

Rule 4.2A.3

APPENDIX 4D

Half Year report

1. Company Details

Name of entity

Energy Technologies Limited

ABN or equivalent company
reference

38 002 679 469

Reporting Period ('current
period')

31 December 2023

Previous corresponding period
(‘previous period’)

31 December 2022

2. Results for announcement to the market

		%		\$A'000
2.1 Revenues from ordinary activities	Down	0%	to	7,434
2.2 Loss from ordinary activities after tax attributable to members	Up	11%	to	(5,146)
2.3 Loss for the period attributable to members	Up	11%	to	(5,146)
2.4 Dividends				
		Amount per security		Franked amount per security
Final dividend		-¢		-¢
Interim dividend		-¢		-¢
2.5 Record date for determining entitlements to the dividend	No dividend proposed or paid.			

Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

REVIEW AND RESULTS OF OPERATIONS

Half-year results

The consolidated net loss after tax and excluding minorities of the Group for the half year ended 31 December 2023 was \$5,145,877 (31 December 2022 Loss was \$5,754,353).

EGY's wholly owned subsidiary Bambach Wires and Cables Pty Ltd (the company) reported a loss after tax of \$4,445,620 compared to December 2022 Half Year loss of \$5,136,521.

During this period, the company underwent a comprehensive strategic evaluation of its operations, aimed at optimising its business approach. This review, coupled with thorough due diligence, led to the establishment of the Purchased Sales Division, marking a significant milestone as the company secured its inaugural overseas order. While maintaining its core identity as an Australian manufacturer, the company strategically refines its profit margins by leveraging its newfound ability to offer complementary products alongside low-margin items. This strategic shift enables the manufacturing division to prioritise high-margin contracts and projects, positioning the company favourably to pursue larger opportunities in the infrastructure sector. Furthermore, the company is actively exploring additional avenues to drive growth within the Purchased Sales Division.

EGY during the period raised \$5,356,500 via convertible note issues for working capital.

3.1 Net Tangible Assets per security	Current period	Previous corresponding period
Net tangible assets per security. Intangible assets have been excluded from the calculation of net tangible assets per security.	(0.47) cents	2.02 cents

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

4.1 A	Name of entity	N/A
4.2 A	Date from which control was gained	
4.3 A	Where material to an understanding of the report – the contribution of such entity to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	

4.1 B	Name of entities	N/A
4.2 B	Date from which control was lost	
4.3 B	Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	

5. 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
Dividend 1		¢	¢	¢

Total dividend per security:

	Current year	Previous year
Ordinary securities	¢	¢
Preference securities	¢	¢

6. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation:

None

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

N/A

7. Details of Associates and Joint Ventures:

<i>Name of entity</i>	<i>Percentage holding 31/12/23</i>	<i>Percentage holding 31/12/22</i>

7.1 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:

N/A

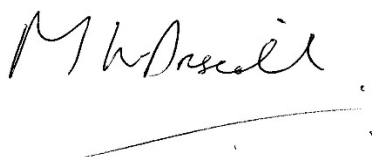
8. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)

Dulhunty Engineering Limited (formerly Dulhunty Power International Limited) adopts Australian Accounting Standards.

9. For all entities, if the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph:

Material Uncertainty paragraph in relation to Going Concern.

Signed on behalf of the Board of Directors:



Matthew Driscoll
Chairman
29 February 2024

ENERGY TECHNOLOGIES LIMITED (ASX: EGY)

ABN 38 002 679 469

Half-Year Financial Report

for the half-year ended 31 December 2023

Corporate Information

ABN 38 002 679 469

Directors

Matthew Driscoll (Chairman, Non-Executive Director)

Anthony L Smith (Non-Executive Director)

Alfred J Chown (Executive Director)

Company Secretary

Gregory R. Knoke

Registered Office

Unit J, 134 - 140 Old Pittwater Road
Brookvale NSW 2100

Telephone:- (02) 8978 2600

Bankers

National Australia Bank Limited

NAB House, 255 George Street

Sydney NSW 2000

Share Register

Computershare Investor Services Pty Ltd

Level 3, 60 Carrington Street

Sydney NSW 2000

Telephone:- (02) 8234 5000

Facsimile:- (02) 8235 8150

Auditors

Crowe Audit Australia

Level 42, 600 Bourke Street

Melbourne VIC 3000

Telephone: - (03) 9258 6700

Contents

Directors' Report	4
Auditor's Independence Declaration	5
Condensed Consolidated Statement of Profit or Loss	6
Condensed Consolidated Statement of Other Comprehensive Income	7
Condensed Consolidated Statement of Financial Position.....	8
Condensed Consolidated Statement of Changes in Equity	9
Condensed Consolidated Statement of Cash Flows.....	10
Notes to the Half –Year Financial Statements.....	11
Directors' Declaration.....	23
Independent Auditor's Review Report.....	24

