

# **ENERGY TECHNOLOGIES LIMITED**

**ACN 002 679 469**

## **PROSPECTUS**

**For a non-renounceable pro rata offer of 100,000,000 Shares at an issue price of \$0.11 each on the basis of 1 Share for every 1.723 Shares held at the Record Date, together with a free attaching New Option on a one for four basis, to raise up to \$11,000,000, partially underwritten to \$6,000,000.**

**THIS OFFER CLOSSES AT 5.00PM AEST ON THURSDAY, 7 OCTOBER 2021**

**VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.**

**Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU HAVE ANY QUESTIONS ABOUT THE NEW SHARES BEING OFFERED UNDER THIS PROSPECTUS, OR ANY OTHER MATTER RELATING TO AN INVESTMENT IN THE COMPANY, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER. THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

**THIS DOCUMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA AND IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES OF AMERICA, OR TO, FOR THE BENEFIT OR ON THE ACCOUNT OF A US PERSON WITHOUT THE US WRAP. THE SHARES REFERRED TO IN THIS PROSPECTUS HAVE NOT AND WILL NOT BE REGISTERED UNDER US SECURITIES ACT, MAY NOT BE OFFERED, SOLD TO, ON BEHALF OF OR FOR THE BENEFIT OF, A US PERSON, AND NO PUBLIC OFFERING WILL BE MADE IN THE UNITED STATES OF AMERICA WITHOUT THE US WRAP.**

## CORPORATE DIRECTORY

<b>Directors and Management</b>	
Brian Jamieson	Non-Executive Chairman
Yulin Hu	Non Exec. Director
Matthew Driscoll	Non Exec. Director
Ian Alistair Campbell	Non Exec. Director
Anthony Lloyd Smith	Non Exec. Director
<b>Company Secretary</b>	
Gregory Robert Knoke	
<b>Registered Office</b>	
Unit J, 134-140 Old Pittwater Road Brookvale NSW 2100	
<b>Stock Exchange Listing</b>	
Australian Securities Exchange ASX Code for Shares: EGY	
<b>Company Website</b>	
<a href="https://www.energytechnologies.com.au/">https://www.energytechnologies.com.au/</a>	
<b>Share Registry*</b>	
Computershare Investor Services Pty Limited L3, 60 Carrington Street Sydney NSW 2000	
Telephone:	(02) 8234 5000
<b>Lead Manager &amp; Underwriter</b>	
PAC Partners Securities Pty Ltd ACN 623 653 912	
<b>Solicitors to the Company</b>	
K&L Gates Level 25, 525 Collins Street Melbourne, Victoria 3000	
<b>Auditor*</b>	
Grant Thornton Audit Pty Ltd L17, 383 Kent Street Sydney NSW 2000	
* Included for information purposes only. These entities have not been involved in the preparation of the Prospectus.	

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## IMPORTANT NOTICES

This Prospectus is dated Monday, 20 September 2021 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at 134-140 Old Pittwater Road Brookvale NSW 2100 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.5).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks. This Prospectus may contain forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors.

These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in Section 3 of this Prospectus. Forward looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Acceptances for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form sent with this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholders' Entitlement to participate in the Offer.

Applications for Additional Securities must also be made on the Entitlement and Acceptance Form. The issue of Additional Securities to Shareholders is in the absolute discretion of the Directors. More information on the Additional Securities Offer is contained in Section 1.6.

No person is authorised to give any information or to make any representation in connection with the Offer, the Additional Securities Offer and Shortfall Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer, the Additional Securities Offer and the Shortfall Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known by investors and professional advisers whom potential investors may consult.

## PROPOSED TIMETABLE

Event <sup>1</sup>	Dates (2021)
Lodge Prospectus with ASIC and ASX	Monday, 20 September
'Ex' date	Wednesday, 22 September
<b>Record date for Entitlement Offer</b>	<b>Thursday, 23 September</b>
Dispatch Prospectus and acceptance forms to shareholders	Tuesday, 28 September
Entitlement Offer Opening Date	Tuesday, 28 September
Last day to extend the offer closing date	Monday, 4 October
Closing Date	Thursday, 7 October
Deferred settlement trading occurs	Friday, 8 October
Notify ASX of shortfall	Monday, 11 October
Issue Date - deferred settlement end	Wednesday, 13 October
Entitlement Offer Shares start trading	Friday, 15 October

**Notes:**

<sup>1</sup> Indicative dates only.

<sup>2</sup> Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

## Chairman's Letter

Dear Investors,

On behalf of the Directors of Energy Technologies Limited (**Energy Technologies** or **Company**), please find below a Prospectus associated with an offer to participate in a non-renounceable pro rata offer of shares in the Company (with free attaching New Options) to raise up to \$11,000,000 (before payment of Offer costs).

Energy Technologies is a company dedicated to becoming a major supplier of Australian manufactured low voltage copper cable products for specialty usage.

The Board recognizes that the advent of the COVID-19 pandemic has created significant uncertainties both in capital markets and general business risks and our business was not left untouched, however, we have made adjustments to counter any potential further disruptions and we are acting now to ensure we have capital resources to move the company forward.

The funds from the offer will be used to:

- Expedite the implementation of the Silicon Line Machine as disclosed on the 15<sup>th</sup> of January 2021.
- Repay the outstanding debt obligations.
- Restructure, in part, the operating business, and
- Provide working capital for growth

This Prospectus includes detailed information about the Offer, as well as other details that may be relevant when assessing an investment in the Company, including the general and specific risks associated with an investment in the Company, which are in Section 3 of this Prospectus. You should read this Prospectus carefully and in its entirety before making your investment decision and, if required, consult with your stockbroker, solicitor, accountant, or other independent professional adviser.

On behalf of the Board, I present the Offer to you and look forward to your continued support as a shareholder of the Company.

Yours sincerely



Brian Jamieson

## Investment Overview & Risks

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to participate in this Offer.

