energy TECHNOLOGIES LIMITED.
Advancing Australian Manufacturing

ABN 38 002 679 469

Annual Financial Report

for the year ended 30th June 2021

ENERGY TECHNOLOGIES LIMITED

ABN 38 002 679 469

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for the year ended 30 June 2021

Corporate Information

ABN 38 002 679 469

Directors

Brian Jamieson (Chairman, Non-Executive Director)

Anthony L Smith (Non-Executive Director)

Ian A Campbell (Non-Executive Director)

Matthew Driscoll (Non-Executive Director)

Yulin Hu (Non-Executive Director)

Meiping Hu (Alternate Director to Yulin Hu)

Company Secretary

Gregory R. Knoke

Registered Office

Unit J, 134-140 Old Pittwater Road

BROOKVALE NSW 2100

Bankers

National Australia Bank Limited

NAB House, 255 George Street

SYDNEY NSW 2000

Share Register

Computershare Investor Services Pty Ltd

60 Carrington Street

SYDNEY NSW 2000

Telephone:- (02) 8234 5000

Facsimile:- (02) 8235 8150

Auditors

Grant Thornton Audit Pty Ltd

Level 17

383 Kent Street

SYDNEY NSW 2000

Telephone:- (02) 8297 2400

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Chairman's Report

Dear Shareholder,

The 2021 Financial Year was a difficult one for Energy Technologies as the relocation and final commissioning of the Rosedale site was greatly impacted by the COVID-19 disruptions, and more specifically, the ability to move between New South Wales and Victoria at critical points of the move. As we now know, the disruptions were magnified in Victoria and provided a follow-on affect which in turn, hampered sales and the ability to drive utilisation at the factory. This resulted in a 6.9% drop in sales and a 21% increase in the net loss of the company.

STRATEGY

The company though, has been afforded a time through this period to review and plan positive steps to move the company forward. A focus on training, compliance, practices, costs, and a plan to access available capital to implement such has been put in place and we are encouraged by some recent movements in what has been achieved. For example, on the 28th of May 2021 the company announced that it had restructured its working capital facility which resulted in an immediate 68% uplift in sales, underlining the potential of the business.

SUBSEQUENT EVENTS

On the 20th of September 2021 the company announced an entitlement issue to raise $11m, when the full entitlement has been subscribed, the company will execute on the next stage of the plan by accelerating the new Silicon Machine, extinguish expensive debt obligations, restructure the operations, and facilitate sales growth through an increase in available working capital. The company is excited by the immediate affects that this has across the breadth of the business.

FUTURE

Once completed, the company will be free of the legacy issues that has held the company back, it will be properly resourced to push into the chosen target markets and benefit from the perceived need of the economy to support Australian businesses of which Energy Technologies is a pure vehicle for it.

We live in challenging societal and economic times and as our government continues to plan for the long term to re-start the economy by encouraging infrastructure, rail, defence and the construction industry and your company is firmly known as an Australian made manufacturer to said industries, your Board welcomes the challenge and opportunity to assist in their stated goal.

Finally, your board has changed through the last year and as your new Chairman, I welcome all the new shareholders that joined our journey and wish to thank all our existing shareholders for their patience and support that has enabled us to get to what is going to be an exciting period in the company's life.

Brian Jamieson
Chairman

30 September 2021

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Energy Technologies Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

DIRECTORS

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

Names, qualifications, experience and special responsibilities

Brian Jamieson (Chairman – Non-Executive Director) Appointed 24 December 2020

Mr Jamieson has over 40 years' experience in the advisory, manufacturing, resources and technology industries in Australia and offshore. Mr Jamieson was Chief Executive of Minter Ellison Melbourne from 2002-2005. Prior to joining Minter Ellison, Mr Jamieson was Chief Executive Officer at KPMG Australia from 1998-2000, Managing Partner of KPMG Melbourne and Southern Regions from 1993-1998 and Chairman of KPMG Melbourne from 2001- 2002. Prior to the merger of Touche Ross & Co and Peat Marwick Hungerfords to form KPMG, Mr Jamieson was the Managing Partner for Australia for Touche Ross & Co. He has over 40 years' experience in providing advisory and audit services to a diverse range of public and large private companies. He is also a Fellow of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Mr Jamieson is currently Non-Executive Director of IODM Limited and is currently a Non-Executive Director of Highfield Resources Limited. Mr Jamieson was formerly Non-Executive Chairman of Sigma Healthcare Limited (resigned 13 May 2020), Non-Executive Chairman of Mesoblast Limited (resigned 31 March 2019), Non-Executive Director of Oxiana/OZ Minerals Limited from 2005 to 2015 and served as Chairman of Audit Risk and Compliance, Nomination and Remuneration, and Due Diligence Committees. He was a Non-Executive Director of Tatts Group Limited from 2005 to December 2017 and served as the Chairman of Audit and Risk Committee, Chairman of the Due Diligence Committee and member of the Remuneration Committee. He was also a Non-Executive Director of ASX listed Tigers Realm Coal from 2010 to 2015 and chaired various committees.

Mr Jamieson has not held any other listed directorships in addition to those set out above in the past three years.

Mr Jamieson is a member of the Audit and Risk Committee.

Ian Alistair Campbell (Non-Executive Director) Appointed 24 December 2020

Mr Campbell joined Olex Cables in 1989 as Group General Manager and then as Managing Director of the Pacific Dunlop Cables Group until 1998.

In 1998 Mr Campbell joined ASX-200 listed GUD Holdings Ltd as its Managing Director and CEO until his retirement in mid-2013. GUD managed a stable of consumer, trade and industrial businesses. It was a diverse portfolio of branded manufactured or sourced products selling to the retail, trade wholesale and B-to-B sectors. Companies in the GUD stable during his tenure were Sunbeam appliances, Oates cleaning, Victa Lawncare (divested in 2007), Davey Water Products, Lock Focus, Ryco and Wesfil automotive, and Dexion storage solutions.

Mr Campbell joined the BWX board in 2015 and was appointed Chairman in September 2018.

Mr Campbell has been a non-executive director of Mirrabooka Investments Ltd since 2007. He was formerly a national councillor and Victorian Vice-President of the Australian Industry Group.

Mr Campbell has not held any other listed directorships in addition to those set out above in the past three years.

Mr Campbell is a member of the Audit and Risk Committee.

Directors' Report (continued)

DIRECTORS (continued)

Anthony Lloyd Smith (Non-Executive Director) Appointed 24 December 2020

Mr Smith has over 30 years' experience in finance with a variety of firms concentrating on small to medium sized companies in regard to corporate finance, institutional research sales and private wealth advice. During this time, he was charged with running these businesses along with titles of Head of Securities and Country Director of Austock Group and Phillip Capital. Mr Smith currently handles the investments at Cashel Family Office, a Melbourne based multi-family office company.

Mr Smith is currently Non-Executive Director of IODM Limited.

Mr Smith has not held any other listed directorships in addition to those set out above in the past three years.

Mr Smith is a member of the Remuneration Committee.

Yulin Hu (Non-Executive Director) Appointed 25 November 2015

Mr Yulin Hu is an Australian resident and leading businessman whose roles include the President of China City Construction Holdings Limited, which owns a construction business in China with approximately 5bn RMB (A$1.1bn) turnover.

Mr Hu has not held any other listed directorships in the past three years.

Meiping Hu (Alternate Director to Yulin Hu) Appointed 25 November 2015

Ms Meiping Hu has a Bachelor degree in Commerce at the University of South Australia and a Master of Advanced Professional Accounting at Macquarie University. Ms Hu is currently a practising accountant and a member of CPA Australia. Ms Hu works in Fujian HongSheng Construction Group Co., Ltd a subsidiary of China City Construction Holdings Ltd, and had an accounting practice in Hong Kong. Ms Hu has been assisting Mr Hu in various matters in Australia such as property investment and imports and exports.

Ms Hu is a member of the Remuneration Committee.

Matthew Driscoll, BA, Dip Ed, Grad. Dip. App Fin. SF Fin., MSAA, GAICD (Non-Executive Director) Appointed 20 December 2016

Mr Driscoll has significant experience across several industries, including online technologies, financial services, fintech, property and resources. He has more than 30 years' experience in capital markets and the financial services industry and is an accomplished company director in roles across listed and private companies. He has significant experience in international business growth, mergers and acquisitions, equity and debt raisings and building strategic alliances, and remains committed to ethical, commercial and consumer-based outcomes.

Other Current Directorships: Chair Carbonxt Group (CGI), Chair Tennant Minerals (TMS), Chair Eco Systems Limited (ESL), Chair Smoke Alarms Holdings.

Former Directorships (last 3 years): Chair Powerwrap Limited (PWL), Chair Killara Resources Limited (KRA), Chair Buymyplace.com.au (BMP).

Mr Driscoll is a member of the Audit and Risk Committee and the Remuneration Committee.

Alfred J Chown, B.Econ, (Chairman/Managing Director) Appointed 4 July 1997. Resigned 24 December 2020

Born in 1960, in Sale, Victoria, Mr Chown returned in 2012 from residing in Hong Kong. In 1987 he co-founded E.L. Consult Ltd an executive search provider that prior to being sold to the Clarius group (ASX:CND) and renamed Lloyd Morgan in March 2007, had an extensive network of offices throughout Hong Kong, China, Singapore and Malaysia. Mr Chown continues to provide his services to Lloyd Morgan in a regional role. In the early 1990's Mr Chown also co-founded Dulhunty Engineering Ltd and in 1997 this company established Dulhunty Yangzhou Line Fittings Co Ltd, a manufacturer of line fittings for the electric power transmission and distribution industry. In 2003 Mr Chown was the driving force to merge these businesses together with Dulhunty Industries Pty Limited of Australia to form Energy Technologies Limited. Mr Chown is a former Chairman of the Australian Chamber of Commerce in Hong Kong and has extensive commercial experience in both Australia and Asia.

Mr Chown remains as CEO of the group.

Directors' Report (continued)

DIRECTORS (continued)

Philip W Dulhunty OAM (Non-Executive Director) Appointed 3 December 2014. Deceased 29 November 2020

Founder of Dulhunty Power (Aust) Pty Limited, importers, exporters and distributors of electrical power transmission equipment. Honorary Life Member and distinguished member of the international electrical transmission industry body, CIGRE and Honorary Life Senior member of IEEE. Holder of Centenary Medal for Contribution to Australian Industry. Mr Dulhunty was also the recipient of the Institute of Engineering and Technology (IET) James N Kirby Medal in 2007. Mr Dulhunty was previously a Director of the company from 31 March 2003 to 1 October 2012.

Gary A Ferguson CA (Non-Executive Director). Appointed 1 October 2012. Resigned 24 December 2020

Mr Ferguson is a qualified accountant. During his career, he has worked for manufacturing companies as a cost accountant, lectured in accounting (post-certificate Cost Accounting) with the then Department of Technical Education, developed the methodology associated with risk analysis profiles for capital expenditure projects in both the cable and abrasive sectors and providing consultant services to these companies. Mr Ferguson relocated to Mid-North Coast NSW in 1975 and gained a very broad level of experience, owning and operating businesses in the construction, hospitality, heavy transport and earthmoving and quarry industries. In 1992 he acquired a public practice in Kempsey, specializing in providing commercial clients with advice in corporate structure, taxation, reporting and financial management areas, including providing associated legal services from in house partners. Mr Ferguson is a Member of both Chartered Accountants Australia and New Zealand (CA) and Certified Practising Accountants in Australia (CPA).

COMPANY SECRETARY

Gregory R Knoke, B. Com, CA (Company Secretary and Chief Financial Officer) Appointed 30 April 2003

Director of Cogenic Pty Limited. Mr Knoke was a director of Energy Technologies Limited from May 2000 until 30 April 2003, resigned upon acceptance of the position of CFO. Born in 1952, educated at University of NSW and graduated in 1973 with major in accountancy, he holds a Bachelor of Commerce degree with merit. Mr Knoke is a Chartered Accountant and Associate member of Chartered Accountants Australia and New Zealand since 1979, and an affiliate member of Chartered Secretaries of Australia. Business consultant and advisor, with extensive work experience throughout Asia and Europe, Mr Knoke spent 13 years in Hong Kong as Asian Group Financial Controller and Director for BIL Asia Holdings Limited and subsidiaries of the Brierley Investments Limited Group.

PRINCIPAL ACTIVITIES

EGY's principal activities during the year were:

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

REVIEW AND RESULTS OF OPERATIONS

Energy Technologies Limited (ASX: EGY or "the company") has reported a consolidated loss after tax and minorities for FY2021 of $5,341,189 (FY2020: loss after tax and minorities $4,402,220). Wholly owned subsidiary Bambach Wires and Cables Pty Ltd (Bambach) reported a loss after tax of $4,217,090 (FY2020: loss $3,374,589). The FY2021 consolidated result includes government support payments and R&D in other income, in particular $1,414,600 (FY2020: $513,000) JobKeeper assistance received under federal government legislation in support of business.

Directors' Report (continued)

REVIEW AND RESULTS OF OPERATIONS (continued)

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

As a subsequent event, the company has undertaken am $11 million entitlement issue to alleviate the issues highlighted above. Once completed, the company will be free of its legacy obligations, it will have the capacity to re-structure the company to save further costs and it will have the necessary capital to drive sales through access to greater working capital.

STATE OF AFFAIRS

During the financial year, the Group repaid $3,456,125 (2020: $1,531,193) of both long and short term interest bearing debt.

In relation to the Going Concern position of the Group, please refer to the details set out in Note 1(c) to the Financial Statements and the Subsequent Events Note.

DIVIDENDS

No dividends were paid or recommended by the parent company EGY this financial year.

NON-AUDIT SERVICES

During the year, Grant Thornton Audit Pty Ltd, the Company's auditor, performed no other services in addition to their statutory duties.

Details of the amounts paid to the auditor and their associates for audit services provided during the year are set out in note 6 to the financial statements. In addition, amounts paid to other auditors for other statutory audit services have been disclosed in that note.

EVENTS SUBSEQUENT TO REPORTING DATE

Energy Technologies Limited announced on 20 September 2021 a capital raising of up to $11 million, comprising a non- renounceable Rights Issue partially underwritten to $6 million at an issue price of $0.11 per share. The capital raising comprises a non-renounceable rights issue offer of 1 new share for every 1.723 existing shares held at 7pm on 23 September 2021 (record date). An attaching option will be issued on the basis of 1 option offered for every 4 new shares, exercisable at $0.20, with an expiry date of 31 October 2024.

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

Directors' Report (continued)

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Refer Subsequent Events note above.

Future Developments and Risks

Opportunities

Energy Technologies Ltd (EGY) 100% owned subsidiary, Bambach Wires and Cables Pty Ltd (Bambach) is now producing all its products at its new Rosedale VIC facility. The transition from the Sydney factory to the new Rosedale factory is fully complete and all equipment installed and operating.

The recent capital raising and prospect of a further placement means that the business is adequately capitalised ensuring adequate raw material supply to sustain growth which has been a failing of the company over recent years.

Bambach has received strong orders and indications of further orders for major road and rail projects from major Australian contractors. It is involved with various Defence primes in the development and provision of cables for a number of Defence projects. It is now progressing with a large re-stocking program to re-stock its warehouses across the country which became badly depleted during the factory move and this re-stocking will offer the ability to obtain substantial improvement in sales.

Bambach has more new products to launch over the coming twelve months and is also well placed with appropriate approvals to take full advantage of the expected fast tracking of infrastructure projects throughout Australia that both the Federal and State Governments state they will undertake as a way out of the economic chaos caused by Covid-19.

