

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 2024

Previous corresponding period ('previous period')

31 December 2023

2. Results for announcement to the market

% \$A'000

| | | | | |
|---|-------------------------------|----------------------------|----|------------------------------------|
| 2.1 Revenues from ordinary activities | Down | 34% | to | 4,860 |
| 2.2 Loss from ordinary activities after tax attributable to members | Up | 3% | to | (4,982) |
| 2.3 Loss for the period attributable to members | Up | 3% | to | (4,982) |
| 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 non-controlling interest of the Group for the half year ended 31 December 2024 was \$4,981,753 (31 December 2023 Loss was \$5,145,877).

EGY's wholly owned subsidiary Bambach Wires and Cables Pty Ltd (the company) reported a loss after tax of \$3,963,969 compared to December 2023 Half Year loss of \$4,445,620.

During this period, the company continued to reposition both its offering and revenue profile. This resulted in changing both the product mix and margin on product sold and product accepted into the order book. This resulted in Revenue being down 34% and the order book, in effect, being replaced with new orders. Pleasingly, the order book has now been replaced and currently sits at \$2.72m at margins well above those forecast in the most recent updates. However, the company continues to be hampered by a lack of resources to deliver on this plan, notwithstanding the expansion of product through both the Tratos and Gantner Distribution Agreements, as disclosed on 17 May 2024 and 5 September 2024. The 25 November 2024 announcement regarding the successful tender with Siemens Mobility added \$0.86m to the order book. With the shortfall of the rights issue in September 2024, the company has pursued and is in negotiations to fund this order book to ensure that it can grow revenue off the sales that have already been secured.

EGY during the period raised \$4,550,000 via loans for working capital. During the period \$600,000 of convertible notes were redeemed on maturity and the proceeds were provided as a short-term loan. This is included in the \$4,550,000 raised during the period.

| 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. | (1.85) cents | (0.47) 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 | |

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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 31/12/24</i> | <i>Percentage holding 31/12/23</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

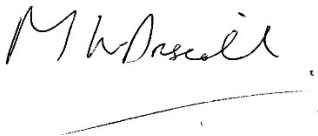
8. For foreign entities, details of origin of accounting standards used in compiling the report (e.g. International Financial Reporting Standards)

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
28 February 2025

**ENERGY TECHNOLOGIES
LIMITED (ASX: EGY)**

ABN 38 002 679 469

Half-Year Financial Report

for the half-year ended 31 December 2024

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

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Sydney NSW 2000

Share Register

Computershare Investor Services Pty Ltd

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Ermington NSW 2115

Telephone:- (02) 8234 5000

Facsimile:- (02) 8235 8150

Auditors

Crowe Audit Australia

Level 42, 600 Bourke Street

Melbourne VIC 3000

Telephone: - (03) 9258 6700

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Directors' Report

Your Directors submit their report for the half-year ended 31 December 2024

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.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

EGY's principal activities during the year were:

- The manufacture and sale of specialist industrial cables and ancillary products through wholly owned subsidiary Bambach Wires & Cables Pty Limited (Bambach);
- Driving organic growth and organisational change in Bambach; and
- Seeking other products, businesses and opportunities for the Group.

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 2024 was \$4,981,753 (31 December 2023: Loss was \$5,145,877).

EGY's wholly owned subsidiary Bambach Wires and Cables Pty Ltd reported a loss after tax of \$3,963,969 compared to December 2023 Half Year loss of \$4,445,620.

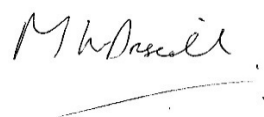
During this period, the company continued to reposition both its offering and revenue profile. This resulted in changing both the product mix and margin on product sold and product accepted into the order book. This resulted in Revenue being down 34% and the order book, in effect, being replaced with new orders. Pleasingly, the order book has now been replaced and currently sits at \$2.72m at margins well above those forecast in the most recent updates. However, the company continues to be hampered by a lack of resources to deliver on this plan, notwithstanding the expansion of product through both the Tratos and Gantner Distribution Agreements, as disclosed on 17 May 2024 and 5 September 2024. The 25 November 2024 announcement regarding the successful tender with Siemens Mobility added \$0.86m to the order book. With the shortfall of the rights issue in September 2024, the company has pursued and is in negotiations to fund this order book to ensure that it can grow revenue off the sales that have already been secured.

