

## ASX ANNOUNCEMENT

30 August 2024

### FY24 HALF YEAR REPORT

## RECORD REVENUE & EBITDA GROWTH

### Highlights:

- A 23% increase in Ordinary Revenue to \$2.81 million compared to the prior FY23 Half Year Report of \$2.29 million.
- A 30% increase in Adjusted EBITDA<sup>#</sup> to \$0.90 million compared to the prior FY23 Half Year Report of \$0.69 million.
- Wescone & EcoQuip each achieved record Ordinary Revenues and Adjusted EBITDA<sup>#</sup>.
- Wescone completed the manufacture of four Wescone Sample Station packages for Rio Tinto. The Wescone W300 sample crusher continues to be the preferred sample preparation solution across the global iron ore industry.
- EcoQuip completed the hire deployment of new 20x Mobile Solar Light Towers (MSLT) at the Chevron operated Gorgon natural gas project. These units increase the EcoQuip MSLT fleet on Barrow Island to 55 units and increase the EcoQuip annual revenue “run-rate” to exceed \$2 million. The EcoQuip MSLT has displaced 100% of the diesel-fuelled lighting plant used for operational activity on Barrow Island.
- EcoQuip commenced a demonstration trial of two MSLTs at the Chevron USA West Texas onshore gas operations. Within 4 weeks of the deployment, Chevron USA requested the expansion of the trial by another six MSLTs. The additional six MSLTs are scheduled for deployment in September 2024.
- EcoQuip and Thiess Pty Ltd (Thiess) signed an ‘evergreen’ Plant Hire Contract that provides for the hire of MSLTs and Mobile Solar Communications Towers (MSCT) across all Thiess contract mining sites. The EcoQuip sales team is working with Thiess site-based management to secure new Thiess MSLT & MSCT hire deployments.
- As previously reported, EcoQuip continues to conduct a MSLT trial at the BHP iron ore operations in the Pilbara. The trial has advanced to Equipment Hire Contract negotiations. These negotiations are ongoing and any MSLT deployments to a BHP site will only occur should these negotiations be successful.
- Volt has continued to advocate for its proprietary ATEN Waste Heat to Power technology including its zero emission, low cost (50% cheaper LCOE than solar) and small footprint benefits to IPPs and network electricity generation asset owners.
- In May 2024, the Australian Federal Government released its ‘Future Gas Strategy’ highlighting the critical supply security role of gas fuelled power generation. Volt’s ATEN Waste Heat to Power solution comprising proven sub-systems can quickly, and cost effectively be fitted to existing OCGT power stations to deliver dispatchable, low cost, zero emission incremental electricity supply.

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  
590M Unlisted Options

### PRINCIPAL OFFICE

6 Bradford Street  
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### CONTACT

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Executive Chairman

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## HY24 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<sup>#</sup> result during 2023 of \$2.8 million and \$0.9 million respectively.

“The 2024 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	2,813	2,289	23%
EBITDA	675	325	107%
Adjusted EBITDA <sup>#</sup>	900	690	30%
Profit Attributable to Members	208	(40)	626%

<sup>#</sup> excluding \$0.2 million (HY24) and \$0.4 million (HY23) non-cash executive option issue expense.

“The Company achieved this record Ordinary Revenue and EBITDA<sup>#</sup> result while concurrently advancing new R&D design and product developments for its existing businesses and potential new business opportunities. The achievement of the Volt Group record financial result and continued technology development momentum was only achieved through the outstanding commitment and performance of the Company’s management and execution personnel.

## 2024 Activity Summary & Opportunity

“The HY24 period has been exceptionally busy for the Volt Group. The management team has applied significant endeavour to the efficient and cost-effective execution of all business activities to achieve the record HY Ordinary Revenue and EBITDA results. Both the Wescone and EcoQuip businesses achieved new record HY Ordinary Revenue and EBITDA results which was particularly satisfying. EcoQuip completed the hire deployment of another twenty MSLTs to Barrow Island which will provide for more record Ordinary Revenue and EBITDA results by the Company for the Full Year Result to 31 December 2024.

