

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 2023

Financial year ended ('previous
period')

30 June 2022

2. Results for announcement to the market

\$A'000

2.1 Revenues from operating activities	Up	24%	to	15,535
2.2 Profit from operating activities after tax attributable to members	Down	76%	to	(15,345)
2.3 Profit for the period attributable to members	Down	76%	to	(15,345)
2.4 Dividends				
		Amount per security		Franked amount per security
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:				
Energy Technologies Limited (EGY) has reported a consolidated loss for the year after tax and minority interests of \$15,344,996 (FY2022 loss of \$8,731,756).				
The FY2023 results include a loss after tax of \$14,127,919 (FY2022 loss of \$7,798,291) reported by subsidiary Bambach Wires and Cables Pty Ltd (BWC). This includes \$5,194,327 (FY2022 \$600,000) impairment of the carrying value of intangible development assets and purchased intellectual property, now fully impaired to NIL.				
There will be further discussion of the result below.				
The June 2022 comparatives, in the Appendix 4E, have been amended to reflect the 2022 Annual Report.				

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
	Final dividend:				
	Current year		-¢	-¢	-¢
	Previous year		-¢	-¢	-¢
	Interim dividend:				
	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:

N/A

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

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	(31,818)	(23,086)
Net loss attributable to members	(15,345)	(8,732)
Accumulated losses at the end of the financial year	(47,163)	(31,818)

6.1 Net Tangible Asset backing

	Current period	Previous corresponding period
Net tangible asset* backing per ordinary security	\$0.011	\$0.036

* 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)	(5.2)	(3.6)
Net loss after tax for the period attributable to members (\$'000s)	(15,345)	(8,732)
Weighted average number of ordinary securities	292,875,846	243,508,091

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:

Name of entity	Percentage holding 30 June 2023	Percentage holding 30 June 2022
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 FY2023 of \$15,344,996 (FY2022 loss after tax and minorities \$8,731,756). Wholly owned subsidiary Bambach Wires and Cables Pty Ltd (Bambach) reported a loss after tax of \$14,127,919 (FY2022 loss \$7,798,291). This includes a one-off amount of \$5,194,327 to fully impair the FY2023 carrying value of intangible development assets and purchased intellectual property to NIL. In addition, the result includes an inventory write down of \$798,286 (2022: \$484,338) as a result of a detailed review of inventory items by location and including slow moving stock.

During the period, the company experienced further issues with utilisation rates at the factory due to the lasting effects of COVID. Pleasingly, these reduced greatly in October as normal staffing levels resumed and from November provided for an increase in productivity which allowed the company to take advantage of the higher-than-normal order book. This resulted in a 24% increase in sales compared to the previous corresponding period and continues to underpin the opportunities that the company has going forward.

During April, the company entered a restructuring of the factory to move to 24-hour operations which resulted in a restructuring of staffing levels. While largely done, they are still being finalised to ensure that the new work arrangements have the necessary number of staff to support this increase in factory utilisation.

The Board has determined to impair both intangible assets and inventory to prepare the business for its fresh start in operations under this increase in utilisation. The FY2023 loss of \$15.3m, when taking in to account the impairment of intangible assets (\$5.2m), the higher impairment of inventory (\$0.3m) and the higher finance cost (\$1m) was largely in line with the FY2022 result (down by \$0.08m) due to the similar utilisation rates of the factory.

Sales still remain strong, with the company having a healthy order book in place, as underpinned by it announcing its first project win in excess of \$1m, on 28 July 2023.

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

- | | | | |
|-------------------------------------|--|--------------------------|--|
| ☐ | The accounts have been audited. | ☐ | The accounts have been subject to review. |
| ☒ | The accounts are in the process of being audited or subject to review. | ☐ | The accounts have <i>not</i> yet been audited or reviewed. |

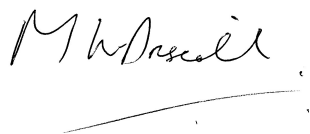
11. Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review:

The Preliminary Financial Report is based on the Group's 2023 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: Matthew Driscoll
Director