Questions	Response	Where to find more information
<b>What is the Offer?</b>	The Company is making a non-renounceable, pro rata offer of Shares at an issue price of \$0.11 each to Eligible Shareholders on the basis of 1 Share for every 1.723 Shares held at the Record Date, together with a free attaching New Option on a one for four basis, to raise up to \$11,000,000. The Company intends to seek quotation of the New Options. There is no minimum.	Section 1
<b>Am I an Eligible Shareholder?</b>	<p>An Eligible Shareholder is a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.</p> <p>The Offer is not being extended to any shareholders whose registered address is outside Australia or New Zealand.</p>	Section 1.3 and 1.14
<b>How will the proceeds of the Offer be used?</b>	The funds raised under the Offer at the targeted amount are proposed to primarily be expended to ensure, in light of market and business conditions related to the COVID-19 pandemic, that the company has capital resources to maintain current research and development and manufacturing programs, and otherwise for general working capital purposes.	Section 1.2
<b>What are the key risks of a subscription under the Offer?</b>	<p>There are a number of key specific risks for an investment in the Company, including the following:</p> <ul style="list-style-type: none"><li>▪ Operation risk;</li><li>▪ Future capital requirements;</li><li>▪ Key personnel;</li><li>▪ Competition risk; and</li><li>▪ Currency risk.</li></ul> <p>There are also a number of general risks associated with an investment in the Company, such as:</p> <ul style="list-style-type: none"><li>▪ COVID-19;</li><li>▪ Market conditions;</li><li>▪ Economic and government risks;</li><li>▪ Litigation; and</li><li>▪ Investment risk.</li></ul>	Section 3
<b>Is the Offer underwritten?</b>	The Offer is partially underwritten by the Lead Manager. The Company will pay underwriting fees and disbursements as provided for under the Underwriting Agreement. Details of the Underwriting Agreement including circumstances under which the Underwriter may terminate its obligations are set out in section 1.5.	Section 1.5

The Directors also reserve the right under ASX Listing Rule 7.2 exception 3 to place any Entitlement shortfall at their discretion at an issue price no less than the Offer Price under this Entitlement Offer.

**Is the Offer subject to any conditions?**

No.

Section 1.9

**What will be the effect of the Offer on control of the Company?**

The following table sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or option exercised:

Section 1.20 & 1.21

Holder	Holding at Record Date		Entitlement	Holding following Offer if Entitlement not accepted	
	Number	%		Number	%
J P Morgan Nominees Australia Pty Limited	28,274,193	16.41%	16,410,000	28,274,193	10.38%
Cashel Family Office	12,591,949	7.31%	7,310,000	12,591,949	4.62%
Advance Cables Pty Ltd	10,782,839	6.26%	6,260,000	10,782,839	3.96%
All other shareholders	120,626,233	70.02%	70,020,000	120,626,233	44.30%

**How do I apply for New Shares and Additional Securities under the Offer?**

Applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus and sending it to the Share Registry together with payment by cheque, or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Section 2.2 & 2.5

**Can I sell my Entitlements under the Offer?**

The rights to Shares under the Offer are non-renounceable. Accordingly, you may not trade your rights on ASX or dispose of your rights to subscribe for Shares to any other party.

Section 1.8

**How will the Additional Securities be allocated?**

In the event that not all Eligible Shareholders accept their full Entitlement pursuant to the Offer, the Company is offering Additional Securities to Eligible Shareholders on the terms and conditions in this Prospectus.

Section 1.6 & 1.7

If Shareholders wish to apply for Additional Securities they should complete the relevant section of the Entitlement and Acceptance Form. Refer to Section 2.5 for instructions as to how to apply for Additional Securities.

Further, Board intends to allow the Lead Manager to place up to the entire Shortfall within 3 months in accordance with ASX Listing Rule

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7.2 Exception 3. The allocation policy will be as directed by the Board.

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**How can I obtain further advice?**

You can obtain further information from:

Section 1.22

- Your accountant, solicitor, stockbroker or other independent professional financial advisor;
  - From the Share Registry, Computershare Investor Services Pty Limited on +61 3 9415 4000 or 1300 850 505 between 8.30am and 5.00pm (Melbourne time) Monday to Friday;
  - From the Company by contacting the Company Secretary, Gregory Knoke at Greg.Knoke@energytechnologies.com.au or +61 (02) 8978 2626
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## 1. Details of the Offer

### 1.1 The Offer

The Company is making a non-renounceable, pro rata offer of Shares at an issue price of \$0.11 each to Eligible Shareholders on the basis of 1 Share for every 1.723 Shares held at 5.00 pm (AEDT) on the Record Date (**Offer**).

A minimum of Nil Shares and a maximum number of 100,000,000 Shares may be issued pursuant to this Prospectus.

The issue price under the Offer of \$0.11 per Share represents a 8.94% discount to the volume weighted average price of the Company's shares on the ASX (**VWAP**) calculated over the 10 trading days prior to the date of this Prospectus and a 8.33% discount to the VWAP over the last traded price prior to the date of this Prospectus.

The Prospectus is also for the offer of the Additional Securities and Offer of Shortfall Shares. Shareholders are entitled to participate in the offer of the Additional Securities by completing the relevant sections of the Entitlement and Acceptance Form. Refer to Sections 0 and 1.7 for further information.

Refer to Section 5.1 for a summary of the rights attaching to the Shares.

### 1.2 Purpose of the Offer

Completion of the issue of Shares offered by this Prospectus will result in an increase in the cash on hand of up to \$11,000,000 (before payment of Offer costs). At the date of this Prospectus the Company has approximately \$288,030 million in cash.

The funds raised under the Offer are proposed to primarily be expended to ensure, in light of market and business conditions related to the COVID-19 pandemic, that the company has capital resources to pay down debt, expedite the implementation of the Silicon Line Machine and otherwise for general working capital purposes.

