



SYNERTEC

FY24 Q1 Trading and Business Update

**Synertec Corporation Limited
(ASX: SOP)**

**Building a better tomorrow through technology
development and smart engineering**

expertise  experience

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About Synertec

Synertec is an engineering-enabled Technology Company led by Powerhouse, the most advanced renewable microgrid system in the world.



TECHNOLOGY

We design, develop and deliver technology that provides our partners with a proven, powerful and immediate transition to a zero carbon future.

Synertec's IP is developed in-house, delivering accelerated speed to market



ENGINEERING

Our multi-disciplinary expertise of over 100 engineers supports technology development and provides solutions for Tier-1 blue-chip customers in:

- Energy
- Critical Infrastructure
- Water
- Advanced Manufacturing

Leadership Team



Michael Carroll
Managing Director

Michael is a founding principal and a significant beneficial owner of [Synertec](#). He has successfully grown the business since it was first established in 1996.

His leadership style is “hands-on” and visionary, ensuring efficient and robust internal process that directly supports the strategic direction.

Michael is a member of the AICD and holds a Degree in Applied Science (Applied Chemistry) and a postgraduate qualification in Chemical Engineering.



David Harris
Executive Director,
[Technology & Future
Business], CFO &
Company Secretary

David leads Future Business and Technology, as well as corporate development, investor relations and finance functions for the Group.

David is a graduate of AICD, a Chartered Accountant, and fellow of both the Financial Services Institute of Australasia and the Governance Institute of Australia. He has over 30 years of local and international experience in senior leadership and board positions for global and ASX-listed companies and is also an experienced Board member and Audit Risk Committee Chair.



Jason Denholm
General Manager
Technology

Jason has delivered large, complex automation projects across a wide range of industries including rail, water, gas, and mining.

Jason holds a degree in Electrical Engineering and a Grad Certificate in Project Management.

He is an expert in total plant integration, process control, optimisation, and large scale delivery of automation systems such as Programmable Logic Controls (PLC), Supervisory Control And Data Acquisition (SCADA), and Distributed Control Systems (DCS).



Andrew Lawrie
General Manager
Engineering

Andrew has over 20 years’ experience in the infrastructure and utilities industries, working with clients across Australia to deliver complex engineering projects and efficiently manage their asset base.

Andrew holds a Degree in Engineering (BEng) Civil Engineering.

His career has spanned senior operational and strategic roles within both public and private organisations where he has a strong track record of leading high performing teams to deliver operational excellence, business growth as well as exemplary client outcomes.

Quarterly Operational Highlights FY24 Q1

FINANCIAL

- Group Revenue for the Period is in the range of \$4.2 million to \$4.6 million, up circa 10% on the previous corresponding period (“pcp”)
- Gross margins remain strong, reflecting shift away from fixed price contracts in the engineering business and ongoing cost and productivity initiatives across the Company
- Group Net Cash as 30 September 2023 of approximately \$7 million with c. \$2 million in inventory as the Company secured long lead time items for the assembly of future Powerhouse units during the period. There is also an increase of c. \$1 million in receivables and work in progress as the business grows and generates more revenue

OPERATIONAL

- Powerhouse continues to deliver superior operational performance when compared to diesel, gas and hybrid generation system
- Post end of the quarter and an extensive procurement process, Santos confirmed their intent to issue purchase orders for a further 2 Powerhouse systems to be delivered to the GLNG JV in FY24
- The Engineering Division continues to secure new contracts, increasing work in hand and providing a solid platform for continued growth and technology development
- ISO27001 Information Security Management System certification award
- Signed exclusive partnership agreement with Siemens to provide water industry control systems

POWERHOUSE TECHNOLOGY



POWERHOUSE: The renewable power trilemma solved

Powerhouse is live in-field delivering unparalleled Reliability, Sustainability, and Affordability in a 100% renewable microgrid system, including remote and harsh areas.

