

ASX CODE: VPR

BOARD

Simon Higgins
Non-Executive Chairman

Adam Boyd
CEO & Managing Director

Peter Torre
Non-Executive Director

ISSUED CAPITAL

9,170M Ordinary Shares
395M Unlisted Options

PRINCIPAL OFFICE

6 Bradford Street
Kewdale WA 6105

REGISTERED OFFICE

Unit B9, 431 Roberts Road,
Subiaco WA 6008

CONTACT

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ASX ANNOUNCEMENT

30 April 2021

Volt Power – Q1 FY21 Operational Activity Update

Highlights

ATEN Waste Heat to Power (100% owned)

- The Company has previously reported it had completed the Stage 1 ATEN Feasibility Study to install a 14MW ATEN Waste Heat to Power system at an existing WA domiciled power station (WA ATEN Project) in September 2020.
- The power station owner (Owner) reviewed the Stage 1 ATEN Feasibility Study during the December 2020 Quarter. Thereafter, Volt was requested to complete further engineering and regulatory clarification of the WA ATEN Project compliance with Australian Engineering Standards. This was successfully completed to the Owners satisfaction.
- During the Quarter, Volt (together with its EPC delivery partner, GenusPlus Group) submitted a formal EoI response to the Owner seeking to be engaged to complete the Stage 2 Feasibility Study.
- The Owner has confirmed it is seeking internal approval to engage a third party to complete a comprehensively scoped Definitive Feasibility Study (Stage 2 Feasibility Study). At the time of writing, this approval process was incomplete.
- Volt advanced preliminary Stage 2 Feasibility Study execution planning as part of the EoI submission preparation and has continued to advance partnering arrangements with preferred ATEN sub-system OEM supply partners.
- Volt and Genus continue to communicate the significant benefits of the ATEN Waste Heat to Power technology to potential customers which includes:
 - Baseload, zero emission generation at an LCOE* up to 50% lower than an equivalent annual generation Solar / Battery Energy Storage System;
 - Lower LCOE* than the variable cost of diesel fueled reciprocal engine and open cycle gas turbine driven electricity generation;
 - Zero operational personnel and water requirement;
 - Small site footprint; and
 - Hydrogen co-firing compatibility.
- The Volt Board remains excited about the potential of the ATEN Waste Heat to Power technology to play a meaningful role in delivering significant Carbon Intensity reductions to the Australia resources and power generation industries.

EcoQuip (~67% owned)

