

ASX Announcement

28 November 2024

Synertec Corporation Limited (ASX:SOP)

2024 Annual General Meeting

Chair's Address and Managing Director's Presentation

Melbourne, Australia: Technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec", "the Company" or "the Group") advises the following address and presentation are attached and will be delivered today at the Annual General Meeting of the Company, beginning at 11.00am (AEDT):

- Chair's Address – Mr. Dennis Lin
- Managing Director's Presentation – Mr. Michael Carroll

-ENDS-

For more information and all media enquiries, please contact:

Mr. Stefan Ross

Company Secretary

Phone: +61 (3) 9274 3000

Email: stefan.ross@vistra.com

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 Corporation Ltd
ABN 37 161 803 032

T +61 (0)3 9274 3000
info@synertec.com.au
www.synertec.com.au

Ground Floor
2-6 Railway Parade, Camberwell
Victoria, 3124, AUSTRALIA
www.synertec.com.au

ASX Announcement

28 November 2024

2024 Annual General Meeting Chair address – Mr. Dennis Lin

Dear Shareholders,

On behalf of the Board of Directors, I would like to welcome you to the 2024 Annual General Meeting for Synertec Corporation Limited. This year has been one of significant achievements, strategic advancements and Board and management renewal as we continue to drive growth through the commercialization of Powerhouse and growth in our Engineering business.

Powerhouse Technology Helps Transition to a Carbon-Free Future

Our commitment to supporting a transition to a lower-carbon future remains steadfast. During FY24, we continued to expand the operational footprint of our proprietary technology, Powerhouse. This zero emission, industrial micro-grid system offers superior reliability, flexibility, and cost-effectiveness compared to diesel and gas generated power options. The operational data gathered over the last 2 years from our deployments, including greater than 99.9% reliability and zero maintenance callouts, underscores the compelling value proposition of this technology.

Additionally, the advanced control system developed by Synertec and utilized in Powerhouse provides incredible flexibility, reliability and speed of operation. This functionality offers exciting opportunities in other applications including the stabilization of the electrical grid “at the edge”.

Our Growing Engineering Business

Our Engineering business has once again demonstrated its capacity for profitable growth, delivering \$21.2 million in revenue, a year-on-year increase of 11%. This growth trajectory is supported by our long-term contracts with blue-chip industrial customers and government utilities. The Engineering business not only provides a stable financial base for our Group but also acts as an incubator for our technological innovations. Our team continues to excel in providing pioneering engineering and technology services across our target sectors.

The Engineering business's success is a testament to the skill, dedication, and innovation of our team. We have strategically focused on industry sectors that are resilient to downturns and offer excellent margins. This allows us to leverage our expertise across a broad range of projects, fostering growth and enhancing our market presence. Our ability to consistently deliver high-quality, reliable solutions has established Synertec as a trusted partner.

Board and Senior Management Evolution

As a Board, we are constantly reviewing our current skills against the skills required for the future. As previously announced, Synertec has initiated several Board and senior management changes. I would like to welcome Mr Johannes (Jan) Risseuw as a non-executive Director and Chair elect. Jan brings a wealth of experience that addresses the specific needs of the next 3 to 5 years. As a Board, we are working to ensure a smooth transition to his leadership at the end of February 2025, at which point I will be retiring.

The opportunity Powerhouse presents demands that we charge our most talented with the challenge of driving the commercialization of Powerhouse. Mr David Harris has accepted this challenge. To guarantee “laser focus” on Powerhouse, David is stepping down as an executive director, CFO and as our Company Secretary. His new title is, “Head of Technology Solutions”. As our inaugural CFO and throughout, David has worked tirelessly since our listing 2017. His energy, hard work and commercial acumen have been critical to our achievements to date. It is these same characteristics that will ensure his success in his important new role. I would like to thank David for his frank, intelligent and insightful contributions as both executive director and CFO.



