



SYNERTEC

FY24 Q2 Trading and Business Update

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

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

expertise  experience

Disclaimer

This presentation has been prepared by Synertec Corporation Limited (Synertec or the Company) on behalf of the Company and its subsidiaries (the Group).

This presentation is dated 31 January 2024. The information in this presentation about the Group and its activities is current as at the date of this presentation and should be read in conjunction with other periodic and continuous disclosure announcements lodged by the Company with the Australian Securities Exchange, available at www.asx.com.au. Statements in this presentation are made only as at the date of this presentation and the information in this presentation remains subject to change without notice. The information in this presentation is of a general nature and does not purport to be complete, is provided solely for information purposes and should not be relied upon by the recipient.

No representation or warranty, express or implied, is made by the Company as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. This presentation does not purport to summarise all information that a person should consider when making an investment decision and should not form the basis of any decision by a person.

This presentation is not a prospectus, product disclosure statement or other disclosure document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission). This presentation is not and does not constitute an offer or invitation to acquire securities or otherwise invest in the Company, and no agreement to subscribe for securities will be entered into on the basis of this presentation.

Reliance should not be placed on the information or opinions contained in this presentation. This presentation is for informational purposes only and is not a financial product or investment advice or recommendation to acquire any securities in the Group, and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

An investment in the Company, is subject to known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and the amount invested. The Company does not guarantee any particular rate of return or the performance of the Company nor does it guarantee the repayment or maintenance of capital or any particular tax treatment.

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance of the Group.

Information, including forward-looking statements, forecasts and estimates of the financial condition, operations and business of the Group and/or plans and objectives of the Group, contained in this presentation and/or discussed with the Group's personnel is not intended to form the basis of any investment decision in the Company and should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in the Company, or in any other company. Actual results may vary from such forecasts and estimates and any variation may be materially positive or negative.

Forward looking statements, forecasts and estimates, by their very nature, involve known and unknown risks and are subject to uncertainty and contingencies that may occur which are outside the control of the Group and that because of their nature may cause the actual results or performance of the Group to be materially different from the results or performance expressed or implied by such forward looking statements, forecasts and estimates. These forward-looking statements, forecasts and estimates may include matters that are not historical facts, and they are based on numerous assumptions regarding the Group's present and future business strategies and the political and economic environment in which the Group will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.

Forward-looking statements, forecasts and estimates speak only as at the date of this presentation and, to the full extent permitted by law, the Group disclaims any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Before making or varying any decision in relation to holding, purchasing or selling shares in the Company, investors should not rely on this presentation and should make their own assessment of an investment in the Company and consider the appropriateness of that investment in light of their individual investment objectives and financial situation. In all cases, each person receiving this presentation should: (a) conduct their own research of the Group and their own analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Group and its business, and the contents of this presentation; and (b) seek their own independent legal, financial, tax and other advice appropriate to their circumstances and their jurisdiction.

The presentation includes financial information that is not reported using the International Financial Reporting Standards (IFRS). The non-IFRS financial information is unaudited and has not been reviewed by the Company's external auditors. Non-IFRS financial information should not be considered as an indication of, or alternative to, an IFRS measure of profitability, financial performance or liquidity. Unless marked, all currency is denominated in Australian dollars. Financial information in this presentation relating to the year ended 30 June 2023 is presented in accordance with the Company's ASX Appendix 4E Statement, Preliminary Final Report and Annual Report, and financial information in this presentation relating to the half year ended 31 December 2022 is presented in accordance with the Company's ASX Appendix 4D Statement and Interim Financial Report.

About Synertec

Synertec is an engineering-enabled Technology Company led by Powerhouse, the most advanced fully 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

Q2 FY24 Group Operational Highlights

On Track

Assembly of 2 further Powerhouse units for Santos on time and budget, with delivery for Q4 FY24. Construction was fully funded from inventory and cash reserves.

>2,500

Customers have so far identified >2,500 locations in CSG for Powerhouse units of various sizes.

20%

Increase in headcount vs June 2023 driven by strong customer demand.

>80%

Utilisation rate maintained across all billable teams.

Zero

TRIFR and no lost time injuries over 4 consecutive years.

Q2 FY24 Operational Performance – A Track Record of Delivery & Progress

TECHNOLOGY

- Synertec progressed towards orders from multiple potential customers in the energy, mining and community sectors, as well as multiple funding options (including debt facilities and grants) for the scale up of Powerhouse. Global-scale potential customers have identified to Synertec in-excess of 2,500 sites for Powerhouse.
- Powerhouse continues to deliver superior operational performance when compared to diesel, gas and hybrid power systems. Since 1 July 2023, Powerhouse has delivered 100% availability/uptime, with no site visits or maintenance required during the period.
- The Company commenced construction of 2 further Powerhouse units, for delivery to Santos in Q4 FY24. Construction is on time and budget, with key components on hand. Speed-to-market is a key competitive advantage for Powerhouse.
- Signed an exclusive MOU partnership agreement with Siemens to support Powerhouse technology development and expanded market exposure. The partnership will enable global marketing channels.

