

INVESTOR ANNOUNCEMENT 30 November 2021

New Energy Technology Ltd

UPDATES, SERIES A TO CLOSE CAPPED AT \$2.5M, PROGRESSING TO IPO WITH EUROZ-HARTLEY

Highlights (AUD\$)

- **Starfire holding set to be worth \$25M in early 2022**
- **Tranche 2 payment to Starfire fully paid securing 9% equity**
- **NET's Series A to be capped at \$2.5M**
- **\$1.7M filled, \$800K allocation open**
- **Consulting income expected from January onward**
- **Euroz-Hartley working with NET toward IPO in June '22**
- **Infrastructure project #1 progressed**
- **Japanese industrial major progressing towards capital investment**

Starfire

New Energy Technology (“**NET**”) is pleased to announce its first technology investment, Starfire Energy, is set to see an uplift of 12.5X from \$2M to \$25M based on Starfire's next capital raise due early next year, which has been approved by the Starfire Board of Directors. Starfire's Series B is set to be led by Siemens, with all other Series A investors following. NET has had positive discussions with Starfire about the option of liquidating half our holding for a \$12.5M cash return in Q2 next year.

NET successfully paid the \$822K second tranche of our commitment to Starfire, which fell due as a result of Starfire meeting product scaling milestones one year early. NET's full 9% equity holding in Starfire Energy is now secured, along with our seat on the Board of Directors.

Projects

NET has a binding agreement drafted giving us 20% of a major green ammonia infrastructure project in WA's mid-West region. The project is in advanced funding discussions with a Japanese industrial major and a Japanese renewable energy company, both of which have completed due diligence, with stage 1 funding approval expected before Christmas to progress feasibility assessment. NET is party to a number of other similar early-stage large infrastructure projects and expects to make announcements about our financial participation in those projects in the new year.

Consulting

NET has secured a consulting contract with a major German utility to assist with green fuel global market participation advice and is in advanced discussions with two Japanese industrial majors for similar consulting, all expected to be signed off at the beginning of 2022. In addition, NET has in-principle written agreement with two green fuel businesses to kick off paid consulting at the beginning of 2022. We expect consulting to more than

cover our Opex starting in early 2022. Consulting inserts NET into more active areas of the developing hydrogen ecosystem and allow us to be in a position to on-sell our technologies into the client projects.

Businesses

NET has a sweat equity arrangement with Norstar Group that is set to see NET own part of a major green fuel mid-stream supply chain and trading business backed by the balance sheet of an energy major (not permitted to announce them yet). NET also has a sweat equity contract drawn up and agreed in principle with an Australian land-based green ammonia distribution and supply business. We expect to be able to make announcements about both early in the new year.

NET's Series A nearing close, lower cap

\$1.7M has been raised in the Series A to date mostly from existing shareholders. NET has not considered it necessary to mandate any brokers but has received quality support from Sonny Rahim at Premia again. \$822K went to Starfire, and we are well positioned to deploy approx. \$1.4M of capital to execute two exciting technology investments. The two other technology investment opportunities outlined in our Series A IM are delayed by the target ventures until the new year.

With NET having a line of sight to a potential asset base of over \$25M, consulting contracts with majors, and infrastructure project equity holdings, all wrapped in paper in the new year, NET management have formed the view that to continue the current NET Series A at the pre-money valuation of around \$9M represents inefficient dilution for existing shareholders.

In the interests of optimising shareholder value, a decision has been made to cap this Series A at \$2.5M, allow us to execute the next two urgent two technology investments. There is \$800K of allocation remaining, which we expect will get filled in the coming week or so.

Japanese major completes DD, flying to meet NET, potential capital partner

A Japanese global industrial major (we are not permitted to announce their name yet) is seeking to invest significant capital into NET and collaborate on projects and technologies. Discussions began some months ago with their team in Tokyo and the party have now completed exhaustive due diligence on NET. They and NET have agreed upon a draft contract structure, with terms negotiations ongoing. They are flying a representative to Perth to meet with Rowan (after two weeks of hotel quarantine!) in December and are seeking to make arrangements to send someone to meet our European team Director, Greg Stace, in Europe. Face to face meeting is a requirement for them to invest capital.

IPO

Euroz-Hartley and NET are working together towards an IPO. The intent is to list once the Starfire uplift/exit arrives in Q2 next year. That return, combined with the additional investments, project equity, and consulting contracts, will provide excellent footing for a strong IPO valuation, optimising shareholder value. The targeted timing for IPO is therefore May/June 2022.

Final call for Series A share applications

Please get your final share applications in immediately as there is only around \$800K of allocation remaining on the current valuation and at this stage we don't anticipate opening another public funding round prior to IPO.

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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 hydrogen landscape.