Directors' Report

Your Directors submit their report for the half-year ended 31 December 2023

DIRECTORS

The names and details of the Company's Directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Matthew Driscoll (Chairman, Non-Executive Director) Appointed 20 December 2016.

Anthony L Smith (Non-Executive Director) Appointed on 24 December 2020.

Alfred J Chown (Executive Director) Appointed on 10 August 2023.

Brian Jamieson (Chairman, Non-Executive Director) Appointed 24 December 2020. Deceased 7 August 2023.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities during the half-year of entities within the economic entity were the manufacture and sale of specialist industrial cables.

REVIEW AND RESULTS OF OPERATIONS

The consolidated net loss after tax and excluding non-controlling interest of the Group for the half year ended 31 December 2023 was \$5,145,877 (31 December 2022: Loss was \$5,754,353).

EGY's wholly owned subsidiary Bambach Wires and Cables Pty Ltd reported a loss after tax of \$4,445,620 compared to December 2022 Half Year loss of \$5,136,521.

During this period, the company underwent a comprehensive strategic evaluation of its operations, aimed at optimising its business approach. This review, coupled with thorough due diligence, led to the establishment of the Purchased Sales Division, marking a significant milestone as the company secured its inaugural overseas order. While maintaining its core identity as an Australian manufacturer, the company strategically refines its profit margins by leveraging its newfound ability to offer complementary products alongside low-margin items. This strategic shift enables the manufacturing division to prioritise high-margin contracts and projects, positioning the company favourably to pursue larger opportunities in the infrastructure sector. Furthermore, the company is actively exploring additional avenues to drive growth within the Purchased Sales Division.

EGY during the period raised \$5,356,500 via convertible note issues for working capital.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2023.

Signed in accordance with a resolution of the Directors.



Matthew Driscoll
Chairman
29 February 2024

Auditor's Independence Declaration

To the Directors of Energy Technologies Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Energy Technologies Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Audit Australia



Antony Barnett
Partner

29 February 2024
Melbourne

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation to Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.

© 2024 Findex (Aust) Pty Ltd

Condensed Consolidated Statement of Profit or Loss

for the half-year ended 31 December 2023

	Note	CONSOLIDATED	
		31 December 2023	31 December 2022
		\$	\$
Sales revenue	2(i)	7,411,052	7,449,000
Other revenues	2(i)	22,602	389
Total revenue from continuing operations		7,433,654	7,449,389
Cost of sales		(7,961,580)	(7,126,831)
Marketing expenses		(17,760)	(2,584)
Occupancy expenses		(74,601)	(54,156)
Administration expenses		(2,483,966)	(2,505,184)
Share based payments	10	9,478	(33,992)
Finance costs	2(ii)	(1,070,185)	(1,082,446)
Depreciation and Amortisation expenses		(852,810)	(1,317,533)
Impairment of intangible assets		-	(958,156)
Other expenses	2(iii)	(127,667)	(116,690)
LOSS BEFORE INCOME TAX		(5,145,437)	(5,748,183)
INCOME TAX EXPENSE		(5,098)	(6,749)
LOSS AFTER INCOME TAX		(5,150,535)	(5,754,932)
LOSS ATTRIBUTABLE TO:			
Owners of the parent		(5,145,877)	(5,754,353)
Non-controlling interest		(4,658)	(579)
		(5,150,535)	(5,754,932)