Proven Core Advantages

Reliability

- 99.7% Availability
- Remote monitoring and control
- Accepted asset life of 15 years

Sustainability

- 100% Renewable, Zero emissions
- Safety

Affordability

- 50% discount to fossil fuel based power generation – i.e. “Green Discount”

Exclusive Features

Advanced Predictive Intelligence (PI)

- Real-time adaptability

Modular

- From 2 kW to 10 MW
- Rapid mobilisation & portable

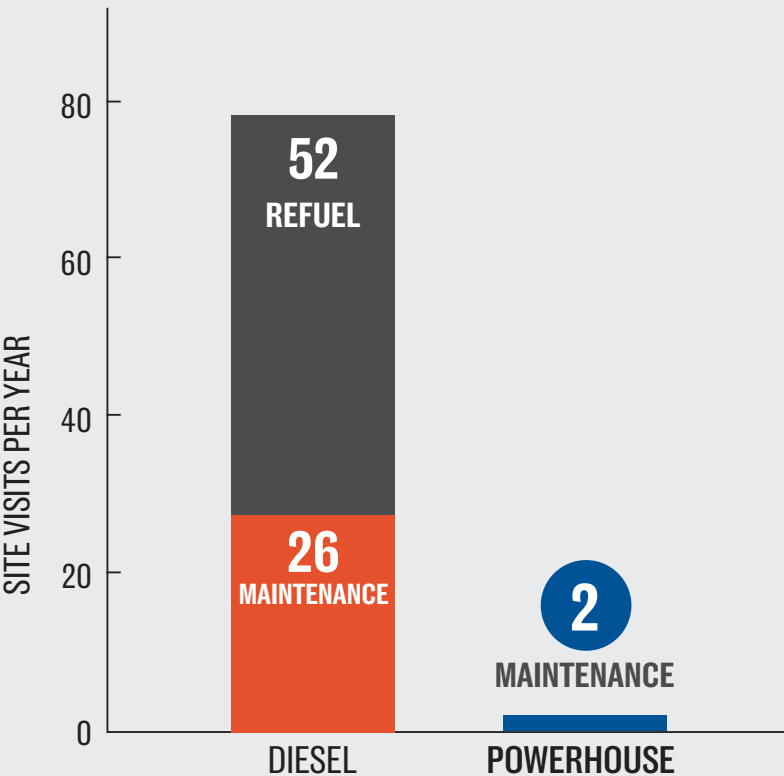
Scaleable Manufacture

- Strategic supply agreements
- Existing in-house expertise and execution

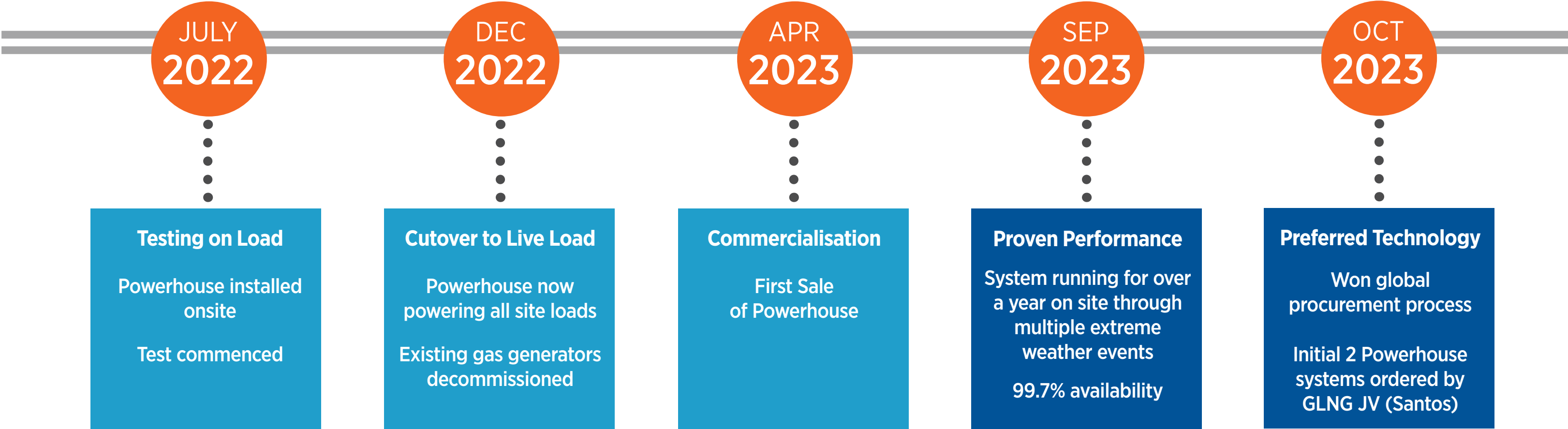
Australian Made

- Local expertise & support

ELIMINATE OVER 75 SITE VISITS PER YEAR



Powerhouse Technology - The rollout has begun



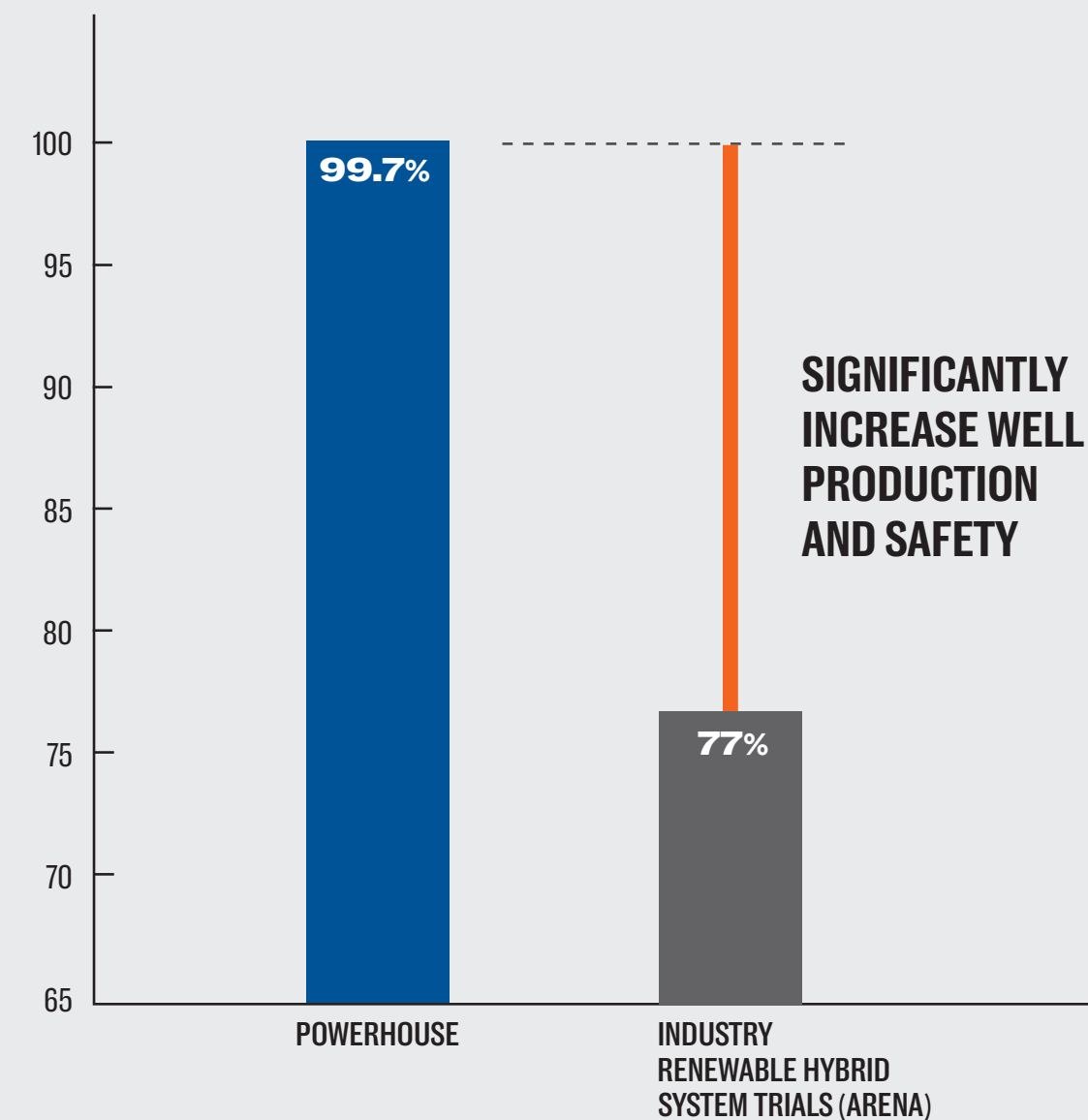
2.5 YEARS IN DEVELOPMENT | 100+ ENGINEERS | 15 MONTHS IN OPERATION | 3 POWERHOUSE ORDERED