EGY during the period raised \$4,550,000 via loans for working capital. During the period \$600,000 of convertible notes were redeemed on maturity and the proceeds were provided as a short-term loan. This is included in the \$4,550,000 raised during the period.

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 2024.

Signed in accordance with a resolution of the Directors.



Matthew Driscoll

Chairman

28 February 2025

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 2024, 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

28 February 2025
Melbourne

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Condensed Consolidated Statement of Profit or Loss

for the half-year ended 31 December 2024

| | Note | CONSOLIDATED | |
|---|--------|---------------------|---------------------|
| | | 31 December 2024 | 31 December 2023 |
| | | \$ | \$ |
| Sales revenue | 2(i) | 4,841,887 | 7,411,052 |
| Other revenues | 2(i) | 18,280 | 22,602 |
| Total revenue from continuing operations | | 4,860,167 | 7,433,654 |
| Cost of sales | | (5,175,027) | (7,961,580) |
| Marketing expenses | | (16,369) | (17,760) |
| Occupancy expenses | | (95,861) | (74,601) |
| Administration expenses | | (2,295,296) | (2,483,966) |
| Share based payments | 10 | - | 9,478 |
| Finance costs | 2(ii) | (1,345,033) | (1,070,185) |
| Depreciation and amortisation expenses | 2(iii) | (861,121) | (852,810) |
| Other expenses | 2(iv) | (48,983) | (127,667) |
| LOSS BEFORE INCOME TAX | | (4,977,523) | (5,145,437) |
| INCOME TAX EXPENSE | | - | (5,098) |
| LOSS AFTER INCOME TAX | | (4,977,523) | (5,150,535) |
| LOSS ATTRIBUTABLE TO: | | | |
| Owners of the parent | | (4,981,753) | (5,145,877) |
| Non-controlling interest | | 4,230 | (4,658) |
| | | (4,977,523) | (5,150,535) |

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 2024

| | CONSOLIDATED | |
|---|---------------------------|---------------------------|
| | 31 December 2024 \$ | 31 December 2023 \$ |
| LOSS FOR THE PERIOD | (4,977,523) | (5,150,535) |
| <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 | (6,332) | 3,058 |
| Exchange differences on foreign exchange relating to non-controlling interest | (6,332) | 3,057 |
| Revaluation of Property, Plant and Equipment to fair value | 50,000 | - |
| | 37,336 | 6,115 |
| TOTAL COMPREHENSIVE LOSS | (4,940,187) | (5,144,420) |
| TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO: | | |
| Members of the parent entity | (4,938,085) | (5,142,819) |
| Non-controlling interest | (2,102) | (1,601) |
| | (4,940,187) | (5,144,420) |
| Earnings per Share | | |
| From continuing operations: | | |
| • Basic loss per ordinary share (cents) | (1.16) | (1.52) |
| • Diluted loss per ordinary share (cents) | (1.16) | (1.52) |