The condensed consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Other Comprehensive Income

for the half-year ended 31 December 2023

	CONSOLIDATED	
	31 December 2023 \$	31 December 2022 \$
LOSS FOR THE PERIOD	(5,150,535)	(5,754,932)
<u>OTHER COMPREHENSIVE INCOME (LOSS)</u>		
Items that may be reclassified subsequently to profit or loss		
Movement in foreign exchange relating to translation of controlled foreign entities	3,058	(1,601)
Exchange differences on foreign exchange relating to minorities	3,057	(1,601)
	6,115	(3,202)
TOTAL COMPREHENSIVE LOSS	(5,144,420)	(5,758,134)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Owners of the parent	(5,142,819)	(5,755,954)
Non-controlling interest	(1,601)	(2,180)
	(5,144,420)	(5,758,134)
Earnings per Share		
From continuing operations:		
• Basic loss per ordinary share (cents)	(1.52)	(3.34)
• Diluted loss per ordinary share (cents)	(1.52)	(3.34)

The condensed consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

as at 31 December 2023

		CONSOLIDATED	
	Note	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		193,204	49,440
Trade and other receivables	4	2,525,471	2,790,633
Inventories		5,479,632	5,279,393
Other current assets	5	360,256	252,295
TOTAL CURRENT ASSETS		8,558,563	8,371,761
NON-CURRENT ASSETS			
Property, plant & equipment	3	9,332,102	9,804,681
Right of use assets	6	2,645,395	2,782,211
Intangible assets	8	154,649	12,498
Deferred tax asset		200,417	205,515
Other non-current assets	5	102,051	100,665
TOTAL NON-CURRENT ASSETS		12,434,614	12,905,570
TOTAL ASSETS		20,993,177	21,277,331
CURRENT LIABILITIES			
Trade and other payables		2,620,495	2,325,469
Borrowings	7	5,856,619	10,228,240
Lease liabilities	6	668,677	820,484
Employee provisions		898,404	859,071
TOTAL CURRENT LIABILITIES		10,044,195	14,233,264
NON-CURRENT LIABILITIES			
Borrowings	7	10,678,562	1,469,124
Lease liabilities	6	1,672,064	1,823,648
Employee provisions		25,973	25,014
TOTAL NON-CURRENT LIABILITIES		12,376,599	3,317,786
TOTAL LIABILITIES		22,420,794	17,551,050
NET (LIABILITIES)/ASSETS		(1,427,617)	3,726,281
EQUITY			
Issued capital	9	45,239,038	45,239,038
Reserves		5,781,151	5,778,093
Share based payment reserve	10	486,658	496,136
Accumulated losses		(52,309,279)	(47,163,402)
Parent interest		(802,432)	4,349,865
Non-controlling interest		(625,185)	(623,584)
TOTAL (DEFICIENCY IN EQUITY)/EQUITY		(1,427,617)	3,726,281

The condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2023

	Issued Capital \$	Reserves \$	Share Based Payment Reserve \$	Accumulated Losses \$	Non- Controlling Interest \$	Total Equity/ (Deficiency in Equity) \$
Balance at 1.7.2022	41,768,876	5,781,773	680,264	(31,818,405)	(621,216)	15,791,292
Comprehensive income						
Loss for the period	-	-	-	(5,754,353)	(579)	(5,754,932)
Other comprehensive loss for the period, net of income tax	-	(1,601)	-	-	(1,601)	(3,202)
Total comprehensive loss for the period	-	(1,601)	-	(5,754,353)	(2,180)	(5,758,134)
Transactions with owners in their capacity as owners and other transfers						
Unlisted share options	-	-	33,992	-	-	33,992
Total transactions with owners, in their capacity as owners, and other transfers	-	-	33,992	-	-	33,992
Balance at 31.12.2022	41,768,876	5,780,172	714,256	(37,572,758)	(623,396)	10,067,150
Balance at 1.7.2023	45,239,038	5,778,093	496,136	(47,163,402)	(623,584)	3,726,281
Comprehensive income						
Loss for the period	-	-	-	(5,145,877)	(4,658)	(5,150,535)
Other comprehensive gain for the period, net of income tax	-	3,058	-	-	3,057	6,115
Total comprehensive loss for the period	-	3,058	-	(5,145,877)	(1,601)	(5,144,420)
Transactions with owners in their capacity as owners and other transfers						
Unlisted share options	-	-	(9,478)	-	-	(9,478)
Total transactions with owners, in their capacity as owners, and other transfers	-	-	(9,478)	-	-	(9,478)
Balance at 31.12.2023	45,239,038	5,781,151	486,658	(52,309,279)	(625,185)	(1,427,617)