A breakdown of the use of funds based on proceeds received is as follows:

Description	A\$7 million	A\$9 million	A\$11 million
Funds raised under the Offer (before costs)	\$7,000,000	\$9,000,000	\$11,000,000
Working capital at the time of the offering	\$288,030	\$288,030	\$288,030
<b>Total sources of funding</b>	<b>\$7,288,030</b>	<b>\$9,288,030</b>	<b>\$11,288,030</b>
General business operations and working capital	\$800,000	\$970,000	\$1,779,394
Capital expenditure	-	\$350,000	\$805,000
Costs of Offer	\$420,000	\$540,000	\$714,606
Debt Repayment	\$5,305,000	\$6,600,000	\$6,599,000
Restructuring costs	\$475,000	\$540,000	\$1,102,000
<b>Total uses of funds</b>	<b>\$7,000,000</b>	<b>\$9,000,000</b>	<b>\$11,000,000</b>

Actual expenditure may differ significantly from the above estimates due to a number of factors including the outcome of operational and commercialisation activities, regulatory development, market and general economic conditions and other factors (including the risk factors outlined in Section 3).

Unallocated working capital may be utilised by the Company to pay for cost overruns in budgeted expenditures (if any), and in the administration of the Company.

### **1.3 Your Entitlement and acceptance**

Your Entitlement to participate in the Offer will be determined on the Record Date, being Thursday, 23 September 2021. The Entitlement of Eligible Shareholders receiving this Prospectus is shown on the Entitlement and Acceptance Form sent to Eligible Shareholders with this Prospectus.

You may accept all or only part of your Entitlement. If your acceptance exceeds your Entitlement, unless you apply for Additional Securities (refer to Section 1.6), acceptance will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned (without interest).

### **1.4 Opening and Closing Dates**

The Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' Entitlements, being Thursday, 23 September 2021, until 5.00pm AEDT on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

### **1.5 Underwriting**

The Offer is partially underwritten to \$6,000,000.

Under the Underwriting Agreement, the Company has agreed to pay the Underwriter a management fee of 2.0% of the underwritten amount and any amounts placed generally pursuant to the Shortfall Offer. The Company also agrees to pay the Underwriter a selling fee of 2.0% of the underwritten amount and any amounts the Underwriter places pursuant to the Shortfall Offer.

The Company also agrees to issue to the Lead Manager 9,000,000 options on the same terms as the Attaching Options in consideration of the Underwriter performing its obligations under the Underwriting Agreement. The issue of the Underwriter's Attaching Options will be subject to shareholder approval.

Under the Underwriting Agreement, the Underwriter must procure subscriptions (including by appointing sub-underwriters) for the difference between the amount underwritten and the amount raised under the Entitlement Offer. This is subject to Conditions Precedent relating to lodgement of this Prospectus, the due diligence process and ASX granting permission or the quotation of the Securities offered under this Prospectus, which are typically found in agreements of this nature.

The Underwriter may terminate its obligations to underwrite the Entitlement Offer under the Underwriting Agreement with the Company in circumstances typically found in agreements of this nature (in certain of these circumstances including having regard to the materiality of the success, settlement or marketing of the Offer) if the circumstances arise in relation to the Entitlement Offer. These circumstances include, without limitation:

- (a) ASIC applies for certain orders or commences certain investigations in relation to the Company under the Corporations Act
- (b) management or Board Certificates required to be provided to the Underwriter are not furnished when required or are defective in any material respect;
- (c) this Offer Document or any aspect of the Entitlement Offer does not comply in any material respect with the Corporations Act or the ASX Listing Rules or any other applicable law;
- (d) any member of the Company group is insolvent;

- (e) the Company is prevented from issuing the Entitlement Offer Shares within the time required by the Listing Rules or applicable laws;
- (f) the Company withdraws all or any part of the Entitlement Offer or indicates that it does not intend to or is unable to proceed with the Offer;
- (g) unconditional approval by ASX for official quotation of the Shares is not granted (or is withdrawn) by the timetabled date or ASX makes an official statement that it will not be granted;
- (h) the S&P/ASX 200 index falls by 10% or more below its level (on the business day before the date of the Underwriting Agreement was signed) for 2 consecutive business days between (and including) that date and the respective settlement dates.
- (i) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, profits, losses, results, operations or prospects of the Group;
- (j) a representation or warranty made or given by the Company under the underwriting agreement is breached or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- (k) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State, adopts or announces a proposal to adopt a new policy any of which does or is likely to prohibit or restrict the Entitlement Offer, capital issues or stock markets or materially adversely affects the Group;
- (l) the occurrence of a suspension or material limitation (for at least one Business Day) in trading in securities generally on ASX, the New York Stock Exchange, the Hong Kong Stock Exchange, the Singapore Stock Exchange or the London Stock Exchange or a suspension (for at least one Business Day) in trading in the securities of the Company on ASX (other than pursuant to a trading halt); or

As is customary with these types of underwriting arrangements:

- (m) the Company has agreed to indemnify the Underwriter, its officers, employees, and agents and advisers against losses incurred in connection with the Entitlement Offer, the Offer Document and the performance of the Underwriting Agreement other than where the losses have resulted from the fraud, wilful default, breach of contract or negligence of the indemnified person or in certain other circumstances; and
- (n) the Company has provided a full range of warranties and representations to the Underwriter, including about the Entitlement Offer and its compliance with applicable laws.

The Underwriter has given, and at the time of lodgement of this Offer Document, has not withdrawn its consent to be named as the Underwriter to the offer of Shares under this Offer Document, in the form and context in which it is named. The Underwriter was not involved in the preparation of any part of this Offer Document and did not authorise or cause the issue of this Offer Document. The Underwriter makes no express or implied representation or warranty in relation to the Company, this Offer Document or the Entitlement Offer and do not make any statement in this Offer Document, nor is any statement in it based on any statement made by the Underwriter. To the maximum extent permitted by law, the Underwriter expressly disclaims and takes no responsibility for any material in, or omission from, this Offer Document other than the reference to its name.

