VOLT POWER GROUP LIMITED

ABN: 62 009 423 189

ASX CODE: VPR

BOARD

Adam Boyd
Executive Chairman

Paul Everingham
Non-Executive Director

Peter Torre
Non-Executive Director

Simon Higgins
Non-Executive Director

ISSUED CAPITAL

10,717M Ordinary Shares
650M Unlisted Options

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ASX ANNOUNCEMENT

29 February 2024

FY23 FULL YEAR REPORT

VOLT DELIVERS 54% REVENUE & 132% EBITDA# GROWTH

Highlights:

- **A 54% increase in Ordinary Revenue to $5.03 million compared to the prior FY22 Full Year Report of $3.26 million.**
- **A 132% increase in Adjusted EBITDA# to $2.09 million compared to the prior FY22 Full Year Report of $0.90 million.**
- **Wescone & EcoQuip both achieved record sales revenue inclusive of significant new project deployments.**
- **The Wescone Africa Distribution partner secured orders for multiple Wescone W300 crushers during Q4 FY23. This success confirms the robust life cycle performance of Wescone OEM crushers and the global growth potential of the Wescone business.**
- **EcoQuip secured a new 20x MSLT order for deployment at the Chevron operated Gorgon natural gas project. These units are scheduled for delivery in March 2024 and increase the EcoQuip MSLT fleet on Barrow Island to 55 units. The EcoQuip MSLT has displaced the diesel-fuelled lighting plant on Barrow Island.**
- **EcoQuip made significant investments in Mobile Solar Light Tower (MSLT) fleet (30x MSLTs) and the EcoQuip Technology Platform totalling $2.67 million during FY23.**
- **EcoQuip signed its first USA domiciled demonstration trial to commence in March FY24. Deployment of two EcoQuip MSLTs is imminent.**
- **The EcoQuip Technology Platform customer portal interface, automated data analytics and pre-emptive notification capability was completed.**
- **As previously reported, the 12-month BHP Trial concluded during Q2 HY23. In Q3 FY23, the BHP trial evaluation approved the EcoQuip MSLT for Pilbara site deployment. BHP recently re-engaged discussions for the deployment of EcoQuip MSLTs at the BHP Pilbara iron ore operations.**
- **Multiple new EcoQuip MSLT workshop and site demonstration trials were initiated and completed in Q4 FY23. Related hire deployment discussions are progressing.**
- **As previously reported, in Q2 2023 Volt and NRW Group business, Primero signed an exclusive 3-Year Waste Heat to Energy EPC alliance to deliver projects that incorporate Volt's zero emission Waste Heat to Energy technologies.**
- **Reliable, zero emission energy supply for the mining, industrial and retail markets is urgently required in the West Australian market. Volt's ATEN Waste Heat to Power solution is a proven system that can quickly, and cost effectively be fitted to existing OCGT power stations to deliver dispatchable, low cost, zero emission incremental electricity supply and RCM capacity.**

HY23 Financial Results

Volt Executive Chairman, Mr Adam Boyd said:

"The Volt Board is delighted to confirm that the Company achieved a record Ordinary Revenue and EBITDA[1] result during 2023 of $5.0 million and $2.1 million respectively.

"The 2023 Interim Financial Report results are highlighted in the Table below;

Description	12-months ended 31 December 2023 ($'000)	12-months ended 31 December 2022 ($'000)	Change
Ordinary Revenue	5,033	3,258	**54%**
Other Revenue	333	354	**(6%)**
Total Revenue	5,366	3,612	**49%**
EBITDA	1,421	280	**407%**
Adjusted EBITDA[#]	2,091	901	**132%**
Profit Attributable to Members	608	(345)	**276%**

excluding $0.67 million (2023) and $0.62 million (2022) non-cash executive option issue expense.

"The Company achieved this record Ordinary Revenue and EBITDA[#] result while concurrently closing-out the EcoQuip Technology Platform, customer portal development and enhancing life-cycle durability of the Wescone W300 sample crusher. The achievement of these exceptional results is testament to the outstanding commitment and performance by the company's management and execution personnel.

2023 Activity Summary & Opportunity

"The management team has applied an incisive focus on both revenue growth and the completion of multiple new product development objectives during the year. The new technology product R&D life cycle from innovation inception to industrial deployment is highly challenging and requires responsive, dynamic management and leadership.

"Our MSLT technology development partners delivered the Company's product R&D objectives on time and budget. The Company is fortunate to be working with global leaders in power management electronics, firmware and software development and illumination efficiency. The technology development supply chain group is no less than inspiring.

"The FY23 product achievements have positioned the Company's proprietary EcoQuip and Wescone products for a new phase of fleet deployment growth and expanded opportunity. Management anticipates that this will deliver further Ordinary Revenue growth and new shareholder value in FY24.