The fact that Bambach manufactures in Australia using Australian mined and processed copper places it at the forefront of local content suppliers for low voltage cable. Recent global strategic considerations and supply chain dislocation due to the pandemic will benefit the company as it competes with imported products for Australian projects, especially for infrastructure and defence related projects. Strategically the company at all levels is well placed to take advantage of renewed interest in Australian manufacturing and regionalisation.

Risks

Subsidiary Bambach must continue to develop and upgrade its manufacturing facilities to enable it to meet efficiency and productivity requirements and produce locally a continually expanding range and size of cables. Failure to do so will substantially limit growth and will not allow anticipated margin improvement.

A rise in the AUD against the USD will impact negatively on the competitiveness of the business. At AUD/USD 0.80 the business may be less competitive with imports of like quality. A fall from this level is favourable to the business whilst a rise is unfavourable.

Bambach is a small player in a market where there are several very large competitors and management are very aware that to compete Bambach must maintain a point of difference. To this end it must continue with a very active research and development agenda, developing new cables and continuously upgrading existing cables. It must also continue to develop its manufacturing processes and adopt a continuous upgrade program. It must also continue to excel in the level of service that it provides. Any failure in any of these areas will bring significant risk to the business.

Bambach continues to report a loss and has not been profitable for an extended period. This weakness has been supported financially by significant fund raising and investment, which has been successfully undertaken over the past three years and continued in FY2021. The company must deliver to maintain the support of its shareholders and financiers, and in this respect, it must deliver on the small objectives as well as the larger objective of returning to profitability. Thus, it must continue to deliver on bringing new products to market and on increasing productivity to build a robust sustainable business. Failure to meet accepted milestones on this path will pose a risk to continued financial support.

The Group has based its business plan on the belief that both Federal and State governments will proceed with planned infrastructure and defence spending. Now significant projects are proceeding. Any cancellation of these plans or continued delay will impact negatively on the opportunities that lie ahead for the company.

The Group has developed products some of which still require final testing and approval. Any failure to pass testing in a timely manner or not obtain approval will impact negatively on the company's performance.

Like all businesses globally the threat of second and third waves of the Covid-19 pandemic pose significant risk to the economy and to the group. Rising geopolitical tensions also pose a significant risk.

Directors' Report (continued)

ENVIRONMENTAL REGULATION AND PERFORMANCE

The group operates a factory in Rosedale, Victoria which is required to comply with local planning laws, and with State and Commonwealth Environmental laws. The company considers that the factory operations are currently compliant, and is not expecting any adverse impact as a result of the environmental regulation.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has entered into Deeds of Indemnity and Access with persons who are an Officer or Director of the Company or a related body corporate, indemnifying such persons against a liability incurred by them in their capacity as an Officer or Director, including costs and expenses of defending legal proceedings and providing them with access to company records where a claim is made or threatened against such Officer or Director.

Insurance Premiums

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of the Company or a related body corporate paid or agreed to pay a premium in respect of a contract insuring against a liability for costs or expenses of defending legal proceedings.

The Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expense insurance for Directors and Officers of the Company. In accordance with subsection 300(9) of the Corporations Act 2001, further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

EMPLOYEES

The consolidated entity employed 86 employees as at 30 June 2021 (2020: 73 employees).

REMUNERATION REPORT

The remuneration report is set out on page 13 and forms part of the Directors' Report for the financial year ended 30 June 2021.

Directors' Report (continued)

DIRECTORS' MEETINGS

The numbers of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each director were as follows:

	Board of Directors	Remuneration Committee	Audit and Risk Committee	Nomination Committee
Number of meetings held:	17	2	4	1
Number of meetings attended:				
Brian Jamieson	13	-	2	-
Anthony L Smith	13	2	-	-
Ian A Campbell	13	-	2	-
Matthew Driscoll	17	2	4	-
Yulin Hu	14	-	-	-
Meiping Hu (Alternate Director to Yulin Hu)	-	2	-	-
Alfred J Chown (Resigned 24 December 2020)	4	-	-	1
Gary A Ferguson (Resigned 24 December 2020)	4	-	2	1
Philip W Dulhunty (Deceased on 29 November 2020)	-	-	-	-

Committee Membership

At the date of this report, the company's committees were comprised as follows:			
Audit and Risk Committee:	Matthew Driscoll	Brian Jamieson	Ian A Campbell
Remuneration Committee:	Matthew Driscoll	Anthony L Smith	Meiping Hu

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The relevant interest of each director in the shares, and options over such instruments, issued by the companies within the consolidated entity and other related bodies corporate, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Energy Technologies Limited		Dulhunty Engineering Limited
	Ordinary Shares	Options	Ordinary Shares
Brian Jamieson	625,000	446,238	-
Anthony L Smith	12,591,949	3,539,286	-
Ian A Campbell	1,250,000	595,238	-
Matthew Driscoll	3,000,598	1,041,667	-
Yulin Hu	3,476,058	-	
Meiping Hu	-	-	-
Alfred J Chown – director of Bambach	8,243,575	-	59,724
Gary A Ferguson – director of Bambach	1,154,044	-	-

Directors' Report (continued)

SHARES UNDER OPTION

Unissued ordinary shares of EGY under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
18 November 2020	30 June 2023	$0.120	12,500,000
18 November 2020	1 December 2023	$0.112	6,000,000
23 December 2020	23 December 2023	$0.112	800,000
30 June 2021	30 June 2024	$0.168	3,422,429

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of EGY issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 31 of this financial report and forms part of this Directors' Report.

CORPORATE GOVERNANCE STATEMENT

Energy Technologies Limited and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. Energy Technologies Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council. Details of the corporate governance report is available on the Group website at https://www.energytechnologies.com.au

Signed in accordance with a resolution of the Directors.

Brian Jamieson
Director

30 September 2021

Remuneration Report (audited)

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors, the managing director and the executive team. Remuneration levels are set to attract and retain appropriately qualified and experienced Directors and senior executives. The Remuneration Committee obtains independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. The Remuneration Committee also assesses the appropriateness of the nature and amount of emolument of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

Executive remuneration packages include a mix of fixed remuneration and performance based remuneration

Fixed Remuneration

Fixed remuneration consists of base remuneration as well as employer contributions to superannuation funds. Remuneration levels are reviewed annually by the Remuneration Committee through a process that considers individual, segment and overall performance of the consolidated and operating entity. A senior executive's remuneration is also reviewed on promotion.

Performance – linked Remuneration

The Remuneration Committee links the nature and amount of executives' emoluments to the company's financial and operational performance. All senior executives have the opportunity to qualify for participation in the Employee Bonus Plan, which currently provides incentives where specified criteria are met including criteria relating to profitability.

Performance linked remuneration includes both short term and long term incentives and is designed to reward executive directors and senior executives for meeting or exceeding financial and personal objectives. The short-term incentive is an at-risk bonus provided in the form of cash, and is based on the relevant operating subsidiaries' results and on achieving a pre-set target. The long-term incentive is provided as ordinary shares of Energy Technologies Limited or options over ordinary shares of Energy Technologies Limited under the rules of the Energy Technologies Limited Share Option Plan.

The remuneration structures result in and take into account:

- The overall level of remuneration for each director and executive;
- The executive's ability to control performance; and
- The amount of incentives within each executive's remuneration.

Short term incentive

Each year the remuneration committee sets the key performance indicators, which generally include measures relating to the operating group, the relevant segment and the individual, and are based on financial, customer and strategy measures. The measures directly align the reward to the key performance indicators and the operating group performance. The financial performance objectives are operating group turnover and EBIT to working capital ratio analyses compared to budgeted amounts on a regional and consolidated basis. The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, safety and business development.

The remuneration committee approves the cash incentive to be paid to the individuals.

Long term incentive

Options are available to be issued under the Energy Technologies Limited Share Option Plan (made in accordance with thresholds set in plans approved by shareholders at the 2020 AGM), and it provides for directors, executives and employees to receive options in total limited to 15% of the issued ordinary capital and exercisable strictly under the terms of the Plan.

Remuneration Report (audited)

The Board considers that the above remuneration structure is adequate given the major restructuring of the operations required under the Business Plan, and secondly, the performance linked element appears to be appropriate because the executives strive to achieve a level of performance which qualifies them for bonuses.

The remuneration for all non-executive directors, last voted upon by shareholders at the 2007 AGM, is not to exceed $500,000 per annum. Director's fees are presently $50,000 per annum for Mr Anthony L Smith, Mr Ian A Campbell, Mr Yulin Hu, Mr Matthew Driscoll and $70,000 for Mr Brian Jamieson as Chairman.

Names and positions held of consolidated entity key management personnel in office at any time during the financial year are:

Key Management Person	Position (s) Held during the Year
Brian Jamieson (Appointed 24 December 2020)	Chairman - Non-Executive Director of EGY
Anthony L Smith (Appointed 24 December 2020)	Director – Non-Executive of EGY
Ian A Campbell (Appointed 24 December 2020)	Director – Non-Executive of EGY
Yulin Hu	Director – Non-Executive of EGY
Matthew Driscoll	Director – Non-Executive of EGY
Gary A Ferguson	Director – Non-Executive of EGY and Director of Bambach Resigned EGY 24 December 2020
Philip W Dulhunty	Director – Non-Executive of EGY. Deceased 29 November 2020
Alfred J Chown	Chairman/Managing Director of EGY and Managing Director of Bambach. Resigned EGY 24 December 2020. Remains as CEO
Gregory. R Knoke	CFO/Company Secretary of EGY and Bambach
Nicholas Cousins	General Manager Bambach

Options and Rights Holdings					
Ordinary Shares Number of Shares held by Key Management Personnel	**Balance 30 June 2020**	**Received as Remuneration**	**Purchases**	**Disposals**	**Balance 30 June 2021**
Specified directors					
Gary A Ferguson (resigned)	1,154,044	-	-	-	**1,154,044**
Philip W Dulhunty (deceased)	1,417,195	-	-	1,208,654	**208,541**
Yulin Hu	3,476,058	-	-	-	**3,476,058**
Matthew Driscoll	1,025,774	1,252,259	722,565	-	**3,000,598**
Brian Jamieson	-	-	625,000	-	**625,000**
Anthony L Smith	-	-	12,591,949	-	**12,591,949**
Ian A Campbell	-	-	1,250,000	-	**1,250,000**
Specified executives					
Alfred J Chown	8,243,575	-	-	-	**8,243,575**
Gregory R Knoke	74,425	-	74,425	-	**148,850**
Nicholas Cousins	-	-	-	-	-
	15,391,071	**1,252,259**	**15,263,939**	**1,208,654**	**30,698,615**

Remuneration Report (audited)

Unlisted Options Number of Options held by Key Management Personnel	**Balance 30 June 2020**	**Received as Remuneration**	**Acquired**	**Disposals**	**Balance 30 June 2021**
Specified directors					
Yulin Hu	-	-	-	-	**-**
Matthew Driscoll	-	1,041,667	-	-	**1,041,667**
Brian Jamieson	-	446,238	-	-	**446,238**
Anthony L Smith	-	1,339,286	2,200,000	-	**3,539,286**
Ian A Campbell	-	595,238	-	-	**595,238**
Specified executives					
Alfred J Chown	-	-	-	-	**-**
Gregory R Knoke	-	-	-	-	**-**
Nicholas Cousins	-	-	-	-	**-**
	-	**3,422,429**	**2,200,000**	**-**	**5,622,429**

The unlisted options issued under the Share Option Plan are unvested and exercisable. The terms are as follows

Name	Number of options granted	Grant date	Vesting date	Expiry date	Exercise price	Fair value per option at grant date
Brian Jamieson	148,746	30 June 2021	30 June 2022	30 June 2024	$0.168	$0.0346
	148,746	30 June 2021	30 June 2023	30 June 2024	$0.168	$0.0790
	148,746	30 June 2021	30 June 2024	30 June 2024	$0.168	$0.0596
	446,238					
Matthew Driscoll	347,222	30 June 2021	30 June 2022	30 June 2024	$0.168	$0.0346
	347,222	30 June 2021	30 June 2023	30 June 2024	$0.168	$0.0790
	347,223	30 June 2021	30 June 2024	30 June 2024	$0.168	$0.0596
	1,041,667					
Ian A Campbell	198,413	30 June 2021	30 June 2022	30 June 2024	$0.168	$0.0346
	198,413	30 June 2021	30 June 2023	30 June 2024	$0.168	$0.0790
	198,412	30 June 2021	30 June 2024	30 June 2024	$0.168	$0.0596
	595,238					
Anthony L Smith	446,429	30 June 2021	30 June 2022	30 June 2024	$0.168	$0.0346
	446,429	30 June 2021	30 June 2023	30 June 2024	$0.168	$0.0790
	446,428	30 June 2021	30 June 2024	30 June 2024	$0.168	$0.0596
	1,339,286					

Remuneration Report (audited)

Voting and comments made at the Company's last Annual General Meeting

Energy Technologies Limited received 99.94% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2020. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Use of remuneration consultants

Energy Technologies Limited did not employ the services of any remuneration consultants in FY2021.

Employment agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in an employment agreement. The major provisions of the agreements relating to remuneration as set out below:

Employee	Base Salary (per annum)	Term of Agreement	Notice Period
Alfred J Chown	$287,671	Unspecified	3 months
Gregory R Knoke	$192,876	Unspecified	1 month
Nicholas Cousins	$160,000	Unspecified	3 months

Other transactions with key management personnel

1) A loan from former Director and current group CEO Alfred Chown of $10,913 to subsidiary Bambach Wires and Cables Pty Ltd remains as at 30 June 2021 (FY2020: $10,981). This loan is unsecured and repayable on demand.

2) During the 2020 financial year Director Matthew Driscoll, made a loan to the company of principal $500,000. This loan holds second ranking security over the assets of the group. The loan incurred an establishment fee of $75,000. The loan matured on 12 February 2021 but following discussions with the board, Mr Driscoll has agreed to extend the loan for a further term of 12 months, to 12 February 2022, and to amend the loan interest rate from 15% per annum to 12% per annum. As 30 June 2021 interest accrued on this loan is $98,096 (FY2020: $28,767).

3) Included in Sundry payables and accrued expenses are unpaid Directors fees of $240,833.

4) As reported in the FY2020 Annual Report, to facilitate variations on business accounts held with Moneytech, during FY2020 CEO Alfred Chown and Donna Chown (guarantors) provided in favour of Moneytech a guarantee for the performance of the obligations of Bambach under the facility. Donna Chown granted a mortgage in favour of Moneytech to secure her guarantee obligations. Energy Technologies Limited provided a guarantee and indemnity to the guarantors for any liability of Bambach under the provisions of the Deed as tabled.

   In consideration for providing the guarantee and security to Moneytech the fees payable to the guarantors were an establishment fee of 3% of the amount guaranteed ($210,000), and a monthly service fee based on 2% per annum of the amount guaranteed ($11,666 per month). At 30 June 2020 accrued establishment fee was $210,000 and accrued monthly service fees were $11,666. Total accrued fees $221,666.

   The guarantee continued till 31 May 2021 as a new working capital facility was announced to the market and the guarantee was cancelled. During the current financial year we accrued 11 months service fees of $128,326. A total of $309,992 was paid to Mr Chown during the current financial year, comprising $170,000 for establishment fees and $139,992 for monthly service fees. As at 30 June 2021 there remains $40,000 establishment fee unpaid or accrued.