## **1.6 Application for Additional Securities**

Any Entitlements not taken up may become available as Additional Securities. Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to their Entitlement, apply for Additional Securities, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional Securities available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional Securities are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that Applicants applying for Additional Securities will be bound to accept a lesser number of Additional Securities allocated to them than applied for, if so allocated. If a lesser number of Additional Securities is allocated to them than applied for, excess Application Monies will be refunded without interest. The Company together with the Underwriters reserve the right to scale back any applications for Additional Securities in its absolute and sole discretion. When determining the amount (if any) by which to scale back an application, the Company and the Underwriters may take into account a number of factors, including the size of an Applicant's shareholding in the Company, the extent to which an Applicant has sold or bought Shares in the Company before and after both the announcement of the Entitlement Offer and the Record Date, as well as when the application was made.

Refer to Section 2.5 for instructions as to how to apply for Additional Shares.

## **1.7 Shortfall Offer**

The Directors as permitted under ASX Listing Rule 7.2 exception 3 reserve the right at their discretion to place any Shortfall remaining after the satisfaction of applications for New Shares by Eligible Shareholders (including applications for Additional Securities made in accordance with Section 1.6 (**Shortfall Offer**)). The Shortfall Offer is a separate offer made pursuant to the Prospectus, on the same terms and conditions as the Entitlement Offer, and will remain open for up to three months from the Closing Date unless closed earlier.

Any investor who is not an Eligible Shareholder at the Record Date and who the Company invites to participate in the Shortfall Offer, will need to follow the procedures advised to them by the Company for applications under the Shortfall Offer.

## **1.8 No sale of your Entitlement**

The rights to Shares under the Offer are non-renounceable. Accordingly, you may not trade your rights on ASX or dispose of your rights to subscribe for Shares to any other party.

## **1.9 Entitlement and Acceptance Form**

Acceptance of a completed Entitlement and Acceptance Form or Shortfall Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted. Neither the Entitlement and Acceptance Form nor the Shortfall Application Form needs to be signed to be a binding acceptance of Shares.

If the Entitlement and Acceptance Form or Shortfall Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance of an Entitlement and Acceptance Form or Shortfall Application Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form or Shortfall Application Form is final.

## **1.10 Issue**

All Shares offered by this Prospectus are expected to be issued, and security holder statements sent, on or before the date specified in the timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

#### **1.11 Application Monies held on trust**

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

#### **1.12 ASX quotation**

Application will be made to the ASX no later than 7 days after the date of this Prospectus for the official quotation of the Shares. If permission is not granted by the ASX for the official quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

#### **1.13 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be sent by the Company's share registrar and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Security holding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

#### **1.14 Overseas Shareholders**

The Offer is not being extended to any shareholders whose registered address is outside the Australia or New Zealand. The Company is of the view that it is unreasonable to make the Offer to shareholders outside Australia and New Zealand, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of Shares to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in Australia and New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in Australia and New Zealand. Where the Prospectus has been sent to Shareholders domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the Offer contemplated by the Prospectus, the Prospectus is provided for information purposes only.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

The Offer is being made in New Zealand in reliance on the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. This document is not a prospectus or investment statement under New Zealand law and has not been registered or filed with, or approved by, any New Zealand regulatory authority under or in accordance with any relevant law in New Zealand. This document may not contain all the information that an investment statement, or a prospectus under New Zealand law is required to contain.

Notwithstanding the above, the Company may (in its absolute discretion) extend the Offer to certain institutional or sophisticated shareholders who have registered addresses outside the Australia and New Zealand in accordance with applicable law.

### **1.15 Beneficial holders, nominees, trustees and custodians**

The foreign selling restrictions set out in Section 1.14 of the Prospectus apply with respect to the ultimate beneficial holder. Accordingly, nominees, trustees and custodians must not apply for Shares on behalf of any beneficial holder who would not be an Eligible Shareholder. Nominee, custodian and trustee shareholders should obtain independent advice as to how they should proceed with respect to the Offers.

### **1.16 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 3.

### **1.17 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

### **1.18 Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2020 is set out in the Half-Year Financial Report of the Company which was lodged with the ASX on 26 February 2021.

A summary of activities relating to the Company for the full year ended 30 June 2020 is in the Company's Annual Report which was lodged with the ASX on 30 September 2020.

The Company's continuous disclosure notices (i.e. ASX announcements) since 18 September 2020 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

## 1.19 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## 1.20 Effect on Control

Given the Offer is pro rata, being conducted on a 1 for 1.723 ratio there is not expected to be any significant impact on the control of the Company by the completion of the Offer if the Offer is fully accepted.

## 1.21 Potential Dilution

In addition, Shareholders should note that if they do not participate in the Offer their holdings are likely to be diluted. The following table sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or option exercised:

Holder	Holding at Record Date		Entitlement	Holding following Offer if Entitlement not accepted	
	Number	%		Number	%
J P Morgan Nominees Australia Pty Limited	28,274,193	16.41%	16,410,000	28,274,193	10.38%
Cashel Family Office	12,591,949	7.31%	7,310,000	12,591,949	4.62%
Advance Cables Pty Ltd	10,782,839	6.26%	6,260,000	10,782,839	3.96%
All other shareholders	120,626,233	70.02%	70,020,000	120,626,233	44.30%

## 1.22 Enquiries concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting the Company's share registrar.

Enquiries relating to this Prospectus should be directed to the Company Secretary.

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## 2. Action required by Shareholders

### 2.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see sections 2.2 and 2.3);
- (b) subscribe for Additional Securities (see section 2.5); or
- (c) allow all or part of your Entitlement to lapse (see section 2.4).

### 2.2 Acceptance of Shares under this Prospectus

Should you wish to accept all of your Entitlement to Shares, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus and sending it to the Share Registry together with payment by cheque, or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed “Not Negotiable” and made payable to “Energy Technologies Limited” and lodged and received at any time after the issue of this Prospectus and no later than 5.00pm (AEDT) on the Closing Date at the Company’s share registry (by post) at:

By Post                      Computershare Investor Services Pty Limited  
   GPO Box 505, Melbourne, Victoria, 3001, Australia

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (AEDT) on the Closing Date. Please read the instructions carefully.