ENGINEERING

- The Engineering Division continues to secure new contracts, increasing work in hand and providing a solid platform for continued growth and technology development.
- Recurring revenue has increased to over 90% of the existing customer base, up from circa 80% in previous years, reflecting innovative solutions and excellent client service to a blue-chip customer base.
- Appointment to APA Limited's (ASX:APA) Operational Technology Electrical & Instrumentation ('OTE&I') panel, expected to generate at least 10% of Engineering revenue annually. APA is working with Synertec towards its Zero Carbon power supply goal and Synertec is hosting annual innovation workshops with the APA team, focused on improving APA's operational efficiency and carbon abatement. This follows Synertec providing innovative solutions and excellent client service to APA across approx. 40 projects over the past 5 years. The contract is in place until 30 June 2026 with an option for an additional 2-year extension.

Q2 FY24 Group Financial Highlights

Revenue

Group revenue and other income – in the range of approx. \$4.5m-\$5.0m, up circa 5%-10% on Q1 FY24 and 40% on pcp.

Margin

Gross margins remain strong, in line with expectations as the Company delivers on strategic profitability initiatives.

Cash

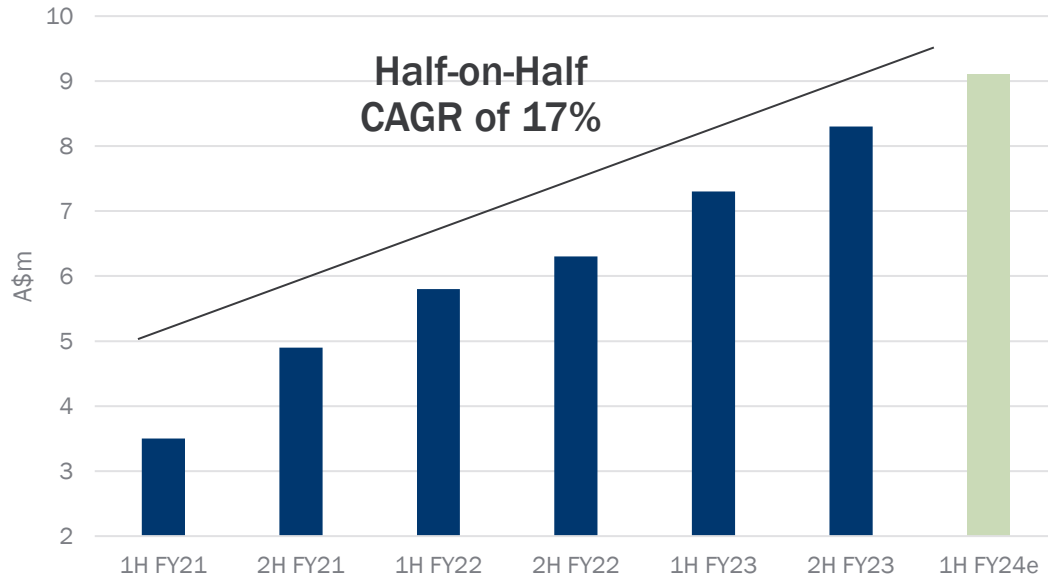
\$5.3m of Cash on Hand as at 31 December 2023, with no debt. The Company is engaged with various parties working towards appropriate funding structures (including debt and grant funding) for its Powerhouse roll out.

Working Capital

Receivables and Work in progress of c. \$4.5m as at 31 December 2023, an increase of circa \$0.8m on 30 June 2023, as the Engineering business continues to grow organically and new projects commence. Debtor days remain within the target range.