Synertec Corporation Ltd
ABN 37 161 803 032

T +61 (0)3 9274 3000
info@synertec.com.au
www.synertec.com.au

Ground Floor
2-6 Railway Parade, Camberwell
Victoria, 3124, AUSTRALIA
www.synertec.com.au

The Board's composition reflects our commitment to governance excellence and strategic leadership. Each member brings unique perspectives and experiences, enriching our decision-making process and guiding our company towards sustainable growth. We continue to prioritize diversity, equity, and inclusion, recognizing that a diverse board fosters innovation, resilience, and better business outcomes. We also recognize our need for gender diversity and to this end we have initiated a process to address this shortfall.

Capital Structure

During FY24 Synertec was able to transform its capital structure by securing a debt facility of up to \$15m with Altor Capital and a share placement of \$7m (excluding costs). This structure will be applied to supporting the future rollout of Powerhouse technology and any further development for alternate applications, for example, Grid Support applications, and working capital requirements. This outcome was the result of an extensive, two-way due diligence process by multiple potential financiers, at the conclusion of which Synertec selected Altor Capital as its funding partner.

This capital structure allows Synertec flexibility to quickly respond to market opportunities and at the same time validates the “bankability” of the Powerhouse technology.

Outlook

As we look ahead to FY25, we see significant growth opportunities for Synertec, particularly in the deployment of our Powerhouse technology. The demand for reliable, continuous, affordable, and sustainable base load power in remote locations positions us well for future success. With a proven operational track record, a scalable assembly model, strong economics, and access to capital, we are poised to rapidly scale the deployment of Powerhouse, creating meaningful value for our shareholders.

Our Engineering business has experienced a slowdown over the last quarter, and we have recalibrated our workforce to optimize our skills matrix for the opportunities we see in front of us. However, due to our strategic focus we continue to secure and be in the mix to secure significant contracts with stronger margins. The Engineering business maintains a positive cashflow and a positive EBITDA. Additionally, our Engineering business continues to attract great talent. It is this talent that is solving significant problems for our clients. Ensuring we maintain our “trusted” status within their businesses.

I would like to thank our shareholders, customers, and partners for their unwavering support. Your loyalty and trust are invaluable as we continue to pursue our vision of innovation and sustainability. I also extend my heartfelt gratitude to our dedicated team, whose hard work and commitment drive our success.

On a personal note, I am very grateful to have had the opportunity to Chair this company. It has been challenging and rewarding and a period that will always hold fond memories.

Yours sincerely,

Dennis Lin
Chair of The Board

-ENDS-

For more information and all media enquiries, please contact:

Mr. Stefan Ross
Company Secretary
Phone: +61 (3) 9274 3000
Email: stefan.ross@vistra.com

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.



AGM 2024 Managing Director's Presentation



SYNERTEC

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 28 November 2024. 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. 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.

No representation or warranty, express or implied, is made by the Company as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. This presentation does not purport to summarise all information that a person should consider when making an investment decision and should not form the basis of any decision by a person.

This presentation is not a prospectus, product disclosure statement or other disclosure document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission). This presentation is not and does not constitute an offer or invitation to acquire securities or otherwise invest in the Company, and no agreement to subscribe for securities will be entered into on the basis of this presentation.

Reliance should not be placed on the information or opinions contained in this presentation. This presentation is for informational purposes only and is not a financial product or investment advice or recommendation to acquire any securities in the Group, and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

An investment in the Company, is subject to known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and the amount invested. The Company does not guarantee any particular rate of return or the performance of the Company nor does it guarantee the repayment or maintenance of capital or any particular tax treatment.

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance of the Group.

Information, including forward-looking statements, forecasts and estimates of the financial condition, operations and business of the Group and/or plans and objectives of the Group, contained in this presentation and/or discussed with the Group's personnel is not intended to form the basis of any investment decision in the Company and should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in the Company, or in any other company. Actual results may vary from such forecasts and estimates and any variation may be materially positive or negative.