“A ‘continuous improvement’ philosophy is a key platform of the Volt Group culture. A consistent focus on new opportunity development, new and existing product R&D and supply chain enhancement was maintained during HY24.

“The Volt Board welcomed the recent signing of an ‘evergreen’ Plant Hire Contract with Thiess (Thiess Contract). This milestone was the culmination of a ~3-year trial deployment of the EcoQuip Mobile Solar Communications & Light Tower solution at multiple Thiess contract mining sites. Thiess is the world’s largest contract miner and securing the Thiess Contract highlights the competitive advantage of the zero emission, low-cost performance capabilities of the EcoQuip Technology Platform. Thiess has been an industry leader in innovative equipment deployment for ~90 years. We’re delighted to support the Thiess energy transition strategy. The EcoQuip sales team is now engaged with multiple Thiess site personnel seeking to reduce Thiess site Scope 1 emissions and costs by displacing traditional diesel fuelled lighting plant.

“During HY24, the Company expanded the national EcoQuip marketing and sales strategy. The execution of this strategy has commenced. The marketing strategy will initially focus on Australian regional airports that enjoy significant FIFO mine workforce patronage.

“In February 2024, EcoQuip was invited by the Western Australian Government to attend the South by South-West technology conference in Austin, Texas as part of the WA Government Green Tech Delegation. During the visit, EcoQuip deployed two MSLT demonstration units to the West Texas located onshore gas operations of Chevron USA. Within 4 weeks, Chevron USA requested additional MSLT for trial deployment. Another six MSLTs will be deployed in West Texas in early September 2024. The US total addressable market potential for EcoQuip is significant.

“Both Wescone and EcoQuip advanced product development initiatives to improve product performance and reduce manufacturing costs. We are in the fortunate position of working with highly capable engineering, electronics manufacturing and software development partners.

“Management continued to engage significant waste heat resource owners on the potential carbon intensity and cost reduction benefits of the Company’s Waste Heat to Energy technologies.

“The ATEN Waste Heat to Power system can supply zero emission, baseload electricity at a levelized cost of energy ~50% lower than Solar/BESS hybrid solutions when installed on existing open cycle gas turbine (OCGT) power generation assets.

“In May 2024, the Australian Federal Government released its ‘Future Gas Strategy’ policy highlighting the critical importance of gas fuelled power generation to maintain national electricity network security. The Renewables generation footprint (solar & wind) on Australia’s transmission and distribution networks and related generation intermittency is increasing. The positive reduced emission outcome is terrific, however the reduced network security and related increased costs of ancillary services and transmission network reinforcement expansion to “keep the lights on” is increasing electricity costs significantly (Indirect Renewables Support Cost).

“High efficiency gas fuelled power generation enhances network security, is low-cost and has 60% lower emissions than coal-fired generation. The existing national OCGT power generation fleet will play a critical role in supporting network security and the displacement of baseload coal generation in the coming decades. The Federal Government Future Gas Strategy acknowledges the requirement for an increase in gas fuelled power generation to facilitate a secure, robust and lowest cost transition to a lower carbon energy future.

“The Company’s ATEN Waste Heat to Power technology comprises the integration of proven, globally operating sub-systems and can enhance OCGT power generation baseload capacity by between 15-30%. ATEN has a unique competitive advantage because it can generate reliable, incremental zero emission baseload power at a 60% lower CAPEX and ~50% lower lifecycle cost compared to annual generation equivalent solar and wind installations (excluding the Indirect Renewables Support Cost).

“In this context, the Company’s ATEN Waste Heat to Power is highly compatible with the energy transition Renewables roll-out.