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2023

	CONSOLIDATED	
	31 December 2023	31 December 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	8,388,913	6,951,268
Interest received	453	389
Receipts from government subsidies – R&D grant	-	1,122,055
Receipts from government subsidies – Others	22,148	-
Payments to suppliers and employees	(11,487,264)	(11,388,763)
Finance costs	(993,504)	(1,004,584)
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(4,069,254)	(4,319,635)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	30,909	-
Purchase of property, plant and equipment	(62,117)	(320,133)
Proceeds from Government Grants – Regional Development Victoria	-	77,000
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES	(31,208)	(243,133)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	8,281,493
Repayment of lease liabilities	(382,556)	(382,217)
Proceeds from issue of convertible notes	5,356,500	4,600,000
Repayment of Director's loan	-	(515,480)
Repayment of borrowings	(729,718)	(7,140,711)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	4,244,226	4,843,085
NET INCREASE IN CASH HELD	143,764	280,317
Cash at beginning of the financial period	49,440	82,066
CLOSING CASH BALANCE AT END OF FINANCIAL PERIOD	193,204	362,383

Notes to the Half –Year Financial Statements

31 December 2023

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

(a) Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 “Interim Financial Reporting”. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The half-year financial report is intended to provide users with an update on the latest annual financial statements of Energy Technologies Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the Annual Financial Report of Energy Technologies Limited for the year ended 30 June 2023 together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 1(c) below.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 29 February 2024.

(b) Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The consolidated entity incurred a loss after tax and excluding non-controlling interest of \$5,145,877 (December 2022: loss of \$5,754,353). During the period the group generated negative cash flows from operations of \$4,069,254 (December 2022: negative \$4,319,635).

At 31 December 2023 the consolidated entity had a deficiency in net assets of \$1,427,617 (June 2023: net assets of \$3,726,281) including the recognition of deferred tax asset of \$200,417 and intangible assets of \$154,649. However, the consolidated current liabilities exceeded current assets by \$1,485,632 (June 2023 \$5,861,503).

These matters give rise to a material uncertainty that may cast doubt on the Group'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 13 on subsequent events), as well as its track record of raising capital, indications are that the group can continue to operate as a going concern. The results to 31 December 2023 remain affected by the continuing transitional issues in the relocation, expansion and then fully commissioning of the new manufacturing facility in Rosedale, Victoria.

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 ability to continue as a going concern is dependent upon a number of factors, that being achieving forecast sales and/or raising additional funds. The Directors believe that the Group will be able to continue as a going concern for the following reasons:

Notes to the Half –Year Financial Statements

31 December 2023

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (Continued)

(b) Going Concern (Continued)

- Revenue remains consistent with the previous corresponding period and based on this and the company's additional new strategy of purchasing imported product to deliver into the domestic market, expectations are that revenues will improve;
- Further initiatives in place to raise further working capital;
- The potential to raise additional capital (as and when required);
- The potential to renegotiate and or extend debt facilities including but not limited to convertible notes;
- In the event that the forecast growth in revenue is slower than anticipated, the Directors are confident they have the ability to raise additional funds through share issues and placements to sophisticated investors;
- Given the recent shift in Business Planning and the addition of the Purchased Sales division, the company has formally engaged the services of a corporate adviser under a written executed mandate to assist it with corporate finance planning including future capital raising; and
- Management have prepared a cash flow projection (including the above assumptions) for the period to 30 June 2025 and a FY2024-25 budget that supports the ability of the consolidated entity to continue as a going concern. As a consequence of these matters, the Directors believe the consolidated entity will continue as a going concern and it is appropriate to prepare these financial statements on that basis.

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.

(c) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Half –Year Financial Statements

31 December 2023

2. REVENUE, INCOME AND EXPENSES

(i) Revenue from continuing operations

		31 December 2023 \$	31 December 2022 \$
Sale of goods transferred at a point in time	2(v)	7,411,052	7,449,000
Other Revenue:			
Finance revenue		453	389
Other income		22,149	-
Total Other Revenue		22,602	389
		7,433,654	7,449,389

(ii) Finance costs

Leasing finance cost	61,655	68,444
Borrowing costs	1,008,530	1,014,002
	1,070,185	1,082,446

(iii) Other expenses

Loss on disposal of property, plant and equipment	36,873	-
Provision for expected credit loss	25,000	-
Other expenses	65,794	116,690
	127,667	116,690

(iv) The Group's revenue is entirely within Australia.