It is your responsibility to ensure that your BPAY® payment is received by the share registry no later than 4.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut off times with regards to electronic payments and you should therefore take this into consideration when making payment.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

### 2.3 If you wish to take up part of your Entitlement only

Should you wish to only take up part of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment in respect of the portion of your Entitlement you wish to take up, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.11 per Share accepted), and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed “Not Negotiable” and made payable to “Energy Technologies Limited” and lodged and received at any time after the issue of this Prospectus and no later than 5.00pm (AEDT) on the Closing Date at the Company’s share registry (by post) at:



By Post                      Computershare Investor Services Pty Limited  
GPO Box 505, Melbourne, Victoria, 3001, Australia

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (AEDT) on the Closing Date. Please read the instructions carefully.

It is your responsibility to ensure that your BPAY® payment is received by the share registry no later than 4.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut off times with regards to electronic payments and you should therefore take this into consideration when making payment.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

## **2.4 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attaching to those Shares will not be affected should you choose not to accept any of your Entitlement.

## **2.5 Application for Additional Securities**

If you wish to apply for Shares in excess of your Entitlement by applying for Additional Securities you may do so by completing the relevant sections of the Entitlement Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement Acceptance Form (see Section 1.9). Any Shares applied for in excess of your Entitlement will be made under the Application for Additional Securities Offer and will be issued at the complete discretion of the Directors. Please read the instructions carefully.

The Completed Entitlement and Acceptance Forms and associated payment must be made on the same basis as set out in Section 2.2.

## **2.6 Enquiries concerning your Entitlement**

If you have any queries concerning your Entitlement please contact Computershare Investor Services Pty Limited on 1300 850 505 or +61 39415 4000.

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### **3. Risk Factors**

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

#### **3.1 Specific Risks Associated with the Company**

(a) Operation risk

the Company 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.

(b) Future capital requirements

The Company will most likely require future financing for its future business activities, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, undertaken at lower prices than the current market price or involve restrictive conditions which limit the Company's operations and business strategies.

No assurances can be made that appropriate capital or funding, if and when needed will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed., it may be required to reduce, delay or suspend its operations and this could have a materially adverse effect on the Company's activities and its ability to continue as a going concern.

(c) Key personnel

Recruiting and retaining qualified personnel is important to the Company's success. If the Company is unable to recruit and retain appropriately qualified personnel, the Company may be adversely affected.

(d) Competition

The Company is a small player in a market where there are a number of very large competitors. The Company is very aware that to compete it 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 it provides. Any failure in these areas will bring significant risk to the business.

(e) Currency risk

A rise in the AUD against the USD will impact negatively on the competitiveness of the business.

(f) Commodity price fluctuations

The Company's future revenues and cashflows will be impacted by fluctuations in the prices and available markets of raw copper.

#### **3.2 General Risks**

(a) COVID-19

The world is currently dealing with a virus known as COVID-19 which has caused major disruption to the world economy. The effects on the world economy are many and varied and any investment in the Company may be affected by business disruption caused by COVID-19.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) currency fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the biotech and med-tech sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(d) Litigation

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

(e) Investment risk

The Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

### **3.3 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 4. Effect of the Offer

### 4.1 Capital Structure on completion of the Offer

A table of changes in the capital structure of the Company as a consequence of the Offer, no other Securities are issued, and no other existing Securities are exercised or converted into Shares are exercised) is set out below.

Security	Number
<b>Shares</b>	
Shares on issue as at the date of this Prospectus	172,275,214
Maximum Shares to be issued under the Offer	100,000,000
<b>Total Shares on issue on completion of the Offer</b>	<b>272,275,214</b>
<b>Convertible Notes</b>	
Convertible Notes (exp various 2023) <sup>1</sup>	2,395,000
<b>Unlisted Options</b>	
Options expiring 30-06-23 (ex \$0.12)	12,500,000
Options expiring 01-12-23 (ex \$0.112)	6,800,000
Options expiring 30-06-24 (ex \$0.168)	3,422,429
<b>Sub-total</b>	<b>22,722,429</b>
New Options - Attaching Options <sup>2</sup>	25,000,000
New Options - Lead Manager <sup>2, 3</sup>	9,000,000
<b>Total Options on issue on completion of the Offer</b>	<b>56,722,429</b>

Notes: (1) to be converted into 14,274,059 Shares on conversion (2) refer to Section 5.2

## 4.2 Pro Forma Statement of Financial Position

	Period ended 31-Dec-20	Period ended 31-Aug-21	Adjustments for Transaction at Target amount	Pro forma at Target amount raised
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	601,974	288,030	11,000,000	11,288,030
Trade and other receivables	2,771,698	4,237,282		4,237,282
Inventory	3,634,965	4,815,191		4,815,191
Other current assets	358,504	712,921		712,921
<b>Total Current Assets</b>	<b>7,367,141</b>	<b>10,053,424</b>		<b>21,053,424</b>
<b>Non Current Assets</b>				
Property, plant & equipment	12,798,875	12,130,722		12,130,722
Right of Use Assets	3,516,124	3,155,687		3,155,687
Intangible Assets	4,616,878	6,246,058		6,246,058
Other non current assets	473,595	496,865		496,865
<b>Total Non Current Assets</b>	<b>21,405,472</b>	<b>22,029,332</b>		<b>22,029,332</b>
<b>Total Assets</b>	<b>28,772,613</b>	<b>32,082,756</b>		<b>43,082,756</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Trade and other payables	4,824,863	4,471,382		4,471,382
Borrowings	3,618,529	6,845,564		6,845,564
Lease liability	772,809	923,435		923,435
Other current liabilities	787,723	1,553,224		1,553,224
<b>Total Current Liabilities</b>	<b>10,003,924</b>	<b>13,793,605</b>		<b>13,793,605</b>
<b>Non Current Liabilities</b>				
Lease liability	3,171,921	2,759,617		2,759,617
Borrowings (CN)	0	2,395,000		2,395,000
Other non current liabilities	149,967	138,479		138,479
<b>Total Non Current Liabilities</b>	<b>3,321,888</b>	<b>5,293,096</b>		<b>5,293,096</b>
<b>Total Liabilities</b>	<b>13,325,812</b>	<b>19,086,701</b>		<b>19,086,701</b>
<b>Net Assets</b>	<b>15,446,801</b>	<b>12,996,055</b>		<b>23,996,055</b>
<b>Equity</b>				
Issued capital	31,306,841	31,483,891	11,000,000	42,483,891
Reserves	6,156,968	6,155,875		6,155,875
Accumulated losses	(21,403,378)	(24,025,104)		(24,025,104)
Minority interest	(613,630)	(618,607)		(618,607)
<b>Total Equity</b>	<b>15,446,801</b>	<b>12,996,055</b>		<b>23,996,055</b>