Details of the nature and amount of each element of the remuneration of key management personnel including each director of the company and each of the specified executive officers of the company and the consolidated entity for the financial year are disclosed in the table on next page.

Remuneration Report (audited)

The following table provides the details of all directors of the Company ("specified directors") and the executives of the consolidated entity with the greatest authority ("specified executives"), and the nature and amount of the elements of their remuneration for the year ended 30 June 2021. Short-term benefits and post-employment benefits received relates to fixed contracted amounts, and no short-term incentives were paid during the year. The current share option plan is subject to participants meeting service conditions at the vesting date, and there were no performance conditions linked to the share option plan.

		Short-term benefits			Post Employment Benefits	Share-based payment		Total
2021		Cash, salary, fees & commissions	Cash Bonus	Other	Superannuation	Shares	Options	
Specified Directors	**Position (s) Held**	$	$	$	$	$	$	$
Brian Jamieson	Chairman/ Non-Executive Director of EGY	30,338	-	-	2,328	-	41	**32,707**
Anthony L Smith	Non-Executive Director of EGY	25,941	-	-	-	-	123	**26,064**
Ian A Campbell	Non-Executive Director of EGY	25,941	-	-	2,069	-	55	**28,065**
Yulin Hu	Non-Executive Director of EGY	50,000	-	-	-	-	-	**50,000**
Matthew Driscoll	Non-Executive Director of EGY	13,603	-	-	-	60,000	96	**73,699**
Gary A Ferguson	Non-Executive Director of EGY and Director of Bambach	25,000	-	-	-	-	-	**25,000**
Philip W Dulhunty	Non-Executive Director of EGY	20,833	-	-	-	-	-	**20,833**
Specified executives								
Alfred J Chown	CEO of EGY and Bambach	298,674	-	-	27,688	-	-	**326,362**
Gregory R Knoke	CFO/Company Secretary of EGY and Bambach	196,719	-	8,670	19,130	-	-	**224,519**
Nicholas Cousins	General Manager Bambach	160,159	-	18,000	15,215	-	-	**193,374**
		847,208	**-**	**26,670**	**66,430**	**60,000**	**315**	**1,000,623**

Remuneration Report (audited)

The following table provides the details of all directors of the Company ("specified directors") and the executives of the consolidated entity with the greatest authority ("specified executives"), and the nature and amount of the elements of their remuneration for the year ended 30 June 2020. No remuneration for the financial year is performance related.

		Short-term benefits			**Post Employment Benefits**	**Share-based payment**	**Total**
2020		Cash, salary, fees & commissions	Cash Bonus	Other	Superannuation	Equity	
Specified Directors	**Position (s) Held**	$	$	$	$	$	$
Alfred J Chown	Chairman/Managing Director of EGY and Managing Director of Bambach	310,082	-	-	28,318	-	**338,400**
Gary A Ferguson	Non-Executive Director of EGY and Director of Bambach	50,000	-	-	-	-	**50,000**
Philip W Dulhunty	Non-Executive Director of EGY	50,000	-	-	-	-	**50,000**
Yulin Hu	Non-Executive Director of EGY	50,000	-	-	-	-	**50,000**
Matthew Driscoll	Non-Executive Director of EGY	80,000	-	-	-	-	**80,000**
Specified executives							
Gregory R Knoke	CFO/Company Secretary of EGY and Bambach	189,034	-	8,670	17,517	-	**215,221**
Nicholas Cousins	General Manager Bambach	159,408	-	18,000	15,033	-	**192,441**
		888,524	**-**	**26,670**	**60,868**	**-**	**976,062**

End of the audited Remuneration Report.

Corporate Governance Statement

The Company's corporate governance practices are discussed below. Energy Technologies Limited and the Board of Directors are committed to achieving and demonstrating the highest standards of corporate governance. Energy Technologies Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th Edition) published by the ASX Corporate Governance Council. Details of the corporate governance report is available on the Group website at https://www.energytechnologies.com.au

The Board of Directors guides and monitors the business and affairs of Energy Technologies Limited and its subsidiaries ("the Group") on behalf of the shareholders, by whom they are elected and to whom they are accountable. The Board is responsible for the overall corporate governance of the Group. To assist the Board in discharging its responsibilities the Board has adopted principles of corporate governance that are considered appropriate for the present size of the Group. Where it is not appropriate, cost effective or practical to comply fully with the Corporate Governance Principles and Recommendations, this fact has been disclosed together with reasons for the departure.

Consistent with the ASX recommendations, the Company's corporate governance practices are regularly reviewed. This statement has been approved by the Board and the information in this statement is current as at 30 September 2021.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1: Board and Management Responsibilities

A listed entity should disclose:

a) the respective roles and responsibilities of its board and management; and
b) those matters expressly reserved to the board and those delegated to management.

The Board is responsible for, and has the authority to determine, all matters relating to the running of the Company including the policies, operational practices, management and objectives of the Company. In carrying out its responsibilities, the Board undertakes to serve the interest of shareholders diligently and fairly. It is the role of management to manage the Company in accordance with the directives of the Board.

Accordingly, certain functions and roles are reserved to the Board under the Board Charter, and certain others are delegated to the senior executives of the Group.

The responsibilities of the Board include:

- Appointment of senior executives and the determination of their terms and conditions including remuneration and termination;
- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- Approving the annual, half yearly and quarterly accounts;
- Approving significant changes to the organisational structure;
- Approving the issue of any shares, options, equity instruments or other securities in the Company (subject to compliance with ASX Listing Rules);
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules); and
- Meeting with the external auditor, at their request, without management being present.

A schedule of directors' meetings and attendances is detailed in the directors' report.

Delegation to the CEO

The Board has delegated responsibility for implementing EGY strategic direction and for the operation and day to day administration of the company to the CEO and executive management.

Corporate Governance Statement (continued)

Recommendation 1.2 : Appointment of Directors and election

A listed entity should disclose:

a) *undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director; and*
b) *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The experience, qualification and background of each Director is thoroughly assessed before appointment. This information is provided to shareholders through announcement to the market.

Information on each Director's background and qualification can be found on pages 5 to 7 of the Annual Report. The Company issues written notice of appointment for new Directors or senior executives setting out the terms and conditions relevant to that appointment and the expectations of the role of the director. The Company also provides an induction process which provides key information on the nature of the business and its operations.

When considering the appointment of a new Director, the Board may engage the services of an executive recruitment firm to assist in identifying suitable candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for reappointment at the next subsequent AGM. The Notice of Meeting for the AGM provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

Recommendation 1.3:

A listed entity should have a written agreement with each director and executive setting out the terms of their appointment.

New Directors consent to act as a director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

Recommendation 1.4: Company Secretary

The company secretary of a listed entity should be accountable directly to the chair, on all matters to do with the proper functioning of the board.

EGY's Company Secretary fulfils a broad range of management responsibilities in addition to company secretarial duties. As a result, the formal reporting line of the Company Secretary is to the CEO. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

The responsibilities of the Company Secretary include:

- advising the board and committee on governance issues;
- monitoring adherence to company policies;
- communicating with the ASX as required;
- co-ordinating and timing despatching of Board and committee papers; and
- ensuring that the business at Board and committee meetings are accurately captured in the minutes.

Recommendation 1.5: Diversity

A listed entity should:

a) *have a diversity policy which includes requirements for the board to or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
b) *disclose that policy or a summary of it; and*
c) *disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:*
    1. *the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
    2. *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

Corporate Governance Statement (continued)

Recommendation 1.5: Diversity (continued)

The Company has adopted policies in relation to employment and recruitment which require the introduction of new staff and management of the Group's employees on a non-discriminatory basis. Hiring policies are backed by policies in relation to Sexual Harassment and Grievance and Dispute Handling. However the Group has not disclosed its policy concerning diversity, its measurable objectives for achieving gender diversity and its progress towards achieving those objectives.

The Board continues to monitor diversity across the organisation. Due to the size of the Group, the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity. The Company's policies are intended to ensure that equal opportunity is given to all potential employees, and that increasing gender diversity at all levels will be encouraged. The Board will keep the gender composition of its workforce under review.

In accordance with this policy, the Board provides the following information pertaining to the proportion of women across the organisation at the date of this report:

Fourteen per cent (14%) of all the Group's employees are women. There is currently one female on the Board as Alternate Director to Yulin Hu.

Recommendations 1.6: Board Review

A listed entity should:

a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Board of EGY conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors throughout the year. Board members meet amongst themselves both formally and informally. The Chairman in his role speaks with each director individually regarding board performance. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group given its size.

Recommendations 1.7: Senior Executive Reviews

A listed entity should:

a) *have and disclose a process for periodically evaluating the performance of its senior executives; and*
b) *disclose, in relation to each reposting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The Remuneration Committee and the Board undertake a performance review of the CEO and senior executive performance on an ongoing basis throughout the year, including setting targets. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group given its size.

Principle 2: Structure the board to add value

The composition of the Board is structured to efficiently discharge its responsibilities and duties. EGY's Constitution provides for a minimum of three directors and a maximum of twenty.

Recommendation 2.1: Nomination Committee

The Board of a listed entity should:

a) *have a nomination committee which:*
    1. *has at least three members, a majority of whom are independent directors; and*
    2. *is chaired by an independent director;*

    and disclose:

    3. *the charter of the committee;*
    4. *the members of the committee; and*
    5. *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
b) *if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable to discharge its duties and responsibilities effectively.*

Corporate Governance Statement (continued)

Recommendation 2.1: Nomination Committee (continued)

EGY does not currently have a nomination committee in place. Due to the small number of directors and the hands on management style of the board, the board as a whole fulfils this function. Board members meet both formally and informally and maintain a strong interaction between directors and senior management, enabling the board to assess that the appropriate balance of skills, knowledge, experience, independence and diversity is in place to enable the board to discharge its duties and responsibilities effectively.

For Directors retiring by rotation, the Board assesses that director in his/her absence before recommending re-election.

Recommendation 2.2: Board skills matrix

The listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board of Directors is comprised of a Chairman, together with four non-executive Directors and an Alternate Director. The Board considers that a diversity of skills, knowledge, experience, backgrounds and gender is in place to effectively govern the business. The current Board profile addresses this with the following experience, skills and qualifications represented on the Board:

- an extensive range of business and senior executive experience;
- experience on listed and unlisted company and boards as executive and non-executives and committee members;
- understanding the sectors in which the Company operates in including the energy sector, resources industry, infrastructure, construction;
- relevant operational experience in strategic planning, executive management; mergers and acquisitions, risk management, financial markets, contract negotiation and people management;
- financial and corporate governance acumen with finance sector and audit committee roles experience; and
- an understanding of the health and safety challenges of the business.

Recommendations 2.3, 2.4, 2.5: Board Composition, Independence of Directors and Chairman

Recommendation 2.3:

A listed entity should disclose:

a) the names of the directors considered by the board to be independent directors;
b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
c) the length of service of each director.

The composition of the Board is determined in compliance with the Company's constitution. The names of the directors of the company in office at the date of this report, their term of office and their skills, experience and relevant expertise are detailed in the directors' report. The position and term in office of each Director at the date of this report is as follows:

Name of Director	Position	Term in Office	
		Years	Months
Brian Jamieson	Chairman/Non-Executive Director	-	6
Anthony Lloyd Smith	Non-Executive Director	-	6
Ian Alistair Campbell	Non-Executive Director	-	6
Yulin Hu	Non-Executive Director	5	9
Meiping Hu	Alternate Director to Yulin Hu	5	9
Matthew Driscoll	Non-Executive Director	4	8

The Company has a majority of independent directors on the board. Non-executive director Anthony Lloyd Smith is not independent.

Corporate Governance Statement (continued)

Recommendation 2.3 (continued):

The other non-executive directors are materially independent in complying as a director who is not a member of management, is a Non-Executive Director and who:

- is not a substantial shareholder (under the meaning of Corporations Act 2001) of the Group or an officer of, or otherwise associated, directly or indirectly, with a substantial shareholder of the Group;
- has not within the last three years been employed in an executive capacity by the Group or another Group member, or been a Director after ceasing to hold any such employment;
- is not a principal of a professional adviser to the Group or another Group member;
- is not a significant consultant, supplier or customer of the Group or another Group member, or an officer of or otherwise associated, directly or indirectly, with a significant consultant, supplier or customer;
- has no significant contractual relationship with the Group or another Group member other than as a Director of the Group; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Group.

During the 2021 financial year, Directors Mr Alfred John Chown, Mr Gary Allan Ferguson and Mr Philip Wellesley Dulhunty (deceased) left the EGY Board. Mr Chown remains as CEO of the business and a substantial shareholder in EGY.

Recommendation 2.4:

The majority of the Board of a listed entity should be independent Directors.

In accordance with the definition of independence above, four directors and an alternate director are considered independent. There are procedures in place, as agreed by the board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Group's expense.

Recommendation 2.5:

The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.

Under EGY's Constitution, the Board elects a Chairman from amongst the non-executive Directors. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director. EGY's Chairman, Brian Jamieson, is considered an independent director. The Directors consider that the current Chairman of the Board is appropriate to the size and nature of operations of the Group.

Recommendation 2.6: Professional Development

The listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:

- The rights, duties and responsibilities of Directors;
- The role of Board Committees;
- The roles and responsibilities of the Chairman; and
- EGY's financial, strategic, and operational risk management position.

Each Director has the right of access to all relevant Company information and to the Company's executives. The Directors also have access to external resources as required to fully discharge their obligations as Directors of the Company. The use of this resource is coordinated through the Chairman of the Board.

The Company has processes in place to review the performance of the Board and its committees and individual Directors, give consideration to corporate governance matters, including the relevance of existing committees and to review its own and individual Directors' performance. The Chairman is responsible for monitoring the contribution of individual Directors and consulting with them in any areas of improvement.

Corporate Governance Statement (continued)

Principle 3: Instil a culture of Acting lawfully, ethically and responsibly

Recommendations 3.1 and 3.2: Code of Conduct

A listed entity should articulate and disclose its values and:

a) *have a code of conduct for its directors, senior executives and employees; and*
b) *disclose that code or a summary of it.*

The Board acknowledges the need for continued maintenance of the highest standards of Corporate Governance Practices and ethical conduct by all Directors and employees of the Group.

The Company has developed a Code of Conduct, an Employee Handbook and a comprehensive suite of policies which have been approved by the Board and apply to all employees, officers and Directors. This set of policies is reviewed and may be amended as necessary to ensure it continues to reflect the best practices necessary to consider legal obligations, maintain the Company's integrity and comply with the reasonable expectations of the Company's shareholders.

The Code of Conduct, Employee Handbook and Policy Statements set out a number of overarching principles of ethical behaviour which include:

- Personal and Professional Behaviour;
- Conflict of Interest;
- Public and Media Comment;
- Use of Company Resources;
- Security of Information;
- Intellectual Property/Copyright
- Discrimination and Harassment;
- Corrupt Conduct;
- Occupational Health and Safety;
- Legislation;
- Fair Dealing;
- Insider Trading;
- Responsibilities to Investors;
- Breaches of the Code of Conduct; and
- Reporting Matters of Concern.

Training about the Code of Conduct is part of the induction process for new EGY employees.

Recommendation 3.3:

A listed entity should:

a) *have and disclose a whistleblower policy; and*
b) *ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

The Company's Whistleblower Policy is disclosed in the Company's Corporate Governance documents and on the EGY website. The policy identifies the types of concerns that may be reported under the policy and how and to whom reports should be made. It also explains how the confidentiality of the whistleblower is safeguarded and outlines the processes for follow up investigation.