"Despite the Company focus on its EcoQuip and Wescone businesses during FY23, management continued to engage significant waste resource owners on the potential carbon intensity and cost reduction benefits of the Company's Waste Heat to Energy technologies.

"The ATEN system can supply zero emission, baseload electricity at a levelized cost of energy ~50% lower than Solar/BESS hybrid solutions without a requirement for a significant site footprint or the incremental network frequency management, transmission connection, ancillary support technologies required by intermittent renewable technologies.

"The Company's ATEN business development activities resulted in preliminary study activities necessary to present specific ATEN project opportunities to significant waste resource and network power generation asset owners.

"The Company's new Waste Heat to Energy EPC Project Delivery Alliance with the NRW Group business, Primero, is an important commercialisation step for the ATEN / HYTEN technologies. The energy transition is moving into a significant project delivery requirement stage. The zero emission technologies capable of affordable and technically viable project delivery will come into greater focus in 2024/25. This will bring 'tail winds' for the Company's Waste Heat to Energy solutions.

"Volt's ATEN / HYTEN waste heat to power/hydrogen technologies have the potential to deliver a significant, compelling and near term contribution to the 'Net Zero' energy transition. We are looking forward to applying the Company's resources and capability to deliver on the investment made in these technologies to date.

Volt Group – Business Specific Commentary

EcoQuip OEM Mobile Solar Light & Comms Towers

“During FY23, the Company continued to pursue opportunities to deploy the EcoQuip MSLT & MSCT in the resources and general equipment rental sectors in Australia and USA. EcoQuip achieved record revenues and secured new MSLT deployments, however MSLT fleet growth fell short of management high expectations.

The second and third EcoQuip MSLT orders for deployment at the Chevron operated Gorgon natural gas facility on Barrow Island during FY23 was an outstanding endorsement of the EcoQuip MSLT capabilities. These orders increased the total EcoQuip MSLT fleet commitment on Barrow Island to 55 units.

The EcoQuip MSLT fleet has displaced 100% of the operational diesel-fuelled lighting plant fleet on Barrow Island demonstrating the capability and potential of the EcoQuip MSLT and Technology Platform.

EcoQuip also executed a MSLT demonstration trial agreement for the deployment of two EcoQuip MSLTs at a Chevron site located in the Permian Basin, West Texas. EcoQuip is ideally placed to establish a significant MSLT hire business in the southern states of the USA. The EcoQuip MSLT fabrication and Technology Platform supply chain is almost entirely domiciled in the USA. Further, EcoQuip has established an office and workshop availability in Texas. This is an exciting development for EcoQuip and initial trial deployment is imminent at the time of writing.

The EcoQuip business development team in Australia has fielded multiple enquiries from established resource sector companies seeking reliable, zero emission remote site equipment solutions. The translation of ESG corporate policy into action appears to be gaining engagement momentum with EcoQuip providing workshop and field demonstrations to highly credentialled and successful resource sector businesses. However, in almost all circumstances the tender procurement process and contract negotiations have been slower than anticipated in the context of the proven reliability and illumination performance, cost saving benefits and Scope 1 emission reduction capability.

The market opportunity for the displacement of diesel fuelled lighting plant fleet deployed in the Australian resources sector alone is significant. Volt management estimates the market size to exceed 5,000 units.

Wescone OEM Sample Crushers

The Wescone business achieved financial results that exceeded budget during FY23. Revenue growth was achieved via the sales of Wescone W300 sample crushers to multiple new tier 1 iron ore project installations and new and existing customers in Australia, Africa and Canada.

The Wescone global growth strategy is starting to deliver results. The Wescone African distributor and experienced robotic sample system design & installation partner, Solid Process Automation has now installed and commissioned multiple new Wescone W300 crushers at South African domiciled iron ore mining operations. Consequently, enquiries from African domiciled mines have significantly increased and several potential new customer enquiries have been received as the successful performance of Wescone W300 OEM crusher disseminates.

The Company is pleased that its African growth strategy has started to deliver results and management expects further growth from the African resources market for the Wescone business.

Wescone continues investigate new crushing equipment development opportunities and expand the scope of the Wescone service offering including to develop new a Wescone gyratory crusher design, develop enhancement modifications to existing Wescone crusher offering.

EPC Waste Heat to Energy Project Delivery Alliance

As reported in April 2023, the Company reached agreement with Primero Group Limited (Primero) to establish an exclusive EPC construction delivery alliance for projects incorporating Volt’s Waste Heat to Energy technologies – ATEN & HYTEN.

For the 3-year Term of the Waste Heat to Energy Alliance, Primero and Volt have committed to exclusively pursue project opportunities that can exploit Volt's proprietary zero emission, waste heat to energy technologies. This includes jointly undertaking business development, feasibility study, tender completion, and project delivery contract negotiation activities.