- EcoQuip achieved ~45% utilization of the 65x Mobile Solar Light Tower (MSLT) and Mobile Solar Comms Tower (MSCT) fleet during the Quarter. The fleet expansion (20x MSLT units) during the quarter reduced utilization, however MSLT / MSCT deployment numbers have increased.
- During the quarter, Chevron advised EcoQuip that it wished to continue the ongoing MSLT Gen4 Trial comprising 5x MSLT Gen4 units beyond the planned expiry (Chevron Trial 2). These MSLT Gen4 units are deployed at the Chevron operated Gorgon LNG Project located on Barrow Island, Western Australia. The Chevron Trial 2 has now continued for ~20-weeks and achieved 100% availability and reliability demonstrating significant technical performance, emission reduction, zero OPEX and diesel fuel savings benefits. EcoQuip recently deployed a further 3x MSLT Gen4 units to assist with site mobile lighting requirements at the Gorgon LNG Project.
- Over the ~20 weeks of Chevron Trial 2 to date, there has been ~20,000 litres of diesel fuel saved and ~50 tCO₂ abated. EcoQuip is continuing to engage Chevron on the opportunity to secure a long-term contract for the deployment of EcoQuip's MSLT Gen4 solution. The EcoQuip business continues to build positive momentum and a productive relationship with the Chevron business.
- EcoQuip and the Australian Division of global power generation and energy equipment supplier, Aggreko Plc (Aggreko) successfully finalized a 3-month client demonstration agreement during the Quarter (Aggreko Demo Agreement). This arrangement followed Aggreko's technical performance and reliability review of the EcoQuip MSLT Gen4 during 2020. EcoQuip deployed 6x MSLT Gen4 units to Aggreko's Adelaide operations in late January. Aggreko on-supplied these units to multiple clients on short term hire arrangements and received significant positive feedback. EcoQuip and Aggreko are evaluating the potential for a future long-term partnership. These discussions are ongoing.
- Since the last quarterly report, EcoQuip has secured a demonstration hire of 2x MSLT Gen4 units with Thiess Contracting (Thiess) for a 6-month deployment commencing May 2021. This is EcoQuip's first light tower deployment to Thiess. EcoQuip has 4x Mobile Solar Communications Towers (MSCT) deployed at Thiess operations supporting two autonomous drilling systems in New South Wales and Queensland. This MSCT deployment has continued to operate with 100% reliability and zero personnel attendance requirements for 24-months. We are engaged in discussions with Thiess to expand the Thiess MSLT & MSCT fleet. These discussions are ongoing.
- The EcoQuip MSLT Gen4 requires zero lifecycle & general maintenance, zero fuel & refueling, zero waste oil disposal and skilled trades requirements. The Company's Board is highly optimistic about the growth opportunities for EcoQuip's world leading Mobile Solar Light & Communications Tower solution. The mobile diesel fueled light tower market is extensive and highly vulnerable to a disruptive technology. The EcoQuip MSLT Gen4 solution is capable of equivalent & reliable illumination performance in most applications and significant cost and emission reduction benefits.

Wescone (100% owned)

- Wescone is the owner of the proprietary and unique W300 sample crusher extensively utilized in the global iron ore and assay laboratory industries. The Wescone offering comprises two sample crushing equipment solutions with alternative dimensional feed acceptance capabilities - the W300 Series 3 crusher and W300 Series 4 crusher.
- Wescone continued to supply BHP the new Wescone W300 Series 4 crusher under the 5-Year Purchase Service Exchange/Repair Contract executed in August 2020. Wescone delivered BHP 3 new Wescone W300 Series 4 crushers during the Quarter. The BHP Contract provides for the replacement of ~20 existing installed crushers with the new Wescone W300 Series 4 crusher and the exclusive provision of ongoing repair / service exchange related services. The revenues for these 3 x W300 Series 4 crusher sales will be received in the June 2021 Quarter.
- Wescone anticipates further Wescone W300 Series 4 crusher sales to BHP will occur during FY21 as

BHP displaces its old fleet of Wescone W300 Series 2/3 crushers.

- Wescone negotiated and signed a new distribution partner agreement with South African domiciled, Solid Process Automation Pty (Ltd) (SPA) during the Quarter. SPA's owner and management has extensive experience and relationships in the iron ore and broader resources industry in Africa. We believe Wescone now has an African distribution partner capable of achieving results that deliver mutual benefit.
- During the Quarter, the Volt agreed terms for the settlement of all claims against the vendor related to the 2018 purchase of the Wescone business. The terms of settlement provide for the payment to Volt of \$1.3 million in two installments. The first installment of \$1 million was received by Volt in February 2021. The second and final instalment will be paid no later than 19 August 2021. The settlement terms also provided for the termination of a royalty agreement under which the Wescone vendor may have been entitled to royalties in the future (Volt Settlement).

Appendix 4C – Salient September Quarter Financial Information

- The Company generated positive total cashflow during the period of approximately \$0.3 million inclusive of the paid first instalment of the Volt Settlement (\$1.0 million).
- The Company held a cash balance of ~\$0.98 million at 31 March 2021. Revenue receipts, Government R&D / Tax Incentives received and the first instalment of the Volt Settlement totaled ~\$1.47 million for the Quarter.
- Cash payments for the December Quarter totaled ~\$1.16 million comprising:
 - Research & Development and Intellectual Property - \$0.24 million
 - Staff Costs - \$0.14 million
 - Legal Expenses - \$0.11 million
 - Manufacturing Costs - \$0.53 million
 - Admin & Other Costs (net) - \$0.14 million
- Related Party payments totaled \$46,978 for Non-Executive Director fees for the 6-month period to 1 February 2021. The CEO & Managing Director Fees during the period were deferred.