Date: 31 August 2023

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2023

		CONSOLIDATED	
	Notes	2023 \$'000	2022 \$'000
CONTINUING OPERATIONS			
Sale of goods	2a	15,535	12,519
Cost of sales	3	(15,766)	(11,447)
Gross (loss) / profit		(231)	1,072
Other revenue	2b	65	341
Marketing expenses		(8)	(22)
Occupancy expenses		(104)	(138)
Administrative expenses		(5,108)	(4,991)
Finance costs	3	(2,094)	(1,069)
Depreciation and amortisation expenses	3	(2,482)	(2,795)
Impairment of plant & equipment	3	-	(316)
Impairment of intangible assets		(5,194)	(600)
Other expenses		(231)	(153)
LOSS FOR THE YEAR BEFORE INCOME TAX		(15,387)	(8,671)
Income tax credit (expense)		43	(55)
LOSS FOR THE YEAR AFTER INCOME TAX		(15,344)	(8,726)
(PROFIT) ATTRIBUTABLE TO MINORITY INTEREST		(1)	(6)
LOSS ATTRIBUTABLE TO MEMBERS OF ENERGY TECHNOLOGIES LIMITED		(15,345)	(8,732)

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	CONSOLIDATED	
	2023	2022
	\$'000	\$'000
LOSS FOR THE YEAR	(15,344)	(8,726)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX:		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Movement in foreign exchange relating to translation of controlled foreign entities	(4)	(8)
Exchange difference on foreign exchange relating to minorities	(4)	(8)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME	(8)	(16)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(15,352)	(8,742)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Members of the parent entity	(15,349)	(8,740)
Minority equity interest	(3)	(2)
	(15,352)	(8,742)
Earnings per Share		
From continuing operations:		
• Basic loss per ordinary share (cents)	(5.2)	(3.6)
• Diluted loss per ordinary share (cents)	(5.2)	(3.6)

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		CONSOLIDATED	
	Notes	2023 \$'000	2022 \$'000
CURRENT ASSETS			
Cash and cash equivalents		49	82
Trade and other receivables		2,791	3,230
Inventories		5,279	5,096
Other current assets		252	406
TOTAL CURRENT ASSETS		8,371	8,814
NON-CURRENT ASSETS			
Property, plant and equipment		9,805	10,152
Right of use assets	5	2,782	3,249
Intangibles		12	5,978
Deferred tax assets		206	162
Other receivables		101	131
TOTAL NON-CURRENT ASSETS		12,906	19,672
TOTAL ASSETS		21,277	28,486
CURRENT LIABILITIES			
Trade and other payables		2,326	2,262
Borrowings	6	10,228	6,740
Short-term provisions		859	824
Lease liabilities	5	820	692
TOTAL CURRENT LIABILITIES		14,233	10,518
NON-CURRENT LIABILITIES			
Borrowings	6	1,469	-
Lease liabilities	5	1,824	2,154
Long-term provisions		25	22
TOTAL NON-CURRENT LIABILITIES		3,318	2,176
TOTAL LIABILITIES		17,551	12,694
NET ASSETS		3,726	15,792
EQUITY			
Issued capital	7	45,239	41,769
Reserves		5,778	5,782
Share based payment reserve		496	680
Accumulated losses		(47,163)	(31,818)
Parent interest		4,350	16,413
Minority interest		(624)	(621)
TOTAL EQUITY		3,726	15,792

The accompanying notes form part of these financial statements

ENERGY TECHNOLOGIES LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

As at 30 June 2023

	Issued Capital	Reserves	Share Based Payment Reserve	Accumulated Losses	Minority Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	31,484	5,790	366	(23,086)	(619)	13,935
Comprehensive income						
(Loss) for the year	-	-	-	(8,732)	6	(8,726)
Other comprehensive loss for the year	-	(8)	-	-	(8)	(16)
Total comprehensive loss for the year	-	(8)	-	(8,732)	(2)	(8,742)
Transactions with owners, in their capacity as owners, and other transfers						
Contributions of equity	10,484	-	-	-	-	10,484
Unlisted share options	-	-	115	-	-	115
Share-based-payment – issue costs	(199)	-	199	-	-	-
Total transaction with owners, in their capacity as owners, and other transfers	10,285	-	314	-	-	10,599
Balance at 30 June 2022	41,769	5,782	680	(31,818)	(621)	15,792
Comprehensive income						
(Loss) for the year	-	-	-	(15,345)	1	(15,344)
Other comprehensive loss for the year	-	(4)	-	-	(4)	(8)
Total comprehensive loss for the year	-	(4)	-	(15,345)	(3)	(15,352)
Transactions with owners, in their capacity as owners, and other transfers						
Contributions of equity - net of capital raising costs	3,250	-	-	-	-	3,250
Unlisted share options	-	-	36	-	-	36
Unlisted share options – expired	220	-	(220)	-	-	-
Total transaction with owners, in their capacity as owners, and other transfers	3,470	-	(184)	-	-	3,286
Balance at 30 June 2023	45,239	5,778	496	(47,163)	(624)	3,726

