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## ASX Announcement

21 March 2023

### Synertec to present at ASX Small and Mid-Cap Conference 2023

**Melbourne, Australia:** Technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec" or "the Company") is pleased to advise that Managing Director, Mr. Michael Carroll, will be presenting at the ASX Small and Mid-Cap Conference 2023 at 2.30pm AEDT on Wednesday, 22 March 2023.

Registration: <https://asx.joyn-us.app/>

The presentation to be provided by Mr Carroll is contained within this release.

**-ENDS-**

**For more information and all media enquiries, please contact:**

Mr. David Harris  
Executive Director & Company Secretary  
Phone: +61 (3) 9274 3000  
Email: [david.harris@synertec.com.au](mailto:david.harris@synertec.com.au)

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.



**SYNERTEC**

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

# ***ASX Small and Mid-Cap Conference***

***'The only ASX-listed company focused on zero-  
emission remote, portable & continuous 24/7  
industrial-scale energy production.'***

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 15 March 2023. 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](http://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.

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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 2022 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 a **technology growth company**: our Technology business has significant **near-term growth** potential with several products nearing commercialisation; and our growing Engineering business generates **cashflow**



## Technology

We design, develop and deliver **technology** that provides our partners with a **viable, powerful and immediate transition** to a low carbon future.

Synertec's IP is protected as it's **developed in-house** by its Engineering team – also enabling accelerated speed-to-market



## Engineering

Our multi-disciplinary expertise **supports Technology** development and provides solutions for Tier-1 blue-chip customers in:

- Energy
- Critical Infrastructure
- Water
- Advanced Manufacturing



# Technologies for a World in Transition



We are **partnering with organisations** looking to lead the charge in finding clean, cost-effective ways to execute their industrial processes while simultaneously **reducing their carbon footprint**.



1

## Powerhouse

Predictive Intelligence smart solar & battery system providing reliable 100% renewable base load power for remote areas

- Goods and Services Agreement (GSA) with Top 20 ASX-listed company, Santos Ltd
- First Purchase Order from Santos issued 14<sup>th</sup> March 2023



2

## Marine LNG Custody Transfer System (CTS)

Measurement and metering system for the safe and accurate fiscal transfer of LNG from one owner to another

- Collaborations with Blackrock-owned, 'GasLog' & world-leader in marine solutions, 'Trelleborg Group',
- On-board & highly accurate



3

## Composite Dry Powder (CDP)

Technology to rapidly convert hydrocarbon drilling mud & wastewater into non-polluting soil & potentially, high-strength building materials

- Perpetual, exclusive and royalty-free licence
- Progressing field testing in Australia with existing partners

# Powerhouse Technology

# Introducing Powerhouse

The **only** electrification technology using **Predictive Intelligence** to create, control & deliver **zero-emission** industrial-scale continuous **24/7 renewable energy** (with **no fossil-fuel back-up**)



## The Challenge:

Forward-looking companies on the path to Net Zero need proven immediate solutions for reliable renewable cost-effective electrification

- ✓ Powerhouse offers a cost-effective, mobile, 100% continuous 24/7 electrical energy system that can be easily deployed via a stable microgrid to deliver base load distributed power for a viable and immediate transition to a low carbon future.
- ✓ Powerhouse Predictive Intelligence (PI) leverages real-time big data insights to optimise the supply and demand of clean energy with certainty, reliability and security - no fossil fuel backup is required.
- ✓ Flexible, remote and island micro-grid applications with many use cases across community batteries, mining, oil & gas, manufacturing, agriculture, defence, data centers, etc.





**POWERHOUSE**  
by SYNERTEC



# Powerhouse is Live in the Field

## Roma area, Queensland, Australia



Santos requires renewable, controllable, continuous base load power on a cost-effective basis, replacing banks of gas and diesel generators as the current source of power.

### Synertec's Powerhouse is a mission-critical solution

Successfully integrated into Santos' operating system, supports remote gas well operations in the Roma area, in Queensland.

- ✓ At scale, through a multi-year expansion plan, the system saves >1M tonnes of carbon emissions across thousands of wells
- ✓ Impact toward Santos' emission reduction goals
- ✓ Substantial commercial benefits (cost & revenue) over fossil-fueled power generation
- ✓ Proven solar prediction accuracy and energy reliability
- ✓ Meets robust safety and environmental standards



# Powerhouse has reached Commercialisation

After an extensive 2-year design and testing phase, **Powerhouse has received its first commercial order**



## Key recent developments include:

- Synertec and Santos have agreed a Goods & Services Agreement (GSA) detailing commercial terms for future installations
- First Purchase Order issued for the current commercial-scale field trial site in Myalla effective from 1 April 2023
- Agreement between Santos and Synertec that the technology is field ready for accelerated rollout
- Work continues between the parties towards a large-scale commercial roll-out of Powerhouse
- Synertec continue to identify and progress further opportunities for the application of the Powerhouse system across the energy, mining and other sectors, both in Australia and the USA