(v) The Group's revenue disaggregated by pattern of revenue is all from manufacturing activities in Australia.

Notes to the Half –Year Financial Statements

31 December 2023

3. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the half-year ended 31 December 2023 the group acquired fixed assets at a cost of \$62,117 (December 2022: \$320,133).

Plant and equipment disposals during the half year ended 31 December 2023 provided net proceeds of \$30,909 (December 2022: \$NIL).

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current period:

Consolidated:	Capital Work In Progress \$	Leasehold Improvements \$	Plant and Equipment \$	Total \$
Carrying amount at the beginning of the year	545,235	472,165	8,787,281	9,804,681
Additions	9,980	-	52,137	62,117
Depreciation expense	-	(23,608)	(443,306)	(466,914)
Loss on disposal	-	-	(36,873)	(36,873)
Proceeds on disposal	-	-	(30,909)	(30,909)
Carrying amount at the end of the period	555,215	448,557	8,328,330	9,332,102

4. TRADE AND OTHER RECEIVABLES

	31 December 2023 \$	30 June 2023 \$
CURRENT		
Trade receivables	2,378,856	2,646,225
Other receivables	171,615	144,408
	2,550,471	2,790,633
Provision for expected credit loss	(25,000)	-
	2,525,471	2,790,633

5. OTHER ASSETS

CURRENT

Prepayments – general	360,256	252,295
	360,256	252,295

NON-CURRENT

Deposits	102,051	100,665
	102,051	100,665

Notes to the Half –Year Financial Statements

31 December 2023

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES

	31 December 2023 \$	30 June 2023 \$
Right of Use Assets	\$	\$
Office and factory premises	4,058,852	4,058,852
Less: Accumulated Amortisation	(2,261,583)	(1,961,582)
	1,797,269	2,097,270
Forklifts	213,520	-
Less: Accumulated Amortisation	(16,088)	-
	197,432	-
Plant and equipment	964,062	964,062
Less: Accumulated Amortisation	(313,368)	(279,121)
	650,694	684,941
Total Right of Use Assets	2,645,395	2,782,211

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 half-year are set out below:

	Office and factory premises \$	Forklifts \$	Plant and equipment \$	Total \$
Consolidated:				
Balance at 1 July 2023	2,097,270	-	684,941	2,782,211
Additions	-	213,520	-	213,520
Amortisation expense	(300,001)	(16,088)	(34,247)	(350,336)
Balance at 31 December 2023	1,797,269	197,432	650,694	2,645,395

Notes to the Half –Year Financial Statements

31 December 2023

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

	31 December 2023 \$	30 June 2023 \$
Lease Liabilities		
CURRENT		
Office and factory premises	610,307	699,422
Forklifts	43,232	-
Hire Purchase agreements*	15,138	121,062
	<u>668,677</u>	<u>820,484</u>
NON-CURRENT		
Office and factory premises	1,510,841	1,715,722
Forklifts	161,223	-
Hire Purchase agreements*	-	107,926
	<u>1,672,064</u>	<u>1,823,648</u>
	<u>2,340,741</u>	<u>2,644,132</u>
 Total payments in relation to the above on an undiscounted basis:		
1 year or less	783,761	941,933
Between 1 and 5 years	1,891,640	2,110,212
	<u>2,675,401</u>	<u>3,052,145</u>

* Lease liabilities on Hire purchase agreements are secured by the underlying financed assets included in property, plant and equipment.

Notes to the Half –Year Financial Statements

31 December 2023

7. BORROWINGS

		31 December 2023 \$	30 June 2023 \$
CURRENT			
Secured borrowings:			
Debtor Finance facility	(a)	1,541,949	1,625,566
Trade Finance facility	(b)	3,103,105	3,510,413
Grow Equipment finance loan	(c)	354,655	302,261
Procuret Equipment finance loan	(g)	66,910	-
Convertible notes	(d)	600,000	4,600,000
Director Loan	(e)	190,000	190,000
		5,856,619	10,228,240

NON-CURRENT

Secured borrowings:			
Convertible Notes	(d)	9,356,500	-
Grow Equipment finance loan	(c)	1,222,213	1,469,124
Procuret Equipment finance loan	(g)	99,849	-
		10,678,562	1,469,124
		16,535,181	11,697,364