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 2024

| | Note | CONSOLIDATED | |
|--------------------------------------|------|---------------------------|-----------------------|
| | | 31 December 2024 \$ | 30 June 2024 \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 67,302 | 66,683 |
| Trade and other receivables | 4 | 1,413,808 | 2,158,378 |
| Inventories | 5 | 4,454,416 | 4,831,875 |
| Other current assets | | 383,256 | 88,832 |
| TOTAL CURRENT ASSETS | | 6,318,782 | 7,145,768 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | 9,323,249 | 9,710,646 |
| Right of use assets | 6 | 2,683,891 | 3,050,916 |
| Intangible assets | 8 | 128,688 | 119,089 |
| Other non-current assets | | 102,050 | 102,051 |
| TOTAL NON-CURRENT ASSETS | | 12,237,878 | 12,982,702 |
| TOTAL ASSETS | | 18,556,660 | 20,128,470 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 3,174,993 | 2,519,510 |
| Borrowings | 7 | 17,208,913 | 6,283,171 |
| Lease liabilities | 6 | 1,002,310 | 764,364 |
| Provisions | | 658,626 | 836,614 |
| TOTAL CURRENT LIABILITIES | | 22,044,842 | 10,403,659 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 7 | 2,344,125 | 10,874,712 |
| Lease liabilities | 6 | 2,251,073 | 2,633,687 |
| Provisions | | 22,056 | 26,945 |
| TOTAL NON-CURRENT LIABILITIES | | 4,617,254 | 13,535,344 |
| TOTAL LIABILITIES | | 26,662,096 | 23,939,003 |
| NET LIABILITIES | | (8,105,436) | (3,810,533) |
| EQUITY | | | |
| Issued capital | 9 | 48,700,871 | 48,055,587 |
| Reserves | | 6,007,216 | 5,963,548 |
| Share based payment reserve | 10 | 496,136 | 496,136 |
| Accumulated losses | | (62,682,366) | (57,700,613) |
| Parent interest | | (7,478,143) | (3,185,342) |
| Non-controlling interest | | (627,293) | (625,191) |
| TOTAL DEFICIENCY IN EQUITY | | (8,105,436) | (3,810,533) |

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 2024

| | Issued Capital \$ | Reserves \$ | Share Based Payment Reserve \$ | Accumulated Losses \$ | Non- Controlling Interest \$ | Total Equity/ (Deficiency in Equity) \$ |
|---|-------------------------|----------------|--|-----------------------------|---------------------------------------|--|
| 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 gain 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) |
| Balance at 1.7.2024 | 48,055,587 | 5,963,548 | 496,136 | (57,700,613) | (625,191) | (3,810,533) |
| Comprehensive income | | | | | | |
| Loss for the period | - | - | - | (4,981,753) | 4,230 | (4,977,523) |
| Other comprehensive gain for the period, net of income tax | - | 43,668 | - | - | (6,332) | 37,336 |
| Total comprehensive loss for the period | - | 43,668 | - | (4,981,753) | (2,102) | (4,940,187) |
| Transactions with owners in their capacity as owners and other transfers | | | | | | |
| Contributions of equity – net of capital raising cost | 645,284 | - | - | - | - | 645,284 |
| Total transactions with owners, in their capacity as owners, and other transfers | 645,284 | - | - | - | - | 645,284 |
| Balance at 31.12.2024 | 48,700,871 | 6,007,216 | 496,136 | (62,682,366) | (627,293) | (8,105,436) |

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 2024

| | CONSOLIDATED | |
|--|---------------------|---------------------|
| | 31 December 2024 | 31 December 2023 |
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 5,935,921 | 8,388,913 |
| Interest received | 238 | 453 |
| Receipts from government subsidies – R&D grant | 190,113 | - |
| Receipts from government subsidies – Others | 5,057 | 22,148 |
| Payments to suppliers and employees | (8,305,046) | (11,487,264) |
| Finance costs | (632,639) | (993,504) |
| NET CASH FLOWS (USED IN) OPERATING ACTIVITIES | (2,806,356) | (4,069,254) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of property, plant and equipment | 1,589 | 30,909 |
| Purchase of property, plant and equipment | (34,284) | (62,117) |
| Purchase of Intangible Assets | (41,910) | - |
| NET CASH FLOWS (USED IN) INVESTING ACTIVITIES | (74,605) | (31,208) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 725,175 | - |
| Less outflows of raising capital | (4,089) | - |
| Proceeds from borrowings | 3,950,000 | - |
| Repayment of lease liabilities | (234,662) | (382,556) |
| Proceeds from issue of convertible notes | - | 5,356,500 |
| Repayment of borrowings | (1,554,844) | (729,718) |
| NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES | 2,881,580 | 4,244,226 |
| NET INCREASE IN CASH HELD | 619 | 143,764 |
| Cash at beginning of the financial period | 66,683 | 49,440 |
| CLOSING CASH BALANCE AT END OF FINANCIAL PERIOD | 67,302 | 193,204 |

