

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
885M Unlisted Options

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ASX ANNOUNCEMENT

16 November 2022

VOLT SECURES 100% ECOQUIP OWNERSHIP ECOQUIP FOUNDER SECOND LARGEST VOLT SHAREHOLDER

The Board of Volt Power Group Limited (Volt or Company) is delighted to announce it has reached agreement to acquire the remaining 30% interest in EcoQuip Australia Pty Ltd (EcoQuip) from EcoQuip founder, Mr Dave Sharp and his family interests. EcoQuip is now a wholly owned subsidiary of Volt (EcoQuip Acquisition).

Background

EcoQuip is the award-winning OEM developer of the EcoQuip Mobile Solar Light Tower (MSLT) equipment solution and its unique Solar/BESS technology platform. Developed over four years partnering with US military & aerospace electronics and software contractors, MSLT incorporates robust military build quality and sets a new benchmark in power budget reliability and illumination performance.

EcoQuip achieved a 'beachhead' commercialization milestone in November 2021 after deploying 25x MSLT units at the Chevron operated Gorgon natural gas facility located on Barrow Island, Western Australia under a 5-Year Master Hire Agreement. The EcoQuip Solar/BESS technology platform has also been deployed under hire arrangement as a Mobile Solar Communications Tower (MSCT) performing network reinforcement to support the autonomous drilling and dozing systems deployed by Thiess Contracting in NSW and Queensland.

Multiple EcoQuip MSLT demonstration trials are ongoing or in planning with BHP, Thiess and Albemarle. The business is also advancing Australian market distribution arrangements with an established national equipment sale and hire business.

EcoQuip continues to experience significant ESG tail winds with market enquiry continuing to increase. The Volt Board is excited about the future growth potential of the EcoQuip business and a national 'roll-out' strategy is advancing positively.

The Purchase Consideration

The Purchase Consideration for the EcoQuip Acquisition comprising the remaining 30% of the issued capital of EcoQuip not owned by Volt comprises:

1. a cash payment of \$162,000 (funded by existing cash reserves); and
2. the issue of 1,371,674,653 new fully paid ordinary shares in Volt representing a 12.8% shareholding in the Company post completion of the transaction (New Volt Shares).

Mr Dave Sharp and his related family interests will become the second largest shareholder of Volt and the Board of the Company has invited Mr Dave Sharp to join the Volt Board of Directors as an Executive Director. Mr Sharp's appointment as a Director will occur on or around 30 November 2022.

The New Volt Shares total 14.68% of Volt's issued capital prior to EcoQuip Acquisition completion which is within the Company's existing 15% placement capacity under ASX Listing Rule 7.1.

The New Volt Shares are also subject to a mutually agreed 24-month voluntary escrow period.

Purchase Consideration Rationale

The Purchase Consideration is based on an independent valuation undertaken by Contour Value (Contour). The predominantly scrip for scrip structure of the EcoQuip Acquisition required the application of a relative value methodology to determine fair and reasonable Purchase Consideration.

The Purchase Consideration structure agreed reflects a desire of the Volt Board and EcoQuip founder, Dave Sharp to continue the successful relationship to date and align the interests of the parties to maximise the accelerated roll-out potential of EcoQuip's technology platform. Merging the EcoQuip founder and Volt ownership of EcoQuip also provides salient benefits including:

- EcoQuip access to Volt group surplus cashflows to fund growth;
- EcoQuip access to ~\$9 million of Volt carry forward income tax losses; and
- Acceleration of strategy development, funding decisions and associated activities.

Volt Substantial Shareholder Summary

The Table 1 below provides a summary of the Top 5 Volt Shareholders post EcoQuip Acquisition completion. The Table confirms that Mr Dave Sharp and his family interests have become the second largest shareholder of Volt with a total shareholding of ~13.3%, including Volt shares historically owned by Mr Sharp and his family interests.

Table 1 – Top 5 Volt Shareholders (million shares)

Shareholder	Existing Holding	New Volt Shares	Total Holding	% interest
Adam Boyd	1,773	-	1,773	16.54
Dave Sharp	50	1,372	1,422	13.27
Simon Higgins	801	-	801	7.47
Michael Hender	774	-	774	7.22
Genus	461	-	461	4.30
Other	5,486	-	5,486	51.19
Total Shareholding	9,345	1,372	10,717	100.00

General Manager, EcoQuip – Compensation Changes

Separate to the EcoQuip Acquisition, a revised key management personnel compensation package has been agreed with Mr Sharp for his role as General Manager, EcoQuip (General Manager). The changes detailed below include:

1. an increase in annual compensation; and
2. an executive options package.

