

ASX ANNOUNCEMENT

30 August 2023

FY23 HALF YEAR REPORT

VOLT REVENUE & EBITDA GROWTH CONTINUES

Highlights:

- A 34% increase in Ordinary Revenue to \$2.29 million compared to the prior FY22 Half Year Report of \$1.71 million.
- A 106% increase in Adjusted EBITDA¹ to \$0.69 million compared to the prior FY22 Half Year Report of \$0.34 million.
- Volt Group Ordinary Revenue and EBITDA is tracking in accordance with the FY23 Board approved budget. Results are trending to achieve a record FY23.
- Wescone & EcoQuip made significant IP, R&D and market development investments to expand product competitive advantage and market penetration.
- EcoQuip continues to develop its Mobile Solar Light Tower (MSLT) technology platform. The customer portal interface, automated data analytics and pre-emptive notification capabilities were all enhanced during HY23.
- EcoQuip completed two tender responses for Tier 1 resource sector businesses to supply new MSLT fleets to displace existing diesel fuelled light towers. If successful, the total MSLT deployment opportunity exceeds 250x MSLT units.
- The 12-month BHP Trial concluded during HY23. BHP have now completed an internal trial evaluation. The trial MSLTs performed robustly and remain site deployed.
- Multiple new EcoQuip MSLT workshop and site demonstrations were initiated. If successful, these demonstrations are expected to provide for significant MSLT fleet deployments.
- EcoQuip initiated manufacture of 20 new MSLTs for Q4 2023 completion.
- The Wescone South African distributor, SPA, delivered, installed and commissioned two new Wescone W300 crushers at an iron ore mine in South Africa. This milestone is significant for the Wescone growth strategy in Africa.
- As reported in April 2023, Volt and NRW Group business Primero signed an exclusive 3-Year Waste Heat to Energy EPC alliance to deliver projects that incorporate Volt's zero emission Waste Heat to Energy technologies.
- Volt continues to actively engage in ATEN Waste Heat to Power business development with large scale power generation, mining and oil & gas companies and their technical advisors.
- Volt's Waste Heat to Power/Hydrogen technology attributes include low CAPEX & LCOE^{1A}/LCOH², robust baseload reliability, and other grid stability benefits that reduce the ancillary service and transmission CAPEX required to support high penetration hybrid Renewable & gas fuelled electricity networks.

ASX CODE: VPR

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
725M Unlisted Options

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HY23 Financial Results

Volt Executive Chairman, Mr Adam Boyd said:

“The Volt Board is delighted to confirm that the Company continued to deliver positive Ordinary Revenue and EBITDA¹ growth during HY23. The Volt team achieved this whilst maintaining resolute focus on closing-out significant product development innovations for the proprietary EcoQuip Mobile Solar Light Tower (MSLT) technology platform and Wescone W300 sample crusher. The team and our technology development partners did an outstanding job to achieve an accelerated R&D milestone delivery schedule within a tight budget.

The 2023 Interim Financial Report results are highlighted in the Table below:

Description	6-months ended 30 June 2023 (\$'000)	6-months ended 20 June 2022 (\$'000)	Change
Revenue from Ordinary Activities	2,289	1,713	34%
Other Revenue	0	2	(100%)
Total Revenue	2,289	1,715	34%
EBITDA	325	138	136%
Adjusted EBITDA¹	690	336	105%
Profit Attributable to Members	(40)	(68)	42%

¹ excluding \$0.4 million (HY23) and \$0.2 million (HY22) of non-cash executive option issue expense.

EcoQuip OEM Mobile Solar Light & Comms Towers

During HY23, the Company continued to pursue opportunities to deploy the EcoQuip MSLT in the resources and equipment rental sectors in Australia and USA. The Volt Board has increasing confidence in the significant growth potential for the EcoQuip MSLT in both Australia and USA.

The second tranche MSLT deployment at the Chevron operated Gorgon natural gas facility on Barrow Island during HY23 was an outstanding endorsement of the EcoQuip MSLT capabilities. Repeat orders from existing customers is comprehensive product validation. This deployment increased the total MSLT fleet on Barrow Island to 35. The Company remains optimistic about the deployment of additional EcoQuip MSLT units to support Chevron's Jans-lo field compression and carbon capture and storage projects on Barrow Island.

EcoQuip has also engaged Chevron on the potential to deploy the EcoQuip MSLT at Chevron's asset sites in the USA. EcoQuip management is working to identify a “beachhead” MSLT deployment State-Side to deliver the critical mass necessary to establish permanent business development and assembly capability in the USA.

The EcoQuip business development team in Western Australia has fielded multiple enquiries from established resource sector companies seeking reliable, zero emission remote site equipment solutions. The translation of ESG corporate policy into action appears to be gaining momentum, with EcoQuip providing workshop and field demonstrations to highly credentialed and successful resource sector businesses.