Recommendation 3.4

A listed entity should:

a) *have and disclose an anti-bribery and corruption policy; and*
b) *ensure that the board or a committee of the board is informed of any material breaches of that policy.*

The Company's Anti-bribery Policy is disclosed in the Company's Corporate Governance documents and on the EGY website. The policy acknowledges the criminal and civil penalties that may be incurred if the company is involved in bribery or corruption and prohibits the giving of bribes or other improper payments or commissions. The policy identifies the types of concerns that may be reported under the policy and how and to whom reports should be made.

Corporate Governance Statement (continued)

Principle 4: Safeguard the integrity of corporate reports

The following structure is set up to independently verify and safeguard the integrity of financial reporting.

Recommendation 4.1: Audit Committee

A board of a listed entity should:

a) *have an audit committee which:*
   1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
   2. *is chaired by an independent director, who is not the chair of the board,*

   and disclose:

   3. *the charter of the committee;*
   4. *the relevant qualifications and experience of the members of the committee; and*
   5. *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) *if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard that integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Board has established an Audit and Risk Committee. The names and qualifications of those appointed to the audit committee for the year ended 30 June 2021 and their attendance at meetings of the committee are included in the directors' report. The audit committee consists of a majority of independent directors, refer 2.3 Board Composition. Following the appointment of independent non-executive Directors in FY2021 the re-constituted audit committee includes three members. Independent director Mr Matthew Driscoll remains as Chairman of the audit committee. The Chief Financial Officer is invited to audit committee meetings at the discretion of the committee. The external auditor meets with members of the committee at least twice during the year.

It is the audit and risk Committee's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non- financial information. It is the committee's responsibility for the establishment and maintenance of a framework of internal control of the Group.

The responsibilities of the audit committee include:

- Assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review; and
- Providing advice to the Board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001.

The Company does not have an internal audit function due to the size and lack of complexity of the Company. The Company's Board and Management oversee the key areas of the business including the risk management and internal control processes of the Company and evaluate and look for opportunities to continually improve the effectiveness of these processes.

Recommendation 4.2:

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

To assist the Board in approving the Company's financial statements, the CEO and the CFO are required to present a declaration with regard to the integrity of the financial statements to confirm to the Board that the Company's financial statements present a true and fair view in all material respects of the Company's financial condition and that operational results are in accordance with applicable accounting standards and the Corporations Act.

Corporate Governance Statement (continued)

Recommendation 4.3:

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

As outlined in Recommendation 4.1 above, the audit and risk committee responsibilities include ensuring the reliability of financial and non- financial information. In addition all market releases are reviewed by the board of EGY and require a resolution from the board approving release.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1: Disclosure

A listed entity should:

a) *have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
b) *disclose that policy or a summary of it.*

The Company has a Continuous Disclosure policy to ensure compliance with ASX Listing Rules and Corporations Act obligations to keep the market fully informed of any information which may have material effect on the price or value of its securities. The policy is reviewed regularly and disclosed in the Company's Corporate Governance documents on its web site.

Recommendation 5.2:

A listed entity should ensure that its board receives copies of all material announcements promptly after they have been made

The Company Secretary in consultation with the CEO and Directors is responsible for communications with the ASX. The Company Secretary reports to the Board on matters that were either notified or not notified to the ASX. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available on the EGY website.

Recommendation 5.3:

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

The Board of Directors approves all substantive presentations prior to release, including those required to be disclosed under listing Rule 3.1. Presentations in this category including those to be released at the Annual General Meetings are released on the ASX Market Announcements Platform ahead of the presentation.

Principle 6: Respect the rights of shareholders

Recommendation 6.1:Information on website

A listed entity should provide information about itself and its governance to investors via its website.

EGY's website at www.energytechnologies.com.au provides detailed information about its business and operations. Details of EGY's Board Members can be found here.

The Company's, and subsidiary Bambach Wires and Cables Pty Ltd, website contains extensive information about the board and management and provides helpful information to shareholders. It allows shareholders to view ASX and media releases; various investor presentations; a copy of the most recent Annual Report and Annual Reports for at least the two previous financial years; and the notice of meeting and accompanying explanatory material for the most recent Annual General Meeting.

Shareholders can find information about EGY's corporate governance on its website. This includes EGY's Constitution, Board and Board Charters, and an extensive list of other Policies that support corporate governance.

Documents published on the EGY website include:

- Constitution;
- Corporate Governance Statement;
- Board Charter;
- Audit Committee Charter;
- Whistle-Blower Policy;
- Securities Trading Policy; and
- Anti-Bribery Policy.

Corporate Governance Statement (continued)

Recommendation 6.2: Investor relations

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

EGY is committed to communicating effectively with its shareholders and making it easier for shareholders to communicate with the Group.

EGY promotes effective communication with shareholders and encourages effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX;
- Through the Annual Report, half yearly report and quarterly reports;
- Through the distribution of the annual report and notices of annual general meeting;
- Through shareholder meetings and investor relations presentations;
- The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report; and
- Informal meetings and factory site visits with shareholders are also held from time to time. A regular newsletter is produced which is available on request.

Recommendation 6.3: Participation at meetings

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Notices of meeting sent to EGY's shareholders comply with the "Guidelines for notices of meeting" issued by the ASX in August 2007. Shareholders are invited to submit questions before the meeting and, at the meeting, the Chairman attempts to answer as many of these as is practical.

The Chairman also encourages full participation of attending shareholders at the Annual General Meeting to maintain a high level of accountability and allow shareholders to identify the Company's strategies and goals. The Chairman may respond directly to questions or, at his discretion, may refer a question to another Director or senior management.

New Directors or Directors seeking re-election are given the opportunity to address the meeting and to answer questions from shareholders.

Recommendation 6.4:

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands.

EGY recognises the principle of "one security one vote' in deciding the votes of shareholders at general meeting. Proxy results are calculated prior to the meeting and are reported to all shareholders present by the Chairman. A show of hands by shareholders present is supported by a poll based on the proxy vote and shareholders present on all substantive resolutions.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company encourages electronic communication directly via email with shareholders at all times. Shareholders have the option of electing to receive all shareholder communications by e-mail. EGY provides a printed copy of the Annual Report to only those shareholders who have specifically elected to receive a printed copy.

Corporate Governance Statement (continued)

Principle 7: Recognise and manage risk

Recommendation 7.1: Risk Committee

A board of a listed entity should:

a) *have a committee or committees to oversee risk, each of which:*
   1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
   2. *is chaired by an independent director, who is not the chair of the board,*

   and disclose:

   3. *the charter of the committee;*
   4. *the members of the committee; and*
   5. *as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Audit and Risk Committee meets at least 2 times a year and completes a Risk and Compliance checklist to recognise and manage risk. Details of the structure and Charter of the Audit and Risk Management Committee are set out in Recommendation 4.1.

The Group also takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

Recommendation 7.2: Risk Review

The board or a committee of the board should:

a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*

b) *disclose, in relation to each reporting period, whether such a review has taken place*

The Audit and Risk Committee is responsible for reviewing risk management policies and for satisfying itself that EGY has a sound system of risk management and internal control that is operating effectively. The Audit and Risk Committee also reviews and approves EGY's main identified risk exposures and the actions being taken to mitigate those risks and reports to the board on material matters.

The Board identifies potential areas of business risk arising from changes in the financial and economic circumstances of its operating environment. It regularly assesses the Company performance in light of risks identified.

The Board has several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic business plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholder's needs and manage business risk;
- Implementation of Board-approved operating plans and budgets and board monitoring of progress against these, including the establishment and monitoring of key performance indicators (KPI's) of both a financial and non-financial nature;
- The establishment of committees to report on specific business risks, including for example, such matters as occupational health and safety;
- Regular management meetings involving executive directors, specified executives, and staff during which reports are given on production, sales, financial, compliance and strategic issues and decisions taken on operating matters, or referred to the Board;
- Regular report from the CFO which assist in discharging the Board's responsibility to manage the Group's financial risks; and
- The Board holds discussion of issues raised in the shareholder open days, in addition to the AGM, as well as other shareholder communications, to ensure that the Board is cognizant of the diverse needs of various stakeholders and assist in identifying the risks the business may face if those needs are not met, as well as specifically review and update the corporate strategy as necessary.

Corporate Governance Statement (continued)

Recommendation 7.3: Internal Audit

A listed entity should disclose:

- a) *If it has an internal audit function, how the function is structured and what role it performs; or*
- b) *If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The Board does not have an established internal audit function, given the size of its operation, although as part of the Company's strategy to implement an integrated framework of control, the Board requests the external auditors review internal control procedures. Recommendations once presented are considered by the Board through that Audit and Risk Committee.

The risk management functions of the board are summarised under recommendations 7.1 and 7.2.

Recommendation 7.4: Sustainability Risks

A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

The Audit and Risk Committee informally monitors and manages the Groups exposure to economic, environment and social responsibility risks. The Board considers that the current approach that it has adopted with regard to the sustainability risk management process is appropriate to the size and nature of operations of the Group.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1: Remuneration Committee

A board of a listed entity should:

- a) *have a remuneration committee which:*
  1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
  2. *is chaired by an independent director,*

  and disclose:

  3. *the charter of the committee;*
  4. *the members of the committee; and*
  5. *as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Board has established a remuneration committee. The Remuneration Committee is responsible for determining and reviewing compensation arrangements for executive directors and key management personnel and reporting its recommendations to the Board of EGY. It is also responsible for share option schemes, incentive performance packages, and compliance with superannuation requirements, termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies as applicable.

The names of the members of the remuneration committee and their attendance at meetings of the committee are detailed in the directors' report. The remuneration committee in place for the year ended 30 June 2021 consists of three directors and has a majority of independent directors. The CEO and CFO are invited to remuneration committee meetings, as required, to discuss senior executives and staff performance and remuneration packages.

The charter in relation to the remuneration committee is disclosed in the Company's Corporate Governance documents.

There are no schemes for retirement benefits other than statutory superannuation for non-executive directors.

Corporate Governance Statement (continued)

Recommendation 8.2: Executive and Directors Remuneration Policies

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report which forms part of the Annual Report.

Remuneration levels are set to attract and retain appropriately qualified and experienced directors, senior executives and staff to run the consolidated entity. The board considers that the remuneration structure will be able to attract and retain the best executives with the necessary incentives to work to grow long-term shareholder value.

The remuneration committee obtains independent advice as necessary on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. The remuneration committee reviews executive packages by reference to company performance, executive performance, comparative industry information and relevant independent advice. The performance of executives is measured against criteria agreed which includes the forecast growth of the Company's turnover and production targets and shareholders' value.

The Company's non-executive directors are paid directors' fees for their normal performance of duties as a director.

The amount of remuneration for all directors and the highest paid executives, including all monetary and non-monetary components, are detailed in the Directors' Report.

Recommendation 8.3: Equity based Remuneration Scheme

A listed entity which has an equity-based remuneration scheme should:

- *a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- *b) disclose that policy or a summary of it.*

A revised Directors Equity Plan was established in 2017 and approved by shareholders at the 2020 Annual General Meeting.

Executives and employees are also entitled to participate in the EGY Share Option Plan also approved by shareholders at the 2020 Annual General Meeting. The Employee Share Option Plan is part of the remuneration package of the Group's directors, senior management and sales personnel. Options under this plan will vest if the participant remains employed for the agreed vesting period.

The decision on whether to exercise the options is up to the participant has thereby limiting the economic risk of participating in the scheme.

Recommendation 9.1:

A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

EGY has one director, Mr Yulin Hu, who is based overseas and is not fully fluent in English. To facilitate participation at board level and in meetings the board has appointed an alternate director to Mr Hu with required language skills. Other measures taken include ensuring corporate documents are received with adequate notice to permit translation as required.

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

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 audit of Energy Technologies Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner - Audit & Assurance

Sydney, 30 September 2021

Consolidated Income Statement
for the year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
Sales Revenue	2(a)	**9,428,718**	10,126,042
Cost of Sales		**(6,793,763)**	(7,642,791)
Gross Margin		**2,634,955**	2,483,251
Other Income	2(b)	**1,786,296**	760,552
Marketing expenses		**(40,814)**	(124,285)
Occupancy expenses		**(203,525)**	(453,533)
Administrative expenses		**(5,027,238)**	(4,484,138)
Finance costs		**(1,593,596)**	(1,241,723)
Depreciation and amortisation expenses		**(2,503,007)**	(1,235,901)
Impairment of property, plant and equipment		**(298,636)**	-
Other expenses		**(98,649)**	(81,829)
Loss before income tax		**(5,344,214)**	(4,377,606)
Income tax expense	4	**(11,831)**	(37,729)
Loss after income tax		**(5,356,045)**	(4,415,335)
Loss attributable to non-controlling interest		**14,856**	13,115
Loss attributable to members of the parent entity		**(5,341,189)**	(4,402,220)

Earnings per share

	Note	2021	2020
Basic loss per share (cents per share)	8	**(3.4)**	(5.1)
Diluted loss per share (cents per share)	8	**(3.4)**	(5.1)

The accompanying notes form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2021

	Consolidated	
	2021 **$**	2020 $
LOSS FOR THE YEAR	**(5,356,045)**	(4,415,335)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR AFTER TAX:		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Movement in foreign exchange relating to translation of controlled foreign entities	**8,095**	(1,799)
Exchange differences on foreign exchange relating to non-controlling interest	**8,097**	(1,799)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**16,192**	(3,598)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(5,339,853)**	(4,418,933)

TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Members of the parent entity	**(5,333,094)**	(4,404,019)
Non-controlling interest	**(6,759)**	(14,914)
	(5,339,853)	(4,418,933)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
as at 30 June 2021

	Note	Consolidated 2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	**9**	**123,097**	27,676
Trade and other receivables	**10**	**4,303,156**	4,188,418
Inventories	**11**	**3,968,970**	2,326,951
Other current assets	**16**	**546,185**	357,389
TOTAL CURRENT ASSETS		**8,941,408**	6,900,434
NON-CURRENT ASSETS			
Property, plant and equipment	**13**	**10,983,621**	11,748,160
Intangible assets	**14**	**6,246,275**	4,737,132
Right of use assets	**15**	**4,284,886**	4,999,945
Deferred tax assets	**19(a)**	**217,096**	228,927
Other non-current assets	**16**	**279,769**	215,408
TOTAL NON-CURRENT ASSETS		**22,011,647**	21,929,572
TOTAL ASSETS		**30,953,055**	28,830,006
CURRENT LIABILITIES			
Trade and other payables	**17**	**4,133,499**	6,268,901
Lease liabilities	**15**	**923,435**	882,252
Borrowings	**18**	**5,666,229**	3,865,247
Deferred income	**16**	**486,808**	-
Short-term provisions	**20**	**1,029,583**	846,510
TOTAL CURRENT LIABILITIES		**12,239,554**	11,862,910
NON-CURRENT LIABILITIES			
Borrowings	**18**	**1,875,000**	338,963
Lease liabilities	**15**	**2,771,988**	3,395,172
Long-term provisions	**20**	**132,003**	156,692
TOTAL NON-CURRENT LIABILITIES		**4,778,991**	3,890,827
TOTAL LIABILITIES		**17,018,545**	15,753,737
NET ASSETS		**13,934,510**	13,076,269
EQUITY			
Issued capital	**21**	**31,483,891**	25,351,729
Other contributed equity		**-**	300,000
Reserves	**22**	**5,789,943**	5,781,848
Share based payment reserve	**23**	**365,932**	-
Accumulated losses		**(23,086,649)**	(17,745,460)
Parent interest		**14,553,117**	13,688,117
Non-controlling interest		**(618,607)**	(611,848)
TOTAL EQUITY		**13,934,510**	13,076,269