Notes to the Half –Year Financial Statements

31 December 2024

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 2024 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 2024 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 28 February 2025.

(b) Material Uncertainty Related to Going Concern

This report has been prepared on a 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 Group incurred a loss after tax and excluding non-controlling interest of \$4,981,753 (December 2023: loss of \$5,145,877). During the period the group incurred negative cash flows from operating activities of \$2,806,356 (December 2023: negative \$4,069,254).

At 31 December 2024 the Group had a net deficiency in equity of \$8,105,436 (June 2024: net deficiency in equity of \$3,810,533). The December 2024 net assets include intangible assets of \$128,688 (June 2024: \$119,089). The Group had a net current asset deficit (current liabilities in excess of current assets) of \$15,726,060 (June 2024: net current asset deficit of \$3,257,891). Included in current liabilities are employee entitlements of \$658,626 which are not expected to be settled in cash in full within the next twelve months. In addition, included in current liabilities are convertible notes of \$9,306,500 and short-term loans of \$4,550,000 ie a total of \$13,856,500. Subsequent to the reporting date \$12,120,000 (87.5%) of the current convertible notes and loans outstanding have been extended for periods varying between March 2026 and September 2026.

These matters give rise to a material uncertainty that may cast doubt on the Group’s ability to continue as a going concern.

Notes to the Half –Year Financial Statements

31 December 2024

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

(b) Material Uncertainty Related to Going Concern (continued)

The Directors believe, notwithstanding the above financial performance, position and operating cash outflows, this result, along with funding raised post the reporting date (refer to note 13 on subsequent events), as well as its track record of raising capital is not a cause of concern for the following reasons:

- The results for the half year continue to be impacted by residual issues with staff retention, final transactional issues in the relocation, expansion and then fully commissioning of the new manufacturing facility in Rosedale, regional Victoria and delays in the construction of the new silicone line shed, which is expected to be completed during the 2026 financial year;
- Cash constraints continued to impact the supply of raw materials resulting in the factory not operating at full capacity;
- Although revenue was down on the previous corresponding half year period, the most recent quarterly revenue was 17.5% higher than the September 2024 quarter;
- Operationally, the Board's conviction as to the merits of the revised business plan is being validated with increased tender opportunities, higher margin sales and the initial tender awarded to the Manufactured and Purchased Sales Divisions associated with a significant infrastructure project in NSW (as detailed to the market on 25 November 2024);
- 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; and
- 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.

The Directors' also note the following:

- A contributing factor to the decline in revenue in half year to 31 December 2024 was the company's change in business planning. The business is now focusing on maintaining safe manufacturing margins supported by a focus on the renewable energy sector and purchased product to sell into previously manufactured product clients. This resulted in a shift in capital employed to re-position the factory while investing in the lateral business opportunities;
- The company has revised its business strategy to include purchased imported product delivered into the domestic market;
- In addition, in November 2024 the company announced that its Manufactured and Purchased Sales Divisions have been awarded their first cable supply contract since adoption of the Company's revised business plan;
- The current sales order book remains strong; and
- Loans of \$4,550,000 were raised during the period.