Powerhouse Performance

SYSTEM AVAILABILITY:

- **Results**
 - 99.7% Power Available (NEM Grid equivalent)
- **Benchmarks**
 - Remote generators:
70% - 80% availability
 - Industry Renewable Hybrid System Trials (ARENA): 77% availability
- **Increased revenue for customer**
- **40% - 50% cost discount to Fossil Fuel Generators**

SYSTEM AVAILABILITY



Industry Renewable Trials (ARENA)

Powerhouse Financial Model Highlights



- Delivery options:
 - Build Own Operate Maintain (BOOM)
 - Sale with long term maintenance program
- Funding Options
 - Customer finance – build in to rent model
 - Debt finance – given strong counterparties
- Monthly rental levels size dependent
- Accepted asset life of 15 years
- Initial capital cost recovered in 3 - 4 years
- EBITDA margin per unit anticipated to be in the range of 70 to 80%

Powerhouse Financial Model Case Study (BOOM)

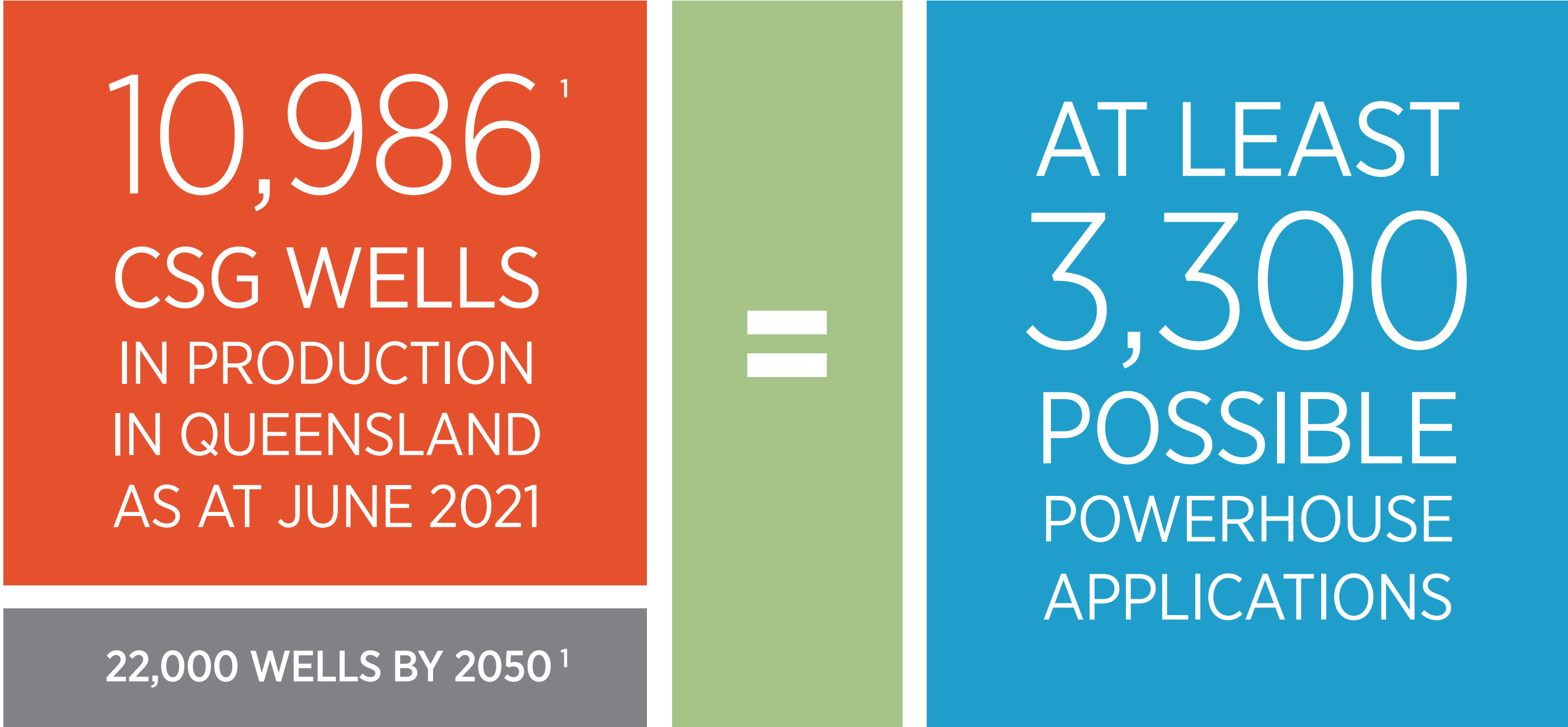


Powerhouse Microgrid System for a Queensland CSG well site

- Availability: 100%
- Powerhouse Unit size: 3 - 5 well cluster (load will vary depending on operating conditions)
- Annual Rent: \$600 - \$800k
- Capex: circa \$1.7m - \$2.5m
- Annual Maintenance: approx 2% of capex (average)
- Annual Monitoring/Operation: 1% of capex (average)

Equivalent diesel power consumes 400 - 500k litres per annum

Powerhouse Initial Applications - Queensland CSG



1 - GasFields Commission, Shared Landscapes, Industry Trends Report, 2022.