Annual Compensation Changes

The existing annual fee paid to the General Manager, on a monthly basis is to be increased in two tranches subject to the achievement of MST fleet deployment milestones as follows:

Tranche 1 – increase the annual fee from \$216,000pa to \$240,000pa (increase of \$24,000pa) effective from the month beginning after the deployment by EcoQuip of 10x new MSLT units; and

Tranche 2 – increase in the annual fee \$240,000/a to \$300,000/a (increase of \$60,000pa) effective from the month beginning after deployment by EcoQuip of 40x new MSLT units (+30x MSLT units in excess of the Tranche 1 milestone).

Executive Incentive Options

Volt will also issue a total of 225,000,000 executive incentive options to acquire fully paid ordinary shares in Volt to Mr Sharp (Sharp Options) on terms described in Table 2 below which is also subject to the achievement of specific milestones.

Table 2 – Sharp Options Summary

Tranche	Option Number	Exercise Price	Exercise Conditions	Expiry Date
Tranche 1	75,000,000	\$0.00402	12-months continuous employment date of issue	24-months from date of issue
Tranche 2	75,000,000	\$0.00429	18-months continuous employment post date of issue; and EcoQuip and its related parties achieves the deployment of a total of 150x MSLT4 units to End User Customers ¹	36-months from date of issue
Tranche 3	75,000,000	\$0.00450	24-months continuous employment post date of issue; and EcoQuip and its related parties achieves the deployment of a total 270x MSLT4 to End User Customers ¹	48-months from date of issue
TOTAL	225,000,000	-	-	-

Note 1 – “End User Customers” is defined as any third party that either hires or purchases a MSLT unit.

The Sharp Options have been issued pursuant to Volt’s existing shareholder approved Employee Option Plan, and therefore fall within ASX Listing Rule 7.2, Exception 13.

Volt Executive Chairman, Mr Adam Boyd said;

“Volt securing 100% ownership of the EcoQuip business and the EcoQuip founder, Dave Sharp becoming Volt’s second biggest shareholder and Board member is an outstanding result. Since the initial \$1 million Volt investment for a 50% ownership interest in EcoQuip in 2018, EcoQuip has successfully achieved our strategic objective to create a world-class Mobile Solar Light Tower solution. The EcoQuip MSLT4 has the charge efficiency, illumination performance and power budget reliability capable of displacing traditional diesel fueled mobile lighting solutions extensively deployed throughout the resources and construction sectors globally.

“The EcoQuip Solar/BESS MSLT4 technology platform is a market disruptive solution that delivers end user customers significant cost savings, Scope 1 emission reductions, reduced site based skilled labour requirements and improved environmental and safety outcomes. The Volt Board believes that the adoption of

ESG initiatives across business and government will deliver significant revenue growth tail-winds for EcoQuip in the short and long term.

EcoQuip founder, Dave Sharp said:

“The commercialisation of our EcoQuip MSLT / MSCT equipment solutions is underway. Developing new technology is challenging and the collaboration with Volt has greatly assisted to create what we feel is a “world class” market disruptive equipment solution. Our early commercialization initiatives have validated the MSLT with successful long-term hire deployments with tier 1 resource sector businesses including Chevron and Thiess Contracting.

“EcoQuip is fielding increasing customer enquiry and several demonstration trials are ongoing and in planning with potential new long-term hire customers. These include BHP and other resource sector companies striving to identify proven ‘mission critical’ equipment technologies capable of displacing traditional diesel fueled equipment. I’m super excited about the potential revenue and MSLT fleet growth opportunities ahead and potential of a complimentary product suite utilising the MSLT Solar/BESS technology platform.

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 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

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. 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 an alkaline water 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** (~70%) – 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 / low emission power generation and contract services, infrastructure asset & innovative equipment footprint.

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;
- Levelised Cost of Electricity (LCOE)* up to ~50% lower than gas and ~80% lower than diesel generation;
- LCOE* ~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;
- Carbon Credits (CFI) Act 2011 Offset Project / ACCU eligibility; and
- Zero water & operational personnel requirements

* Levelised Cost of Energy (LCOE) is based on new ATEN zero emission capacity and operating costs and variable costs of fueled generation (where relevant) in the WA Pilbara region and the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including ACCUs (\$30/ACCU) and Solar RECs (\$35/REC) as applicable.

¹Levelised 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.