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 June 2021

	Issued Capital $	Reserves $	Share based payment reserve $	Accumulated losses $	Non-Controlling Interest $	Total $
Consolidated						
Balance at 01 July 2019	25,279,229	5,783,647	-	(13,343,240)	(596,935)	17,122,701
Comprehensive income						
Loss for the year	-	-	-	(4,402,220)	(13,115)	(4,415,335)
Other comprehensive loss for the year	-	(1,799)	-	-	(1,798)	(3,597)
Total comprehensive loss for the year	-	(1,799)	-	(4,402,220)	(14,913)	(4,418,932)
Transactions with owners, in their capacity as owners, and other transfers						
Contributions of equity	72,500	-	-	-	-	72,500
Cash for equity raised in advance	300,000	-	-	-	-	300,000
Total transactions with owners, in their capacity as owners, and other transfers	372,500	-	-	-	-	372,500
Balance at 30 June 2020	**25,651,729**	**5,781,848**	**-**	**(17,745,460)**	**(611,848)**	**13,076,269**
Balance at 01 July 2020	**25,651,729**	**5,781,848**	**-**	**(17,745,460)**	**(611,848)**	**13,076,269**
Comprehensive income						
Loss for the year	**-**	**-**	**-**	**(5,341,189)**	**(14,856)**	**(5,356,045)**
Other comprehensive income for the year	**-**	**8,095**	**-**	**-**	**8,097**	**16,192**
Total comprehensive loss for the year	**-**	**8,095**	**-**	**(5,341,189)**	**(6,759)**	**(5,339,853)**
Transactions with owners, in their capacity as owners, and other transfers						
Contributions of equity – net of capital raising cost	**6,132,162**	**-**	**-**	**-**	**-**	**6,132,162**
Contributions of equity received in advance – shares issued this year	**(300,000)**	**-**	**-**	**-**	**-**	**(300,000)**
Unlisted share options	**-**	**-**	**365,932**	**-**	**-**	**365,932**
Total transactions with owners, in their capacity as owners, and other transfers	**5,832,162**	**-**	**365,932**	**-**	**-**	**6,198,094**
Balance at 30 June 2021	**31,483,891**	**5,789,943**	**365,932**	**(23,086,649)**	**(618,607)**	**13,934,510**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**10,847,677**	10,179,605
Receipts from government subsidies - R&D grant		**782,104**	948,903
Receipts from government subsidies – JobKeeper/Cash boost		**1,659,458**	372,318
Interest received		**192**	943
Payments to suppliers and employees		**(16,472,470)**	(9,975,134)
Finance costs		**(1,424,359)**	(1,042,894)
Net cash (outflow)/inflow from operating activities	**28(a)**	**(4,607,398)**	483,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**-**	13,400
Purchases of property, plant and equipment		**(847,526)**	(1,920,454)
Purchases of intangible development assets		**(3,510,905)**	(1,507,596)
Proceeds from government grants – RJIP grant		**-**	1,452,000
Advance received - government grant	**16**	**486,808**	-
Net cash outflow from investing activities		**(3,871,623)**	(1,962,650)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares – net of issue costs		**5,634,660**	-
Proceeds from contribution of equity – received in advance		**-**	300,000
Proceeds from borrowings		**6,395,907**	2,286,406
Repayment of borrowings		**(2,862,772)**	(734,539)
Repayment of lease liabilities	**15**	**(593,353)**	(796,654)
Loans from directors	**30**	**-**	421,420
Net cash inflow from financing activities		**8,574,442**	1,476,633
Net increase (decrease) in cash held		**95,421**	(2,276)
Cash at beginning of financial year		**27,676**	29,940
Effect of exchange rates on cash holdings in foreign currencies		**-**	12
Cash at end of financial year	**9**	**123,097**	27,676

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements are presented in Australian dollars unless otherwise stated.

The financial statements were authorised for issue on 30 September 2021 by the directors of Energy Technologies Limited.

Energy Technologies Limited is a listed public company, incorporated and domiciled in Australia.

(b) Statement of compliance

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Going Concern

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

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

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

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

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

Energy Technologies Limited has also announced on 20 September 2021 a capital raising of up to $11 million, comprising a non-renounceable Rights Issue partially underwritten to $6 million at an issue price of $0.11 per share.

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

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

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

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(c) Going Concern (continued)

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

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

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Energy Technologies Limited (EGY) at the end of the reporting period. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is included in Note 12 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in the subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statements showing profit or loss and other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie. transactions with owners in their capacity as owners).

(e) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

Where measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in the profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations are expensed.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase. A gain from a bargain purchase is accounted for in the income statement at the acquisition date.

(f) Foreign currencies

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars (A$), which is the parent entity's functional currency.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(f) Foreign currencies (continued)

Foreign currency transactions are translated into functional currency at the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are retranslated at the year-end exchange rate. Non-monetary items measured at fair value are reported at the exchange rate as at the date when fair value was determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

(i) Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates for the period; and

(iii) Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

The functional currencies of the overseas subsidiaries are:

Dulhunty Engineering Limited (formerly D Power International Limited) – Hong Kong Dollars

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(g) Property, plant and equipment

Each class of Plant and equipment is stated at fair value as indicated, less accumulated depreciation and any impairment in value.

Increases in the carrying amount arising on revaluation of plant and equipment are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings & Leasehold Improvements	2.5% to 25%
Plant and equipment	5% to 25%
Leased plant & Equipment	5% to 25%

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the revaluation surplus or in the income statement, as set out above.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(h) Intangibles

Intangible assets

Intangible assets acquired separately are capitalised at cost as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of Patents, Computer Software and Licenses are assessed and amortised over their useful lives and amortisation charged is taken to the income statement. Patents and licenses are amortised over 10 years and Computer Software over 4 years.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles, at each reporting date, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and development costs

Expenditure on research activities is recognised as an expense when incurred.

Expenditure on development activities is capitalised only when it is probable that future benefits will exceed deferred costs and these benefits can be reliably measured. Capitalised development expenditure is stated at cost less accumulated amortisation

Development expenditure is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Capitalised development expenditure is measured at cost less any accumulated amortisation and impairment losses.

The capitalised development expenditure has been reviewed to confirm to management that no impairment issues exist as at 30 June 2021. Following a review by management the amortisation rate applied has been raised to 10% commencing FY2021 (FY2020 - 5%). Amortisation is calculated using a straight-line method to allocate the costs over an estimated useful life of 10 years (FY2020 – 20 years) during which the related benefits are expected to be realised. The impact in the current was to increase amortisation from $234,011 to $468,021.

Intellectual Property

The Group purchased Intellectual Property consisting of brands, trademarks and design patents from Advance Cables Pty Ltd during the year ended 30 June 2019 for $500,000. These assets have yet to be utilised as the new factory facility in Rosedale Victoria has not commenced production of Advance specific products. Amortisation will be applied using a straight line over an estimated useful life of 10 years commencing financial year 2022.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(i) Inventories

Manufacturing

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials — valued on a weighted average cost;
- Finished goods and work-in-progress — cost of raw materials and standard cost of labour and a proportion of manufacturing overheads based on estimated machine man minute. Standard cost approximates actual cost. No depreciation or amortisation is allocated to the standard cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion.

(j) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(k) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it is recognised against the asset released to profit or loss over the expected useful life of the related asset as a reduced depreciation charge.

(l) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks.

(m) Investments in Associates

At the date of this report there are no investments in associates.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(n) Financial Instruments

Recognition and de-recognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings and trade & other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying consolidated benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(r) Revenue recognition

Revenue is recognised using the 5-step process:

1 Identifying the contract with a customer;

2 Identifying the performance obligations;

3 Determining the transaction price;

4 Allocating the transaction price to the performance obligations; and

5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(s) Income tax

The income tax expense for the year comprises current income tax expense/(income) and deferred tax expense/(income). Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for deferred tax liability on revaluation of plant and equipment not recognised due to the existence of unrecognised tax losses available for offset.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(t) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(u) Contributed equity and other contributed equity

Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Other contributed equity

Capital contribution received in advance of share allotment is recognised at the fair value of the consideration received by the Company as other contributed equity.

Any transaction costs arising on the related equity issuance are recognised directly in equity as a reduction of the share proceeds received.

(v) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(v) Employee benefits (continued)

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, which are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(w) Fair Value

The Group subsequently measures some of its assets at fair value on a recurring basis. Fair value is the price the Group would receive to sell an asset in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (ie the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after considering transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

(x) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

i) Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

ii) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturer's warranties (for plant and equipment), lease terms (for leased equipment), long term sales projections and customer requirements (for intangible assets) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

iii) Revaluation of plant and equipment – refer to Note 13.

iv) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

v) Capitalised development costs

Distinguishing the research and development phases of a new customised product and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

vi) Inventory valuation

Management periodically assesses the carrying value of inventory to ensure it is stated at the lower of cost and net realisable value. Slow moving and excess items are provisioned based on management expectations of the percentage of cost expected to be recovered when the items are sold.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1 Summary of Significant Accounting Policies (continued)

vii) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

viii) Leases - determination of the appropriate discount rate to measure lease liabilities

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

ix) Employee benefits provision

As discussed in note 1(v), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key Judgements

i) Going Concern: Refer to details in Note 1(c)

ii) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

iii) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. The potential impact has been detailed in specific notes elsewhere in the report.

(y) New and Revised Accounting Standards

Refer to Note 32.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 2 Revenue and Other Income

	Consolidated 2021 $	Consolidated 2020 $
(a) Revenue		
Sale of goods transferred at a point in time	**9,428,718**	10,126,042
	9,428,718	10,126,042
(b) Other Income		
Management fee	**-**	8,244
R&D grant	**273,556**	126,300
Finance revenue	**192**	943
Gain on sale of fixed assets	**-**	13,400
JobKeeper payment scheme	**1,414,600**	513,000
Other income	**97,948**	98,665
Total Other Revenue and Other Income	**1,786,296**	760,552
	11,215,014	10,886,594

Note 3 Profit/(Loss) for the Year

Included in the determination of Profit/(Loss) before income tax from continuing operations are the following expenses:

Expenses

Cost of sales	**6,793,763**	7,642,791
Finance costs on lease liabilities	**205,713**	240,522
Other finance costs	**1,387,883**	1,001,201
Short term lease payment	**37,162**	37,892
Foreign exchange losses	**8,997**	2,284
Defined superannuation contributions expense	**289,222**	218,977
Research and development expenditure	**628,864**	290,344
Depreciation and amortisation expenses	**1,685,510**	543,745
Depreciation on right of use assets	**817,497**	692,156
Impairment of property, plant and equipment	**298,636**	-
Share based payments	**60,315**	-
Employee benefits expense	**3,102,325**	2,773,711

Notes to the Financial Statements
for the year ended 30 June 2021

Note 4 Income Tax Expense

	Consolidated	
	2021	2020
	$	$
(a) The components of Income tax expense comprise:		
Current tax	**-**	-
Deferred tax	**11,831**	37,729
	11,831	37,729
(b) Reconciliation of the prima facie tax on loss to income tax expense:		
Prima facie tax on profit/(loss) before income tax at 26% (2020: 27.5%)	**(1,389,496)**	(1,203,842)
Tax effect of:		
- Other non-allowable items	**42,380**	128,754
- R&D expenses non-allowable	**163,505**	79,845
- Other assessable items	**49,210**	4,615
- Tax losses*	**1,205,525**	1,029,045
- Deferred income tax	**11,831**	37,729
- R&D grant non assessable	**(71,124)**	(34,732)
- Other non-assessable item	**-**	(3,685)
Income tax expense	**11,831**	37,729

*Current year tax losses unable to be offset within the group and not brought to account.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 5 Key Management Personnel Compensation

Compensation of Key Management Personnel

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2021 and the comparative year.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated	
	2021	2020
	$	$
Short-term employee benefits	**873,878**	915,194
Share based payment	**60,315**	-
Post-employment benefits	**66,430**	60,868
	1,000,623	976,062

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to KMP.

Post-employment benefits

These amounts are the current year's estimated cost of providing for superannuation contributions made during the year and post-employment life insurance benefits.

Share-based payments

The consolidated entity has a share option plan to incentivise certain employees and key management personnel. The share option plan is subject to participants meeting service condition (continuous employment with the consolidated entity) at the vesting date. The options are issued for nil consideration. There are no performance conditions.

During the financial year 3,422,429 unlisted options were granted (2020: NIL options). The share-based payment expense for these for the year was $315 (2020: $NIL).

During the year, director Mr Matthew Driscoll was issued 1,252,259 ordinary shares in lieu of director's fees under the director's equity plan. Amount $60,000 related to FY2021 and $117,500 relates to prior years.

Movements in share awards during the year

The following table illustrates the number of awards and weighted average exercise prices ('WAEP') of, and movements in, share awards during the current and previous year

	Number 30 June 2021	WAEP 30 June 2021
Movement in share options		
Balance at the beginning of the year	-	-
Options granted during the year	3,422,429	$0.168
Balance at the end of the year	3,422,429	

Notes to the Financial Statements

for the year ended 30 June 2021

Note 6 Auditors' Remuneration

	Consolidated	
	2021	2020
	$	$
Remuneration of the auditor of the parent entity:		
(a) Grant Thornton		
Audit Services		
Audit and review of financial reports	**147,505**	136,000
Non-audit Services		
Taxation services	**-**	11,000
Total remuneration of Grant Thornton	**147,505**	147,000
Total Remuneration of the auditor of parent entity	**147,505**	147,000
Remuneration of other auditors for:		
Audit and review of financial reports	**650**	5,000
Tax compliance services	**2,275**	3,508
	2,925	8,508

Note 7 Dividends

No dividends have been paid or proposed by the Parent for the year ended 30 June 2021 (2020: Nil).

Note 8 Earnings per Share

	Note		
(a) Reconciliation of earnings to profit or loss:			
Loss		**(5,356,045)**	(4,415,335)
Loss attributable to non-controlling interest		**14,856**	13,115
Earnings used to calculate basic and dilutive EPS		**(5,341,189)**	(4,402,220)
		Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		**157,704,223**	85,668,582
Weighted average number of dilutive options outstanding	**(c)**	**-**	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS		**157,704,223**	85,668,582

(c) During the 2021 financial year 3,422,429 unlisted share options were issued to directors under an approved share option plan. As at 30 June 2021 these options were valued at $315. Options have been excluded in the weighted average of shares used to calculate diluted earnings per share as they were anti-dilutive.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9 Cash and Cash Equivalents

	Consolidated 2021	2020
	$	$
Cash at bank and on hand	**123,097**	27,676
	123,097	27,676

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows:

	2021	2020
Cash and cash equivalents	**123,097**	27,676
	123,097	27,676

Note 10 Trade and Other Receivables

	Note	2021	2020
		$	$
CURRENT			
Trade receivables	**(a)**	**2,301,590**	2,788,593
R & D grant receivable		**1,800,800**	782,104
Government grant receivable		**-**	169,500
Other receivables		**200,766**	448,221
		4,303,156	4,188,418

(a) Trade debtors are based on normal terms of trade, typically 30 days from end of month. Retention of title terms exist on sales. Based on historical experience, external indicators and forward-looking information, no expected credit loss is considered necessary.