- (a) Secured Debtor Finance facility with Cashflow Finance Australia Pty Ltd trading as Earlypay. This facility is drawn down to amount \$1,541,949 as at 31 December 2023. Interest is charged on the facility at rate of 14.70% which is 1.85% above the base rate, currently 12.85%. No maturity date.
- (b) Secured Trade Finance facility with Cashflow Finance Australia Pty Ltd trading as Earlypay. This facility is drawn down to \$3,103,105 as at 31 December 2023. Term Charges 5.85% per 120 days. No maturity date.
- (c) Secured equipment finance loan. Interest rate 13.81% per annum and lender Grow Funding Pty Ltd. Loan matures August 2027.
- (d) Convertible Notes issued of \$9,956,500 to noteholders. These notes have a face value of \$1.00, attract a coupon rate of 10% and are convertible at \$0.08. Of these notes \$600,000 matures in October 2024, \$1,000,000 matures in February 2025, \$3,000,000 matures in October 2025 and the remaining \$5,356,500, which was received August 2023 to December 2023, mature twenty-four months from the issue date or such later date as is agreed in writing between the parties. The embedded derivative associated with the convertible notes is not material, and therefore no separate embedded derivative financial instrument has been presented.
- (e) Refer Note 12 Related Parties.
- (f) During the half-year ended 31 December 2023 the group repaid \$729,718 (31 December 2022: \$7,656,191) of both long and short-term interest-bearing debt.
- (g) Secured equipment finance loan. Interest rate 15.80% per annum and lender Procuret. Loan matures March 2026.

Notes to the Half –Year Financial Statements

31 December 2023

7. BORROWINGS (continued)

(h) Summary of finance facilities in place at 31 December 2023:

Financing facilities:

	Total facility amount at 31/12/2023 \$	Amount drawn at 31/12/2023 \$
Debtor finance and trade finance facility	8,100,000	4,645,054
Equipment Finance Loans	1,743,627	1,743,627
Convertible notes	9,956,500	9,956,500
Director loan	190,000	190,000
Total financing facilities	19,990,127	16,535,181
Unused financing facilities available		\$3,454,946

Notes to the Half –Year Financial Statements

31 December 2023

8. INTANGIBLE ASSETS

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Computer software at cost	231,362	53,651
Accumulated amortisation	(76,713)	(41,153)
Net carrying value	154,649	12,498
Intellectual Property at cost	500,000	500,000
Accumulated amortisation	(100,000)	(100,000)
Provision for accumulated impairment	(400,000)	(400,000)
Net carrying value	-	-
Development Assets	7,854,485	7,854,485
Accumulated amortisation	(2,460,158)	(2,460,158)
Provision for accumulated impairment	(5,394,327)	(5,394,327)
Net carrying value	-	-
Total intangible assets	154,649	12,498

Movements in Carrying Amounts

Movements in carrying amounts for each group of Intangible Assets between the beginning and the end of the current financial period:

	Software \$	Development Assets \$	Intellectual Property \$	Total \$
Consolidated Entity:				
Carrying amount at the beginning of the year	12,498	-	-	12,498
Additions	177,711	-	-	177,711
Amortisation expense	(35,560)	-	-	(35,560)
Carrying amount at the end of the period	154,649	-	-	154,649

The recoverable amount of intangible assets has been reviewed to confirm to management whether any impairment indicators exist as at 31 December 2023.

Notes to the Half –Year Financial Statements

31 December 2023

9. ISSUED CAPITAL

	31 December 2023 Number	30 June 2023 Number	31 December 2023 \$	30 June 2023 \$
Ordinary shares	337,659,830	337,659,830	45,239,038	45,239,038
Movement				
At the beginning of the reporting period	337,659,830	272,275,214	45,239,038	41,768,876
Shares issued during the year:				
08/03/2023 issued at \$0.052	-	65,384,616	-	3,400,000
Capital Transaction Costs	-	-	-	(150,081)
Unlisted share options - expired	-	-	-	220,243
At reporting date	337,659,830	337,659,830	45,239,038	45,239,038

Notes to the Half –Year Financial Statements

31 December 2023

10 SHARE BASED PAYMENT RESERVE

The share-based payment for the year was \$9,478 credit (30 June 2023: \$184,128 credit). This credit is in connection with unlisted share options issued to directors and has been included in the Condensed Consolidated Statement of Profit or Loss. Set out below is a summary of the options issued.