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Notes	CONSOLIDATED	
		2023	2022
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		16,591	14,412
Receipts from Government Grants - R & D grant		1,122	1,801
Receipts from Government Grants – wages subsidies		21	-
Interest Received		1	2
Payments to suppliers and employees		(22,783)	(21,067)
Finance costs		(1,948)	(786)
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	4	(6,996)	(5,638)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	21
Purchases of property, plant and equipment		(1,094)	(1,287)
Purchases of intangible development assets		-	(2,107)
Proceeds from government grants		432	385
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(662)	(2,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,400	11,000
Less outflows of raising capital		(151)	(516)
Proceeds from Convertible Notes		4,600	-
Proceeds from borrowings		8,354	3,094
Repayment of borrowings		(7,268)	(3,899)
Repayment of lease liabilities		(795)	(1,019)
Repayment of loan from director		(515)	(575)
Proceeds of loan from director		-	500
NET CASH INFLOW FROM FINANCING ACTIVITIES		7,625	8,585
NET INCREASE (DECREASE) IN CASH HELD		(33)	(41)
Add: Opening cash brought forward		82	123
CLOSING CASH AT THE END OF THE YEAR		49	82

The accompanying notes form part of these financial statements.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 2022. 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 2023 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 2023

b) Going Concern.

The consolidated entity made a FY2023 loss after tax attributable to members of \$15,344,996 (2022: loss of \$8,731,756). During the period, notwithstanding an increase in group operating revenue of 24%, the group generated negative cash flows from operations of \$6,996,441 for the year ended 30 June 2023 (2022: negative \$5,638,088). This loss includes a \$5,194,327 impairment of intangible development assets and previously acquired/purchased intellectual property following the board, together with the audit and risk committee, decision to fully impair these assets. In addition, included in Cost of Goods Sold is an inventory write down of \$798,286 following a detailed review of inventory including slow-moving stock.

At 30 June 2023 the consolidated entity had net assets of \$3,726,282 (June 2022: \$15,791,292) including the recognition of a deferred tax asset of \$205,515. The June 2022 net assets included intangible assets of \$5,977,837 of which \$12,498 software assets remains in the balance sheet at 30 June 2023. The consolidated current liabilities exceeds current assets by \$5,861,503, however the consolidated current liabilities include convertible notes of \$4,600,000 which mature twelve months from the issue date or such later date as is agreed in writing between the parties. These conditions give rise to a material uncertainty that may cast significant doubt upon the Consolidated Entity's ability to continue as a going concern.

The Directors believe, notwithstanding the above financial performance, position and operating cash outflows, that along with the post period end funding raised (refer to note 9 on subsequent events), as well as its consistent track record of raising capital, indications are that the group can continue to operate as a going concern. The results to 30 June 2023 remain in part affected by the impact of Covid-19, and by continuing transitional issues in the relocation, expansion and then fully commissioning of the new manufacturing facility in Rosedale, Victoria, in particular the new silicone line shed which is due to be completed FY 2024. Notwithstanding the loss for the year and the consolidated entity's deficiency in net current assets, the financial report has been prepared on the going concern basis. The Directors' reach this conclusion on the following basis:

- Revenue is growing with 24.5% increase on the previous financial year and 54.8% increase on the previous corresponding quarter ending 30 June 2023. Based on this and a current order book that is materially higher than the prior year, expectations are that revenues will continue to improve;
- A capital raising of \$3.4m by way of a placement of new shares during the period (refer note 7);
- Further working capital has been provided by way of unsecured loan of \$820,000 received post balance date (refer note 9);
- A further capital raising by way of convertible notes of \$2.0m post balance date (refer note 9);
- The potential to raise additional capital (as and when required);
- The potential to renegotiate and or extend debt facilities including but not limited to the maturing convertible notes of \$4.6m in October 2023 (refer note 9);
- On 5 October 2022 the directors agreed to extend the maturity date of \$200,000 in loans, from CEO Alfred Chown, to April 2024 (at the date of this report Alfred Chown has been appointed as an interim director);

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

b) Going Concern (continued).