EcoQuip was requested by two Tier 1 resource sector businesses to submit tender responses for the supply of EcoQuip MSLT fleets to displace existing diesel-fuelled light tower equipment. Combined, these fleets could provide for a potential deployment exceeding 250x EcoQuip MSLT units.

BHP's 12-month EcoQuip MSLT trial concluded in June 2023 and the trial team have confirmed positive feedback was provided by site personnel. The BHP procurement approval process has been engaged. The Company understands from BHP personnel that this process may take ~3-months and the result of this approval process is uncertain at this time.

The Volt Board approved the manufacture of 20 new EcoQuip MSLTs as part of the EcoQuip FY23 Annual Budget approval process. All long lead time components have been ordered and EcoQuip's supply chain partners have confirmed critical path component availability for shipment and assembly completion at our Perth workshop thereafter for assembly completion on or around 31 October 2023.

Wescone OEM Sample Crushers

The Wescone business performed well during HY23 with financial results marginally exceeding the Wescone Volt Board approved budget. Wescone management engaged multiple engineering consultancies with significant iron ore sampling and DSO lithium process system design experience during the period. These discussions identified an opportunity to

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develop another Wescone gyratory crusher solution based on the existing Wescone W300 sample crusher design. Early-stage scoping of this new crusher solution opportunity has commenced.

The Wescone African distributor and experienced robotic sample system design & installation partner, Solid Process Automation installed and commissioned 2 new Wescone W300 crushers at a South African domiciled iron ore mine during the period. Subsequently, several potential new Africa domiciled mine owners have made sales enquiries as the successful performance of Wescone W300 OEM crusher disseminates. The Company is pleased that its African growth strategy has started to deliver results. Wescone will continue to pursue this strategy with risk evaluated determination.

ATEN Waste Heat to Power – Zero Emission Baseload Electricity Supply

The Company continued to prosecute the significant zero emission, grid stability and low-cost electricity supply benefits of the ATEN Waste Heat to Power technology. The ATEN system can supply zero emission, baseload electricity at a levelized cost of energy ~50% lower than Solar/BESS hybrid solutions without a requirement for a significant site footprint or the incremental network frequency management, transmission connection, ancillary support CAPEX required by high penetration hybrid intermittent renewable networks.

Significantly, ATEN enhances open cycle gas turbine generation materially by generating ~20 - 30% additional power supply with no incremental fuel gas use. The carbon intensity reduction is material. For the next 20-years of the net zero energy transition, low carbon intensity, high efficiency gas fuelled generation will be critical to the achievement of affordable, reliable high penetration, zero emission hybrid generation networks. Reliable, mission critical electricity supply to industry and health infrastructure is critical to maintain Australia's economic prosperity, critical infrastructure services and quality of life.

The Company's ATEN business development activities resulted in preliminary study activities to present specific ATEN project opportunities to significant network generation asset owners in Australia.

The new Waste Heat to Energy EPC Project Delivery Alliance with the NRW Group business, Primero signed in April 2023 is an important commercialisation step for the ATEN / HYTEN technologies. The energy transition is moving into a significant project delivery requirement stage. The zero emission technologies capable of affordable and technically viable project delivery will be those implemented.

Corporate Matters

In July 2023, the Company completed the sale of Volt shares under an Unmarketable Parcel Share Sale Facility. Individual shareholdings in the Company were reduced by ~1,400 comprising 68,438,279 Volt shares (~0.639%). As at 23 August 2023, the Company had 891 individual shareholders.

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

The 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 either an alkaline, PEM or solid oxide 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 (100%)** – 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 storage solution and an advanced power management, data telemetry & control system. EcoQuip solutions are capable of zero emission, high performance mobile illumination, LTE, Wi-Fi mesh and point to point microwave network reinforcement and environmental monitoring and surveillance.
- **Acquisition / Development Strategy** – The Company actively pursues opportunities to expand its broader zero emission power generation and contract services capability, high yield infrastructure asset footprint & innovative equipment solutions.

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)¹ up to ~50% lower than gas and ~80% lower than diesel generation;
- LCOE¹ ~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;
- Safeguard Mechanism Credit legislation eligibility; and
- Zero water & operational personnel requirements

The ATEN system is eligible for Safeguard Mechanism Credits (SMCs) in certain circumstances pursuant to Australia’s new Safeguard Mechanism legislation designed to reduce greenhouse gas emissions at Australia’s large industrial, resource and energy sector asset fleet.

^{1A} Levelised Cost of Energy (LCOE) is based on new ATEN zero emission capacity and operating costs and variable costs of fuelled generation (where relevant) in the WA Pilbara region and the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including SMCs (\$25/SMC) and Solar RECs (\$35/REC) as applicable.

² Levelised 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.