Primero is an innovative, multi-disciplinary engineering business wholly owned by ASX-listed NRW Holdings Limited (NRW) that specialises in the design and construction of global resource and energy projects. The NRW group is a leading, diversified provider of contract services to the resources and infrastructure sectors in Australia with a market capitalization exceeding A$1billion.

The Company is delighted to be working with the Primero team to pursue and deliver new waste heat to energy projects incorporating Volt technologies. Primero has an exceptional track record of EPC project delivery in the new energy sector including renewables, high efficiency gas fuelled power generation and hydrogen production projects. The business also has a unique reputation for technical and commercial innovation and execution.

The parties have agreed to perform project delivery roles per the Table below.

Party	Activity
Primero Group	EPC Contractor
Volt Group	Technology Provider
	Maintenance Contractor

The Waste Heat to Energy Alliance with Primero is a positive development in the commercialisation journey for our ATEN and HYTEN zero emission, baseload waste heat to energy technologies.

ATEN Waste Heat to Power – Zero Emission Baseload Electricity Supply (100% owned)

The ATEN Waste Heat to Power technology is an industrial heat recovery / organic rankine cycle turbine system that recovers industrial waste heat otherwise vented to atmosphere to generate zero emission, base load electricity. The Company understands that the ATEN system is eligible for Safeguard Mechanism Credits (SMC) pursuant to the new SMC carbon abatement legislation in compliant installations. ATEN enjoys Australian Innovation Patent certification (AIP # 2020202347).

ATEN has a unique competitive advantage being capable of generating baseload, zero emission incremental electricity for a ~60% lower CAPEX and ~50% lower lifecycle cost compared to annual equivalent solar and wind installations.

ATEN is compatible with and complementary to existing solar / wind installations connected to remote off-grid and on-grid electricity networks. The ATEN is an energy transition technology capable of increasing the zero-emission penetration of grid and off-grid networks without the incremental high-cost storage and complex ancillary support systems necessary to exceed Renewables technology penetration above 25% and maintain 'mission critical' supply reliability. In this circumstance the ATEN technical and business case is increasingly compelling.

Significantly, ATEN enhances open cycle gas turbine generation materially by generating 20 - 30% additional power supply with no incremental fuel gas use. The carbon intensity reduction is material. Low carbon intensity gas fuelled generation will be critical to the achievement of affordable, reliable high zero emission generation penetration networks during the next 20+ years of the net zero transition. Reliable, mission critical electricity supply to the national industries that support national economic prosperity, essential infrastructure services and human quality of life.

Alternatively stated, ATEN installed on an OCGT power generation prime mover supporting on-grid electricity supply has the potential to displace incremental industrial scale solar / battery installations designed to harvest and battery store electricity for nightly despatch. This can achieve the following:

- Identical enhanced zero emission penetration;
- ~$50 - $250+ million in Solar Array & Battery CAPEX savings per ATEN deployment;
- Accelerate increased network zero emission penetration with reduced Environmental Approval & transmission connection requirements;
- Materially reduce grid stability risks (providing reliable zero-emission supply and system inertia); and
- Avoid potential transmission system upgrade CAPEX required to connect incremental intermittent renewables.

To achieve 50% emission reduction by 2030 using solar & wind requires a significant battery installation to shift renewable energy generated during the day to battery storage for nightly despatch in most circumstances. The ATEN

value proposition is outstanding in this context where on-grid electricity supply systems utilise OCGT generation to support solar / wind hybrid strategies to achieve greater than 25 – 30% emission reduction which is required to satisfy Government and corporate imposed ESG policy targets of ~50% CO_2 reduction by 2030.

The ATEN Waste Heat to Power system delivers a timely and compelling value proposition with robust, baseload generation of zero emission power to displace gas fuelled power generation in significant industrial precincts that vent a significant OCGT waste heat resource from compression and electricity generation (i.e.: LNG facility compression & power generation).

HYTEN – Waste Heat to Hydrogen (100% owned)

Volt's HYTEN Waste Heat to Hydrogen system comprises the ATEN system integrated with either solid oxide, PEM or alkaline water electrolyser sub-systems to produce zero emission hydrogen fuel/feedstock gas. Engineering study activity to date has highlighted that HYTEN can produce zero emission hydrogen for a $LOCH^2$ of ~US$2 – 4/kg. This is a ~60-70% lower cost than unsubsidised "Green Hydrogen" systems powered by new wind and/or solar renewable electricity generation.

The Board remains excited about the potential of the HYTEN technology to facilitate existing LNG facility assets, natural gas pipeline compression stations and some power station assets to make a significant contribution to the energy transition by becoming low-cost, zero emission hydrogen producers by exploiting waste heat vented to atmosphere at existing energy infrastructure.