- The Group has completed a review of the operational structure of the business and has identified and is implementing significant operating cost savings;
- The Rosedale main factory facility is close to fully operational, although yet to reach targeted achievable capacity;
- During the 2023 financial year, the company has begun to exit the issues resulting from COVID that has greatly affected the company for the last two years; and
- The Group has maintained ongoing support from its financiers and shareholders throughout 2023 and in the period subsequent to the date of this report.
- As is prudent for a Group of this size, and consistent with the factors noted in the points in para 1(b) above, the directors continue to manage the working capital and capital expenditure requirements in the best interests of shareholders. This includes the preparation, and review of cash flow forecasts and other longer term projections which in the view of the Directors align with the strategy of the Group to achieve growth predominantly through the Rosedale facility operating at higher production capacity levels.

In the event that the consolidated entity is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the consolidated entity may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the consolidated entity and company not continue as going concerns.

CONSOLIDATED

2023	2022
\$'000	\$'000

2. REVENUES FROM CONTINUING OPERATIONS

a) Revenue from continuing operations

Sale of goods transferred at a point in time

15,535	12,519
15,535	12,519

b) Other revenues from continuing operations

R&D Grant

205

Finance revenue

2

Other income

134

65	341
15,600	12,860

Total revenue and other revenue from continuing operations

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

CONSOLIDATED

2023 2022
\$'000 \$'000

3. EXPENSES

Included in the determination of net profit / (loss) before tax from continuing operations are the following expenses.

Cost of Sales:

Cost of Goods Sold	10,411	9,682
less: Capitalised to intangible assets via R&D activities	-	(1,823)
	<u>10,411</u>	<u>7,859</u>
Factory direct expenses less recovery	2,999	2,153
Freight	761	640
Inventory write down and manufacturing variances	1,595	795
	<u>15,766</u>	<u>11,447</u>

Gross Profit % - pre inventory write down & capitalisation adjustments	8.8%	0.4%
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Depreciation and amortisation of non-current assets:

Plant and equipment	904	1,062
Building and leasehold improvements	48	53
Furniture, fixtures and fittings	37	15
Motor vehicles	9	5
Computer equipment	8	18
Intangibles amortisation	771	859
Right of use asset depreciation	705	783
Total depreciation and amortisation of non-current assets	<u>2,482</u>	<u>2,795</u>

Borrowing costs expensed:

Borrowing expense	1,261	680
Interest expense	689	221
Lease finance charges	144	168
	<u>2,094</u>	<u>1,069</u>

Superannuation contributions	599	550
Impairment of plant & equipment	-	316
Impairment of intangible assets	5,194	600

Operating lease rental expense:

Minimum lease payments – short term leases	<u>107</u>	<u>131</u>
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ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	CONSOLIDATED	
	2023	2022
	\$'000	\$'000
4. STATEMENT OF CASH FLOWS		
Reconciliation of the net loss after tax to the net cash flows from operating activities		
Loss after income tax	(15,344)	(8,726)
Add/(less) non-cash items		
Depreciation of non-current assets	1,006	1,153
Amortisation of intangible assets	771	859
Depreciation of right of use assets	705	783
Unrealised foreign exchange movements	(8)	(16)
Amortisation of other loan interest charges	-	79
Impairment of plant & equipment	-	316
Impairment of intangible assets	5,194	600
Hire Purchase loan write back	(4)	-
Non-operating cash flow cash items		
Net loss on disposal of property, plant and equipment	2	10
Share-based payment	36	115
Hire purchase interest charges	3	2
Lease liability interest charges	145	168
Changes in assets and liabilities		
(Increase) / decrease in trade and other receivables	439	1,990
(Increase) / decrease in inventories	(183)	(1,127)
(Decrease) / Increase in payables and accruals	64	(1,871)
(Increase) / decrease in deferred tax asset	(44)	54
(Increase) / decrease in other-current assets	154	140
(Increase) / decrease in other-non-current receivables	30	149
Net movement in provisions for employee entitlements	38	(316)
Net cash (outflow) from operating activities	(6,996)	(5,638)

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

	CONSOLIDATED	
	2023 \$'000	2022 \$'000
5. NON CURRENT ASSETS – RIGHT OF USE ASSETS AND LEASE LIABILITIES		
Right of Use Assets		
Office and Factory Premises	4,059	4,351
Less: Accumulated depreciation	<u>(1,962)</u>	<u>(1,839)</u>
	<u>2,097</u>	<u>2,512</u>
 Property Plant and Equipment	 964	 964
Less: Accumulated depreciation	<u>(279)</u>	<u>(227)</u>
	<u>685</u>	<u>737</u>
	<u>2,782</u>	<u>3,249</u>

