

Highlights

- **COLDry Fertiliser Granulation Equipment Installed:** Commissioning of batch-scale granulation equipment at the Bacchus Marsh site.
- **Trial Production Commenced:** First 12 tonnes of COLDry Fertiliser produced for lab and field trials.
- **Capital Management:**
 - **Placement:**
 - Tranche 1 of the Placement, totalling \$475,000, received in full.
 - Tranche 2, totalling \$275,000 approved at 23 April EGM
 - **Convertible note:** \$1.13 million facility approved at 23 April EGM
- **Project Financing:** Updated project presentation released to lenders to support financing process.

30 April 2025: Environmental Clean Technologies Limited (**ASX: ECT**) (“**ECT**” or “**Company**”) is pleased to present its Quarterly Activity Report and Appendix 4C for the quarter ending 31 March 2025.

Activity Update

COLDry Fertiliser Project – Batch Production & Trials

Progress continued under the Zero Quest Pty Ltd joint venture with ESG Agriculture. The quarter saw the installation and commissioning of the batch-scale granulation facility at ECT’s Bacchus Marsh site and the commencement of trial granule production.

- **Trial Batch Produced:** The first 12 tonnes of COLDry Fertiliser were produced in readiness for field and lab trials.
- **Trial Objectives:** Benchmark product performance, validate formulation, and secure offtake agreements.

Corporate & Capital Management

On 26 February, the Company confirmed completion of Tranche 1 of a Placement totalling \$475,000. Tranche 2, totalling \$275,000, was subsequently approved at an EGM held on 23 April 2025.

On 28 February 2025, ECT announced updates to the \$1.13M Convertible Note Deed executed in December 2024:

- Clarified the scope of the General Security Deed, excluding R&D tax rebates and intellectual property.
- Confirmed conversion price remains unchanged at \$0.00425 per share.
- Shareholder approval was obtained at the 23 April EGM.

Upcoming Milestones

- **Field Trials:** Distribution of COLDry Fertiliser to trial participants for application at trial sites ahead of planting.
- **Offtake Agreements:** The Company will seek to enter into binding agreements with agricultural stakeholders following successful trials.
- **Project financing:** Discussions with financiers began in December 2024. Financing options will be evaluated during Q2-Q3 CY25, and financial close is targeted for the second half of CY25.

Commentary to Appendix 4C

Operating activities recorded net cash outflows of \$635,560 during the quarter, broadly in line with the previous period.

Research and development expenditure decreased to \$72,331, down from \$198,182 in the prior quarter, reflecting the completion of key design and development activities in late 2024. Administration and corporate costs increased by \$152,284, primarily due to the payment of expenses accrued in the previous quarter.

The Company successfully raised \$475,000 via a share placement (refer ASX announcement dated 26 February 2025). In addition, the Company received a \$50,000 loan from Zero Quest Pty Ltd, its 50%-owned joint venture entity, to support working capital requirements.

There were no other material variations in cash flows compared to the prior quarter.

Cash payments to related parties totalled \$7,020, a significant decrease from \$54,039 in the prior period. The reduction reflects the suspension of directors' fees during the quarter.

Matters Subsequent to the Period

Project Financing

On 9 April 2025, the Company released a Zero Quest project presentation to coincide with the commencement of due diligence activities by prospective financiers. The presentation outlines the business case for the COLDry Fertiliser Project, including target markets, yield improvement, emission reductions, and cost advantages.



First Delivery of COLDry Fertiliser for Field Trials

In April 2025, the Company shipped the first delivery of COLDry Fertiliser to South Australia, ahead of distribution to key cotton and wheat producers. This step marks the commencement of field trials and represents the first deployment of product under the Zero Quest joint venture.



Extraordinary General Meeting

On 23 April 2025, the Company held an Extraordinary General Meeting, at which all resolutions were passed by poll. Key approvals included:

- Granting security over a significant asset to a substantial shareholder in relation to the \$1.13 million convertible note facility;
- Ratification of prior share placements;
- Approval for the issue of additional placement shares (\$275,000 Tranche 2 placement), lead manager securities, and director options.

The approvals support the Company's capital management strategy and ongoing financing activities for the COLDry Fertiliser Project.

This announcement is approved for release by the Board of ECT.

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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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Environmental Clean Technologies Limited

ABN

28 009 120 405

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		2
1.2 Payments for		
(a) research and development	(72)	(423)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(228)	(831)
(f) administration and corporate costs	(336)	(744)
1.3 Dividends received (see note 3)		
1.4 Interest received		6
1.5 Interest and other costs of finance paid		(31)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		1,473
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(636)	(548)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses		(150)
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		110
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		(40)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	475	475
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	50	532
3.6	Repayment of borrowings	(39)	(1,067)
3.7	Transaction costs related to loans and borrowings		(20)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	486	80

Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	242	761
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(636)	(548)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(40)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	486	(80)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	93	93

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	93	761
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	93	761

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	7
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities (1)	100	50
7.2 Credit standby arrangements		
7.3 Other (R & D lending facility) (2)	482	482
7.4 Total financing facilities	582	532
7.5 Unused financing facilities available at quarter end		50
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>(1) The Company has a lending facility with Zero Quest Pty Ltd for \$0.1M which has an interest rate of 15%, matures 7 May 2025 and is secured by a second ranking charge against the Company's R & D Tax Incentive. A further drawdown against this facility was made on 23 April 2025 for \$30,000.</p> <p>(2) The Company has a lending facility with LJ & K Thomson Pty Ltd for \$0.482M which has an interest rate of 11.5%, matures 6 June 2025 and is secured by the Company's R & D Tax Incentive. No further drawdowns will be made against this facility.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(636)
8.2 Cash and cash equivalents at quarter end (item 4.6)	93
8.3 Unused finance facilities available at quarter end (item 7.5)	50
8.4 Total available funding (item 8.2 + item 8.3)	143
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.22
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. Following the Company's extraordinary general meeting on 23 April 2025, the Company will settle a convertible note totalling \$1.13M of which \$0.482M has already been draw down in the facility mentioned in 7.6(1) above and also complete the second tranche of a share placement totalling \$0.275M as detailed in the notice of meeting.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.