Notes to the Half –Year Financial Statements

31 December 2024

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

(b) Material Uncertainty Related to Going Concern (continued)

Matters already occurred post the reporting date (refer Note 13):

- Further working capital has been provided by way of unsecured loans of \$1,320,000 received post balance date;
- The maturity dates of convertible notes of \$7,570,000, included in current liabilities in the balance sheet, have been extended until March 2026 and September 2026. Accordingly, these convertible notes whilst technically current at balance sheet date, now retain characteristics of a non-current liability post balance sheet date; and
- The maturity dates of short-term loans of \$4,550,000, included in current liabilities in the balance sheet, have all been extended until March 2026 and September 2026. Accordingly, these short-term loans whilst technically current at balance sheet date, now retain characteristics of a non-current liability post balance sheet date.

Matters expected to occur in the view of the Directors':

- The Group has maintained ongoing support from its financiers and shareholders throughout the period and in the period subsequent to the date of this report;
- The potential to renegotiate and or extend debt facilities;
- The potential to raise additional capital, including the issue of further additional convertible notes (as and when required). To this end, preliminary discussions are being held with several parties to raise additional funding. The Directors are confident about the successful outcome of these negotiations and this is a key assumption in the cashflow projections; and
- As is prudent for a Group of this size, and consistent with the factors noted 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.

Management have prepared a cash flow projection (including the above assumptions) for the period to 31 March 2026 and a FY2025-26 budget that supports the ability of the Group to continue as a going concern.

As a consequence of these matters, the Directors believe the Group will continue as a going concern and it is appropriate to prepare these financial statements on that basis.

In the event that the Group is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the Group 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 Group and company not continue as going concerns.

Notes to the Half –Year Financial Statements

31 December 2024

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

(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.

2. REVENUE, INCOME AND EXPENSES

| | | 31 December 2024 \$ | 31 December 2023 \$ |
|---|-------|---------------------------|---------------------------|
| (i) Revenue from continuing operations | | | |
| Sale of goods transferred at a point in time | 2(vi) | 4,841,887 | 7,411,052 |
| Other Revenue: | | | |
| Finance revenue | | 238 | 453 |
| Foreign exchange gain | | 12,985 | - |
| Other income | | 5,057 | 22,149 |
| Total Other Revenues | | 18,280 | 22,602 |
| | | 4,860,167 | 7,433,654 |
| (ii) Finance costs | | | |
| Leasing finance cost | | 89,995 | 61,655 |
| Interest expense | | 1,191,227 | 894,395 |
| Borrowing costs | | 63,811 | 114,135 |
| | | 1,345,033 | 1,070,185 |
| (iii) Depreciation and Amortisation | | | |
| Depreciation of property, plant and equipment | | 461,785 | 466,914 |
| Amortisation of intangible assets | | 32,311 | 35,560 |
| Amortisation of right of use assets | | 367,025 | 350,336 |
| | | 861,121 | 852,810 |
| (iv) Other expenses | | | |
| Loss on disposal of property, plant and equipment | | 8,307 | 36,873 |
| Expected credit loss on trade and other receivables | | - | 25,000 |
| Other expenses | | 40,676 | 65,794 |
| | | 48,983 | 127,667 |

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

(vi) The Group's revenue is all sales to Australian customers.

Notes to the Half –Year Financial Statements

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the half-year ended 31 December 2024 the group acquired fixed assets at a cost of \$34,284 (December 2023: \$62,117).

Plant and equipment disposals during the half year ended 31 December 2024 provided net proceeds of \$1,589 (December 2023: \$30,909).

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 (ii) \$ | Leasehold Improvements \$ | Plant and Equipment \$ | Total \$ |
|--|--|---------------------------------|------------------------------|------------------|
| Carrying amount at the beginning of the year | 569,652 | 1,025,805 | 8,115,189 | 9,710,646 |
| Adjustment to 30 June 2024 revaluation (i) | - | - | 50,000 | 50,000 |
| Additions | - | - | 34,284 | 34,284 |
| Depreciation expense | - | (51,290) | (410,495) | (461,785) |
| Loss on disposal | - | - | (8,307) | (8,307) |
| Proceeds on disposal | - | - | (1,589) | (1,589) |
| Carrying amount at the end of the period | 569,652 | 974,515 | 7,779,082 | 9,323,249 |

(i) Adjustment to 30 June 2024 revaluation of property, plant and equipment pursuant to updated report.

