VOLT POWER GROUP LIMITED

ABN: 62 009 423 189

ASX CODE: VPR

BOARD

Simon Higgins
Non-Executive Chairman

Adam Boyd
CEO & Managing Director

Peter Torre
Non-Executive Director

ISSUED CAPITAL
9,345M Ordinary Shares
680M Unlisted Options

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REGISTERED OFFICE
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ASX ANNOUNCEMENT

1 March 2021

FY21 FULL YEAR REPORT

VOLT DELIVERS MAIDEN FULL YEAR PROFIT

Highlights & Milestones

- A 63% increase in Ordinary Revenue compared to the prior FY20 Full Year Report to $3.06 million and Total Revenues of $4.76 million (including $1.3 million of legal settlement proceeds);
- A 227% EBITDA[1] increase compared to the prior FY20 Full Year Report to $2.03 million;
- Record Wescone crusher sales & repair revenues;
- Secured a 'beachhead' 5-Year Master Hire Agreement for the deployment of the EcoQuip Mobile Solar Light Tower (MSLT) at the Chevron operated Gorgon natural gas facility on Barrow Island, WA (Barrow Hire Agreement);
- Completed manufacture and initial deployment of 25 MSLTs to the Chevron operated Gorgon natural gas facility under the Barrow Hire Agreement;
- Commenced manufacture of another 10x MSLTs scheduled for assembly completion and demonstration deployment in March/April 2022;
- Secured settlement of the Company's claims against the Wescone vendor for a $1.3 million payment to Volt on a no-fault basis;
- Provided new equity of $0.54 million to EcoQuip increasing Volt ownership to ~70%. The funding was applied to completion of the EcoQuip MSLT Gen4 development and EcoQuip MSLT fleet expansion to 65 units;
- Received ~$0.76 million in R&D Tax Rebate funding;
- Completed a comprehensive EPC Price Enquiry response for the installation of two zero emission ATEN Waste Heat to Power systems totaling ~35MW at two Western Australian domiciled power stations for a Tier 1 resource company;
- Advanced development of a new ATEN Waste Heat to Hydrogen technology, HYTEN and submitted a HYTEN patent application;
- Continued ATEN Waste Heat to Power business development activities with positive engagement on multiple project opportunities continuing.

Volt CEO & Managing Director, Mr Adam Boyd said;

"The Volt Board is delighted to announce that the Company has achieved a Full Year positive EBITDA[1] and Profit result of $2.03 million and $0.59 million respectively. The 2021 Full Year Report results are provided in the Table below.

Description	12-months ended 31 December 2021 ($'000)	12-months ended 31 December 2020 ($'000)	Change
Revenue from Ordinary Activities	3,063	1,883	63%
Other Revenue	1,699	520	227%
Total Revenue	4,762	2,403	98%
EBITDA[1]	**2,025**	**(299)**	**777%**
Profit Attributable to Members	589	(588)	200%

[1] excluding $1.176 million non-cash executive option issue expense.

"The 2021 year has advanced the Company's ongoing transformation to a successful technology development, commercialization and deployment business.

"Management has continued to create and develop new innovative equipment solutions that achieve significant benefits for potential customers in two growing market segments:

1. New equipment solutions for the resources industry that deliver productivity, safety and cost reduction outcomes **(Mining Solutions)**; and

2. New energy efficiency and carbon abatement technologies that reduce costs, scope 1 emissions and site based human resource requirements **(ESG Solutions)**.

"Since 2018, the Company has created three new equipment technologies across our business divisions. Further, we have created and matured reliable supply chain partner relationships and executed a targeted business development campaign to identify customers that understand the value proposition our equipment solutions deliver.

"These achievements combined have now started to deliver improved financial performance and provide improved clarity on the exciting growth opportunities that lay ahead.

Mining Solutions – Wescone Crushers (100% owned)

"The Company's Wescone business is the original equipment manufacturer of the proprietary W300 sample crusher installed extensively in port loading and assay sample preparation infrastructure utilized by the global iron ore industry and metallurgical laboratory sector.

"During 2019/20, Wescone developed a new W300 crusher to complement its existing product range – the W300 Series 4. The W300 Series 4 development was initiated to improve iron ore sample preparation systems for BHP. This culminated in the August 2020 execution of a 5-Year contract with BHP to replace the BHP sample crusher fleet with the new Wescone W300 Series 4 crusher. BHP and FMG were supplied multiple W300 Series 4 crusher units during the period.

"Wescone achieved record sales revenue and EBITDA performance during 2021. Total 2021 audited revenue totaled ~$2.5 million. This was an exceptional result and exceeded budget. The business supplied a total of 19 new crushers to resource companies operating in Western Australia, Queensland and Canada. Wescone clients include BHP, FMG, Rio Tinto, Roy Hill and Glencore. The business also completed multiple crusher refurbishments and service exchange activity for its Tier 1 client base.

"In March 2021, the Wescone business also signed a new Distribution Agreement covering Africa with South African domiciled, Solid Process Automation (Pty) Ltd (SPA). The SPA owner has 20+Years of experience in robotic assay laboratory design and installation and long-term relationships within the African resource sector. We are excited about the significant opportunity to develop a high-quality market footprint in Africa in partnership with SPA.

ESG Solutions – EcoQuip Mobile Solar Light & Communications Towers (70% owned)

"EcoQuip is the developer and owner of a new "next generation" Mobile Solar Light & Communications Tower solution incorporating a proprietary, high efficiency solar / battery energy storage system (BESS) capable of up to ~40% enhanced solar charge performance efficiency compared to similar industry standard solar / BESS

systems. EcoQuip, together with its industry and US aero-space partners have created a sophisticated power management system that is telemetry and remote control enabled.