Assumes: 3 Well cluster per Powerhouse on average

Powerhouse – Other Immediate Adjacent Opportunities



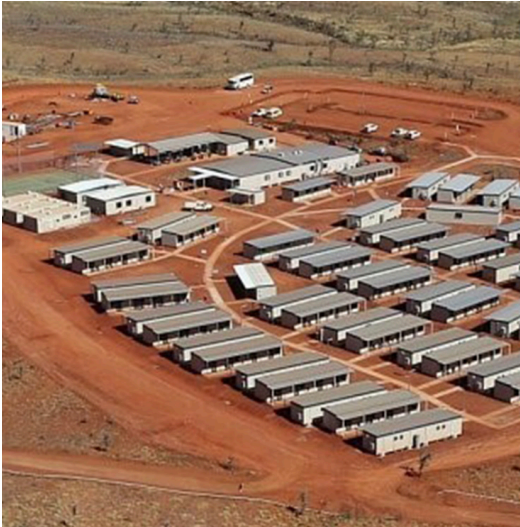
Remote communities

Mining Operations



Water Bores

Defence



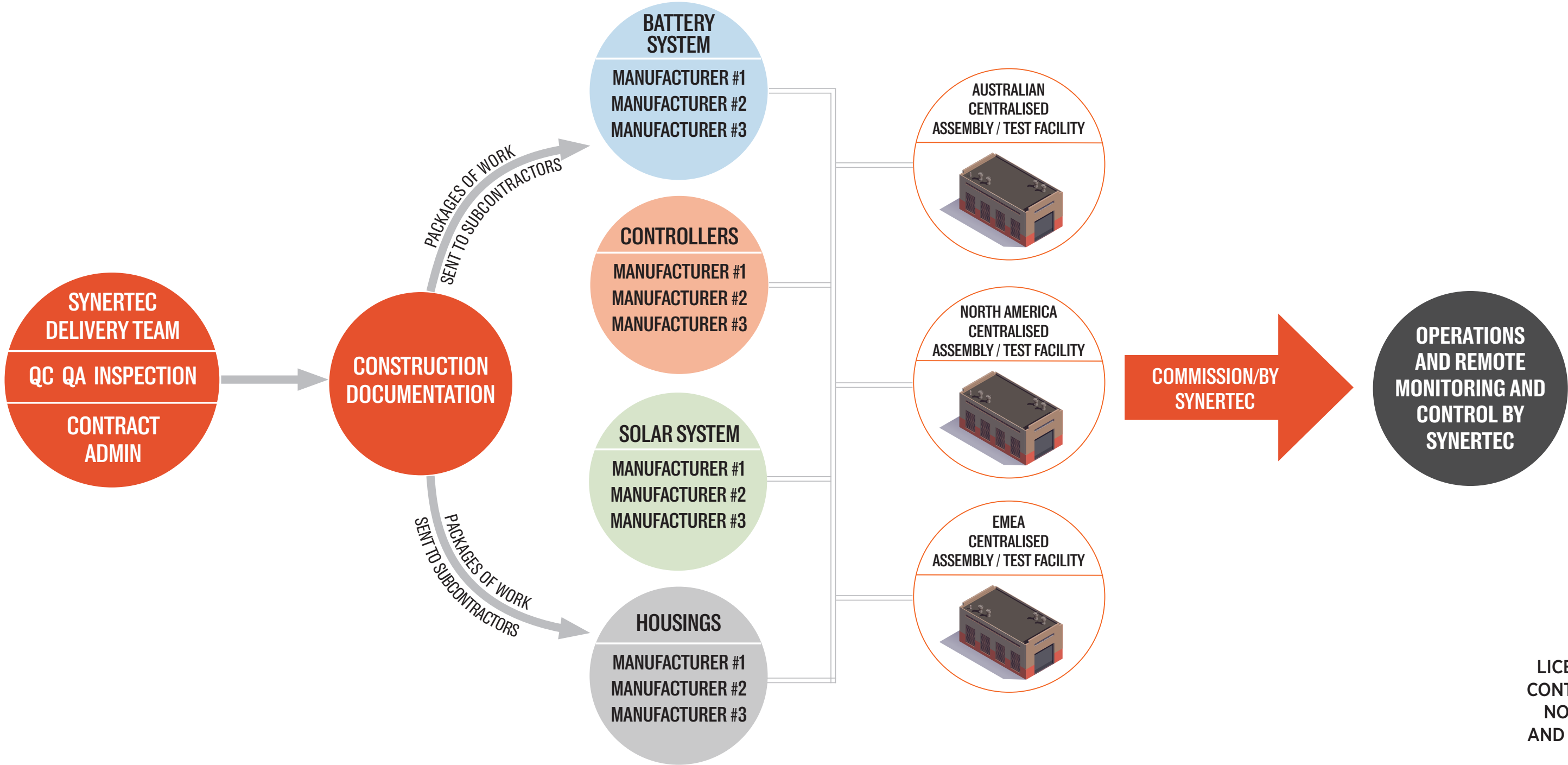
Mining Camps

Global



Powerhouse Resilient Rollout Strategy

PARTNERS



LICENCING MODEL CONTEMPLATED FOR NORTH AMERICA AND EMEA MARKETS

Conclusion

- Powerhouse is in commercial operation delivering reliable, affordable and sustainable 100% renewable power to remote sites
- Large global addressable market with an initial focus on the Australian coal seam gas sector
- Attractive commercial model and strong counterparties, with multiple options to fund future expansion
- Synertec's engineering skillset supports a scalable, rapid, low risk assembly pathway for Powerhouse
- Strong incoming demand for Powerhouse driven by carbon reduction mandates
- Synertec will focus on accelerating the rollout of Powerhouse, while its engineering business continues to grow profitably



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Synertec is certified to:

ISO 9001

ISO 14001

ISO 45001

ISO 27001

expertise  experience