Forward looking statements, forecasts and estimates, by their very nature, involve known and unknown risks and are subject to uncertainty and contingencies that may occur which are outside the control of the Group and that because of their nature may cause the actual results or performance of the Group to be materially different from the results or performance expressed or implied by such forward looking statements, forecasts and

estimates. These forward-looking statements, forecasts and estimates may include matters that are not historical facts, and they are based on numerous assumptions regarding the Group's present and future business strategies and the political and economic environment in which the Group will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.

Forward-looking statements, forecasts and estimates speak only as at the date of this presentation and, to the full extent permitted by law, the Group disclaims any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Before making or varying any decision in relation to holding, purchasing or selling shares in the Company, investors should not rely on this presentation and should make their own assessment of an investment in the Company and consider the appropriateness of that investment in light of their individual investment objectives and financial situation. In all cases, each person receiving this presentation should: (a) conduct their own research of the Group and their own analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Group and its business, and the contents of this presentation; and (b) seek their own independent legal, financial, tax and other advice appropriate to their circumstances and their jurisdiction.

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 2024 is presented in accordance with the Company's ASX Appendix 4E Statement, Preliminary Final Report and/or Annual Report.

FY24 Financial and Operational Matrix

\$19.7m

Revenue and other income, **up 26% pcp**

\$20.9m

Cash receipts from customers, **up 31% on pcp**

\$1.6 m

Powerhouse Revenue and Other Income **up 68% pcp**

100+

People across Synertec Team providing world-leading technology and engineering solutions

33%

Revenue CAGR across **3 consecutive years of growth**, with strong gross margins

\$21.0m

Working Capital available at 30 June 2024, \$20.0m available at 30 September 2024

\$3.9m

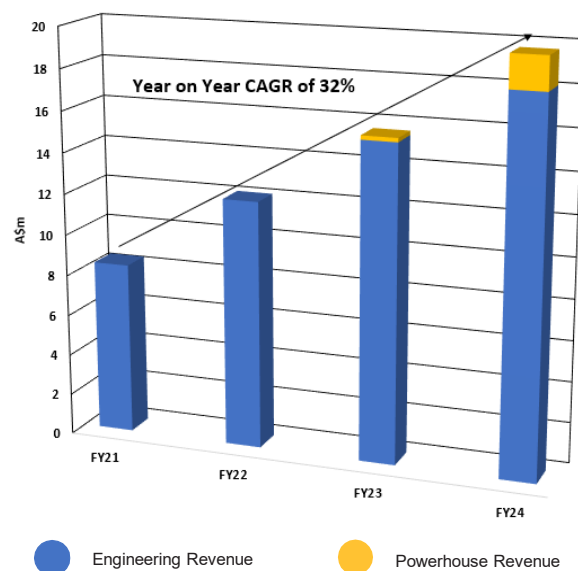
Powerhouse Assets at 30 June 2024 with prototype fully expensed for R&D

