

INVESTOR ANNOUNCEMENT

New Energy Technology Ltd.

16 Dec 2024

NACO RAISES A\$2.5M FUNDING ROUND LIFTING NET'S ASSET VALUE TO 3.5X AND ENABLING POLISH GRANT MONEYS

Highlights

- **NET's initial investment of A\$790K into Latvian green fuel technology venture Naco has increased in value 3.5X to A\$2.76M**
- **Naco has successfully raised another A\$2.5M at an enterprise valuation of A\$55M**
- **This brings NET's NTA to \$10M**
- **This fresh capital investment from a Polish investor fulfils a condition of receiving significant capital expense grant moneys**

New Energy Technology ("NET") is pleased to announce that portfolio company Naco has successfully agreed an important funding round unlocking Polish capital expense grant moneys and raising the value of NET's holdings.

In mid-2022, NET invested an initial A\$224K of capital in exchange for 1.50% of shares. Then in early 2023, following strong technology progress, NET invested a further A\$568K (on favourable terms previously negotiated) to fund Naco to build their first production line. NET's cumulative investment was **A\$792,365 for 5.49%** of the company.

In January 2024, Naco was awarded **A\$16.31M** (€10m) in grants from the European Commission's renowned and highly competitive EIC Accelerator grant, and raised **A\$1.95M** (€1.2m) of investment capital from respected venture funds in a 'Pre-Series A' funding round, conditional on Naco setting up a Polish subsidiary and receiving private capital investment from Polish investors.

Following that funding round, which NET did not participate in, NET owned 5.23% of shares valued at A\$2,215,870, an increase of 2.8X from NET's initial A\$792,365. Naco's entity valuation rose to A\$42M, up from A\$14M.

In December 2024, agreement was reached between Naco and new Polish investor Radix under which Radix invest A\$2.5M (1.5m EU) of capital for new shares, with financial close due this week.

Following the Radix investment, NET's holding is valued at \$2.76M, up 3.5X from NET's initial \$792K investment just 2.5yrs ago. Naco's new enterprise valuation is A\$55M, up from \$14M initially. NET has been diluted marginally to 5.03%.

This investment from Radix is important for Naco's growth because Naco has been awarded pre-approval to access up to A\$16M in grants from the Polish government to build its first large-scale production factory in the country, but a condition of the grant is to have a significant Polish shareholder, and that is now fulfilled.

Naco's work to establish the Polish factory is advancing well and on track for production at the end of 2025.

About Naco

Naco's 'Advanced Magnetron Sputtering' technology allows them to coat membranes with such high precision that they can pre-determine the orientation of each atom and form deliberate single-atom layered crystalline nano-structures to form a coating. This produces far stronger, more robust, and more conductive surfaces coating the core membranes inside electrolyzers, batteries, and fuel cells than competitors can. By doing this, less precious metal is needed to make them strong, they last for years longer, operate at better efficiency, and remain at a higher efficiency for longer. This can deliver material reductions to the cost of producing green hydrogen.

Naco's progress has been acknowledged with startup honours and awards in 2023 including the "Nordic Cleantech Open's 'Cleantech-startup-of-the-year', and the National 'Latvian Breakthrough 2023' awards. Naco was recently awarded the contract to provide critical materials coatings to the European Space Agency lunar space station mission.

NET Director Rowan Logie, based in Australia, visited the Naco team in Riga in 2022 and in 2023 to contribute to strategy, and NET's Head of Engineering Côme Gérôme, based in France, separately visited and spent time with the technical team and inspected the new production line.

NET team member Stephanie Moroz, a leading expert in hydrogen technology and nano-coatings, participates actively in Naco's monthly board meetings to support their progress and provide oversight.

NET is joining Naco's supervisory board of directors to oversee and contribute to commercialisation and scaling activities.

The Naco valuation uplift takes NET's Net Tangible Assets to A\$10M, with the active portfolio now sitting at 4X initial capital invested.

We look forward to continuing rewarding growth together as we lead your investment participation in the global energy technology transition.

-ENDS-

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About New Energy Technology

NET is the world's leading energy transition technology venture investment and advisory team with operations across Europe, Australia, USA, and Asia and three decades of experience. The team has founded and led 25 ventures, advised 100 including global majors, and developed solar and battery projects and microgrids. NET uses rich insights gained from value chain immersion to better assess earlier what role a new technology venture can play in the energy transition, use that to participate before others, and then exit when others catch up and it gets crowded.

About NACO

Naco are a Latvian-based green fuel technology venture empowering the green hydrogen revolution. They have invented proprietary nano-coating technology that can be used by major manufacturers to radically cut the cost of making critical hardware used in the hydrogen value chain, including electrolysers, batteries, and fuel cells.