Phase	Estimated Completion	Status
Concept design	Q4 FY21	Complete
Statement of requirements approved	Q1 FY22	Complete
Front End Engineering Design (FEED)	Q2 FY22	Complete
Procurement of key equipment inputs	Q3 FY22	Complete
Detailed design	Q3 FY22	Complete
Beta testing software & load management	Q3 FY22	Complete
Fabrication	Q4 FY22	Complete
Factory Acceptance Testing (FAT)	Q4 FY22	Complete
Commercial terms for prototype agreed	Q4 FY22	Complete
Site Acceptance Testing (SAT)	Q1 FY23	Complete
Field Trial commencement ('cutover' complete)	Q2 FY23	Complete
Agreement on commercial terms beyond prototype	H2 FY23	Complete
Completion/sign-off	H2 FY23	Complete

# The Market Opportunity

Powerhouse can be **utilised on remote sites globally** and **monitored and controlled from Melbourne, Australia**

Staged development and rollout program to drive growth across multiple target markets in Australia and United States

Gas exploration & production

Mining exploration & production

Agriculture

Manufacturing

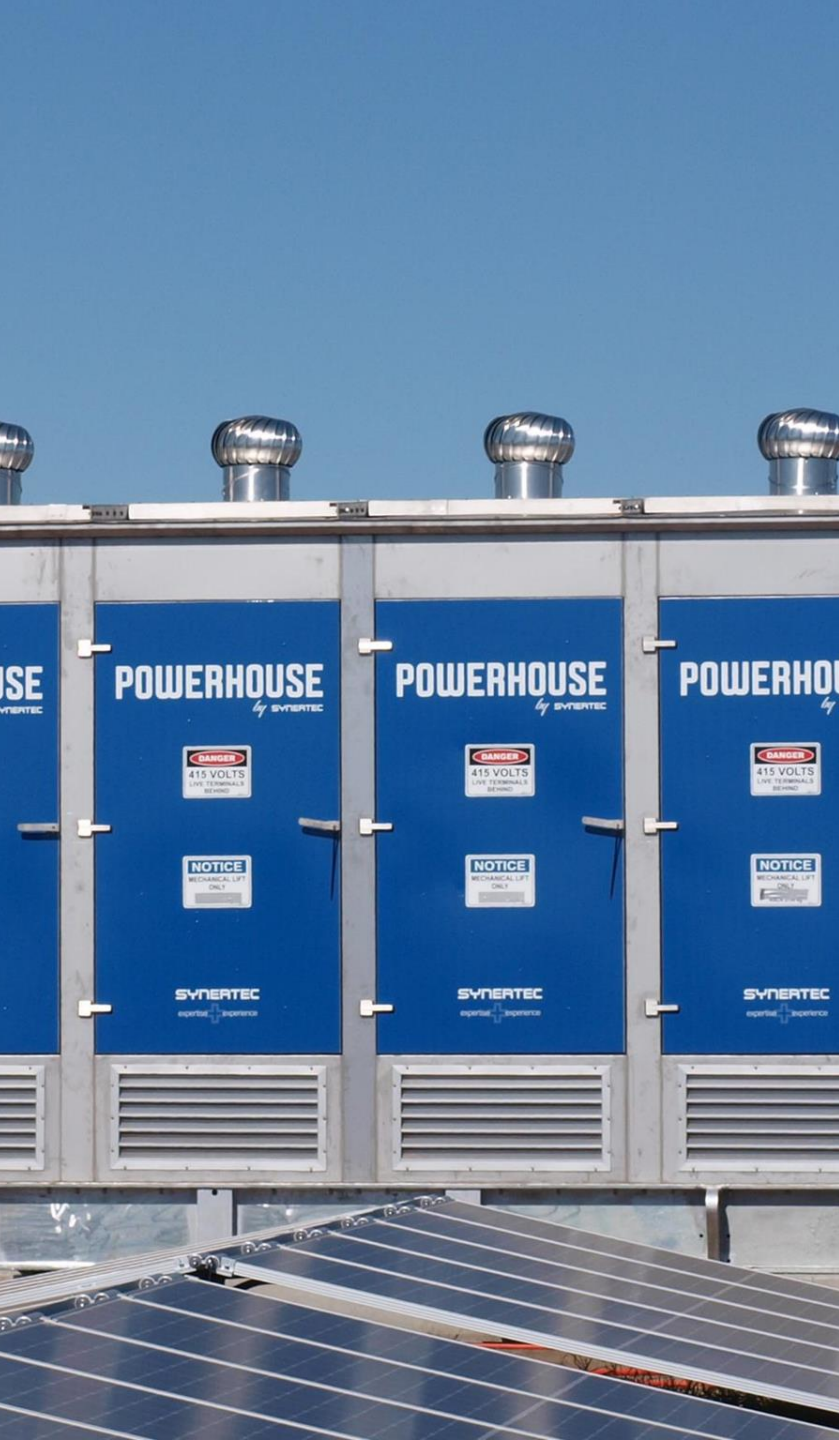
Community Batteries

## Initial Target Market:

- Coal Seam Gas ('CSG') accounts for ~25% of Australia's gas production, which has increased by 140% over the past decade
- USA CSG sector is approaching the size of the Australian CSG sector, and accounts for almost 10% of USA's gas production
- USA focus is accelerating on the heels of the Inflation Reduction Act
- In Australia alone, 1,000's of diesel, gas and hybrid generators are used for remotely-located industrial plant & equipment
- Each Powerhouse typically replaces multiple diesel or gas generators, provides substantial cost-savings and ESG benefits
- Powerhouse will be deployed to other applications and sectors







# Powerhouse Extends Beyond PV Solar Energy



Solar is where we started, but it is just a small part of our **plan for the future**.

Powerhouse is **energy agnostic**: the technology is designed to allow compatibility with other renewable energy sources.

**POWERHOUSE**  
by SYNERTEC



Hydro



Hydrogen



Grid Sync



Wind



EV Charge



Solar