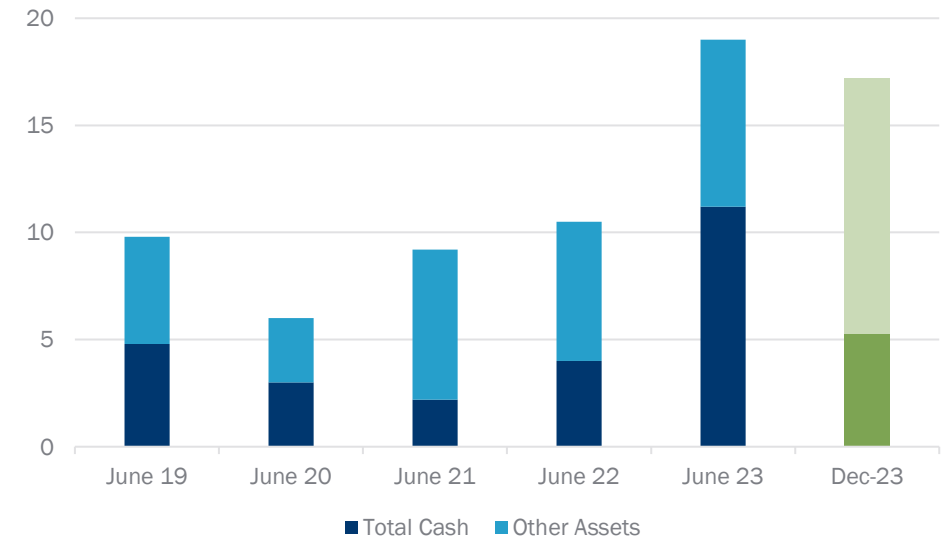
Q2 FY24 Financial Performance - A Track Record of Growth

STRONG AND CONSISTENT REVENUE GROWTH



- Total revenue growth of 160% by half year from 1H FY21 to 1H FY24e
- First full half year period including customer revenue from Powerhouse Technology of \$0.5m
- Growing proportion of Engineering revenue from higher margin consultancy services

ROBUST FINANCIAL POSITION

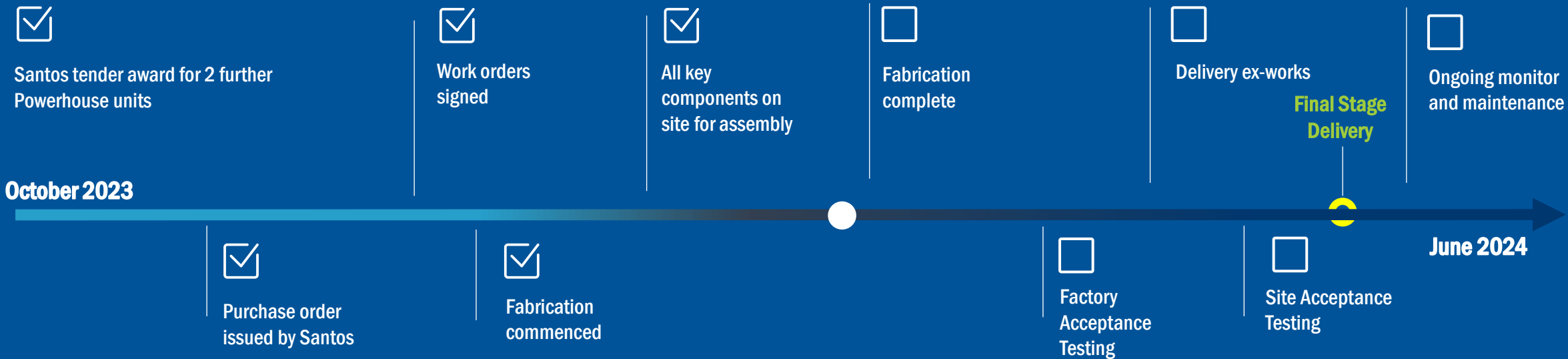


- Total assets of circa \$17m, including cash on hand, receivables and work in progress of circa \$10m
- No working capital debt or covenants
- Strong financial position provides capital flexibility to execute on growth
- The Company is engaged with various parties working towards appropriate funding structures for its Powerhouse roll out