### Basis of preparation and pro forma adjustments

The basis of preparation of the Statement of Financial Position for the period ended 31 December 2020 is in accordance with Australian Accounting Standards. Adjustments to the Statement of Financial Position are consistent with past accounting practises and are prepared on the basis that the following financial activity had occurred as of 31 December 2020:

- (a) Results of operations for the period 31 December 2020 through 17 September 2021 of a comprehensive loss before tax of \$5,344,000 which includes:
  - (i) Revenue from sales of \$9,428,000

- (ii) operating expenses of \$6,794,000
- (b) Estimated gross proceeds from the offering of \$11,000,000.
- (c) Legal costs, brokerage fees and listing fees of \$714,606.

#### **4.3 Market price of Shares**

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.165 per Share on 20 July 2021

Lowest: \$0.115 per Share on 10 September 2021

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.12 per Share on Friday, 17 September 2021.

The issue price under the Offer of \$0.11 per Share represents a 9.03% discount to the volume weighted average price of the Company's shares on the ASX (**VWAP**) calculated over the 10 trading days prior to the date of this Prospectus and a 8.33% discount to the last traded price prior to the date of this Prospectus.

#### **4.4 Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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## 5. Additional information

### 5.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

The Shares to be issued under this Prospectus will rank equally with the existing Shares.

(a) Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to one vote for each fully paid Share held.

(b) Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules. At least 28 days' notice of a meeting must be given to Shareholders.

(c) Dividends

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the Constitution, the Board may determine that a dividend is payable on Shares. The Board may fix the amount of the dividend, the time for determining entitlements to the dividend and the time and the method of payment of the dividend.

(d) Transfer of Shares

Subject to the Constitution, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by a written instrument of transfer which complies with the Constitution or by any other method permitted by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required to by the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

(e) Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules and any rights and restrictions attached to a class of shares, the Company may issue, or grant options in respect of, or otherwise dispose of, further shares on such terms and conditions as the Directors resolve.

(f) Winding up

Subject to the Constitution, the Corporations Act and any special resolution or preferential rights or restrictions attached to any class or classes of shares, members will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.



- (g) Unmarketable parcels
- Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares.
- (h) Share buy-backs
- Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Company may buy back shares in itself on terms and at times determined by the Board.
- (i) Proportional takeover provisions
- The Constitution contains provisions requiring Shareholder approval before any proportional takeover bid can proceed.
- These provisions will cease to apply unless renewed by special resolution of the Shareholders in a general meeting by the third anniversary of the date of the Constitution's adoption.
- (j) Variation of class rights
- At present, the Company's only class of shares on issue is ordinary shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:
- with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
  - by a special resolution passed at a separate meeting of the holders of those shares.
- In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.
- (k) Directors — appointment and removal Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum may not be more than 20. Directors are elected at general meetings of the Company.
- The Directors may appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company.
- Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any Managing Director) retires at each annual general meeting of the Company.
- (l) Directors — voting
- Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the Chair of the meeting has a casting vote.
- (m) Directors — remuneration
- The Directors, other than the executive Directors, shall be paid by way of fees for services, with the maximum aggregate sum approved from time to time by the Company in a general meeting or, until so determined, as the Board determines.
- The current maximum aggregate sum approved by the Board is \$500,000. Any change to that maximum aggregate sum needs to be approved by Shareholders. The Constitution also makes provision for the Company to pay all reasonable expenses

incurred by Directors in attending meetings or otherwise in connection with the business of the Company. Subject to the Corporations Act and the Constitution, remuneration of executive Directors shall be the amount that the Board decides.

(n) Directors — powers and duties

The Directors have the power to manage the business of the Company and may exercise all powers which are not expressly required by law, the ASX Listing Rules or the Constitution to be exercised by the Company in a general meeting.

(o) Indemnities

The Company, to the extent permitted by law, indemnifies each of its Directors and Secretaries (past and present) against any liability incurred by that person as an officer of the Company or one of its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis). The Company, to the extent permitted by law, may make a payment (whether by way of an advance, loan or otherwise) to a Director in respect of legal costs incurred by that person in defending an action for a liability of that person (on a solicitor-and-client basis).

The Company, to the extent permitted by law, may pay, or agree to pay, a premium for a contract insuring any Director or Secretary of the Company or its Subsidiaries against any liability incurred by such person as an officer of the Company or its Subsidiaries and certain legal costs incurred by that person (on a solicitor-and-client basis). The Company, to the extent permitted by law, may enter into an agreement or deed with a Director or a person who is, or has been, an officer of the Company or its Subsidiaries, under which the Company must do all or any of the following:

- keep books of the Company and allow either or both that person and that person's advisers access to those books on the terms agreed;
- indemnify that person against any liability and certain legal costs incurred by that person (on a solicitor-and-client basis);
- make a payment (whether by way of advance, loan or otherwise) to that person in respect of certain legal costs incurred by that person (on a solicitor-and-client basis); and
- keep that person insured in respect of any act or omission by that person while an officer of the Company or a Subsidiary of the Company, on the terms agreed (including as to payment of all or part of the premium for the contract of insurance).

(p) Amendment

The Constitution can only be amended by special resolution passed by at least three-quarters of the votes cast by Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

## 5.2 Rights attaching to Options

Options offered under this Prospectus are subject to the following terms:

- (a) The Options will be issued in consideration for the participation in the Offer.
- (b) Each Option entitles the holder to be issued one Share.
- (c) The exercise price of the Options is \$0.20 each.
- (d) The expiry date of an Option is 31 October 2024.
- (e) The Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Option.