# Group Outlook





# Investment Conclusion



## Technologies for a world in transition

- Three advanced technologies to help customers solve their environmental problems
- Strong focus on ESG outcomes and reliability
- Powerhouse technology commercialised with rollout anticipated over CY23

## Powerhouse technology achieves commercialisation

- Synertec and Santos have agreed a GSA for future units
- Santos has issued the 1<sup>st</sup> Purchase Order under the GSA
- Agreement by Santos that Powerhouse is field ready for extensive rollout
- Synertec continue to support Santos in working towards a large-scale commercial roll-out of Powerhouse units across its extensive operations

## Underpinned by deep technical & management skillset

- Growing team of circa 100 highly skilled engineers & professionals
- Strong R&D track record
- Retain IP in-house & speed-to-market for technology
- Ability to attract and retain key staff
- Stable Board and management team

## Robust balance sheet & financial performance

- Growing revenue from engineering business
- Improving engineering margins and operating cash flow
- \$7.1m cash as 31 December 2022
- No working capital bank debt or covenants

# Sustainable Business Focus

The global focus on carbon emissions reductions presents an **historic investment opportunity** in Synertec's Technology and Engineering solutions



## Environment

- Developing technologies to support the energy transition
- Reducing the carbon footprint of legacy processes and repairing past damage
- Responding to tightening environmental regulations with innovative 'green' technologies



## Social

- Working with industry to reduce its carbon footprint, recycle & deliver cleaner energy, water, products & services
- Supporting local economies with sustainable employment
- Social enterprise procurement strategy
- Safety paramount – Zero Lost Time Injuries & Total Recordable Case Frequency



## Governance

- Transparency and accountability to stakeholders
- Product & service transparency
- Solutions formed in collaboration with local regulators
- ISO 27001 Information Security accreditation in-progress