The solution has enabled EcoQuip to set a new benchmark in BESS reliability and safety, charge efficiency, and power budget redundancy delivering enhanced reliability performance for mission critical remote site lighting and communication / network reinforcement (including site illumination and autonomous mining network reinforcement).

“In October 2021, EcoQuip completed a “beachhead” deployment of 25 new Mobile Solar Light Towers (MSLT) at the Chevron operated Gorgon natural gas facility located on Barrow Island, Western Australia (Chevron Deployment). This deployment was the initial deployment pursuant to a 5-Year master dry hire agreement signed in July 2021. To date, the deployed MSLTs have operated with 100% performance reliability without fault or outage.

“Since the Chevron deployment, EcoQuip has experienced a significant increase in new enquiry for both MSLT and Mobile Solar Communication Tower (MSCT) solutions. Recently, we executed a 4-month demonstration arrangement with Santos to deploy two MSLTs in South Australia. We hope to secure a similar arrangement with BHP after demonstrating our technology development credentials by agreeing some design and software enhancements to satisfy internal BHP standards. These are exciting developments for our Company after years of focused technology development application, however any agreement with BHP remains incomplete.

“During 2021, the EcoQuip team completed initial development and completion of a proof-of-concept autonomous communications sentinel (ACS) working with our technology partners. The ACS is an outstanding solution achieving live data connectivity and situational security awareness using Ai recognition software. The ACS can be deployed in any remote or urban environment as it has a commercially advantaged live satellite uplink capability thereby enabling long term, unmanned remote deployment and low-cost connectivity in locations with or without 4G, Wi-Fi and fixed internet infrastructure.

“The ACS is an exciting new product platform for the EcoQuip business. Our market soundings and evaluation has identified a significant market opportunity in remote unmanned security monitoring, resource sector workplace awareness and isolated remote exploration camp connectivity.

“The EcoQuip MSLT, MSCT and ACS platforms are unique proprietary technology. The power management system has now demonstrated the “step change” power budget capability, reliability, related redundancy and performance required to disrupt the traditional diesel light tower and autonomous mining system reinforcement solutions.

“Rising global hydrocarbon fuel prices and increasing focus on ESG credentials by companies and investment markets alike augurs well for a high-quality growth trajectory in our EcoQuip business.

ESG Solution - ATEN / HYTEN Waste Heat to Power / Hydrogen

“The Company’s ATEN Technology is a zero emission, baseload waste heat to electricity generation solution. By exploiting low grade industrial waste heat otherwise vented directly to atmosphere, ATEN generates incremental electricity and produces no emissions. The energy efficiency improvement delivered by ATEN achieve significant Scope 1 emission reduction and eligibility for Australia Carbon Credit Units (ACCUs) when retro-fitted to an existing waste heat resource.

“Together with our EPC and OEM partners, Volt responded to a Tier 1 resource company request to install two zero emission, baseload ATEN Waste Heat to Power systems with a combined ~35MW at two existing Australian domiciled power stations (Price Enquiry Response). This was a significant undertaking and was only possible after the significant 4-Year strategic investment the Company has made in the ATEN Technology (secured by a certified Australian Innovation Patent).

“The Price Enquiry response results and recent significant increase in ACCU values highlight the significant technical and cost benefits of ATEN Vs an equivalent annual generation solar / BESS system. Our own analysis confirms that ATEN achieves a 50+% lower levelized cost of energy (LCOE[1]) than a generation equivalent solar / BESS system.

"The Board continues to see great opportunity for our zero emission, baseload ATEN Waste Heat to Power technology. Significant momentum is building throughout global industry to achieve material carbon intensity reduction and elevate ESG and social licence credentials.

"Our ATEN system does not require a significant site footprint or network frequency management costs. The commercialization of ATEN has required patience and vision. However, the potential ATEN clients we are working with have maintained technical and value focus and continue to work with us to work through their evaluation processes.

"The Company advanced the development of a combined ATEN and proven, high efficiency alkaline electrolyser solution to produce zero emission hydrogen during 2021. The combined ATEN / electrolyser system is called, HYTEN. The preliminary engineering results for HYTEN are exciting. The information indicates that HYTEN enjoys low zero emission electricity supply cost, CAPEX and other technical competitive advantages compared to highly promoted Green Hydrogen solutions. We are advancing completion of a HYTEN study and looking forward to updating shareholders on the HYTEN strategic rationale and competitive advantages once this study is complete.

"The Board is excited about the opportunities that lay ahead of the Company in 2022. Our primary focus will be to continue to growth the Company's revenues by the deployment of our innovative equipment solutions.

"Finally, a sincere thanks to our people and shareholders. Your patience, commitment and persistence are recognized and appreciated.

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 develop and 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 equipment solution. The ATEN is at an advanced stage of initial commercialisation (certified Australia Innovation Patent secured). 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, improved reduction ratio and durability specifications;

- **EcoQuip** (~70%) – a developer and owner of a 'best in class' Mobile Solar Light & Communications Tower solution (MSLT / MSCT) incorporating robust design attributes including US military spec design & build quality, solar / lithium (LFP) battery storage solution and advanced power management, data telemetry & control system capable of LED lighting, LTE Wi-Fi, 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, infrastructure asset / equipment and project delivery capability.

About the ATEN Technology (AIP #2020101347): 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 energy 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 ~50% lower than gas and ~80% lower than diesel generation;
- LCOE* ~25% - 50% lower than Solar / BESS installations based on equivalent annual generation and zero emission performance;
- CAPEX ~60% lower than Solar / BESS 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 hydrocarbon fuelled generation (where relevant) using the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including ACCUs ($30/ACCU) and RECs ($30/REC) as applicable.**