(ii) Capital Work in Progress relates to the costs incurred, net of government grants received, in relation to the installation of the silicon line.

4. TRADE AND OTHER RECEIVABLES

| | 31 December 2024 \$ | 30 June 2024 \$ |
|---|---------------------------|-----------------------|
| CURRENT | | |
| Trade receivables | 1,364,785 | 1,647,921 |
| Provision for expected credit loss | (25,000) | (25,000) |
| | 1,339,785 | 1,622,921 |
| Research & development grant receivable | - | 190,113 |
| Other receivables | 74,023 | 345,344 |
| | 1,413,808 | 2,158,378 |

Notes to the Half –Year Financial Statements

31 December 2024

| | 31 December 2024 | 30 June 2024 |
|--|---------------------|------------------|
| | \$ | \$ |
| 5. INVENTORIES | | |
| At cost | | |
| Raw materials and stores | 1,334,238 | 1,394,850 |
| Work in progress | 316,739 | 398,367 |
| Finished goods | 3,028,439 | 3,263,658 |
| | <u>4,679,416</u> | <u>5,056,875</u> |
| Allowance for obsolete and slow-moving inventory | (225,000) | (225,000) |
| | <u>4,454,416</u> | <u>4,831,875</u> |

6. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of Use Assets

| | | |
|--|------------------|------------------|
| Office, warehouse and factory premises | 4,531,092 | 4,891,215 |
| Less: Accumulated Amortisation | (2,047,287) | (2,068,009) |
| | <u>2,483,805</u> | <u>2,823,206</u> |
| Plant and equipment | 276,246 | 276,246 |
| Less: Accumulated Amortisation | (76,160) | (48,536) |
| | <u>200,086</u> | <u>227,710</u> |
| Total Right of Use Assets | <u>2,683,891</u> | <u>3,050,916</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.

Notes to the Half –Year Financial Statements

31 December 2024

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

Reconciliations

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

| | Office warehouse and factory premises \$ | Plant and equipment \$ | Total \$ |
|-----------------------------|--|------------------------------|------------------|
| Consolidated: | | | |
| Balance at 1 July 2024 | 2,823,206 | 227,710 | 3,050,916 |
| Amortisation expense | (339,401) | (27,624) | (367,025) |
| Balance at 31 December 2024 | 2,483,805 | 200,086 | 2,683,891 |

| | 31 December 2024 \$ | 30 June 2024 \$ |
|--|---------------------------|-----------------------|
| Lease Liabilities | | |
| CURRENT | | |
| Office, warehouse and factory premises | 940,573 | 714,296 |
| Plant and equipment | 61,737 | 50,068 |
| | 1,002,310 | 764,364 |
| NON-CURRENT | | |
| Office, warehouse and factory premises | 2,086,999 | 2,442,192 |
| Plant and equipment | 164,074 | 191,495 |
| | 2,251,073 | 2,633,687 |
| | 3,253,383 | 3,398,051 |

Total payments in relation to the above on an undiscounted basis:

| | | |
|-----------------------|------------------|------------------|
| 1 year or less | 1,174,719 | 953,040 |
| Between 1 and 5 years | 2,531,453 | 2,992,365 |
| | 3,706,172 | 3,945,405 |