Zero

Lost time injuries or **TRIFR** for four consecutive years

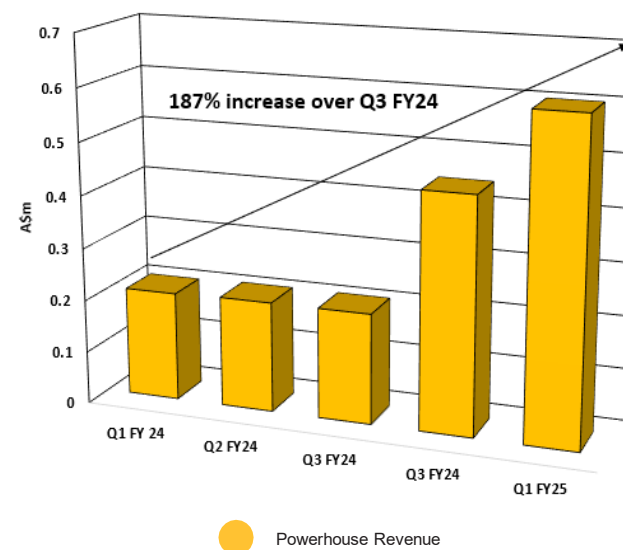
Key Financials Update

GROUP REVENUE GROWTH



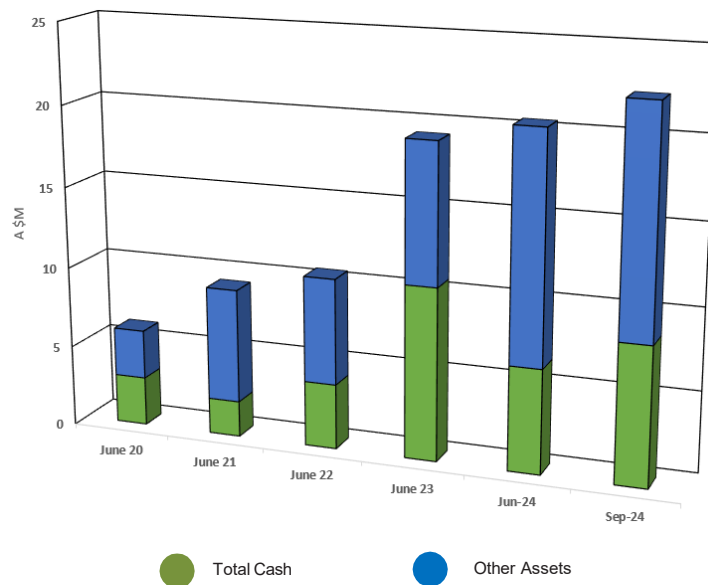
- First full financial year revenue from Powerhouse Technology (\$1.6m)
- Growing proportion of engineering revenue from higher margin consultancy services
- Highest revenue since FY19
- Total revenue growth of 129% from FY21 to FY24

POWERHOUSE REVENUE GROWTH



- Powerhouse revenue growth of 187% from Q3FY24 to Q1FY25
- 3 consecutive Quarters of revenue growth
- Highest Powerhouse revenue quarter since commercialisation

Robust Financial Position



- Strong financial position provides capital flexibility to execute on growth
- \$8.5m cash balance as at end of Sep24
- \$3.5m drawdown on debt, further \$11.5m available
- \$5.4m of Powerhouse plant and equipment on Balance Sheet



Powerhouse ready for deployment in Brisbane

Powerhouse - Major Achievements

2 years of field performance data confirms greater than 99.9% availability IN ALL WEATHER CONDITIONS

- Santos awards 2 more units in October 2023 – repeat customer
- Construction of new units completed 2H FY24 – on time/budget
- Deployed to the field 1H FY25
- Prototype upgrade completed, Factory Acceptance Testing completed, awaiting site works before redeployment
- Field work accreditation nearing completion to allow Synertec to self perform installation activities



Completing Factory Acceptance Testing in Brisbane

Powerhouse – Industry Engagement

Multiple “Factory Open Days” conducting live demonstrations of Powerhouse

Attendees including:

- Multiple Oil and Gas majors
- Distributed National Service Providers (DNSP's)
- Mining Operators
- Data Centre representatives
- Stockbrokers and analysts
- Financiers

