | -                 | 30,500            |
| 18/05/2020 issued at \$0.25                                | -                  | 42,000         | -                 | 10,500            |
| 07/07/2020 issued at \$0.08                                | <b>20,000,000</b>  | -              | <b>1,600,000</b>  | -                 |
| 21/07/2020 issued at \$0.08                                | <b>42,500,000</b>  | -              | <b>3,400,000</b>  | -                 |
| 23/12/2020 issued at \$0.08                                | <b>22,500,000</b>  | -              | <b>1,800,000</b>  | -                 |
| 24/12/2020 issued at \$0.08                                | <b>250,000</b>     | -              | <b>20,000</b>     | -                 |
| 20/04/2021 issued at \$0.1417                              | <b>1,252,259</b>   | -              | <b>177,500</b>    | -                 |
| Capital Transaction Costs                                  | -                  | -              | <b>(865,338)</b>  | -                 |
| At reporting date  | <b>172,275,214</b> | 85,772,955     | <b>31,483,891</b> | <b>25,351,729</b> |

On 7 July 2020 EGY issued 20,000,000 shares by placement.

On 21 July 2020 EGY issued 42,500,000 shares through rights issue.

On 23 December 2020 EGY issued 22,500,000 shares by placement

On 24 December 2020 EGY issued 250,000 shares in lieu of fees.

On 20 April 2021 EGY issued 1,252,259 shares in lieu of directors fees under Directors Equity Plan.

During FY2021 EGY issued 19.3m unlisted options over ordinary shares in satisfaction of mandates provided to act as manager of Placement and Rights Issue. EGY issued a further 3,422,429 unlisted options over ordinary shares under the Share Option Plan.

#### Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

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## ENERGY TECHNOLOGIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

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#### 7. SEGMENT REPORTING

##### Primary reporting - Business segments

The Group's primary business segment is Specialist and Industrial Cables. Therefore, the segment details are fully reflected in the results and balances reported in the Statement of Profit and Loss and Statement of Financial Position.

Management currently identifies the Group as one operating segment being Specialist and Industrial Cables. This segment is monitored by the Group's chief operating decision makers and strategic decisions are made on the basis of this segment result only.

#### 8. SUBSEQUENT EVENTS

There has not arisen since the end of the financial period any other matter of circumstance which, in the opinion of the directors of the Company, significantly affects the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

#### Compliance statement

1. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards issued by the IASB.
2. This preliminary report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This preliminary report does give a true and fair view of the matters disclosed.
4. The accounts are in the process of being audited.
5. The entity has a formally constituted audit committee.

Sign here:



Print name: Brian Jamieson  
Chairman

Date: 31 August 2021