There were no trade debtors that were past due at 30 June 2021.

Note 11 Inventories

	2021	2020
At cost		
Raw materials and stores	**1,421,744**	658,703
Work in progress	**473,518**	17,466
Finished goods	**2,298,708**	1,750,782
Allowance for obsolete and slow-moving inventory	**(225,000)**	(100,000)
	3,968,970	2,326,951

In FY2021 an amount of $125,000 (FY2020: $100,000) was included in profit and loss as an expense resulting from the write down of inventories.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 12 Controlled Entitles

Controlled Entitles Consolidated	Country of Incorporation	Percentage Owned (%)*	
Parent Entity:		**2021**	2020
Energy Technologies Limited	Australia		
Subsidiaries of Energy Technologies Limited :			
Bambach Wires & Cables Pty Limited	Australia	**100**	100
Cogenic Pty Limited	Australia	**100**	100
Dulhunty Engineering Limited (previously D Power International Limited)	British Virgin Islands	**51**	51
Dulhunty Engineering Limited (Hong Kong Branch)	Hong Kong	**51**	51

***** Percentage of voting power is in proportion to ownership

Notes to the Financial Statements
for the year ended 30 June 2021

Note 13 Property, Plant and Equipment

	Consolidated	
	2021	2020
	$	$
Leasehold Improvements		
Leasehold Improvements	**624,936**	624,936
Less: Accumulated depreciation	**(64,392)**	(13,128)
Net carrying value	**560,544**	611,808
Plant and Equipment		
Plant and equipment	**12,255,730**	11,510,642
Less: Impairment	**(298,636)**	-
Less: Accumulated depreciation	**(1,534,017)**	(374,290)
	10,423,077	11,136,352
Total Property, Plant and Equipment	**10,983,621**	11,748,160

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 financial year:

	Leasehold Improvements	Plant and Equipment	Total
	$	$	$
Consolidated Entity:			
Carrying amount at the beginning of the year	611,808	11,136,352	11,748,160
Additions	-	745,087	745,087
Depreciation expense	(51,264)	(1,159,726)	(1,210,990)
Impairment	-	(298,636)	(298,636)
Carrying amount at the end of the year	**560,544**	**10,423,077**	**10,983,621**

Following impairment review of property, plant and equipment, one machine was deemed to be not fit for purpose during installation process and has been fully impaired at WDV $298,636.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 13 Property, Plant and Equipment (continued)

Fair value measurement of the Group's plant and equipment and leasehold improvements

The Group's plant and equipment and leasehold improvements are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The last external independent valuation was conducted at 30 June 2019 and management has determined that the fair value of the plant and equipment and leasehold improvements as at 30 June 2021 does not differ materially from its carrying value.

AASB 13 Fair Value Measurement requires the valuation technique used to be consistent with one of the following valuation approaches:

- Market approach: techniques that use prices and other information generated by market transactions for identical of similar assets;
- Income approach: techniques that convert future cash flows or income and expenses into a single discounted present value;
- Cost approach: techniques that reflect the current replacement cost of an asset at its current service capacity.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into, as follows:

- Level 1: Measurements based on quoted prices in active markets for identical assets that the entity can access at the measurement date;
- Level 2: Measurements based on inputs other than the quoted prices included in Level 1, but that are observable for the asset, either directly or indirectly;
- Level 3: Measurements based on unobservable inputs for the asset or liability.

The valuation of the assets was largely based on Level 3 inputs. The fair value of the plant and equipment and leasehold improvement was predominantly determined based on the market approach whereby the valuers researched industry relevant market places for market evidence of recent sales and offerings, sourced market opinions from industry experts as well as utilised their own database resources and industry experience. In some instances they adopted the cost approach or a combination of the cost and market approaches where there has been minimal or no reliable market evidence to compare with the subject assets. The valuers also considered the physical deterioration, functional obsolescence and economic obsolescence of the assets.

The fair value of BWC Plant and Equipment and Leasehold Improvements under FV was $10,566,743 at 30 June 2019. The Board adopted this value, which resulted in an increase in net plant and equipment value of $6,838,699 in BWC at 30 June 2019. The revaluation amount was recognised in the Asset Revaluation Reserve. A deferred tax liability of $998,408 at 30 June 2021 (2020: $1,276,992) in respect of the revaluation, has been set off against tax losses available to offset any liability arising upon a disposal of plant and equipment. Refer Note 19(d). EGY has no plans to dispose of its plant and equipment.

EGY management has determined that the fair value of the plant and equipment as at 30 June 2021 does not differ materially from its carrying value.

Recurring fair value measurements:

	2021 **$**	2020 $
Plant and equipment	**10,423,077**	11,136,352
Leasehold improvements	**560,544**	611,808
Total non-financial assets recognised at fair value	**10,983,621**	11,748,160

The highest and best use of the assets is the fair market value in continued use, using the market approach technique.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 14 Intangible Assets

	Consolidated	
	2021	2020
	$	$
Computer software at cost	**47,651**	47,651
Accumulated amortisation	**(28,156)**	(21,659)
Net carrying value	**19,495**	25,992
Intellectual Property at cost	**500,000**	500,000
Accumulated amortisation	**-**	-
Net carrying value	**500,000**	500,000
Development Assets	**6,672,399**	4,688,738
Accumulated amortisation	**(945,619)**	(477,598)
Net carrying value	**5,726,780**	4,211,140
Total intangible assets	**6,246,275**	4,737,132

Movements in Carrying Amounts

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

	Software	Development Assets	Intellectual Property	Total
	$	$	$	$
Consolidated Entity:				
Carrying amount at the beginning of the year	25,992	4,211,140	500,000	**4,737,132**
Additions	-	3,510,905	-	**3,510,905**
R&D Grant receivable	-	(1,527,244)	-	**(1,527,244)**
Amortisation expense	(6,497)	(468,021)	-	**(474,518)**
Carrying amount at the end of the year	**19,495**	**5,726,780**	**500,000**	**6,246,275**

Intangible assets have finite useful lives. The current amortisation charges in respect of intangible assets are included under depreciation and amortisation expense.

The recoverable amount of intangible development assets has been reviewed to confirm to management that no impairment indicators exist as at 30 June 2021. Following review and management discussion the amortisation rate applied has been raised to 10% commencing FY2021. Testing was undertaken using information sourced both externally and internally and with a view to reaching a conclusion which satisfies AASB 136.

The Group purchased Intellectual Property consisting of brands, trademarks and design patents from Advance Cables Pty Ltd during the year ended 30 June 2019 for $500,000. These assets have yet to be utilised as the new factory facility in Rosedale Victoria has not commenced production of Advance specific products. Amortisation will be applied using a straight line over an estimated useful life of 10 years commencing financial year 2021.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 15 Right of Use Assets and Lease Liabilities

	Consolidated	
	2021	2020
	$	$
Right of Use Assets		
Office and factory premises	**4,474,040**	4,474,040
Less: Accumulated depreciation	**(1,318,353)**	(597,480)
	3,155,687	3,876,560
Plant and equipment	**1,639,905**	1,537,467
Less: Accumulated depreciation	**(510,706)**	(414,082)
	1,129,199	1,123,385
Total Right of Use Assets	**4,284,886**	4,999,945

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

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

	Office premises, factory and warehouse	**Plant and equipment**	**Total**
	$	**$**	**$**
Carrying amount at the beginning of the financial year	3,876,560	1,123,385	4,999,945
Additions	-	102,438	102,438
Depreciation expense	(720,873)	(96,624)	(817,497)
Carrying amount at the end of the financial year	**3,155,687**	**1,129,199**	**4,284,886**

Notes to the Financial Statements
for the year ended 30 June 2021

Note 15 Right of Use Assets and Lease Liabilities (continued)

Lease Liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees; and
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease.

If that rate cannot be readily determined, the entity's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent arm's length borrowing rate received as a starting point, adjusted to reflect changes in financing conditions since borrowing was received, making adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 15 Right of Use Assets and Lease Liabilities (continued)

Lease liabilities are presented in the statement of financial position as follows:

	Consolidated	
	2021	2020
	$	$
CURRENT		
Office and factory premises	**667,937**	566,244
Hire purchase agreements*	**255,498**	316,008
	923,435	882,252
NON-CURRENT		
Office and factory premises	**2,694,162**	3,320,975
Hire purchase agreements*	**77,826**	74,197
	2,771,988	3,395,172
Total lease liabilities	**3,695,423**	4,277,424

* Lease liabilities on Hire purchase agreements are secured by the underlying financed assets, being motor vehicles and plant and machinery.

Additional profit or loss and cash flow information on lease liabilities

	30 June 2021	30 June 2020
	$	$
Amounts recognised in the statement of profit or loss and other comprehensive income:		
Amortisation	**817,497**	692,156
Interest expense	**205,713**	240,522
Amounts recognised in the statement of cash flows:		
Repayment of lease liabilities	**593,353**	796,654
Interest expense	**205,713**	240,522
Total cash outflow in respect of leases in the year	**799,066**	1,037,176

Notes to the Financial Statements
for the year ended 30 June 2021

Note 16 Other Assets

	Note	Consolidated 2021 $	2020 $
CURRENT			
Prepayments -general		**178,517**	357,389
Prepayments – silicone cable project	**(a)**	**367,668**	-
		546,185	357,389
NON-CURRENT			
Other receivables		**135,241**	135,241
Deposits		**144,528**	80,167
		279,769	215,408

(a) On 15 January 2021 EGY announced that its subsidiary, Bambach Wires and Cables Pty Ltd (Bambach), has been awarded a Sovereign Industrial Capability Priority Grant to improve Australian manufacturing capability to support the Continuous Shipbuilding Program which includes rolling submarine acquisition; land combat, protected vehicles and technology upgrade. This will enable Bambach to enhance its existing manufacturing capability to manufacture of small, medium, and large diameter low voltage silicone copper cables essential for use in submarine and shipbuilding. The project cost was estimated at $1.74m of which the Federal Government will contribute up to $1.34m.

As at 30 June 2021 amount $367,668 has been spent on the silicone cable project. The first tranche of funds of $486,808 has been received and is included in the financial statements as Deferred Income.

Note 17 Trade and Other Payables

	Note	2021 $	2020 $
CURRENT			
Unsecured liabilities:			
Trade payables	**(a)**	**1,335,024**	2,385,541
BAS payable		**1,317,146**	1,274,024
Other payables and accrued expenses		**1,481,329**	2,609,336
		4,133,499	6,268,901

(a) Trade payables are based on normal terms of trade, typically 60 days from end of month.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18 Borrowings

	Note	Consolidated 2021 $	2020 $
CURRENT			
Secured borrowings			
Asset finance facility	**(d)**	**-**	106,365
Debtor finance facility	**(b)**	**1,143,685**	1,398,684
Trade finance facility	**(c)**	**2,857,222**	1,046,406
Convertible notes	**(e)**	**520,000**	-
Director loan	**30**	**575,000**	575,000
		5,095,907	3,126,455
Unsecured borrowings			
Director and executive loans	**30**	**10,913**	200,981
Other loans	**(a)**	**559,409**	537,811
		570,322	738,792
Total Current Borrowings		**5,666,229**	3,865,247
NON CURRENT			
Secured borrowings:			
Convertible notes	**(f),(g)**	**1,875,000**	-
Asset finance facility	**(d)**	**-**	338,963
Total Non-Current Borrowings		**1,875,000**	338,963
Total Borrowings		**7,541,229**	4,204,210

	2021 $	2020 $
Total current and non-current secured borrowings		
Debtor finance facility	**1,143,685**	1,398,684
Trade finance facility	**2,857,222**	1,046,406
Asset finance facility	**-**	445,328
Director loan	**575,000**	575,000
Convertible notes	**2,395,000**	-
	6,970,907	3,465,418

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18 Borrowings (continued)

(a) During FY2020 an external party made an unsecured loan to subsidiary Bambach Wires and Cables Pty Ltd. As at 30 June 2021 the loan principal was $410,000. This loan incurred an establishment fee of $50,000 and interest is paid or accrued at the rate of 12% per annum.

(b) During the year subsidiary Bambach Wires and Cables Pty Ltd entered into a new agreement with Grow Finance for a secured Debtor Finance facility with a limit of $1.5m. This facility is drawn down to amount $1,143,685 as at 30 June 2021. Interest is charged on the facility at rate of 8.73% which is 2.14% above the base rate which is currently 6.59%.

(c) During the year subsidiary Bambach Wires and Cables Pty Ltd entered into an agreement with Grow Finance for a secured Trade Finance facility with a limit of $3.5m. This facility is drawn down to amount $2,857,222 as at 30 June 2021. Interest is charged on the facility at rate of 12%.

(d) During the year subsidiary Bambach Wires and Cables Pty Ltd has repaid the Asset finance facility in full.

(e) During the year the company raised $520,000 by way of convertible note issue. The convertible note will attract a 12% coupon rate and is convertible at any time up to, and including the maturity date of 9 February 2022 at a price of $0.154. Noteholders may elect to convert their convertible notes into ordinary fully paid shares after giving 60 days notice, however conversion is subject to EGY obtaining shareholder approval for the issued of the shares on conversion. The embedded derivative associated with the convertible notes is not material, and therefore no separate embedded derivative financial instrument has been presented.

(f) During the year the company raised $1,300,000 by way of convertible note issue. The convertible note will attract a 12% coupon rate and is convertible at any time up to, and including the maturity date of 23 February 2023 at a price of $0.168. Noteholders may elect to convert their convertible notes into ordinary fully paid shares after giving 60 days notice, however conversion is subject to EGY obtaining shareholder approval for the issued of the shares on conversion. The embedded derivative associated with the convertible notes is not material, and therefore no separate embedded derivative financial instrument has been presented

(g) During the year the company raised $575,000 by way of convertible note issue. The convertible note will attract a 12% coupon rate and is convertible at any time up to, and including the maturity date of 14 May 2023 at a price of $0.182. Noteholders may elect to convert their convertible notes into ordinary fully paid shares after giving 60 days notice, however conversion is subject to EGY obtaining shareholder approval for the issued of the shares on conversion. The embedded derivative associated with the convertible notes is not material, and therefore no separate embedded derivative financial instrument has been presented

Note 19 Tax

	Note	Consolidated 2021 $	Consolidated 2020 $
(a) Deferred Tax Assets			
Deferred tax assets comprise:			
Employee and other provisions	**19(b)(ii)**	**217,096**	228,927
		217,096	228,927
(b) Reconciliations			
(i) Gross Movements			
The overall movement in the deferred tax account is as follows:			
Opening balance		**228,927**	266,656
Charge to the income statement	**4**	**(11,831)**	(37,729)
Closing balance		**217,096**	228,927

Notes to the Financial Statements
for the year ended 30 June 2021

Note 19 Tax (continued)

	Consolidated	
	2021	2020
	$	$
(ii) Deferred Tax Assets		
The movement in deferred tax assets for each temporary difference during the year is as follows:		
Employee and other provisions		
Opening balance	**228,927**	266,656
Charged to the income statement	**(11,831)**	(37,729)
Closing Balance	**217,096**	228,927
Total Deferred Tax Assets	**217,096**	228,927
(c) Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(s) occur are:		
Temporary differences	**113,762**	97,847
Tax losses: capital losses	**1,142,682**	1,256,950
Tax losses: operating losses	**6,287,551**	5,602,790
Less potential tax loss benefits offset against deferred tax liability - refer (d)	**(998,408)**	(1,276,992)
Tax losses: operating losses net of offsets*	**5,289,143**	4,325,798
(d) Deferred tax liability is offset against unrecognised tax losses:		
Revaluation of plant and equipment, and leasehold improvements	**998,408**	1,276,992
Less: Offset of unrecognised tax loss benefit	**(998,408)**	(1,276,992)
Net deferred tax liability	**-**	-

*Tax Losses of $5,289,143 have not been brought to account as it is unlikely that these losses will be utilised in the near future.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 20 Provisions

	Consolidated	
	2021	2020
	$	$
Employee Entitlements		
Current	**1,029,583**	846,510
Non-current	**132,003**	156,692
	1,161,586	1,003,202

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave and annual leave not expected to be settled within twelve months, the probability of that leave being taken is based on management estimates considering amongst other items, historical data. The measurement and recognition criteria relating to employee benefits have been disclosed in Note 1(v) to the financial statements.

