



## ASX Announcement

28 February 2025

### FY25 H1 Financial Results and Operational Highlights

**Melbourne, Australia:** Technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec", "the Company" or "the Group") is pleased to provide the Company's financial results and a summary of key achievements for the six months ending 31 December 2024 ("FY25 H1" or "the Period").

Summary FY25 H1 Financial Results	FY25 H1 (\$m)	FY24 H1 <sup>1</sup> (\$m)	% Change
Group Cash receipts from customers	10.5	9.7	Up 9%
Cash Balance	7.1	5.3	Up 34%
Net Cash used in Operating Activities	(1.2)	(2.9)	Down 56%
Group Revenue & other income	8.5	9.1	Down 7%
Engineering Consultancy Services Revenue	6.6	6.8	Down 3%
Technology Revenue	1.0	0.4	Up 137%
Engineering EBITDA	0.4	0.01	Up +300%
Technology EBITDA	(1.7)	(1.8)	Up 10%
Normalised Group EBITDA <sup>2</sup>	(2.2)	(1.9)	Down 13%

<sup>1</sup> Prior Comparative Period ("pcp")

<sup>2</sup> Normalised EBITDA excludes costs which are discretionary for the purposes of exploring strategic long term growth opportunities and/or activities and expenses which not considered to be typical ongoing operational overheads for the business.

#### FY25 H1 Financial Highlights

- Group revenue & other income for the period was \$8.5m down 7% on PCP
- Rolling 12month group revenue and other income circa \$18.8m
- Net cash of \$7.1m as of 31 December 2024
- \$3.5m drawn from Altor facility with a further \$11.5m facility available providing capital flexibility to execute growth initiatives
- Decisive cost cutting has delivered circa \$1.1m savings within the Period and budgeted to save \$2.5m over FY25
- Powerhouse contributed circa \$1m in revenue for 1H FY25, up 137% PCP



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## FY25 H1 Operational Highlights

- Clients approaching FID with regards to significant Powerhouse procurement opportunities
- Powerhouse continues to deliver greater than 99.9% availability in the field across multiple installations
- Low cost supply chain investigations have yielded the potential for greater than 30% reduction in battery and fabrication costs
- Engineering continues to win projects despite challenging conditions, securing 45 new projects

### Synertec's Managing Director, Mr. Michael Carroll, commenting on FY25 H1 said:

*"The hard decisions regarding our workforce previously announced have resulted in cost reductions from Engineering and corporate services of approximately \$1.1million for the Period and will equate to \$2.5million annualised. However, we continue to invest in building capability and capacity to support Powerhouse and adjacent applications of the technology. We are focused on near-term opportunities with major energy players for a substantial rollout of Powerhouse units, and on this point, we are progressing."*

## Financial Performance

Synertec generated revenue and other income for the Period of \$8.5 million, down 7% on pcp (31 December 2023: \$9.1 million). This was as due to a reduction in fixed price projects from \$1.9 million last year to \$0.9 million this financial year. This move in revenue mix is a deliberate strategy to improve profitability.

Engineering consultancy services generated \$6.6 million in revenue, a decrease of 3% on pcp (31 December 2023: \$6.8 million). This revenue decline was offset by an increase of \$1.0 million from Technology, up 137% on pcp (31 December 2023: \$0.4 million), with all three Powerhouse units earning revenue for most of 1H FY25.

Despite a cooling of activities in the broader engineering sector our engineering business remains more profitable and cashflow positive on the prior comparative period.

Please refer to Synertec's H1 FY25 Interim Financial Report for further information on the Company's performance.

