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ASX Announcement

30 August 2024

FY24 Financial Results & Key Achievements

Melbourne, Australia: Technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec", "the Company" or "the Group") is pleased to provide the Company's financial performance and a summary of key achievements for the year ending 30 June 2024 ("FY24" or "the Period"). The Company has released its 2024 Annual Report, which provides further detailed commentary on the performance and achievements for the Period.

Summary FY24 Financial Results (Group)	FY24 (\$m)	FY23 (\$m)	% Change
Group Cash receipts from customers	\$20.9m	\$15.9m	Up 31%
Group Revenue & other income	\$19.7m	\$15.6m	Up 26%
Normalised Group EBITDA*	(\$3.3m)	(\$2.4m)	Down 34%
Group EBITDA	(\$6.0m)	(\$5.0m)	Down 21%
Group Net Loss After Tax	(\$7.3m)	(\$5.9m)	Down 24%

** Normalised EBITDA excludes costs which are discretionary for the purposes of exploring strategic long term growth opportunities and/or activities and expenses which not considered to be typical ongoing operational overheads for the business.*

FY24 Financial and Operational Highlights

- Revenue & other income increased 26% on pcip to \$19.7m
- Net cash of \$6.4m as at 30 June 2024
- Access to a \$15.0m debt facility to fund key growth activities, including the rollout of future Powerhouse units
- The Engineering business delivered EBITDA of \$0.8m and net positive operating cashflow of \$0.5m
- The rollout of three (3) Powerhouse units contributed \$1.1m to Group revenue - on an annualised Asset Turnover Ratio of 0.40 (lease revenue to leased asset value)
- Synertec are actively engaged with 15 potential customers for the future deployment of Powerhouse technology
- Safety – Zero Lost Time Injury Rate and Zero Total Recordable Case Frequency Rate for the fourth consecutive year

Synertec's Managing Director, Mr. Michael Carroll, commenting on FY24 performance said:

"Synertec continues to deliver strong and consistent revenue growth, having increased our revenue by over 135% since FY21. The growth in revenue reflects the expanding operational footprint of our Engineering business, the breadth of our services and increasing contribution from our Powerhouse technology via multiple, long term contracts.

"Our recent capital restructure combined with our first ever debt facility provides access to \$21.0m in working capital at the commencement of FY25. This means Synertec has the technology, expertise, systems and balance sheet to deliver on our growth strategy.

"It is particularly satisfying that our investments and our strategy are returning tangible results within the Group. Both our Engineering and Technology businesses are at exciting inflection points and are set to deliver significant value for our shareholders over the coming periods."



Financial Performance

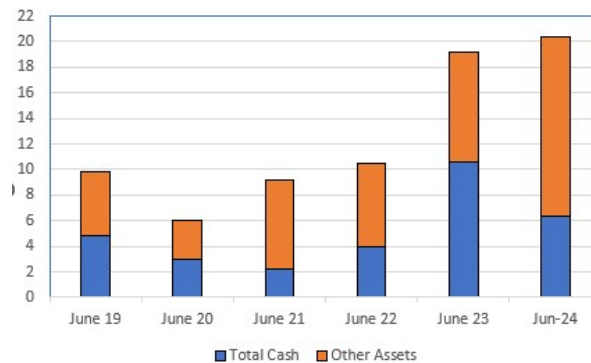
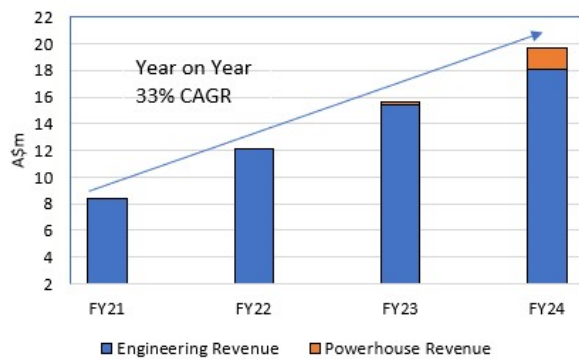
Group revenue and other income grew to \$19.7m, an increase of 26% on the prior year and a year-on-year CAGR of 33% over the last three fiscal years.

Our total asset base continued to grow with a major contribution from the construction and capitalisation of multiple Powerhouse units being delivered under customer contract, earning a return from this year.