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

Notes to the Half –Year Financial Statements

31 December 2024

7. BORROWINGS

| | 31 December 2024 \$ | 30 June 2024 \$ |
|-------------------------------------|---------------------------|-----------------------|
| CURRENT | | |
| Secured borrowings: | | |
| Debtor Finance facility | (a) 877,626 | 1,358,047 |
| Trade Finance facility | (b) 1,851,850 | 2,708,096 |
| Grow Equipment finance loan | (c) 354,654 | 354,654 |
| Procuret Equipment finance loan | (e) 78,283 | 72,374 |
| Convertible notes | (f) (i) 9,306,500 | 1,600,000 |
| Director Loan | (d) 190,000 | 190,000 |
| Short Term Loans | (g) (i) 4,350,000 | - |
| | 17,008,913 | 6,283,171 |
| Unsecured borrowings: | | |
| Short Term Loans | (g) (i) 200,000 | - |
| | 200,000 | - |
| Total Current Borrowings | 17,208,913 | 6,283,171 |
| NON-CURRENT | | |
| Secured Borrowings: | | |
| Convertible Notes | (f) 1,455,000 | 9,761,500 |
| Grow Equipment finance loan | (c) 867,558 | 1,050,968 |
| Procuret Equipment finance loan | (e) 21,567 | 62,244 |
| Total Non-Current Borrowings | 2,344,125 | 10,874,712 |
| Total Borrowings | 19,553,038 | 17,157,883 |

- (a) Secured Debtor Finance facility with Cashflow Finance Australia Pty Ltd trading as Earlypay. This facility is drawn down to amount \$877,626 as at 31 December 2024. Interest is charged on the facility at rate of 11.00% which is 1.85% less 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 \$1,850,850 as at 31 December 2024. 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) Refer Note 12 Related Parties.
- (e) 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 2024

7. BORROWINGS (continued)

- (f) Convertible Notes issued of \$10,761,500 to noteholders. These notes have a face value of \$1.00, attract a coupon rate of 10% and are convertible at \$0.08. The embedded derivative associated with the convertible notes is not material, and therefore no separate embedded derivative financial instrument has been presented. These notes mature as follows:

| | Maturity Date Per Financial Statements | Value \$ | Interest Rate per annum |
|--------------------|--|------------------|----------------------------|
| Current | 28 February 2025 | 1,000,000 | 10% |
| | 1 March 2025 to 30 June 2025 | - | - |
| | 1 July 2025 to 31 December 2025 | 8,306,500 | 10% |
| | | <u>9,306,500</u> | |
| Non-Current | 1 January 2026 to 28 February 2026 | 700,000 | 10% |
| | 1 March 2026 to 11 March 2026 | 755,000 | 10% |
| | | <u>1,455,000</u> | |

- (g) Short-term loans of \$1,050,000 from shareholders and convertible note holders. These loans incur an interest rate of 18% per annum. Refer note 7(i) below for maturity dates.

In addition, short-term loans of \$3,500,000, drawn down from the Credit Standby Arrangement facility, from a shareholder and convertible note holder. These loans incur an interest rate of 18% per annum. Refer note 7(i) below for maturity dates.

- (h) During the half-year ended 31 December 2024 the group repaid \$1,554,844 (31 December 2023: \$729,718) of both long and short-term interest-bearing debt.
- (i) Refer to note 13 which states that \$7,570,000 of current convertible notes and \$4,550,000 of short-term loans (100%) were extended subsequent to the reporting date for periods varying between March 2026 and September 2026.

Summary of finance facilities in place at 31 December 2024:

Financing facilities:

| | Total facility amount at 31/12/2024 \$ | Amount drawn at 31/12/2024 \$ |
|--|---|-------------------------------------|
| Debtor finance and trade finance facility | 8,100,000 | 2,729,476 |
| Equipment Finance Loans | 1,222,212 | 1,222,212 |
| Convertible notes | 10,761,500 | 10,761,500 |
| Short Term Loans | 1,050,000 | 1,050,000 |
| Procuret Equipment finance loan | 99,850 | 99,850 |
| Director loan | 190,000 | 190,000 |
| Credit Standby Arrangement | 6,000,000 | 3,500,000 |
| Total financing facilities | <u>27,423,562</u> | <u>19,553,038</u> |
| Unused financing facilities available | | 7,870,524 |

