

Amendment to Security under Convertible Note

Highlights:

- Amendment to security for \$1.13M convertible note announced on 17 December 2024
- Conversion price of notes to remain at \$0.00425 per share
- Shareholder approval to be sought at the upcoming Extraordinary General Meeting (EGM).

On 17 December 2024, Environmental Clean Technologies Limited (ASX: **ECT**) (“**ECT**” or “**Company**”) announced that it had entered into a \$1.13M Convertible Note Deed with LJ & K Thomson Pty Ltd (“**LJ&K Thomson**”) (**Notes**). The announcement noted that subject to shareholder approval, the Notes would be secured by a first ranking mortgage over the Company’s Yallourn property. The Company wishes to clarify that the security proposed at the time was actually a general security deed (**GSD**) over the assets of ECT (not just the Yallourn property). The Company further notes that it has now entered into an amendment to the GSD such that the security is over the Company’s assets, excluding R&D Tax Incentive Rebates and Intellectual Property (IP) (**Security**). Both the issue of Notes (and provisions funds) and provision of the Security remain subject to shareholder approval to be sought at a general meeting of ECT proposed to be held in mid/late April 2025.

The Company also notes that on 26 February 2025, it announced that it had agreed in principle with LJ&K Thomson to reduce the conversion price of the notes to \$0.0011 from \$0.00425. The Company advises that following further consultation with LJ&K Thomson, the parties have agreed not to amend the conversion price of the Notes and that the conversion price shall remain at \$0.00425.

The Note terms otherwise remain unchanged. The key terms of the Notes are as follows:

Loan Type: Convertible Note Agreement. Provision of funds subject to shareholder approval

Total Face Value: \$1,130,000

Maturity Date: 6 December 2025.

Security: General security agreement, subject to shareholder approval, providing security over all company assets other than R&D Tax Incentive Rebates and Intellectual Property (IP).

Interest: 11.5% per annum.



Conversion Terms:

- Subject to shareholder approval, the Notes are convertible at the holder's election until the Maturity Date, with the total face value of the relevant notes to be converted equal to or exceeding \$50,000 for each conversion notice.
- Shareholder approval will be sought at an Extraordinary General Meeting (EGM) to provide Security over the Notes as outlined above and for the issue of the Notes (and Shares if the Notes are converted) under item 7 of section 611 of the Corporations Act.
- If further shareholder approvals are required under the Act, ASX Listing Rules, or the Company's constitution, ECT will use reasonable efforts to obtain them within six months of the relevant conversion notice. If approval is not granted, the Notes subject to the conversion notice will be deemed immediately redeemable, only to the extent necessary to comply with regulatory requirements.
- **Conversion Price:** \$0.00425 per Share.
- **Redemption:** Convertible Notes not converted by the Maturity Date will be redeemed at face value.

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

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Forward-looking Statement

This announcement may contain forward-looking statements regarding future events or performance, including but not limited to projections of financial results, anticipated growth, and business strategies. These forward-looking statements are based on current expectations, assumptions, and projections that involve inherent risks and uncertainties. Actual results may differ materially from those anticipated due to various factors, including market conditions, regulatory changes, technological advancements, and economic conditions.

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable securities laws.

Investors should carefully consider the risks and uncertainties disclosed in the Company's periodic reports filed with the Australian Securities Exchange (ASX) and other regulatory authorities. Forward-looking statements are provided as of the date of this announcement, and the Company disclaims any obligation to update them, except as required by law.