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 a transitioning power generation and infrastructure asset / equipment developer and owner. The Company's businesses commercialise innovative proprietary equipment delivering "step change" client productivity and cost benefits achieving annuity earnings for the Company.

Business Activity Summary

These 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 (Patent Pending). Refer below;
- **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** (~67%) – a 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 and storage solution and advanced power management, data telemetry & control system capable of LED lighting, LTE Wi-Fi mesh repeater, point to point microwave, environmental monitoring and CCTV technology retro-fit; and
- **Acquisition / Development Strategy** – The Company actively pursues opportunities to expand its broader renewable and low emission power generation and infrastructure asset / equipment and project delivery capability footprint.

About the ATEN Technology (Patent Pending): 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 the ATEN Technology.

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 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);
- Levelised Cost of Electricity (LCOE)* up to ~40% lower than gas and ~80% lower than diesel generation;
- LCOE* ~25% - 50% lower than Solar / LFP Battery installations based on identical annual generation and zero emission performance;
- CAPEX ~60% lower than Solar / LFP Battery installations based on identical annual generation and zero emission performance;
- Zero cost compatibility with Solar and Hydrogen fuel transition solutions;

- Carbon Credits (CFI) Act 2011 Offset Project / ACCU eligibility; and
- Zero water & operational personnel requirements

* Levelised Cost of Energy (LCOE) is based on new zero emission capacity and variable costs of fuelled generation (where relevant) and the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including ACCUs (\$13/ACCU) and RECs (\$30/REC) as applicable.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Volt Power Group Limited

ABN

62 009 423 189

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	185	185
1.2 Payments for		
(a) research and development	(40)	(40)
(b) product manufacturing and operating costs	(101)	(101)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(139)	(139)
(f) administration and corporate costs	(257)	(257)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	288	288
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(67)	(67)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(429)	(429)
	(d) investments	-	-
	(e) intellectual property	(201)	(201)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	35	35
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	1,000	1,000
2.6	Net cash from / (used in) investing activities	405	405

Note to support item 2.5

As announced on 15 February 2021, the Company advised that it had reached a commercial settlement of all outstanding claims alleged in the Proceedings in connection with the 2018 acquisition of Volt's Wescone business with all vendor parties (Wescone Vendor) without admission of liability by either party.

The settlement terms are confidential but provide for the payment to Volt of \$1.3 million in two instalments (Settlement Sum).

The first instalment in the amount of \$1 million was paid to Volt on 16 February 2021. The second and final instalment will be paid no later than 19 August 2021. The Wescone Vendor has granted a security over two commercial properties to secure the second instalment.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(22)	(22)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(22)	(22)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	666	666
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(67)	(67)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	405	405
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(22)	(22)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	982	982

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	982	666
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	982	666

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	47
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Payments totalling \$25,000 (excl. GST) were paid to Isapia Pty Ltd, a company related to Mr Simon Higgins, for non-executive directors' fees.

Payments totalling \$21,978k (incl. GST) were paid to Torre Corporate, a company related to Mr Peter Torre, for non-executive directors' fees.

The above payments represent six (6) months directors' fees, which had previously been deferred by the directors.

Fees payable to the CEO & Managing Director during the period were deferred.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	98
7.4	Total financing facilities	-	98
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Other financing facilities include hire purchase facilities, which are secured against EcoQuip equipment fleet, from Macquarie Leasing, TL Rentals, Capital Finance and Selfco. There are various interest rates ranging from 5.2% to 13.5%.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(67)
8.2	Cash and cash equivalents at quarter end (item 4.6)	982
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	982
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.