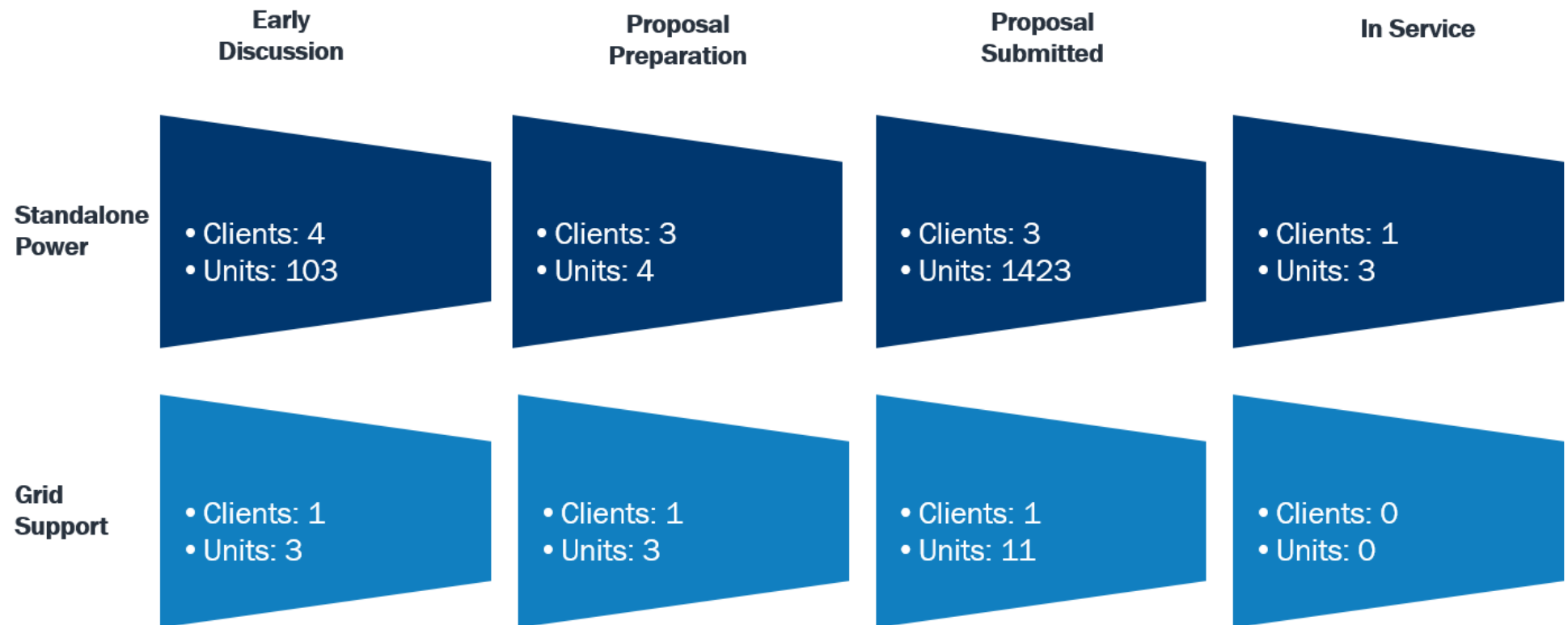


Smart Energy Council Conference

- Powerhouse engaged with 2,000 delegates at the Smart Energy Council Conference.
- Jason Denholm, General Manager of Technology Solutions, presented how Powerhouse technology is transforming the energy industry, highlighting capabilities and its ability to drive sustainability.
- Engaging discussions about the technology and the team's efforts supporting Queensland's renewable efforts.

Powerhouse Sales Funnel

TOTAL CUSTOMERS: 13
TOTAL UNITS: 1550



Powerhouse – Expanding Target Markets

Coal Seam Gas operators:

- Working with 5 large energy operators with 11,000 wells

Distributed Network Service Providers (DNSP's):

- There are 17 major DNSP's and they are responsible for building, maintaining and operating the electricity distribution networks across Australia
- Powerhouse will help stabilize the grid. DNSP's are closely monitored for interruption in supply and can be financially impacted.
- Powerhouse's advanced software can react almost instantaneously to energy fluctuations and take appropriate action to prevent interruption therefore significantly reducing risks and potential financial penalties.