Note 21 Issued Capital

	Consolidated	
	2021	2020
	$	$
Number of Ordinary shares fully paid 172,275,214 (2020: 85,772,955):	**31,483,891**	25,351,729
	31,483,891	25,351,729

Ordinary Shares	**2021 Number**	2020 Number	**$**	$
At the beginning of reporting period	**85,772,955**	85,486,742	**25,351,729**	25,279,229
Shares issued during year				
16/08/2019 issued at $0.24	**-**	131,250	**-**	31,500
13/12/2019 issued at $0.27	**-**	112,963	**-**	30,500
18/05/2020 issued at $0.25	**-**	42,000	**-**	10,500
07/07/2020 issued at $0.08	**20,000,000**	-	**1,600,000**	-
21/07/2020 issued at $0.08	**42,500,000**	-	**3,400,000**	-
23/12/2020 issued at $0.08	**22,500,000**	-	**1,800,000**	-
24/12/2020 issued at $0.08	**250,000**	-	**20,000**	-
20/04/2021 issued at $0.1417	**1,252,259**	-	**177,500**	-
Capital Transaction Costs	**-**	-	**(865,338)**	-
At reporting date	**172,275,214**	85,772,955	**31,483,891**	25,351,729

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

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

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

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

On 20 April 2021 EGY issued 1,252,259 shares in lieu of director’s fees under Directors Equity Plan (refer note 5).

<u>Terms and conditions:</u>

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

Notes to the Financial Statements
for the year ended 30 June 2021

Note 22 Reserves

	Note	Consolidated 2021 $	2020 $
Foreign currency	(a)	**(1,979,865)**	(1,987,960)
Asset Revaluation	(b)	**7,769,808**	7,769,808
		5,789,943	5,781,848

Movement in each class of reserves during the current year and previous year as set out below

	Foreign Currency $	Asset Revaluation $	Total $
Balance 1 July 2019	(1,986,161)	7,769,808	5,783,647
Foreign currency translation	(1,799)	-	(1,799)
Balance at 30 June 2020	(1,987,960)	7,769,808	5,781,848
Foreign currency translation	8,095	-	8,095
Balance at 30 June 2021	**(1,979,865)**	**7,769,808**	**5,789,943**

(a) The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

(b) The reserve records revaluations of leasehold improvements and plant and equipment

Note 23 Share Based Payment Reserve

The share-based payment expense for the year was $365,932 (2020: $NIL). Of this, $365,617 is in connection with option issued to brokers and corporate consultants in connection with Placement and Rights Issue, and this has been offset against equity. The remaining $315 is in connection with unlisted share options issued to directors and been included in the Consolidated Income Statement. Set out below is a summary of the options issued.

As part of the capital raising in November 2020 EGY granted 19,300,000 options to brokers and corporate consultants in connection with Placement and Rights Issue. These options are offset against equity. The valuation model inputs used to determine the fair value at the grant date is 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
12,500,000	18/11/20	30/06/23	$0.08	$0.120	55%	-	0.09%	$0.0176
6,000,000	18/11/20	01/12/23	$0.08	$0.112	55%	-	0.09%	$0.0214
800,000	23/12/20	23/12/23	$0.08	$0.112	55%	-	0.09%	$0.0214
19,300,000								

Notes to the Financial Statements
for the year ended 30 June 2021

Note 23 Share Based Payments Reserve (continued)

In addition, 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
3,422,429								

Movement in unlisted options as follows:

Consolidated 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/11/20	30/06/23	$0.120	-	12,500,000	-	-	**12,500,000**
18/11/20	01/12/23	$0.112	-	6,000,000	-	-	**6,000,000**
23/12/20	23/12/23	$0.112	-	800,000	-	-	**800,000**
30/06/21	30/06/24	$0.168	-	3,422,429	-	-	**3,422,429**
			-	**22,722,429**	**-**	**-**	**22,722,429**
Weighted average exercise price			$0.00	$0.1276	$0.00	$0.00	$0.1276

The weighted average share price during the financial year was $0.10

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.34 years

Notes to the Financial Statements
for the year ended 30 June 2021

Note 24 Parent Entity Disclosures

(a) Statement of financial position

	2021	2020
	$	$
Total Current Assets	**20,685,042**	13,438,187
Total Non-Current Assets	**148,449**	151,299
Total Assets	**20,833,491**	13,589,486
Total Current Liabilities	**2,025,095**	1,710,737
Total Non-Current Liabilities	**1,875,000**	34,204
Total Liabilities	**3,900,095**	1,744,941
Net Assets	**16,933,396**	11,844,545
Equity		
Issued capital	**31,483,891**	25,351,729
Other contributed equity	**-**	300,000
Accumulated losses	**(14,916,427)**	(13,807,184)
Share based payment reserve	**365,932**	-
Total Equity	**16,933,396**	11,844,545

(b) Financial Performance

Loss for the year after income tax	**(1,019,243)**	(1,014,516)
Other comprehensive income	**-**	-
Total Comprehensive Loss	**(1,019,243)**	(1,014,516)

(c) Parent entity result includes impairment of investment in controlled entities of Nil (2020: $Nil)

(d) The parent entity has co-guaranteed finance facilities with subsidiary Bambach Wires and Cables Pty Ltd to a maximum drawdown limit of $5m (Guarantees FY2020: $7m).

(e) Contingent Liabilities of the Parent Entity – Refer to Note 26.

(f) Commitments for the acquisition of Property, Plant and Equipment by the parent entity Nil (2020 $Nil)

Notes to the Financial Statements

for the year ended 30 June 2021

Note 25 Capital and Leasing Commitments

	Consolidated	
	2021	2020
	$	$
(a) Short term leases		
Non-cancellable short term leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
not later than 12 months	**61,087**	103,222
between 12 months and 5 years	**-**	-
5 or more years	**-**	-
	61,087	103,222

(b) Capital Expenditure Commitments

As at 30 June 2021, deposits have been paid totalling $301,367 (FY2020: $46,275) for new equipment quoted at total cost $696,567 (FY2020: $138,586).

Note 26 Contingent Liabilities

John Fielding Limited

Previous financial statements of the company have noted a contingent liability to John Fielding Limited for services carried out prior to 30 June 1995 in regard to amendments to income tax returns. However, in accordance with the contract no fee is payable until a cash benefit is received by the Company. At this stage no cash benefit has been received by the Company. The maximum liability is $130,241.

Note 27 Segment Reporting

The Group's operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The Directors have determined that there is one operating segment identified and located in Australia being the manufacture and sale of specialist industrial cables. The information reported to the CODM is the consolidated results of the Group. The segment results are as shown in the consolidated income statement and consolidated statement of comprehensive income. Refer to the consolidated statement of financial position for segment assets and liabilities. Information about revenue from products and services is disclosed in note 2.

Major customers

During the current financial year 13% of the group's revenue was derived from a single customer.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 28 Cash Flow Information

	Note	Consolidated 2021 $	2020 $
(a) Reconciliation of Cash Flow from Operations with Net Profit/(Loss) after Income Tax			
Net loss after income tax		**(5,356,045)**	(4,415,335)
Non-cash flows in profit/(loss)			
Provision for obsolete and slow moving inventories		**125,000**	100,000
Depreciation of non-current assets		**1,210,991**	345,659
Amortisation of intangibles		**474,519**	198,086
Amortisation on right of use assets	**15**	**817,497**	692,156
Unrealised foreign exchange movements		**16,193**	(3,609)
Amortisation of loan establishment fee		**61,597**	162,811
Net gain on disposal of property, plant and equipment		**-**	(13,400)
Impairment of Plant and Property Equipment		**298,636**	-
Non-Operating Cash Flow Cash Items			
Shares issued in lieu of fees		**20,000**	72,500
Shares issued in lieu of Director's fees		**177,500**	-
Hire Purchase Interest Charges		**11,352**	41,499
Asset Finance interest charges		**46,287**	44,518
Shares- based payment		**365,932**	-
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		**1,108,505**	654,296
(Increase)/decrease in inventories		**(1,767,018)**	1,052,767
Increase/(decrease) in trade payables and accruals		**(2,135,402)**	1,681,487
(Increase)/decrease in deferred tax asset		**11,831**	37,729
(Increase) /decrease in value of other current assets		**(188,796)**	(6,383)
(Increase) /decrease in value of other non-current receivables		**(64,361)**	(145,009)
Increase/(decrease) in provisions for employee entitlements		**158,384**	(16,031)
Net Cash (outflows)/inflows from operations		**(4,607,398)**	483,741

(b) Credit Facilities

The Group has in place hire purchase facilities. At balance date $333,324 (2020: $390,205) of these facilities have been utilised.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 28 Cash Flow Information (continued)

(c) Reconciliation of liabilities arising from financing activities

				Non-cash changes			
		30/06/2020	Cash flows	Transaction Costs	Foreign exchange movement	Loans converted to shares	30/06/2021
	Note	$	$	$	$	$	$
Convertible notes	18	-	2,395,000	-	-	-	**2,395,000**
Directors loans	18	**575,000**	-		-	-	**575,000**
Executives loans	18	**200,981**	(190,068)	-	-	-	**10,913**
Other loans	18	**537,811**	(40,000)	61,598	-	-	**559,409**
Debtor finance facility	18	**1,398,684**	(254,999)	-	-	-	**1,143,685**
Asset finance facility	18	**445,328**	(491,615)	46,287	-	-	**-**
Trade finance facility	18	**1,046,406**	1,810,816	-	-	-	**2,857,222**
Hire purchase liabilities	15	**390,205**	(68,233)	11,352	-	-	**333,324**
Lease liabilities	15	**3,887,219**	(525,120)	-	-	-	**3,362,099**
Total		**8,481,634**	2,635,781	119,237	-	-	**11,236,652**

Note 29 Events After the Reporting Period

Energy Technologies Limited announced on 20 September 2021 a capital raising of up to $11 million, comprising a non- renounceable Rights Issue partially underwritten to $6 million at an issue price of $0.11 per share. The capital raising comprises a non-renounceable rights issue offer of 1 new share for every 1.723 existing shares held at 7pm on 23 September 2021 (record date). An attaching option will be issued on the basis of 1 option offered for every 4 new shares, exercisable at $0.20, with an expiry date of 31 October 2024.

Impact of Covid-19/Victorian Lockdown

The occurrence of Covid-19 has impacted the Bambach business negatively, causing a drop in revenues for the financial year 2021. The main impact manifested itself in delays in final equipment installation caused by travel restrictions. However, customer orders were impacted, in particular in the second half of the financial year.

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

Notes to the Financial Statements

For the year ended 30 June 2021

Note 30 Related Party Transactions

No loans were made, guaranteed or secured by any entity in the consolidated entity to any group of key management personnel during the financial year (FY2020: $NIL).

Loans by Directors to the company

During the 2020 financial year Director Matthew Driscoll, made a loan to the company of principal $500,000. This loan holds second ranking security over the assets of the group. The loan incurred an establishment fee of $75,000. The loan matured on 12 February 2021 but following discussions with the board, Mr Driscoll has agreed to extend the loan for a further term of 12 months, to 12 February 2022, and to amend the loan interest rate from 15% per annum to 12% per annum. As 30 June 2021 interest accrued on this loan is $98,096 (FY2020: $28,767).

Included in Sundry payables and accrued expenses are unpaid Directors fees of $240,833.

Loans by Directors to subsidiary company

A loan from former Director and CEO Alfred Chown of $10,913 to subsidiary Bambach Wires and Cables Pty Ltd remains as at 30 June 2021 (FY2020: $10,981). This loan is unsecured and repayable on demand.

Loans by Key Management Personnel to subsidiary company

Short term loans reported in FY2020 Annual Report, made by two key management personnel, were repaid during the FY2021, amount $190,068 (FY2020: $Nil).

Directors Guarantee

As reported in the FY2020 Annual Report, to facilitate variations on business accounts held with Moneytech, during FY2020, CEO and former EGY director, Alfred Chown and Donna Chown (guarantors) provided in favour of Moneytech a guarantee for the performance of the obligations of Bambach under the facility. Donna Chown granted a mortgage in favour of Moneytech to secure her guarantee obligations. Energy Technologies Limited provided a guarantee and indemnity to the guarantors for any liability of Bambach under the provisions of the Deed as tabled.

In consideration for providing the guarantee and security to Moneytech the fees payable to the guarantors were an establishment fee of 3% of the amount guaranteed ($210,000), and a monthly service fee based on 2% per annum of the amount guaranteed ($11,666 per month). At 30 June 2020 accrued establishment fee was $210,000 and accrued monthly service fees were $11,666. Total accrued fees $221,666.

The guarantee continued till 31 May 2021 as a new working capital facility was announced to the market and the guarantee was cancelled. During the current financial year we accrued 11 months service fees of $128,326. A total of $309,992 was paid to Mr Chown during the current financial year, comprising $170,000 for establishment fees and $139,992 for monthly service fees. As at 30 June 2021 there remains $40,000 establishment fee unpaid or accrued.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 31 Financial Risk Management Disclosures

(a) Capital Risk Management

Energy Technologies Limited (EGY) manages its capital to ensure that entities in the EGY Group will be able to continue as a going concern while maximising the potential return to stakeholders through the optimum balance of debt and equity. This strategy remains unchanged from FY2020.

The capital structure of the EGY Group consists of cash and cash equivalents, debt and equity attributable to equity holders of the EGY parent and to its operating subsidiary.

The EGY Group operates internationally through its subsidiary company DEL based in Hong Kong. The EGY Group senior management monitors all externally imposed capital requirements in each jurisdiction to ensure compliance.

Operating cash flows are used to maintain and expand the Group manufacturing and distribution asset base as well as to meet routine outflows including tax and the repayment of maturing debt. The EGY Group Board and senior management consider the costs of capital and monitor the gearing ratio as a proportion of net debt to equity.

The gearing ratio at year end was as follows:

	Consolidated	
	2021	2020
	$	$
Current and Non Current Financial liabilities		
Debt (i)	**11,236,652**	8,481,634
Cash and cash equivalents	**(123,097)**	(27,676)
Net Debt	**11,113,555**	8,453,958
Equity (ii)	**13,934,510**	13,076,269
Net Debt to Equity ratio	**80%**	65%

(i) Debt is defined as long-term and short-term borrowings.