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	Plant and equipment	Total
	\$'000	\$'000	\$'000
2023			
Balance at the beginning of the financial year	2,512	737	3,249
Additions	238	-	238
Depreciation expense	<u>(653)</u>	<u>(52)</u>	<u>(705)</u>
Balance at the end of the financial year	<u>2,097</u>	<u>685</u>	<u>2,782</u>

ENERGY TECHNOLOGIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

		CONSOLIDATED	
		2023	2022
		\$'000	\$'000
5. NON CURRENT ASSETS – RIGHT OF USE ASSETS AND LEASE LIABILITIES (Cont'd)			
Lease Liabilities			
CURRENT			
Lease liabilities		699	616
Hire purchase agreements*		121	76
		820	692
NON CURRENT			
Lease liabilities		1,716	2,135
Hire purchase agreements*		108	19
		1,824	2,154
		2,644	2,846

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

6. BORROWINGS

CURRENT

Secured Borrowings

Debtor Finance Facility	(d)	1,626	766
Trade Finance Facility	(e)	3,510	4,751
Equipment finance loan	(f)	302	-
Convertible Notes	(g)	4,600	-
Executive and director loan	(b)	190	204
		10,228	5,721

Unsecured Borrowings

Director and executive loan	(a)	-	515
Other loan	(c)	-	504
		-	1,019
		10,228	6,740

NON-CURRENT

Secured Borrowings

Equipment finance loan	(f)	1,469	-
Total Non-Current Borrowings		1,469	-
Total Borrowings		11,697	6,740

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. BORROWINGS (Cont'd)

- a) Unsecured loan from director for \$500,000 was repaid during the period. The repayment included accrued interest of \$31,506, of which \$15,480 was accrued at 30 June 2022.
- b) Secured loan from director of subsidiary Bambach Wires and Cables Pty Ltd for \$190,000. An amount of \$10,000 was repaid during the period. Interest rate 10.00% per annum. Maturity Date is 11th April 2024.
- c) Unsecured loan from shareholder for \$500,000 was repaid during the period. The repayment included accrued interest of \$17,945, of which \$3,013 was accrued at 30 June 2022.
- d) Secured Debtor Finance Facility. Interest is charged on the facility at rate of the base rate, currently 10.75% and margin rate is 1.85%. No maturity date.
- e) Secured Trade Finance Facility. Term Charges 5.76% per 120 days. No maturity date.
- f) Secured equipment finance loan. Interest rate 13.29% per annum. Maturity date August 2027
- g) Convertible Notes issued of \$4,600,000 to noteholders. These notes have a face value of \$1.00, attract a coupon rate of 10% and are convertible at a share price of \$0.08 per note. These notes mature twelve months from the issue date or such later date as is agreed in writing between the parties (refer note 9).

		CONSOLIDATED	
		2023	2022
		\$	\$
7. CONTRIBUTED EQUITY			
Issued capital			
337,659,830 (272,275,214 – 2022) ordinary shares fully paid		45,239,039	41,768,876
Ordinary Shares	2023	2022	
	Number	Number	
At the beginning of reporting period	272,275,214	172,275,214	41,768,876
14/10/2021 issued at \$0.11	-	100,000,000	-
08/03/2023 issued at \$0.052	65,384,616	-	3,400,000
Capital Transaction Costs	-	-	(150,080)
Unlisted share options – expired	-	-	220,243
At reporting date	337,659,830	272,275,214	45,239,039

On 8 March 2023 EGY issued 65,384,616 shares through a share placement. The issue price was \$0.052 per share.

Shares issued under the non-renounceable rights issue 14 October 2021 had 25,000,058 attaching listed options expiring 31 October 2024. The offer price for these options was \$NIL and the options have an exercise price of \$0.20.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

8. 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.

9. SUBSEQUENT EVENTS

The following matters have occurred post reporting date:

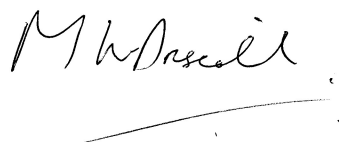
- Convertibles notes of \$2,000,000 are committed to be drawn down as needed. Of this \$0.5m has been drawn down post the reporting date. These notes have a face value of \$1.00, attract a 10% coupon rate and are convertible at \$0.08;
- Convertibles notes of \$1,000,000 which matured on 25 August 2023 have been extended until 27 November 2023. The terms of the notes remain unchanged;
- Unsecured loans issued of \$820,000 post the reporting date. These loans incur 10% per annum interest.

Other than this 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: Matthew Driscoll
Director

Date: 31 August 2023