# Appendix



# FY23 H1 Financial & Operational Highlights

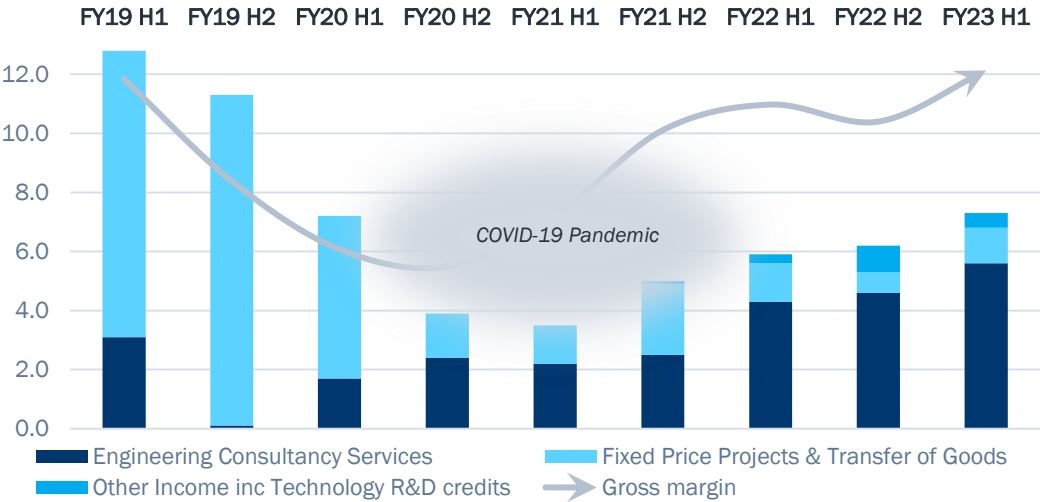


- ✓ Revenue & other income **increased 25%** on pcip to \$7.3 million
- ✓ Revenue from Engineering Consultancy Services **increased 31%** to \$5.6 million
- ✓ Cash receipts from customers **increased 29%** on pcip to \$7.8 million
- ✓ Gross margin further strengthened during the Period, **up 1 percentage point** vs pcip
- ✓ Net cash at 31 December of **\$7.1 million**, increased balance sheet strength
- ✓ Powerhouse technology currently **operating live in the field and generating monthly revenue**
- ✓ Major Engineering **contract award** with long-time customer, Melbourne Water, for approximately \$10 million over a 3-year term with an option for a 2-year extension
- ✓ Safety – **Zero** Lost Time Injury Rate and Total Recordable Case Frequency
- ✓ Headcount approximately **100 talented people**



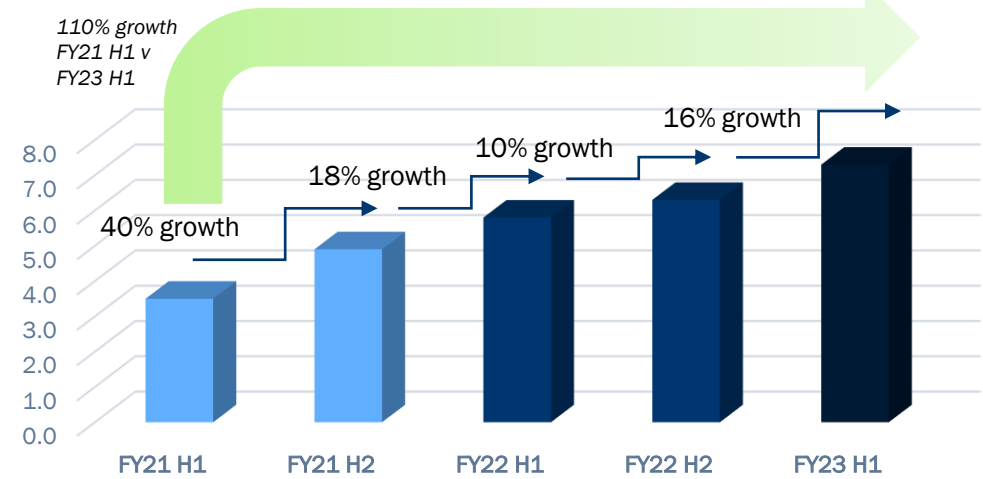
# FY23 H1 Financial Highlights

## Total Revenue & Other Income (\$M) & Gross Margin (%)



- Revenue & other income increased 25% on pcp to \$7.3 million
- Engineering consultancy services revenue increased 31% to \$5.6 million
- Gross margins further strengthened and consolidated during the Period, up 1 percentage point versus pcp
- Billable headcount has grown by over 50% across the past two (2) years, with customer-driven recruitment ongoing

## Total Revenue Growth FY21 H1 – FY23 H1 (\$M)



- FY23 H1 was the 6<sup>th</sup> consecutive half of revenue growth
- 110% revenue growth FY21 H1 v FY23 H1
- Continued customer engagement and new contracts secured, provide **platform for further growth** from solid work in hand and pipeline of opportunities from existing customer base
- Recognised expertise in target sectors and customer-demand is enabling BD focus on larger, longer term opportunities



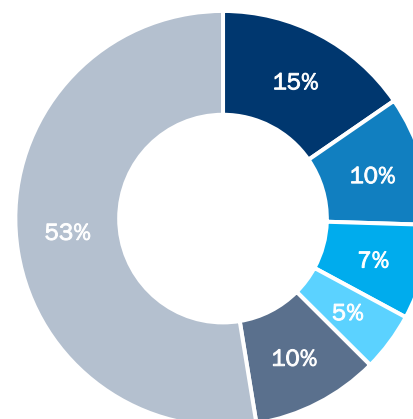
# Corporate Snapshot



## Synertec Corporation Ltd

ASX Code	ASX:SOP
Shares on issue	395,132,299
Share Price (as at 15 March 2023)	27.5c
Market Cap (as at 15 March 2023)	\$109M
Cash (as at 31 December 2022)	\$7.1M

## Key Shareholders



- Management
- Perennial Value Management
- Regal Funds Management
- SG Hiscock & Co
- Northwest Nonferrous Australia Mining
- Other

## Company Board



**Dennis Lin**

Independent Non-Executive Chair



**Michael Carroll**

Managing Director



**David Harris**

Executive Director, [Technology & Future Business], CFO & Company Secretary



**Leeanne Bond**

Independent Non-Executive Director

# SYNERTEC

expertise  experience



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