(ii) Equity includes all capital and reserves and minority interest.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 31 Financial Risk Management Disclosures (continued)

(b) Financial Risk Management

In common with other businesses the EGY Group is exposed to risks that arise from the use of financial instruments. This note describes the objectives, policies and processes for managing those risks and the methods used to measure them. The EGY Group's financial instruments consist mainly of facilities with banks, convertible notes, invoice finance facility, trade finance facility, short term loans, hire purchase, accounts receivable and payable and leases. There have been no substantive changes in the EGY Group level of exposure to financial instrument risks or the objectives and processes for managing those risks from previous periods unless otherwise stated in this note.

(i) Financial Risk Management Objectives

The Board of Directors has overall responsibility for the determination of the EGY Group financial risk management framework and, whilst retaining ultimate responsibility for them, it has delegated authority for the design and implementation of operating processes ensuring effective risk management to the EGY Group's corporate treasury and finance function, which provides services to the business including negotiation and co-ordination of finance facilities, and the monitoring and management of the financial risks as they relate to the operations of the Group. The Board receives regular reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the set objectives to control risk.

Overall the risk management strategy seeks to assist the Group in meeting its financial targets as well as minimizing the potential adverse effects on financial performance. The main exposures to financial instrument risk experienced by the EGY Group are credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The EGY Group does not enter into financial instruments, including derivative financial instruments, for speculative purposes.

(ii) Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the EGY Group. This arises principally from the Group's trade receivables. For the EGY Group this risk has been determined as low.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

The Group has a general policy of only dealing with creditworthy counterparties. As well, a credit check system is also in place and credit checks are obtained from a reputable external source for selected new and overseas customers. Overseas customers' trade terms include use of documentary credit bank facilities in customer locations deemed at risk, as well as collateral payment. There are no material amounts of collateral held as security at 30 June 2021

(iii) Liquidity Risk

Prudent liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flow and matching the maturity profiles of financial asset and liabilities

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these total may differ from their carrying amount in the statement of financial position.

Notes to the Financial Statements
for the year ended 30 June 2021

Note 31 Financial Risk Management Disclosures (continued)

	Weighted Average Interest Rate – %		1 year or less $		Between 1 and 5 years $		Remaining contractual maturities $	
CONSOLIDATED ENTITY	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Non-derivatives								
Non-interest bearing								
Trade payables	**-**	-	**1,335,024**	2,385,541	**-**	-	**1,335,024**	2,385,541
BAS payable	**-**	-	**1,317,146**	1,274,024	**-**	-	**1,317,146**	1,274,024
Other payables			**1,481,329**	2,609,336	**-**	-	**1,481,329**	2,609,336
Loans from director and executives	**-**	-	**85,913**	275,981	**-**	-	**85,913**	275,981
Other loans	**-**	-	**149,409**	87,811	**-**	-	**149,409**	87,811
Interest bearing - variable								
Debtor finance facility	**8.73**	8.77	**1,160,098**	1,398,684	**-**	-	**1,160,098**	1,398,684
Trade finance facility	**12.00**	14.17	**2,913,584**	1,046,406	**-**	-	**2,913,584**	1,046,406
Interest bearing - fixed								
Asset finance facility	**-**	16.00	**-**	106,365	**-**	338,963	**-**	445,328
Hire purchase liability	**8.91**	9.43	**278,263**	316,008	**91,695**	74,197	**369,958**	390,205
Lease liability	**5.00**	5.00	**881,639**	566,244	**3,496,473**	3,320,975	**4,378,112**	3,887,219
Loans from directors and executives	**12.00**	15.00	**535,000**	500,000	**-**	-	**535,000**	500,000
Other loans	**12.00**	14.50	**459,200**	450,000	**-**	-	**459,200**	450,000
Convertible notes	**12.00**	-	**582,400**	-	**2,325,000**	-	**2,907,400**	-
Total non-derivatives			**11,179,005**	11,016,400	**5,913,168**	3,734,135	**17,102,173**	14,750,535

Notes to the Financial Statements
for the year ended 30 June 2021

Note 31 Financial Risk Management Disclosures (continued)

(b) Financial Risk Management (continued)

(iv) Maturity analysis

Trade and other payables are expected to be paid within a period of 6 months from year end for the consolidated entity for 2021 and 2020.

(v) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the EGY Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk within acceptable parameters, while achieving optimum return.

(vi) Foreign currency risk management

The EGY Group is exposed to currency risk on investments that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian dollar (AUD) and Hong Kong Dollar (HKD). The Group's investments in, and loans to, its subsidiaries are not hedged as these positions are considered to be long term in nature.

The carrying amount of the EGY Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		**Assets**	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
US Dollars	**1**	24	**-**	-
Euros	**-**	-	**-**	-
Hong Kong Dollars	**10**	11	**-**	-
Swiss Francs	**-**	-	**-**	-
Total	**11**	35	**-**	-

(vii) Forward exchange contracts

The EGY Group policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency, cash already denominated in that currency will, where possible, be used from within the Group.

The Group's primary operating exposure is where trade receivables and payables are not denominated in their functional currency. The overall treasury function is based in Australia where the primary banking facilities are maintained. The Group also enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates, with the objective of protecting the Group against unfavourable exchange rate movements for contracted sales and purchases in foreign currencies, primarily US Dollars.

At 30 June 2021 and 2020 there were no outstanding forward exchange contracts (FY2020: $NIL).

Notes to the Financial Statements
for the year ended 30 June 2021

Note 31 Financial Risk Management Disclosures (continued)

(b) Financial Risk Management (continued)

(viii) Foreign currency sensitivity analysis

The following table details the EGY Group's sensitivity to a 10% increase or decrease in the Australian Dollar against relevant foreign currencies. This sensitivity represents management's assessment of the reasonable possible change in foreign currency rates. Its analysis includes cash assets plus outstanding foreign currency denominated trade receivables and payables and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number indicates an increase in profit where the Australian dollar strengthens against the respective currency. For a weakening of the Australian dollar against the respective currency, there would be an equal and opposite impact on the profit.

	Consolidated	
Profit or Loss/Equity	**2021**	2020
	$'000	$'000
US Dollars	**-**	(3)
Euros	**-**	-
Hong Kong Dollars	**(1)**	(1)
Total	**(1)**	(4)

(ix) Interest Rate Risk Management

The EGY Group is exposed to interest rate risk on cash and cash equivalents, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The EGY Group does not use derivatives to mitigate these exposures.

The EGY Group's fixed rate financial instruments represent short term borrowings, at fixed rates maturing over periods less than one year and long term borrowings at fixed rates maturing over periods of between 1 to 5 years. The Group's variable rate financial securities consist of bank accounts and convertible notes managed in Australia.

(x) Interest rate sensitivity analysis

The following analysis indicates the effect of a 2% or 200 basis point increase or decrease in nominal interest rates, based on exposures in existence at the reporting date, and holding all other variables constant. This represents management's assessment of the reasonably possible change in interest rates as at that date.

	Consolidated	
	2021	2020
	$'000	$'000
Change in Net Profit:		
Interest rise by 2% (200 basis points)	**(221)**	(91)
Interest cut by 2% (200 basis points)	**221**	91
Change in Equity:		
Interest rise by 2% (200 basis points)	**(221)**	(91)
Interest cut by 2% (200 basis points)	**221**	91

Notes to the Financial Statements
for the year ended 30 June 2021

Note 31 Financial Risk Management Disclosures (continued)

(b) Financial Risk Management (continued)

(xi) Fair value of financial instruments

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets;

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3 – the value is estimated using inputs for the asset or liability that are not based on observable market data.

Quoted market price represents the fair value determined based on quoted prices in active markets as at the reporting date without any deduction for transaction costs.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include interest rate swaps, forward commodity contracts and foreign exchange contracts not traded on a recognised exchange.

The fair values of other financial assets and liabilities approximates their carrying values at balance date.

Transfer between categories

There were no transfers between Level 1 and Level 2 during the year (FY2020: $NIL).

Notes to the Financial Statements

for the year ended 30 June 2021

Note 32 New and Amended Accounting Standards and Interpretations

(i) New and amended accounting standards and interpretations adopted by the Group

The Group 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. The adoption of these Accounting Standards and interpretations did not have any significant impact on the financial performance or position of the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

Directors' Declaration

The directors of Energy Technologies Limited declare that:

1. the financial statements and notes, as set out on pages 32 to 79, are in accordance with the Corporations Act 2001 and:
    (a) comply with Accounting Standards and the Corporations Regulations 2001;
    (b) comply with International Financial Reporting Standards as disclosed in Note 1; and
    (c) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated entity;

2. the Managing Director and Chief Financial Officer have each declared that:
    (a) the financial records of the consolidated entity for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
    (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
    (c) the financial statements and notes for the financial year give a true and fair view;

3. 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.

Brian Jamieson
Director

30 September 2021

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
Locked Bag Q800
QVB Post Office
Sydney NSW 1230

T +61 2 8297 2400
F +61 2 9299 4445
E info.nsw@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Energy Technologies Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Energy Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial statements, which indicates that the Group incurred a net loss of $5,341,189 during the year ended 30 June 2021, and as of that date, the Group's current liabilities exceeded its current assets by $3,298,146. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Existence and valuation of inventory (Notes 1(i) and 11)	
The Group has an inventory balance of $3,968,970 as at 30 June 2021, consisting of raw materials and stores, work in progress, and finished goods. Inventories are carried at the lower of cost and net realisable value and management has recognised a provision for obsolescence and slow moving inventory of $225,000 at 30 June 2021. This area is a key audit matter as a result of: • The inherent complexities in applying a standard cost of production/manufacturing to work in progress and finished goods; and • The level of management judgement involved in assessing the provision for obsolescence and slow moving stock.	Our procedures included, amongst others: • Attending stocktakes at significant locations and conducting test counts of selected items, with counts agreed to final inventory listings; • For raw materials, testing on a sample basis the reasonableness of average costs by comparing to recent purchases; • For work in progress and finished goods, testing on a sample basis bills of materials back to key inputs, being raw materials, labour and manufacturing overheads; • Assessing the net realisable value of inventories by obtaining subsequent sales and ensuring inventories are stated at the lower of cost and net-realisable value; • Obtaining slow-moving inventory reports and assessing the adequacy of the provision for obsolescence and slow moving inventory; and • Assessing the adequacy of related financial report disclosures.
Capitalised development costs (Notes 1(h), and 14)	
Capitalised development assets had a net carrying value of $5,720,780 at 30 June 2021. During the year the Group capitalised $3,510,905 of development assets. These intangible assets are being amortised over a 10-year period, and an amortisation expense of $468,021 has been included in the consolidated income statement. AASB 138: *Intangible Assets* sets out the specific requirements to be met in order to capitalise development costs. Intangible assets should be amortised over their useful economic lives in accordance with AASB 138. This area is a key audit matter as a result of: • The subjectivity and management judgement applied in the assessment of whether costs meet the development phase criteria described in AASB 138 and in relation to the estimate of the assets' useful lives; • The degree of estimation uncertainty associated with the Group's assessment of future economic benefit of the capitalised costs; and • The Group engaged an expert to assist in determining the level of capitalised costs.	Our procedures included, amongst others: • Assessing the Group's accounting policy in respect of capitalised development assets for adherence to AASB 138; • Evaluating the competence, capability and objectivity of the management's external expert and performing a detailed review of their reports to understand the scope of their engagement and any limitations in the report, and further discussions on aspects of the report with the external expert; • Evaluating management's assessment of each project for compliance with the recognition criteria set out in AASB 138; including discussing project plans with management and project leaders to develop an understanding of the nature and feasibility of key projects at 30 June 2021; • Testing a sample of costs capitalised by tracing to underlying support such as vendor invoices and payroll records in order to understand the nature of the item and whether the expenditure was attributable to the development of the related asset, and therefore whether capitalisation was in accordance with the recognition criteria of AASB 138; • Evaluating the reasonableness of useful lives to be applied in future reporting periods; and • Assessing the adequacy of related financial report disclosures.

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Key audit matter	How our audit addressed the key audit matter
R&D tax incentive scheme (Notes 2(b), 10 and 14)	
The Group engaged in research and development activities during the year, and recognised R&D grant income of $273,556 in addition to recognising a $1,527,244 R&D tax incentive offset against the carrying value of intangible assets. This area is a key audit matter as a result of: • The subjectivity and management judgement applied in determining whether expenses are eligible for the R&D claim; and • The Group engaged an expert to assist in determining the level of capitalised costs.	Our procedures included, amongst others: • Assessing the Group's accounting policy in respect of government grants for adherence to AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance*; • Evaluating the competence, capability and objectivity of the management's external expert and performing a detailed review of their reports to understand the scope of their engagement and any limitations in the report. In addition we held discussions with the external expert; • Testing a sample of R&D costs claimed by tracing to underlying support and assessing whether the costs were eligible expenditure under the R&D tax incentive framework; • Verifying the lodgement of the R&D claim, and agreeing amounts received from the ATO to the bank account subsequent to the year-end; and • Assessing the adequacy of related financial report disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 13 to 18 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Energy Technologies Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

C F Farley
Partner – Audit & Assurance

Sydney, 30 September 2021

ASX Additional Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 August 2021.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

Ordinary shares

		Number of holders	Number of shares
1	- 1,000	634	78,649
1,001	- 5,000	73	177,514
5,001	- 10,000	51	374,366
10,001	- 100,000	139	5,339,061
100,001	and over	153	166,305,624
		1,050	172,275,214

	Number of holders	Number of shares
The number of shareholders holding less than a marketable parcel of shares are:	700	223,146

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

No	Name	No. of shares	%
1	J P Morgan Nominees Australia Pty Ltd	**40,866,142**	23.72
2	Advance Cables Pty Ltd	**10,782,839**	6.26
3	Alfred J Chown	**8,243,575**	4.79
4	Howe Automotive Limited	**4,989,465**	2.90
5	Garsind Pty Ltd (Ruth Ross Superfund A/C)	**3,922,795**	2.28
6	Auster Holdings Pty Ltd	**3,476,058**	2.02
7	Edmunds Lacis	**3,226,951**	1.87
8	Epicinvest Pty Ltd <Epic Investment B A/C)	**3,125,000**	1.81
9	Matt Driscoll – M&M Driscoll Nominees Pty Ltd – Driscoll fam a/c	**3,000,598**	1.74
10	Jomaho Investments Pty Ltd	**2,925,000**	1.70
11	Louandi Super Fund Pty Ltd (Louandi Superfund A/C)	**2,873,889**	1.67
12	Samada Street Nominees Pty Ltd (Giles Family No 2 A/C)	**2,504,833**	1.45
13	Dasi Investments Pty Ltd	**2,500,000**	1.45
14	Morrmac Pty Ltd (Mimie MacLaren Pension Account)	**2,392,529**	1.39
15	Morrissey Wealth Management Pty Ltd (Lonnie Investment A/C)	**2,269,293**	1.32
16	Tzelepsis Nominees Pty Ltd (Tzelepsis Superfund A/C)	**2,250,000**	1.31
17	Plutus Pty Ltd	**2,187,500**	1.27
18	Daniel Howard Sharp	**2,000,000**	1.16
19	Rosalind Lawrence (Rosalind Lawrence PSF A/C)	**1,808,688**	1.05
20	Glenbarry Pty Ltd (Thomas A Hutchins Family A/C)	**1,763,858**	1.02
		107,109,013	62.18

ASX Additional Information (continued)

(c) Substantial shareholders

The number of shares held by substantial shareholders are:

	Number of Shares
J P Morgan Nominees Australia Pty Ltd	28,274,193
Anthony Lloyd Smith/nominee (J P Morgan Nominees Australia Pty Ltd)	12,591,949
Advance Cables Pty Ltd	10,782,839

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

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