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## Volt Group – Business Specific Commentary

### EcoQuip OEM Mobile Solar Light & Comms Towers

EcoQuip is the Original Equipment Manufacturer (OEM) of a “market leading” Mobile Solar Light & Communications Tower (MSLT) solution utilising the proprietary EcoQuip Technology Platform. The EcoQuip Technology Platform incorporates the integrated EcoQuip battery management system and remote site communication & control capabilities.

The EcoQuip MSLT has market-leading illumination and power budget performance, end user telemetry with pre-emptive notifications and remote-control capability. These capabilities have been achieved partnering with US domiciled military fabrication, electronics and software development partners. The MSLT can deliver the ‘mission critical’ power budget performance required for reliable remote site illumination and autonomous mining communications network reinforcement. The EcoQuip MSLT is a zero OPEX (no fuel or refuelling), zero scheduled maintenance, zero emission solution.

The displacement of hired diesel fuelled lighting plant with a hired EcoQuip MSLT delivers up to a 50% total cost reduction, reduces site based mechanical trades required and achieves significant safety risk mitigation benefits.

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 Company’s Wescone business is the OEM of the proprietary W300 sample crusher extensively deployed in the global iron ore and assay laboratory industries. The Wescone OEM offering comprises three sample crushing equipment solutions and installation packages with alternative dimensional product feed acceptance and throughput capabilities.

Wescone sales for the Quarter exceeded the Company’s budget forecasts. The business continues to supply crushers and service exchange and repair activities for a broad Tier 1 resource sector client base in Australia, Africa and Canada. Wescone ‘end-user’ customers include BHP, BHP Nickel West, Anglo American, Roy Hill, Fortescue, Assmang, Rio Tinto and Glencore.

### 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 installed on an OCGT power station supplying on-grid electricity has the potential to displace incremental gas fuel usage (reduced emissions) and/or the need for incremental solar / battery installations designed to generate and store electricity for nightly despatch (reduced CAPEX). The ATEN salient benefits include:

- Increasing OCGT power station efficiency reducing gas consumption and emissions by ~15 – 30%;
- A small site footprint providing for installation on an existing power station site footprint and using existing connection infrastructure significantly reducing approval timelines;
- Short construction period of 6 – 9 months;
- Low LCOE (<A\$55/MWh<sup>1</sup>) and low marginal generation cost (~\$20/MWh);
- Materially reduce grid stability risks (providing baseload zero-emission, low-cost supply and system inertia); and
- Avoid potential transmission system upgrade CAPEX required to connect intermittent Renewables.

The ATEN Waste Heat to Power system also delivers robust, baseload zero emission generation 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).

Installing an ATEN system on an existing OCGT peaking power station can convert a peaking station to achieve high efficiency and supply low-cost, baseload electricity to displace coal fuelled baseload supply and reduce generation equivalent carbon emissions by ~60%. Peaking power stations are significantly under-utilised sunk capital investments and converting these assets to >95% utilisation at efficiencies of between ~43% - 50% delivers the lowest cost CO<sub>2</sub> abatement available when displacing coal fired baseload generation.

As Climate Change Government subsidies accelerate electricity supply network Renewables penetration; electricity supply generators, transmission network owners and customers are increasingly focused on consequent cost increases and incremental supply reliability risks.

### 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<sup>2</sup> of ~US\$2 – 4/kg. This is a ~50-70% lower cost than unsubsidised "Green Hydrogen" systems powered by new wind and/or solar renewable electricity generation.

The Volt 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 markets for a price at least equivalent to traditional SMR hydrogen production cost. The potential for the on-site use of HYTEN zero emission hydrogen to displace fossil fuel derived hydrogen as a zero-emission feedstock for higher value fertilizer, ammonia or fuel refining production is persuasive.

**End**

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

**Authorised by:** The Board of Volt Group Limited

### About Volt

**Volt 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;

## ASX ANNOUNCEMENT (Continued)



- Levelised Cost of Electricity (LCOE)<sup>1</sup> up to ~50% lower than gas and ~80% lower than diesel generation;
- LCOE<sup>1</sup> ~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.**