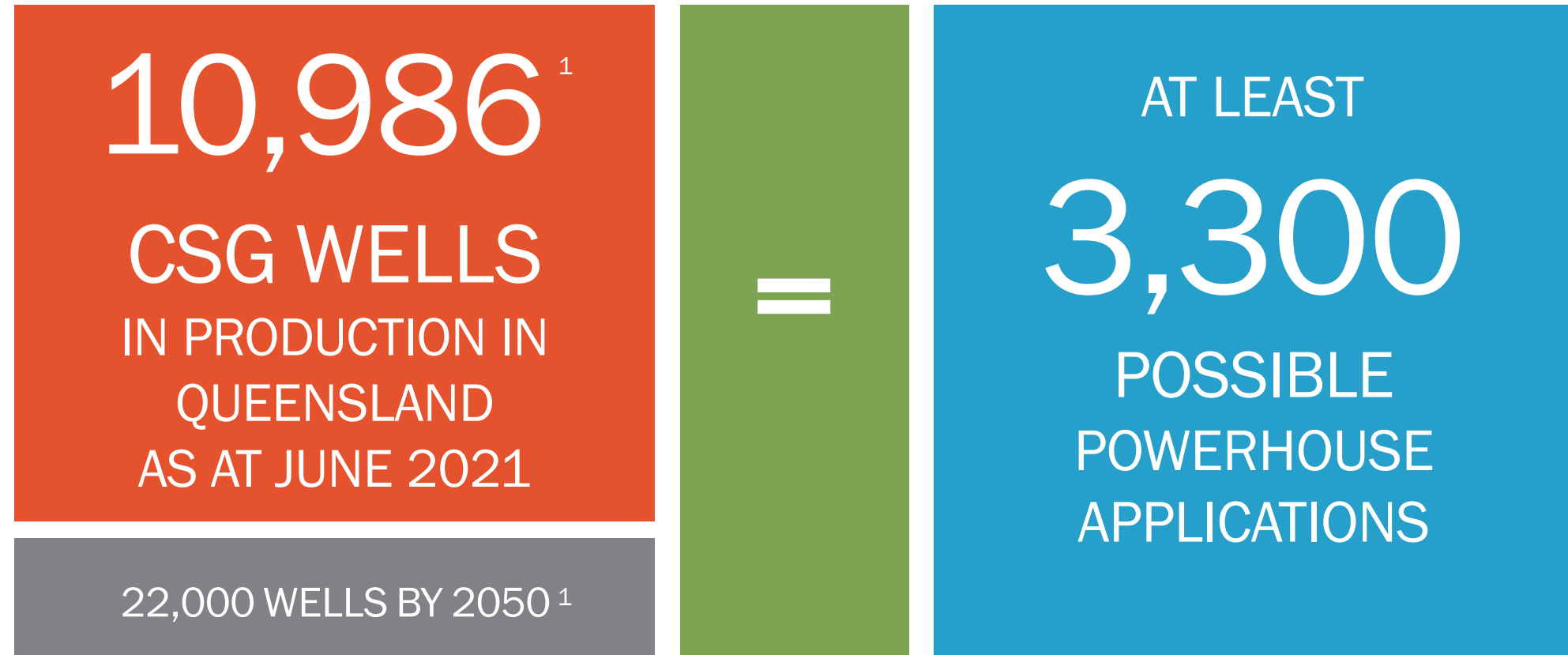
POWERHOUSE TECHNOLOGY



Next Delivery of Powerhouse Units On Track



Powerhouse Initial Applications – Queensland CSG



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

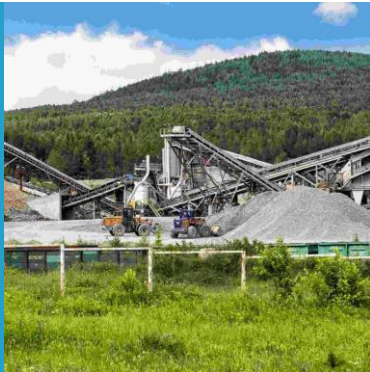
Assumes: 3 Well cluster per Powerhouse on average

Powerhouse – Other Immediate Adjacent Opportunities



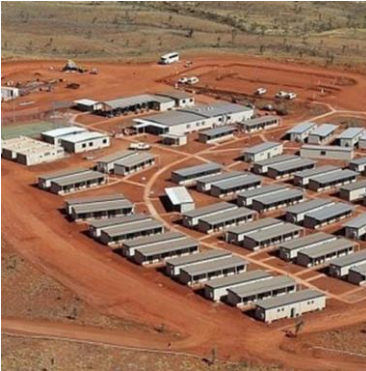
Remote communities

Mining Operations



Water Bores

Defence



Mining Camps

Global



Powerhouse – Progress & Catalysts

Powerhouse - COMMERCIAL VALIDATION



- ✓ Field proven technology
- ✓ Commercial validation via Santos and the GLNG JV
- ✓ Multiple orders received
- ✓ Proven financial model
- ✓ Strategic global supply and marketing partnership (Siemens)

Powerhouse - FUTURE CATALYSTS



- Secure appropriate funding structure(s) for Powerhouse roll out
- Further orders from Santos
- Orders from multiple clients
- Broader application of the technology



Michael Carroll
Managing Director | CEO

M: +61 419 351 676
E: michael.carroll@synertec.com.au



David Harris
Executive Director | CFO | Company Secretary

M: +61 434 408 668
E: david.harris@synertec.com.au

Synertec Corporation Limited (ASX:SOP) | FY24 Q2 13
Update

HEAD OFFICE

Ground Floor, 2 - 6 Railway Parade, Camberwell, Victoria. 3124
Tel: +61 3 9274 3000

PERTH OFFICE

Level 1, 189 St Georges Terrace, Perth, WA. 6000

Online:

www.synertec.com.au

Synertec is certified to:

ISO 9001
ISO 14001
ISO 45001
ISO 27001

expertise  experience