Load Management

- Peak shaving
- Virtual Power Plant (VPP)

Remote Communities

- Multiple opportunities to provide reliable power to communities
- Opportunity to provide power to a very large cattle station
- Opportunity to provide power to a large industrial processes involved in carbon capture



Engineering Business



Our strategy has been to develop strategic long-term partnerships with large organisations that operate in our target markets.

Current strategic partnerships include:

- **APA** - Broad engineering services panel agreement
- **Melbourne Water** (15 year relationship) - Multi-year Operational Technology Maintenance & Project Delivery contract
- **South East Water** (7 year relationship) - Intelligent Services panel agreement
- **Water Corporation** - Five-year + process control panel
- **Metro Trains Melbourne** and **Southern Program Alliance** - Ongoing services to rail network
- **ANSTO** (8 year relationship) - Multi-disciplinary engineering panel
- **KBR** Strategic partnership for collaboration on large scale opportunities
- **Chevron, Inpex, Woodside, CSL, Aspen, Pfizer, John Holland and Programmed** - Multi-year services agreements
- **Siemens, Rockwell, Schieder** and **Inductive Automation** - Strategic integrator and technology partnerships

Engineering - Major Achievements

The Synertec engineering team continued to be a partner of choice for our critical infrastructure clients with our projects contributing to the safety and security of communities around Australia. Significant project achievements for FY 24 included:

- Our process and mechanical team successfully delivered engineering designs for key upgrade projects at a propellant and explosives manufacturing facility in NSW contributing to the Australian Government's sovereign defence capacity building objectives.
- Programming, validation and commissioning services for APA Limited supporting their East Coast Grid Expansion project. Synertec's work supported conversion of APAs network to become bi-directional, allowing gas to flow south from Queensland to prevent potential gas shortages in NSW and Victoria.
- Successful deployment of a complex fire and life safety control system for the Melbourne Underground Rail Loop (MURL). The deployment includes a new automated smoke extraction and evacuation system for the existing tunnels and underground train stations contributing significantly to the safety of Melbourne's commuters.
- Integration and commissioning of a back-up treatment facility for Melbourne Water's Silvan Treatment Plant whilst maintaining 100% up-time for the main plant. This project provided much needed redundancy and resilience to the potable water supply for over half of Melbourne.



Engineering Business



The Engineering business remains profitable, operating cash positive and with circa. \$100m pipeline of opportunities:

Growth initiatives include:

- Expand Western Australian presence leveraging Water Corp panel to grow base of work in Water, Power and Gas, Future Energy
- Pursue strategic opportunities to expand operations in NSW and Queensland through partnerships targeting Water, Power and Gas, Life Sciences, Future Energy
- Further grow Engineering consultancy in the Renewables market