## Powerhouse Technology

- **First Generation Unit Upgraded:** The original prototype unit has been upgraded, incorporating years of field experience and aligning it with our second-generation units. This upgraded unit is scheduled for re-deployment to a Santos site in Q3.
- **Second Generation Units Operational:** Powerhouse unit 2 has been operating seamlessly since its cutover in September 2024, demonstrating exceptional performance ( $\geq 99.9\%$  up-time) with high reliability and lower costs. Additionally, Powerhouse unit 3 has been successfully commissioned and is ready to commence operation. The outstanding performance of these second-generation units underscores our technological advancements and commitment to delivering high-quality, cost-effective solutions.
- **Accreditation Milestone Achieved:** We have submitted the site accreditation dossier to Santos, which will enable Synertec to manage all future site installation and commissioning works. This will substantially compress installation schedules and reduce costs as Synertec will directly control the deployment activities. This further differentiates Synertec from any future competition and enables us to offer a full end-to-end energy solution that is cost-competitive, user-friendly, and convenient.
- **Strategic Supplier Engagement:** Synertec's Chair and Managing Director have travelled to China to engage with global component suppliers and manufacturers. This engagement ensures a resilient, adequate, timely, and cost-competitive supply chain, crucial for maintaining our "first mover" advantage as we advance on substantial contract opportunities.



- **Continued Progress in Oil and Gas Sector Opportunities:** We continue to make progress on several key opportunities in the gas sector, across multiple gas fields. These opportunities represent substantial growth potential and remain a strategic focus for Synertec. Notably, discussions with key clients have advanced, including clients approaching Final Investment Decision (FID) with regards to significant Powerhouse procurement opportunities.
- **Expanded Product Portfolio:** In line with our commitment to innovation, we have developed and submitted proposals for adjacent applications of the Powerhouse technology. The opportunity is to provide an advanced battery control system that is Australian designed, developed and maintained. Typically, our competitors are foreign entities requiring connectivity to "headquarters" based in other countries. Synertec's systems, given our long and proud Australian heritage, eliminate concerns of foreign-controlled entities having direct access to critical Australian Infrastructure, such as the national energy grid. We have submitted proposals to Distributed Network Service Providers (DNSPs) for community battery applications, including advanced energy management and grid support functionality, highlighting our innovative approach to energy storage and distribution.

### Engineering

- **Mobilisation for Western Australia's Water Corporation select Panel:** Synertec is pleased to announce its admission to the Water Corporation's Panel, prequalifying us to bid for significant automation and control works throughout the entire State of Western Australia. The panel consists of six members with an estimated total budget of \$100 million per year. During this period, significant activities were undertaken to mobilise in preparation for this program, including the recruitment of key roles such as a Program Manager, training and induction of staff, familiarisation with Water Corporation assets, standards and policies, relocation to a new Synertec Perth office in Leederville, and the commencement of scoping activities for projects administered under the panel.
- **Continued Growth in Water:** Our strategy to target and expand our water offering along the east coast of Australia is gaining momentum, with 17 new projects across seven separate water industry clients.
- **Critical Infrastructure:** As a general observation, the sector is delaying investment decisions but not cancelling projects, resulting in a broad sector slowdown. Nonetheless, the second quarter saw significant project wins with Chevron, GrainCorp, ANSTO, and projects to support clients in Defence.
- **Cost-out initiatives:** The second quarter saw the implementation of several cost-saving initiatives in response to an industry-wide downturn. These included a headcount reduction of approximately 20% of our workforce, rationalisation of overheads, and reduction in facility expenses. Management responded decisively to recalibrate the workforce in both headcount and skills to respond to the pipeline of opportunities we see in the short and medium term.

### Outlook

During the remainder of FY25, Synertec will:

- Safely and efficiently complete Powerhouse commissioning and site works at Santos;
- Focus on closing near term Powerhouse opportunities;
- Continue to develop strategic partnerships to expand market opportunities for Powerhouse;
- Advance opportunities to apply our Powerhouse IP to different markets;
- Develop supply chain partnerships that deliver significant cost advantages and supply resilience;
- Continue to execute our Engineering strategy of targeting and winning long term contracts with government agencies and large infrastructure entities.



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## Board Renewal

As previously announced on 29 October 2024, Mr. Dennis Lin will be stepping down as the Chair and Non-Executive Director of Synertec Corporation Limited, effective today, 28 February 2025. We would like to express our sincere gratitude for Mr. Lin's significant contributions during his tenure as Non-Executive Director and more recently as Chairman. His leadership and dedication have been invaluable to the company. We extend our best wishes to Mr. Lin in his future endeavours.

Mr Johannes Risseeuw current Chair elect assumes the Chairman's role as of the 1st of March 2025.

**-ENDS-**

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

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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.