As part of the capital raising in October 2021 EGY granted 9,000,000 listed options valued at \$199,395 to brokers in connection with the Rights Issue. These options vest immediately and have been recognised as share issue costs against equity. The table below includes the valuation model inputs used to determine the fair value at the grant date;

Tranche	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date
9,000,000	14/10/21	31/10/24	\$0.11	\$0.200	55%	-	0.475%	\$0.0222

During the 2021 financial year EGY granted 19,300,000 unlisted options to brokers and corporate consultants in connection with Placement and Rights Issue. These options vest immediately and were recognised as share issue costs against equity. However as at 30 June 2023 12,500,000 options had expired and accordingly the share-based credit has been recognised. During the current period to 31 December 2023 a further 6,800,000 options expired.

Finally, during the 2021 financial year 3,422,429 unlisted share options were issued to directors under an approved share option plan. The unlisted options issued under the Share Option Plan are unvested and exercisable. The terms are as follows:

Tranche	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date
1,140,810	30/06/21	30/06/24	\$0.165	\$0.168	55%	-	0.06%	\$0.0346
1,140,810	30/06/21	30/06/24	\$0.165	\$0.168	55%	-	0.06%	\$0.0790
1,140,809	30/06/21	30/06/24	\$0.165	\$0.168	55%	-	0.06%	\$0.0596
<u>3,422,429</u>								

11 CONTINGENT LIABILITIES

Contingent liabilities of the group are materially as disclosed in the 30 June 2023 Annual Financial Report.

Notes to the Half –Year Financial Statements

31 December 2023

12 RELATED PARTIES

During the half year to 31 December 2023 no loans were made, guaranteed or secured by any entity in the consolidated entity to any group of key management personnel.

Loans by Director to the company

During the period to 30 June 2022 a loan was made from Director and CEO Alfred Chown of \$200,000. An amount of \$10,000 was repaid during the period to 30 June 2023, and the loan principal is currently \$190,000. The loan matures on 11 April 2024, or as mutually agreed. The interest rate is 10% and during the period \$9,578 of interest was accrued.

Directors fees

Included in sundry payables and accrued expenses are unpaid Directors fees of \$141,000 (June 2023 \$143,056).

13 EVENTS SUBSEQUENT TO BALANCE DATE

The following matters have occurred post reporting date:

- The company has raised a further \$700,000 by way of the issue of convertible notes. These notes have a face value of \$1.00, attract a 10% coupon rate, which is payable on maturity, and are convertible at \$0.08 subject to shareholder approval. These notes mature two years from the date of issue; and
- The company has formally engaged the services of a corporate adviser under a written executed mandate to assist it with corporate finance planning including future capital raising.

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

Notes to the Half –Year Financial Statements

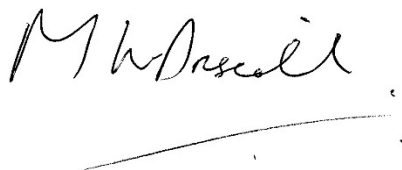
31 December 2023

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 22 are in accordance with the Corporations Act 2001, including:
 - a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b) giving a true and fair view of the economic entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Matthew Driscoll
Chairman
29 February 2024

Independent Auditor's Review Report To The Members of Energy Technologies Limited

Report On The Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Energy Technologies Limited (the Company) and its subsidiaries (collectively the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss, condensed consolidated statement of other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Energy Technologies Limited and its subsidiaries does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group, as at the date of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial report, which indicates that the Group incurred a loss after tax and excluding minority interest of \$5,145,877 during the half year ended 31 December 2023, and as of that date, the Group's current liabilities exceeded its current assets by \$1,485,632. In addition, the consolidated entity had a deficiency in net assets of \$1,427,617 including the recognition of deferred tax asset of \$200,417 and intangible assets of \$154,649. During the period the group generated negative cash flows from operations of \$4,069,254. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation to Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd.

© 2024 Findex (Aust) Pty Ltd

Directors Responsibilities for the Half-Year Financial Report

The directors of Energy Technologies Limited and its subsidiaries are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Crowe Audit Australia



Antony Barnett
Partner

29 February 2024
Melbourne