ESG

Environment

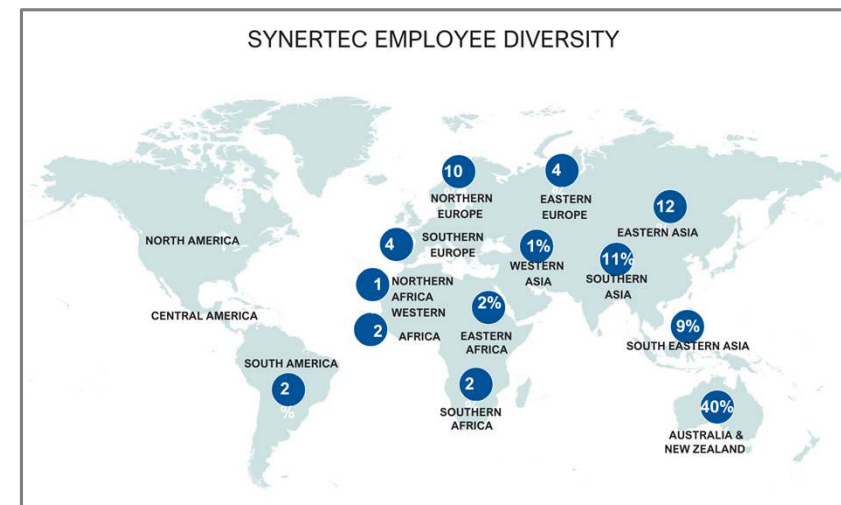
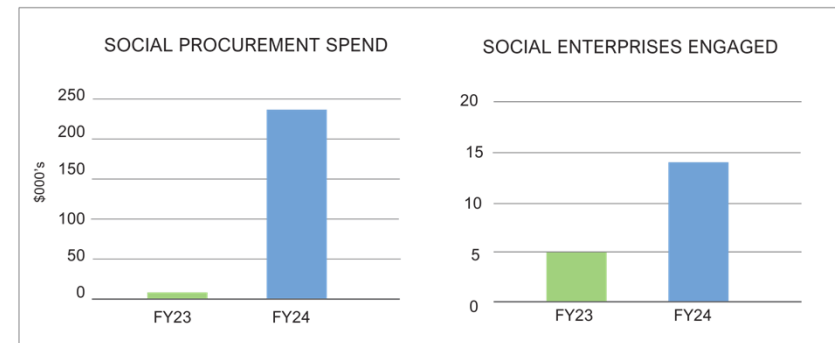
- Targeting Net Zero by 2030.
- Focusing on measuring and reducing Scope 1 and Scope 2 emissions.
- Powerhouse Technology; Cutting emissions by 800 tonnes of CO2e annually at one site alone.

Social

- Committed to enhancing our social impact by increasing our spend with social enterprises, as illustrated.
- We take pride in our diverse workforce, representing a range of backgrounds from around the globe.
- Developing a diversity strategy to further strengthen our commitment to inclusivity and social responsibility.

Governance

- Committed to excellence in governance - focus on Cyber and Information Security with ISO certification in Information Security (ISO 27001)
- On-going education regards cyber trends, feeding back to continuously improve systems and infrastructure to strengthen security.
- Quality (ISO 9001), Health & Safety (ISO 45001), and Environmental Management (ISO 14001).
- ISN rating improved to 86.23, achieving an 'A' grade for HSE practices.



Managing Director's AGM Comments



Michael Carroll
Managing Director

Our share price performance has been disappointing and this needs to be acknowledged. The perceived lack of progress with regards to the commercialization of Powerhouse has had a profound impact on our share price. However, there has been significant progress, as evidenced by a repeat order for 2 units from Santos, the formation of a dedicated technical/sales team, an expanding target market, growing near term opportunity, the outcome of these initiatives openly communicated via our Sales Funnel contained in this presentation.

Significantly, this Australian engineered and built technology, can now point to more than two years of operational field data that validates previously unachievable performance metrics in remote power supply such as: greater than 99.9% availability, one annual maintenance site visit (down from greater than 50), no emergency shut down response site visits and, Powerhouse is cheaper than gas or diesel power generation.

The challenge is that the sales cycle is long. Powerhouse is a new concept, being offered to very large, conservative oil and gas, mining and energy operators. The approval processes have been extensive, involving multi-national investment review committees and expert panels interrogating the performance data. The upside to these extensive, long processes are that the Powerhouse fundamentals are now accepted, the barriers to competition are high, and the prize is very large when we succeed.

Our Engineering business is solid. We have experienced some industry wide head winds to which we responded with a decisive re-calibration of our workforce. We are now appropriately structured, with the skills required to take advantage of our “all time” record high pipeline of opportunity.

In summary, our fundamentals have never been more solid, and we are advancing on our opportunities. Our strategy is playing out, and I am confident that we will be successful, and our success will translate to significant shareholder value.



Michael Carroll
Managing Director

For more information and all media enquiries, please contact:

Mr. Michael Carroll Managing

Director Phone: +61 (3) 9274

3000

Email: michael.carroll@synertec.com.au

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



SYNERTEC

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.