To compel the uptake of a zero-emission hydrogen industry, hydrogen must be delivered to market for a price cheaper or at least equivalent to traditional SMR hydrogen cost. The potential for the on-site use of HYTEN zero emission hydrogen to displace on-site fossil fuel combustion or as a feedstock for higher value fertilizer and ammonia production is persuasive.

End

Issued by: Volt Power Group Limited (ACN 009 423 189)

Authorised by: The Board of Volt Power Group Limited

About Volt

Volt Power Group Limited (ASX: VPR) is an industrial technology company that develops and commercializes ESG focused, zero emission power generation and hydrogen production technologies and next generation mining equipment.

The Company's businesses develop and commercialise innovative proprietary OEM equipment delivering "step change" client productivity & cost benefits and reduce scope 1 emissions.

Business Activity Summary

The activities of our businesses include:

- **ATEN** (100%) – ATEN is a zero-emission waste heat to electricity generation equipment solution. The ATEN is at an advanced stage of initial commercialisation. ATEN enjoys Australian Innovation Patent certification. Refer below.

- **HYTEN** (100%) – HYTEN (patent pending) is a zero-emission waste heat to hydrogen solution developed to capture and exploit industrial waste heat (including gas turbine exhaust heat usually vented to atmosphere) and produce low cost, zero emission hydrogen fuel gas. HYTEN comprises the ATEN Waste Heat to Power system integrated with either an alkaline, PEM or solid oxide electrolyser to produce the hydrogen.

- **Wescone** (100%) – the proprietary owner of the globally unique Wescone W300 sample crusher predominantly deployed throughout the global iron ore sector. Wescone has a successful 25+ year operating track record and recently developed a new crusher with larger dimensional acceptance, reduction ratio and durability specifications.

- **EcoQuip** (100%) – developer and owner of a 'best in class' Mobile Solar Lighting & Communications Tower equipment solution incorporating robust design attributes including US military spec design & build quality, solar / lithium (LFP) battery storage solution and an advanced power management, data telemetry & control system. EcoQuip solutions are capable of zero emission, high performance mobile illumination, LTE, Wi-Fi mesh and point to point microwave network reinforcement and environmental monitoring and surveillance.

- **Acquisition / Development Strategy** – The Company actively pursues opportunities to expand its broader zero emission power generation and contract services capability, high yield infrastructure asset footprint & innovative equipment solutions.

About the ATEN Technology: The ATEN comprises a modular, power generation equipment package capable of harvesting 'low' grade industrial waste heat to generate zero emission baseload electricity.

ATEN generated electricity is expected to significantly reduce 'energy intensive' industry operating costs via the displacement of grid sourced electricity or fossil fuel usage associated with electricity generation. The global industrial complex vents a significant quantity of 'low' grade waste heat to atmosphere. This quantity of unexploited waste heat presents an outstanding opportunity for the commercial roll-out of ATEN.

The ATEN's simple, high efficiency design and modular configuration - developed to maximise its integration capability - provides a low capex, uniquely compatible and scalable solution for the exploitation of 'low grade' industrial waste heat from existing multiple sources. Volt's priority target markets for the commercialization of the ATEN Technology include the resources and industrial processing sectors.

The salient ATEN Waste Heat to Power technology benefits that resonate with power station owners include:

- Baseload, zero emission incremental power generation (Scope 1 Emission reduction) compatible with Solar Hybrid systems with high penetration;
- Levelised Cost of Electricity (LCOE)[1] up to ~50% lower than gas and ~80% lower than diesel generation;
- LCOE[1] ~50% lower than an equivalent annual generation Solar/Battery Energy Storage System (BESS);
- CAPEX ~60% lower than Solar / BESS based on identical annual generation and zero emission performance;
- Hydrogen co-firing capability;
- Safeguard Mechanism Credit legislation eligibility; and
- Zero water & operational personnel requirements

The ATEN system is eligible for Safeguard Mechanism Credits (SMCs) in certain circumstances pursuant to Australia's new Safeguard Mechanism legislation designed to reduce greenhouse gas emissions at Australia's large industrial, resource and energy sector asset fleet.

1 Levelised Cost of Energy (LCOE) is based on new ATEN zero emission capacity and operating costs and variable costs of fuelled generation (where relevant) in the WA Pilbara region and the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including SMCs ($25/SMC) and Solar RECs ($35/REC) as applicable.

2 Levelised Cost of Hydrogen (LCOH) is based on the LCOE methodology above inclusive of OEM supplier & EPC installation estimates of the capital and operating costs of hydrogen production via alkaline water electrolysis in the WA Pilbara region.