



## ECT intends to sell B2C wood briquette retail business

**17 January 2022:** Environmental Clean Technologies Limited (ASX: ECT) (“ECT” or “Company”) advises it has commenced a process for the sale of its retail recycled hardwood briquette business, Wood247.

### Key points:

- Discontinuation of this business will mean revenues will be substantially downgraded from \$202,038 in September 2021 quarter to \$54,024 in the December 2021 quarter and then nil in subsequent quarters. The receipts from customers cashflow implications are consistent.
- ‘Wood 247’ business brand featuring recycled, Australian made hardwood briquettes
- Business-to-consumer (B2C) channel servicing Melbourne, Mornington, Geelong, Macedon Ranges and Ballarat areas

This business was initially established as a pilot from March 2021 to test the retail market for eco-friendly recycled wood briquettes and to gauge how that may support ECT’s broader strategy around revenue diversity.

Following the pilot’s conclusion, which covered the the high-demand winter period, the Company conducted a strategic review of the results and decided that despite very promising sales and positive market response, this niche, consumer-focused business represents an unnecessary distraction to its headline projects in Bacchus Marsh and Yallourn. No material costs have been incurred to date with the sale process.

Managing Director Glenn Fozard commented:

*“This business was conceived at a time in ECT’s life when we were looking for ways to diversify revenue and help us reach cash-flow positive as a company. However, now that we are focusing on our Net Zero and hydrogen technologies with the aim of developing a commercial scale Net Zero Hydrogen Refinery project in the Latrobe Valley, Wood247 represents a risk of distraction from this ultimate goal.*

*“The Wood247 business would ideally suit an owner-operator, and we are now seeking expressions of interest for its sale.”*

### About Wood247

Wood247 was established as a direct-to-consumer, discretionary goods business targeting the “circular economy” market through the sale of eco-friendly recycled hardwood briquettes as an alternative to firewood.

The distribution model features a ‘wheelie bin’ home delivery model that maximises customer convenience and storage while bridging the logistics gap between industrial suppliers of recycled sawdust waste and retail consumers.

On the supply side, the Company established access to approximately 570 tonnes of waste wood per annum, sufficient to support revenue of up to \$500,000. Further waste sawdust supplies exist in the local market.

On the demand side, while the local Victorian firewood market is estimated at 500,000 tonnes per annum, it is highly seasonal, with 90% of sales projected to occur during the winter months. As such, outside this

seasonal selling period, operations focus on the production and packaging of briquettes to build inventory in preparation for the peak sales period, as well as introducing other products sold via wheelie bins to smooth out the seasonal impact.

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This announcement is authorised for release to the ASX by the Board.

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### **About ECT**

ECT has been developing net-zero emission and hydrogen technologies for over 15 years.

Our solutions aim to transition today's use of resources to tomorrow's zero-emission future, delivering immediate financial and environmental benefits.

We are focused on advancing a portfolio of technologies, which have significant market potential globally.

ECT's business plan is currently focusing on two major projects:

- 1) Zero-Net Emission Coldry Commercial Demonstration at Bacchus Marsh, Victoria, Australia
- 2) Zero-Net Emission Hydrogen Refinery Project at the Latrobe Valley, Victoria, Australia

### **About our Technology Suite**

#### **Coldry**

Coldry is the gateway enabler of higher-value applications for waste biomass and lignite.

These streams are a rich source of valuable hydrocarbons. However, they suffer from high moisture content that must be reduced to enable higher-value upgrading and conversion to solid fuels, liquid or gaseous hydrocarbons.

Drying is easy. However, drying efficiently, cost-effectively and with a low emissions footprint has been the challenge. Coldry meets this challenge through a combination of "substrate densification" and waste heat utilisation, delivering the world's first low temperature, low pressure, low cost, zero CO<sub>2</sub> emissions drying process.

#### **HydroMOR**

The HydroMOR process has the potential to revolutionise primary iron making.

HydroMOR is a simple, low cost, low emission, hydrogen-driven technology that enables low-value feedstocks to produce primary iron. HydroMOR is the transition solution to a "green steel" future.

#### **COHgen**

The COHgen process has the potential to deliver a lower cost, lower emission method for hydrogen production from lignite and other waste biomass streams.

COHgen is currently advancing through fundamental laboratory development intended to form the basis for a patent application ahead of scale-up and commercialisation.

COHgen aims to decouple hydrogen production from CCS, accelerating the race towards <\$2kg production costs, with little to no emissions.

### **CDP-WTE**

The catalytic depolymerisation-based waste-to-energy process converts' low-value resources into higher-value diesel and other valuable by-products.

CDP-WTE can be deployed as a standalone solution or integrated with the Coldry process to deliver higher-value, lower-emission energy solutions to lignite resource owners.

### **Forward-Looking Statements**

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of ECT, are or may be, forward-looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Therefore, actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.