- (f) Subject to complying with the ASX Listing Rules, the Company will be applying for quotation of the Options on the official list of the ASX.
- (g) The Options are freely transferable subject to any restriction or escrow arrangements imposed by the Corporations Act and the ASX Listing Rules.
- (h) The holder of an Option may not exercise less than 10,000 Options at any one time unless the holder has less than 10,000 Options in which event the Holder must exercise all of the Options together.
- (i) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (**Notice of Exercise**). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Share Registry to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (j) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX in accordance with the Listing Rules for all Shares pursuant to the exercise of Options to be admitted to quotation.
- (k) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in:
  - (i) the exercise price of the Option; or
  - (ii) period of exercise of the Option; or
  - (iii) except in the event of a Bonus Issue (defined below), a change to the number of underlying securities over which the Option can be exercised.
- (l) The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced.
- (m) This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (n) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (o) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

### 5.3 Lead Manager Mandate

The Company has entered into a lead manager mandate letter dated 24 August 2021 with PAC Partners Securities Pty Ltd (**Lead Manager Mandate**) pursuant to which the Company has engaged PAC Partners Securities Pty Ltd (**PAC Partners** or **Lead Manager**) to act as the sole lead manager on the Offer.

Pursuant to the Lead Manager Mandate, the Company has agreed to pay the Lead Manager the following non-duplicative remuneration on the successful completion of the Offer:

<b>Options</b>	9 million options with the same terms as those offered under the Offer.
<b>Management Fee</b>	2.0% of the gross proceeds under the Offer.
<b>Selling Fee</b>	4.0% of the gross proceeds under the Offer.

In addition to the above, the Company has agreed to pay the Lead Manager's reasonable expenses associated with the Offer.

#### 5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below).

#### 5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Financial Report of the Company for the 12 month period ended 30 June 2020, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;
- (b) the Company's Consolidated Half-Year Report for the 6 months ended 31 December 2020, which was lodged with the ASX on 26 February 2020;
- (c) Preliminary Final Report of the Company for the 12 month period ended 30 June 2021 (Appendix 4E); and
- (d) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the 12 month period prior to the date of issue of this Prospectus are as follows:

<b>Date Lodged</b>	<b>Subject of Announcement</b>
31 August 2020	Appendix 4E FY2020
30 September 2020	EGY Appendix 4G
30 September 2020	EGY FY2020 Annual Report
19 October 2020	EGY 2020 Notice of Annual General Meeting
19 October 2020	EGY 2020 AGM Proxy Form
29 October 2020	EGY Appendix 4C Quarter ended 30 September 2020
9 November 2020	Appendix 3Y Matthew Driscoll
11 November 2020	Appendix 3Y Matthew Driscoll

18 November 2020	Results of EGY 2020 Annual General Meeting
30 November 2020	Appendix 3Z Philip W Dulhunty
30 November 2020	Director Update Philip W Dulhunty
1 December 2020	Proposed issue of Securities - EGY
1 December 2020	Proposed issue of Securities - EGY
16 December 2020	Trading Halt
18 December 2020	Notice of Completion of Placement
18 December 2020	Proposed issue of Securities - EGY
18 December 2020	Cleansing Notice under s808A of Corp Act
22 December 2020	Proposed issue of Securities - EGY
23 December 2020	Appendix 2A Placement
23 December 2020	Appendix 2A
23 December 2020	Proposed issue of Securities - EGY
24 December 2020	EGY Announcement of Board Restructure
24 December 2020	Appendix 3X Brian Jamieson
24 December 2020	Appendix 3X Ian Campbell
24 December 2020	Appendix 3X Anthony Smith
24 December 2020	Form 603 Anthony Smith
24 December 2020	Appendix 3Z Alfred J Chown
24 December 2020	Appendix 3Z Gary A Ferguson
15 January 2021	Pause in Trading
15 January 2021	Trading halt
15 January 2021	Sovereign Industrial Capability Priority Grant award
27 January 2021	Appendix 4C Quarter ended 31 December 2020
15 February 2021	EGY Convertible Note issue
15 February 2021	Proposed issue of Securities - EGY
26 February 2021	EGY Appendix 4D and HY Financial Report 31 December 2020
26 February 2021	EGY HY Presentation 31 December 2020
11 March 2021	Proposed issue of Securities - EGY

11 March 2021	EGY Convertible Note issue
20 April 2021	Proposed issue of Securities - EGY
20 April 2021	Appendix 2A
21 April 2021	Appendix 3Y
29 April 2021	Appendix 4C and cover ltr qtr ended 31 March 2021
7 May 2021	Appendix 3Y and attachment
10 May 2021	Amended Appendix 3Y
26 May 2021	Proposed issue of Securities - EGY
26 May 2021	EGY Convertible Note issue
28 May 2021	EGY settles Working Capital Facility re-financing
2 June 2021	Appendix 3Y Change in Director's Interest Notice
7 June 2021	Appendix 3Y Change of Director's Interest Notice
30 June 2021	Proposed issue of securities - EGY
29 July 2021	Becoming a substantial holder
30 July 2021	Appendix 4C and cover letter qtr ending 30 June 2021
31/08/2021	Appendix 4E Preliminary Final Report
31/08/2021	EGY FY21 Results Presentation

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at K&L Gates, Level 25, 525 Collins Street, Melbourne, VIC, Australia, 3000:

- (i) this Prospectus;
- (ii) Constitution; and
- (iii) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

## 5.6 Information excluded from continuous disclosure notices

Other than as disclosed in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

## 5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## 5.8 Directors' interests

- (a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings

Set out in the table below are details of the Directors' relevant interests in Shares and performance rights of the Company at the date of this Prospectus and their entitlement to participate in the Offer.

Director <sup>1</sup>	No. of Shares Held	No. of Options Held	Entitlement to Subscribe for Shares <sup>2</sup>
Yulin Hu	3,476,058	-	2,017,445
Matthew Driscoll	3,000,598	1,041,667	1,741,496
Ian A. Campbell	1,250,000	595,238	725,479
Anthony L. Smith	12,591,949	3,539,286	7,308,154
Brian Jamieson	625,000	446,238	362,739

**Notes:**

<sup>1</sup> Securities are held directly or indirectly by the Director or a related party of the Director.

