

## Highlights

- *Council & Regulatory Approvals Secured:* Formal planning approval for the Bacchus Marsh fertiliser facility received in June, alongside EPA approval earlier in the quarter.
- *Field Trial Delay:* Field trials deferred to align with cropping cycles and additional testing.
- *Tranche 2 Placement Completed:* \$275K raised.
- *Board and Officer Changes:* Faldi Ismail appointed Chair; Justin Mouchacca appointed as NED; CFO Martin Hill retires; Nova Taylor joins as Company Secretary.
- *Strategy Recalibration Underway:* ECT strengthens focus on acquiring complementary technology assets while exploiting long-term value from its existing asset base.

**30 July 2025:** Environmental Clean Technologies Limited (**ASX: ECT**) ("**ECT**" or "**Company**") is pleased to present its Quarterly Activity Report and Appendix 4C for the quarter ended 30 June 2025. The period marked significant progress in regulatory approvals, organisational reform, and a recalibrated approach to capital deployment as the Company continues executing its transition from pilot-stage technology development into scalable commercial deployment, with a renewed emphasis on flexibility, cost control and future-readiness.

## Activity Update

### COLDry Fertiliser Project

ECT's COLDry technology—a lignite drying and densification process—adapted for agricultural use, produces a unique lignite-nitrogen fertiliser. This formulation, combining lignite's porous carbon-rich structure with traditional urea, offers enhanced nutrient binding and release, reduced volatilisation, and meaningful carbon intensity reductions—aligning with ECT's broader sustainability mission.

Through the Zero Quest joint venture (**ZQ**) with ESG Agriculture, Zero Quest has begun to validate this product's potential across lab trials, while field trials have been deferred to align with future cropping seasons.

In line with a disciplined approach to capital management, ECT is evaluating ways to exploit value from its existing assets. This approach reflects prudent fiscal management and ensures that future investment is aligned with clear progress indicators and commercial readiness.

During the quarter, ECT and its JV partner ESG Agriculture continued trial preparations, engagement with strategic stakeholders and successfully received all regulatory approvals. These include:

- **Regulatory Milestones:** EPA approval for Bacchus Marsh was granted on 24 June 2025.
- **Council Permit:** Council planning approval was formally confirmed during the quarter, representing the final regulatory and permitting hurdle for the project.

With these approvals secured, there are no anticipated regulatory delays, and the project is fully cleared to commence construction once key technical and commercial milestones are achieved.

- **Lab Testing Results:** HRL analytical results on the COLDry granules indicated minimal degradation during processing strongly supporting product stability.
- **Lab Trials Preparation:** Additional HRL lab testing is ongoing to further assess the product's physical properties. Post property confirmation the initiation of formal lab-scale plant growth trials can commence in the coming period.
- **Field Trials Rescheduled:** During production the ZQ team identified the need for further testing and optimisation prior to scaling up operations and field trials. Originally expected to commence in the winter cropping season, the field trials were deferred to align with future cropping seasons. ZQ will now target strategic farmer deployment later in 2025, with strategic field trials to follow additional testing requirements.

## Structural Efficiency & Restructure Highlights

To address extended development timelines and preserve cash reserves, ECT enacted a restructuring program during the quarter focused on reducing fixed costs and externalising non-core corporate functions. The following changes were implemented:

- **Head Office Consolidation:** ECT formally exited its South Yarra premises in June, with key equipment relocated to Bacchus Marsh. This move reduces lease overheads and consolidates project activities at the operational site.
- **Finance and Governance Outsourcing:** CFO Martin Hill retired in May, with external consultants (JM Corporate Services) now handling finance functions. Additionally, Company Secretary responsibilities were transitioned with Nova Taylor. These changes streamline operations while retaining high standards of compliance and reporting.
- **Board Reorganisation:** ECT refreshed its governance structure during the quarter. Notably:
  - Faldi Ismail appointed Non-Executive Chairman, replacing Joseph van den Elsen who transitioned to non-executive director
  - Justin Mouchacca appointed non-executive director
  - Jason Marinko resigned from the board
  - Sam Rizzo resigned from the board

These changes are designed to align governance capacity with the Company's capital-light operating model and forward strategic agenda.

