



## ASX Announcement

5<sup>th</sup> May 2025

### FY25 3Q Trading and Business Update

**Melbourne, Australia:** Technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec", "the Company" or "the Group") is pleased to provide an update on its activities for the quarter ended 28 March 2025 (FY25 3Q, or "the Period"). All figures are unaudited unless stated otherwise.

#### FY25 3Q Financial Highlights

- **Group revenue & other income for the period of \$4.4m which is 7.7% up on Q2 revenue**
- **Rolling 12month group revenue and other income of \$18.1m at the end of 3Q**
- **Net cash of \$4.6m as at the end of 3Q**
- **No further drawings from the Altor facility for the Period with \$11.5m available providing capital flexibility**
- **Net operating cashflow for the Q3 amounts to a cash outflow of \$1.7m**
- **Continued focus on cost-out initiatives has delivered circa \$2m savings year to date with further potential savings expected to materialise, as planned, over the remainder of FY25**
- **Powerhouse contributed \$1.4m in revenue year to date, up 117% on PCP**
- **Synertec's unique Liquid Natural Gas (LNG) Custody Transfer System (CTS) gains US Patent approval**
- **Engineering secured 32 new projects during the Period with a subsequent 21 projects since quarter end indicating conditions are improving**
- **Engineering business remains profitable and cashflow positive**

#### Synertec's Managing Director, Mr. Michael Carroll, commenting on FY25 3Q said:

*"Our Powerhouse units in the field continued to operate autonomously during and after the arrival and impact of tropical cyclone Albert in Queensland. This has further demonstrated the Powerhouse value proposition, and that Powerhouse is an incredibly robust and reliable remote, industrial, standalone, microgrid technology that continues to operate autonomously during and after an extreme weather event, while traditional fossil fuel generators fail or run out of fuel due to road closures preventing refuelling and essential maintenance activities.*

*We have significantly progressed design and the delivered cost of multiple-Powerhouse units making the technology even more economically competitive. Our engineering teams are well progressed to complete final commissioning works and close out design details on potential Powerhouse multi-unit installation opportunities and I look forward to updating all our shareholders on the progress of these opportunities in due course."*



## Technology

### Powerhouse

- **Installed Powerhouse Units continue to operate at greater than 99.9% availability**

The Powerhouse units located in the Surat Basin around Roma, Queensland continue to perform exceptionally well despite the well-publicised severe weather events and on-going impacts associated with tropical cyclone Alfred, again demonstrating the exceptional performance and benefits of autonomous control and Predictive Intelligence during catastrophic weather events.

- **Strategic Supplier Engagements:** Further to the 1H update regarding Synertec's Chair and Managing Director having travelled to China to engage with a range of key component suppliers and manufacturers, another Synertec management and engineering delegation travelled to China within the Period and engaged in detailed design and supply discussions. The result of the discussions are significant bulk discount pricing on advanced battery technology that better meets the demands of Powerhouse's target applications. For Powerhouse, this means greater reliability, greater service life, and significant cost savings over the current technology. Importantly, the arrangement secures the ability to deliver hundreds of Powerhouse units per year, improving Powerhouse's technological and commercial competitiveness.
- **Strategic Partnerships:** Our extensive engagement with potential clients and global suppliers consistently confirms the unique capability of the Powerhouse standalone, grid-forming control system. This has been recognised by the world's largest battery manufacturer, resulting in their approach to Synertec to form a partnership that will leverage their advanced battery technology, manufacturing capacity and access to major projects, with Synertec's highly advanced AI enabled standalone, grid forming control system. This partnership will enable Synertec to participate in utility scale solutions requiring sophisticated control systems to deliver large energy demands. Synertec is well advanced in these discussions and expects to be in a position to provide further updates within 4Q.
- **Severe Weather has impacted two key activities:**
  - **Final Stages of Commissioning of a Powerhouse Unit:** The final commissioning works for the relocation of a Powerhouse unit were scheduled for completion late in 3Q. However, due to severe weather events associated with tropical cyclone Albert, these works have been delayed and are now due for completion mid- 4Q. The unit is contracted and continues to contribute revenue throughout the commissioning activities, which has otherwise progressed well.
  - **Site investigation and deployment planning works:** Our engineering team is waiting for flood waters to dissipate in the Cooper Basin to gain access to our customer's operational sites to finalize design activities in preparation for potential Powerhouse installations. Currently, it is estimated to be several weeks before site access will be possible. In the meantime, Synertec is working closely with our customer to plan for when the area is re-opened



- Synertec's Powerhouse team will be available at the following upcoming conferences in May 2025:
  - The Decarbonised Mine Conference in Perth, 6-7 May 2025
  - The Australian Energy Producers Conference & Exhibition in Brisbane, 26-29 May, Exhibition Booth #12

### LNG Custody Transfer System

- **Synertec's unique LNG Custody Transfer System gains US Patent approval:** Synertec's highly specialized, compact and accurate LNG fiscal Custody Transfer System (CTS) gained US Patent approval, which is expected expedite subsequent approvals in other major jurisdictions. The CTS technology precisely calculates the monetary value of a cargo of LNG. The patented system is applicable to both land based and marine installations because of its compact design and ability to deal with line pressure fluctuations that render traditional systems inaccurate. A typical cargo of LNG is circa. \$15m to \$20m so inaccuracies can result in significant lost revenue on each cargo, which is compounded over multiple cargos.

While Synertec's focus has been, and will remain on multi-Powerhouse orders, the growing realization of LNG in the future global energy mix has resulted in a growing number of CTS enquiries.

### Engineering

- **Project Awards in Western Australia (WA):** The team have had their first project award under the Water Corporation Process Control Technologies Panel securing a project to carry out control system and electrical upgrades at Karratha and South Headland treatment plants in northern Western Australia. The project award validates Synertec's technical capabilities and commercial competitiveness against the incumbent panel members. As mentioned, this is Synertec's first Water industry win in WA under the new panel arrangement and complements our ongoing work in oil and gas in WA.
- **Strategic expansion in the northern states:** Q3 saw solid progress in expanding our core offerings in NSW and Queensland. The team have secured positions with ANSTO on their newly established Chemical & Process Engineering and Instrumentation & Control Engineering panels to continue our long history of supporting their critical infrastructure at the Lucas Heights facility. Further significant opportunities are progressing well in the Water sector and the Transport sector.
- **Large pipeline of opportunities and improved trading conditions:** The Engineering business has secured 31 new contracts for the Period and encouragingly since 1<sup>st</sup> April 2025 a further 21 new contracts have been secured. The observation is that opportunities that have been pending for award for many months are now being approved to proceed.

While contract volumes and resulting revenue over the Period remained constrained, margins have improved. Management is seeing early indications of improving trading conditions and, a demonstrable sustained trend of improving margins in the Engineering business.



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

## Strategic Review

- **Strategic Review of Operations:** The Board is constantly mapping the company's current strategy against future trends and the business' ability to deliver value for our stakeholders. As part of this ongoing process, and the annual strategic review process, the Board has initiated an expanded strategic review of the Group with the objective being to extract maximum value for shareholders from the Engineering and Technology business lines.

**-ENDS-**

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

Mr. Yash Gala  
Chief Financial Officer  
Phone: +61 (3) 9274 3000  
Email: [yash.gala@synertec.com.au](mailto:yash.gala@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.