<sup>2</sup> Entitlement to subscribe for Shares that will be held directly or indirectly.

(c) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$500,000 per annum to be paid as non-executive Directors' fees.

In the last 2 financial years, \$1,151,130 have been paid by the Company to Directors or companies associated with Directors, as remuneration (including payments to executive directors).

The table below sets out the remuneration provided to the Directors of the Company during the last 2 financial years prior to this Prospectus:

Directors	Year	Salary & Fees \$	Equity settled options \$	Other	Total \$
Brian Jamieson <sup>1</sup>	2021/2020	30,338	41	2,328	32,707
	2020/2019		-		-
Yulin Hu	2021/2020	50,000	-		50,000
	2020/2019	50,000			50,000
Matthew Driscoll	2021/2020	13,603	60,096		73,699
	2020/2019	80,000			80,000
Ian A. Campbell <sup>1</sup>	2021/2020	25,941	55	2,069	28,065
	2020/2019				
Anthony L. Smith <sup>1</sup>	2021/2020	25,941	123		26,064
	2020/2019				
<b>Previous Directors</b>					
Alfred J. Chown <sup>3</sup>	2021/2020	298,674		27,688	326,362
	2020/2019	310,082		28,318	338,400
Gary A. Ferguson	2021/2020	25,000			25,000
	2020/2019	50,000			50,000
Philip W. Dulhunty <sup>2</sup>	2021/2020	20,833			20,833
	2020/2019	50,000			50,000

**Notes:** (1) Appointed 24/12/2020 (2) Deceased 29/11/2020 (3) last 6 months remuneration as CEO only

(d) Other Interests

Nil

## 5.9 Substantial Shareholders

Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus are set out in the table below.

Name of Shareholder	Number of Shares	% Shareholding
J P Morgan Nominees Australia Pty Ltd	28,274,193	16.41%
Cashel Family Office	12,591,949	7.31%
Advance Cables Pty Ltd	10,782,839	6.30%

## 5.10 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or



- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

K&L Gates will be paid fees of approximately \$20,000 (plus GST) in relation to the preparation of this Prospectus and related matters regarding the capital raising. In the past two years, K&L Gates has received approximately \$25,000 for the provision of legal services to the Company.

PAC Partners will be paid as set out in Section 5.3 in relation to its services as lead manager to the Offer.

## 5.11 Expenses of issue

The estimated expenses of the issue are as follows:

Item	(\$)
ASIC lodgement fee	3,206
ASX quotation fee	23,400
Lead Manager Fee	660,000*
Legal expenses	20,000
Printing, mailing and other expenses	3,000
Share registry expenses	5,000
<b>Total</b>	<b>714,606</b>

\* Assuming full \$11 million raised

## 5.12 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with ASIC:

K&L Gates has given, and has not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. K&L Gates has not authorised or caused the issue of this Prospectus or the making of the Offer under this Prospectus. K&L Gates makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

PAC Partners has given, and has not withdrawn, its written consent to being named in this Prospectus as the Lead Manager to the Offer. PAC Partners has not authorised or caused the issue of this Prospectus or the making of the Offer under this Prospectus. PAC Partners makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as share registry in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as share registrar of the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

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## 6. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'B. Jamieson', written in a cursive style.

Mr Brian Jamieson

**Non-Executive Chairman**

Dated: 20 September 2021

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## 7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**Acceptance** means a valid application for Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

**Additional Securities** means New Shares applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's Entitlement.

**Additional Securities Application Form** means the application form attached to this Prospectus to subscribe for Additional Securities.

**Additional Securities Offer** means as defined in Section 1.6.

**AEDT** means Australian Eastern Daylight Time.

**Annual Financial Report** means the financial report lodged by the Company with ASIC in respect to the financial year ended 30 June 2020 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the period ended 30 June 2020, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2020.

**Applicant** means a person who submits an Entitlement and Acceptance Form or Shortfall Application Form.

**Application Monies** means application monies for Shares received by the Company.

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means ASX Settlement Pty Ltd ACN 008 504 532.

**ASX** means ASX Limited ACN 008 624 691.

**Attaching Options** means the options over new shares in the Company offered on the basis of 1 option for every 4 Entitlement Offer Shares taken up, with a strike price of \$0.20 and expiry on 31 October 2024 for which the Company will seek quotation assuming the requirements of the ASX Listing Rules are met.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** means the date identified as such in the proposed timetable or such later date as the Directors may determine.

**Company** means Energy Technologies Limited ACN 002 679 469.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

**Entitlement** means an Eligible Shareholder's entitlement to Shares under the Offer as determined on the Record Date.

**Entitlement and Acceptance Form** or **Form** means the entitlement and acceptance form attached to this Prospectus that sets out the Entitlement of Shareholders to subscribe for Shares pursuant to the Offer.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the Listing Rules of the ASX.

**New Option** means an Option proposed to be issued pursuant to this Offer on the terms and conditions set out in Section 5.2.

**Offer** means as defined in Section 1.1.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Shares on the Official List.

**Option** means an option to acquire a Share.

**Prospectus** means this prospectus dated 20 September 2021 .

**Record Date** means the date specified as such in the proposed timetable.

**Related Corporation** means a "related body corporate" of the Company as that expression is defined in the Corporations Act and includes a body corporate which is at any time after the date of this Agreement a "related body corporate" but ceases to be a "related body corporate" because of an amendment, consolidation or replacement of the Corporations Act.

**Section** means a section of this Prospectus.

**Shareholder** means a holder of Shares.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shortfall Shares** means that number of the Shares that have not validly been applied for under the Offer by the Closing Date.

**US Person** has the definition given to that term in Regulation S of the US Securities Act.

**US Securities Act** means the *United States Securities Act of 1933* (as amended).

**VWAP** means as defined in Section 1.1.