Notes to the Half –Year Financial Statements

31 December 2024

8. INTANGIBLE ASSETS

| | Consolidated | |
|--------------------------------|---------------------------|-----------------------|
| | 31 December 2024 \$ | 30 June 2024 \$ |
| Computer software at cost | 245,112 | 231,362 |
| Accumulated amortisation | (116,424) | (112,273) |
| Net carrying value | 128,688 | 119,089 |
| Total intangible assets | 128,688 | 119,089 |

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 \$ | Total \$ |
|--|----------------|-------------|
| Consolidated Entity: | | |
| Carrying amount at the beginning of the year | 119,089 | 119,089 |
| Additions | 41,910 | 41,910 |
| Amortisation expense | (32,311) | (32,311) |
| Carrying amount at the end of the period | 128,688 | 128,688 |

Notes to the Half –Year Financial Statements

31 December 2024

9. ISSUED CAPITAL

| | 31 December 2024 Number | 30 June 2024 Number | 31 December 2024 \$ | 30 June 2024 \$ |
|--|-------------------------------|---------------------------|---------------------------|-----------------------|
| Ordinary shares | 446,247,271 | 422,074,788 | 48,700,871 | 48,055,587 |
| Movement | | | | |
| At the beginning of the reporting period | 422,074,788 | 337,659,830 | 48,055,587 | 45,239,038 |
| Shares issued during the year: | | | | |
| 13/05/2024 issued at \$0.035 | - | 84,414,958 | - | 2,954,523 |
| 09/10/2024 issued at \$0.03 | 14,429,150 | - | 432,875 | - |
| 17/12/2024 issued at \$0.03 | 9,743,333 | - | 292,300 | - |
| Capital Transaction Costs | - | - | (79,891) | (137,974) |
| At reporting date | 446,247,271 | 422,074,788 | 48,700,871 | 48,055,587 |

10 SHARE BASED PAYMENT RESERVE

During the period under review, no options were exercised nor were any new tranches of options issued under the share option plan.

As part of the capital raising in October 2021 EGY granted 9,000,000 options valued at \$199,395 to brokers in connection with the Rights Issue. These options vested immediately and have been recognised as share issue costs against equity. During the current period to 31 December 2024 these options expired.

11 CONTINGENT LIABILITIES

Contingent liabilities of the group are materially as disclosed in the 30 June 2024 Annual Financial Report.

Notes to the Half –Year Financial Statements

31 December 2024

12 RELATED PARTIES

During the half year to 31 December 2024 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

A loan of \$190,000 remains outstanding from Director and CEO Alfred Chown. 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 \$25,000 (June 2024 \$8,333).

13 EVENTS SUBSEQUENT TO BALANCE DATE

The following matters have occurred post reporting date:

- Further working capital has been provided by way of unsecured loans of \$1,320,000 received post balance date;
- The maturity dates of convertible notes of \$7,570,000, included in current liabilities in the balance sheet, have been extended until March 2026 and September 2026. Accordingly, these convertible notes whilst technically current at balance sheet date, now retain characteristics of a non-current liability post balance sheet date; and
- The maturity dates of short-term loans of \$4,550,000, included in current liabilities in the balance sheet, have all been extended until March 2026 and September 2026. Accordingly, these short-term loans whilst technically current at balance sheet date, now retain characteristics of a non-current liability post balance sheet date.

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

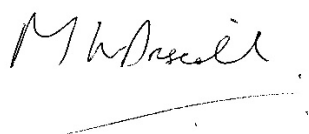
31 December 2024

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 2024 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
28 February 2025

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 2024, 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 material 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 2024 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 \$4,981,753 during the half year ended 31 December 2024, and as of that date, the Group's current liabilities exceeded its current assets by \$15,726,060. In addition, the consolidated entity had a deficiency in net assets of \$8,105,436 which includes the recognition of intangible assets of \$128,688. During the period the group incurred negative cash flows from operations of \$2,806,356. 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.

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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.

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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 2024 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

28 February 2025
Melbourne