## Corporate & Capital Management

### Placement & Equity Issuance

As announced on 23 May 2025, ECT completed Tranche 2 of its placement, raising \$275,000 via the issue of 275 million shares at \$0.001 per share. Additional equity allocations included:

- 45 million shares and 75 million options to the lead manager (as approved at April EGM)
- 39.9 million shares issued under the employee salary sacrifice incentive scheme

A further 8,666,680 shares were issued under the employee salary sacrifice incentive scheme on 30 June 2025.

## Commentary to Appendix 4C

Operating activities for the quarter are expected to reflect consistent expenditure levels (~\$600–650K), including:

- Final legacy expenses for South Yarra office and transition costs
- Reduced staffing costs following CFO retirement and Company Secretary outsourcing
- Ongoing R&D and testing-related outlays

Key inflows:

- \$275K raised via Tranche 2 placement
- R&D refund of ~\$400K expected in October 2025
- No material proceeds yet from licensing or asset sales

The overall cash position was \$478K as of 26 June 2025. Taking into consideration the restructuring program and cashflow management detailed above, the Company anticipates reduced cash outflows in the coming periods.

Cash payments to related parties totalled \$10,000 and comprised payments to directors.

## Outlook

The June quarter marked a significant strategic turning point for ECT, as the Company implemented a restructuring program to improve capital efficiency, reduce risk exposure, and create a more resilient foundation for future growth.

Following the shift in project milestones, ECT initiated an internal and joint venture-wide review of priorities. As part of this disciplined response, the Company is evaluating ways to maximise value from the ZQ Quest joint venture (ZQ).

ECT remains confident in the long-term value of the COLDry technology and its application in producing low-emission fertilisers. However, the Company recognises the importance of aligning funding with defined technical and commercial milestones. This repositioning will enable ECT to focus on value creation while reducing exposure to uncertain development timelines.

Looking ahead, the Company will continue to advance its COLDRY technology, pursue external partnerships, and selectively expand the Company's portfolio in alignment with emerging technology opportunities. These initiatives are designed to support shareholder value creation, strategic flexibility, and long-term growth.

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

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**For further information, please contact:**

**INVESTORS**

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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")**

30 June 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	14	16
1.2 Payments for		
(a) research and development	(48)	(471)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(226)	(1,057)
(f) administration and corporate costs	(160)	(905)
1.3 Dividends received (see note 3)		
1.4 Interest received	7	13
1.5 Interest and other costs of finance paid	(42)	(73)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		1,473
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(455)</b>	<b>(1,004)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>		<b>(40)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	275	750
3.2	Proceeds from issue of convertible debt securities	648	648
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	30	562
3.6	Repayment of borrowings	(111)	(1,179)
3.7	Transaction costs related to loans and borrowings		(20)
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>841</b>	<b>761</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	93	761
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(455)	(1,004)
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)	841	761
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>479</b>	<b>479</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	479	761
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>479</b>	<b>761</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	10
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

7.	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities (1)	-	-
7.2	Credit standby arrangements		
7.3	Other (R & D lending facility) (2)	482	482
7.4	<b>Total financing facilities</b>	582	532
7.5	<b>Unused financing facilities available at quarter end</b>		50
7.6	<p>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> <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 &amp; D Tax Incentive. A further drawdown against this facility was made on 23 April 2025 for \$30,000. <b><u>– This has been fully repaid on 2 May 2025 (no more loan facility with Zeroquest)</u></b></p> <p>(2) The Company has a lending facility with LJ &amp; 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 &amp; D Tax Incentive. No further drawdowns will be made against this facility.</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(455)
8.2	Cash and cash equivalents at quarter end (item 4.6)	479
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	479
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.05
	<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: The Company has undertaken a restructuring and cashflow management program which it anticipates will reduce cash outflows in the coming periods.	
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. The Company anticipates receipt of an R&D refund of ~\$400K expected in October 2025	



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 July 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.