



INVESTOR UPDATE
New Energy Technology Ltd

9 May 2022

NET ACCEPTS A\$400K IN CONVERTIBLE NOTES

Highlights

- **NET has accepted A\$400,000 of capital that will be automatically converted to equity during NET's next equity raise**
- **Conversion will be at a 10% discount to the share price of the next round**

New Energy Technology (“**NET**”) can today update shareholders that it has reached financial close on A\$400K of convertible loans from existing shareholders.

NET was approached in April by shareholders seeking to deepen their investment into NET. NET was not raising additional equity capital, as the team were instead undertaking numerous activities to create additional value in the business.

In the interests of optimising shareholder value, management determined to accept the finance on the basis that the share price would not be set at this time, but rather would be set at the next capital raise. This arrangement allows the share issue to be delayed until forthcoming value-creation milestones are achieved, at which time the NET valuation can be appropriately updated to reflect any successes.

This was achieved through accepting the finance in the form of ‘Convertible Loans’ on the following terms. At the next capital raise larger than A\$2M, the loans will automatically be fully converted to shares in NET of the same class as all existing shares. This conversion will be done at a discount of 10% to the share price at the time. The valuation used for conversion will be bounded by a floor of A\$15M and a cap of A\$50M. Conversion is expected in the second half of 2022 but can be done any time prior to November 2023.

After the approach by the shareholders, all other NET shareholders were notified and provided the opportunity to participate. A total of five shareholders participated for a combined sum of A\$400K.

The funds will be used primarily to unlock and accelerate NET's infrastructure project development portfolio across Europe, about which announcements can be expected in the coming months.

NET thanks those shareholders who approached management and have deepened their participation, supporting our mission of accelerating the green fuel value chain to achieve net zero faster.

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For further information, please contact:

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About New Energy Technology

NET is a diversified hydrogen business led by a global team of green fuel experts. NET invests in and commercialises critical green fuel technologies to accelerate the hydrogen economy, develops large scale green fuel infrastructure projects, and consults to other businesses seeking participation insight and strategy in the emerging green fuel landscape.