The Group's Normalised EBITDA for the period was a loss of \$3.3m (30 June 2023: loss of \$2.4m). The reduction in Normalised EBITDA was due to:

- Strategic investment in Engineering capability and systems of \$0.5m, including
 - Organisational restructuring and specialist resources to support the sustainable growth and expansion of the business
 - Dedicated industry leads and associated business development effort to support the diversification of the pipeline around our 7 industry sectors
 - Effort associated with a number of multi-million dollar, multi-year tender submissions with major organisations involving cross disciplinary teams, external support and in some cases, collaboration with other related consulting firms due to the size, timing and complexity of the work tendered
- Increase in Corporate costs of \$0.2m relating to funding costs associated with the \$15m debt facility; and
- Increased investment of \$0.1m in the development of Powerhouse technology.

Refer to the Company's 2024 Annual Report for further commentary.



Engineering Solutions

- Over FY24, the Engineering business segment delivered \$21.2 million of revenue (up 11% on pcp), including services to our Technology business, resulting in profitable, cashflow-positive growth for this business segment. Importantly, the growth in the Engineering business remains profitable with the segment delivering \$0.8m EBITDA and a \$0.5m positive operating cashflow. With continued topline growth and now a demonstratable ability to deliver profit and cashflow, the Engineering business is self-sustaining, providing both a financial base and an efficient incubator for our technology development and rollout.
- During the year we continued to execute on our strategy of improving the quality of revenue and earnings from the Engineering business, increasing recurring revenue from our blue-chip customer base to over 90% of the total revenue, reflecting highly innovative solutions and excellent customer service stemming from deep knowledge of our customers' operations.
- The Engineering business is strategic to Synertec's overall business model, as it strengthens and protects important intellectual property development in the Technology business, and significantly accelerates the commercialisation process, because this expertise would otherwise need to be sourced through external service providers.
- Synertec has grown to approximately 140 highly skilled professionals and continues to selectively build the team in response to growing customer demand. Synertec's ability to attract and retain key talent, with a 17% increase in headcount over FY24, is a positive reflection of the Company's culture and industry positioning.



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Powerhouse Technology

In FY24, the Technology business delivered \$1.8m of revenue and other income, including \$1.1m of customer contracted revenue from three Powerhouse units for Santos Limited (ASX:STO, 'Santos'). Technology revenue is anticipated to grow materially in coming years as revenue from current units is annualised and more Powerhouse units are deployed.

- Powerhouse contributed \$1.1 million of revenue in FY24 reflecting 12 months of successful operation for the initial unit currently deployed under a Build Own Operate Maintain commercial model with Santos and revenue similarly contracted, from an additional two units as of Q4 FY24, as planned. Annualised, this will equate to \$2.4 million from these units.
- Powerhouse continues to deliver superior operational performance when compared to fossil-fuelled power systems. Since 1 July 2023, Powerhouse has delivered greater than 99.9% availability/uptime, with no site visits or maintenance required during the Period.
- Synertec continues to advance discussions with leading global energy companies for the future deployment of Powerhouse technology across their sites. To strengthen the business development process, Synertec entered an exclusive partnership with Siemens who offered to support Synertec's Powerhouse technology development and expanded market exposure.

Outlook

The coming years now have solid foundations on which to grow and deliver exceptional value for our shareholders. Our strategy, and the investment by our shareholders over recent periods, has accelerated both our technology and engineering businesses to exciting inflection points.

We will remain laser focused on strategy execution in the coming year. We expect to see results from our increased BD and commercial capacity, we will be disciplined and strategic with our expenditure, and we will continue to be extremely determined, and somewhat impatient, to demonstrate success to our shareholders.

-ENDS-

For more information and all media enquiries, please contact:

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This ASX announcement is authorised by the Directors of Synertec Corporation Limited (ASX: SOP).

About Synertec:

Synertec Corporation Ltd (ASX: SOP) is a technology design and development growth company enabling a low carbon future through innovative technology solutions. Commercialising scalable, environmentally friendly and energy efficient technology for global markets in energy, critical infrastructure and advanced manufacturing through innovative partnerships with a portfolio of blue-chip customers, Synertec is proactively participating in the world's transition to a low carbon economy in a practical way for the benefit of future generations.