

**ASX CODE:** VPR

**BOARD**

**Adam Boyd**  
Executive Chairman

**Paul Everingham**  
Non-Executive Director

**Peter Torre**  
Non-Executive Director

**Simon Higgins**  
Non-Executive Director

**ISSUED CAPITAL**

9,345M Ordinary Shares  
660M Unlisted Options

**PRINCIPAL OFFICE**

6 Bradford Street  
Kewdale WA 6105

**REGISTERED OFFICE**

Unit B9, 431 Roberts Road,  
Subiaco WA 6008

**CONTACT**

**Mr Adam Boyd**  
Executive Chairman

P: + 61 8 9350 6880  
M: +61 439 888 103  
E: info@voltpower.com.au

[www.voltpower.com.au](http://www.voltpower.com.au)

## ASX ANNOUNCEMENT

2 May 2022

### Volt Power – Q1 FY22 Operational Activity Update

<b>Q1 FY22 HIGHLIGHTS</b>
<b>Group achieves record Q1 ordinary revenues received of \$0.83 million - (Q1 FY21 comparison \$0.19 million)</b>
<b>Wescone &amp; EcoQuip sales revenue and EBITDA tracking in accordance with FY22 budget</b>
<b>EcoQuip secures 4-month Demonstration Agreement with Santos to trial 2x Mobile Solar Light Tower (MSLT) units</b>
<b>EcoQuip secures 1-month Demonstration Agreement with the Commonwealth of Australia to trial EcoQuip's new Autonomous Communications Sentry security solution</b>
<b>EcoQuip expands manufacture to 30x new MSLT units – up from 10x MSLT units previously reported to supply forecast demand</b>
<b>EcoQuip secures Westpac \$2.0 million Equipment Finance Facility credit approval subject to final documentation</b>
<b>Mr Paul Everingham joins the Volt Board as a non-exec. director</b>
<b>HYTEN Preliminary Study completed subject to report preparation. Highlights significant LCOH<sup>1</sup> competitive advantage - &lt;US\$2.80/kg Vs Solar H<sub>2</sub> ~US\$8-9/kg</b>
<b>HYTEN Preliminary Study results scheduled for release in early June 2022 subject to final Board Approval</b>

#### *EcoQuip (70% owned) – New MSLT Demonstration Trials Commenced*

- EcoQuip is the developer and owner of a new “next generation” Mobile Solar Light & Communications Tower solution (MSLT / MSCT). The MSLT / MSCT solution sets a new benchmark in Solar / BESS reliability and safety, charge efficiency, remote control, data analytics and system redundancy.
- The EcoQuip MSLT incorporates a proprietary, high efficiency solar / BESS power management system capable of up to ~40% enhanced efficiency compared to similar industry standard Solar LED / BESS systems.
- The EcoQuip MSLT is a zero emission, zero maintenance and zero OPEX mobile light tower with the illumination capability and power budget performance to disrupt traditional diesel fueled light tower alternatives extensively deployed in the global resources and construction sectors. The MSLT is 50% cheaper to hire and operate compared to diesel fueled alternatives.

- The new EcoQuip MSLT / MSCT was released in late 2020 and has since been successfully deployed under 1 – 5 year hire contracts at oil & gas and hard rock mining operations across Australia owned / managed by Chevron, AGC and Thiess Contracting. EcoQuip is engaged in discussions to expand the EcoQuip MSLT / MSCT fleet deployments with these foundation customers.
- Most recently, EcoQuip has secured agreement with Santos to complete a 4-month demonstration trial of 2x MSLTs and continues to advocate for the EcoQuip MSLT to displace all diesel fueled mobile lighting solutions across the Santos operational asset base.
- EcoQuip advanced demonstration trial contract negotiations with BHP during the quarter for the deployment of 3x design enhanced MSLT units at the BHPIO Pilbara operations. Management understand BHPIO has in excess of 300x diesel fueled mobile light towers in the Pilbara. These negotiations are advancing positively and remain incomplete, however EcoQuip anticipates conclusion in May 2022.
- The Commonwealth of Australia and EcoQuip reached agreement to undertake a 1-month trial of a new EcoQuip live situational awareness security and communications solution with satellite uplink capability (Autonomous Communications Sentry or ACS). The ACS was deployed in early April 2022 and management are pleased with the trial performance to date.
- The EcoQuip business has noted a significant ESG policy and data capture driven tail winds from the resources sector as businesses work to identify genuine carbon intensity reduction technologies that can be immediately deployed. Industry labour shortages and increased fuel costs are playing to the zero OPEX and maintenance strengths of the MSLT technology.
- The 25x MSLT Chevron (Barrow Island) deployment continues to operate with outstanding performance reliability and detailed discussions for a significant increase in the size of the MSLT fleet deployed at Barrow Island continue to advance, however remain incomplete at the time of preparation of this report.
- EcoQuip's 65x Mobile Solar Light Tower (MSLT) and Mobile Solar Comms Tower (MSCT) fleet has maintained fleet utilization at ~70% during the Quarter. The EcoQuip business continues to generate surplus operating cashflow.
- During the Quarter, EcoQuip increased its procurement of long lead time component quantities from 10x MSLTs to 30x MSLTs. These components have now arrived at our workshop facility from the USA and assembly commenced.
- EcoQuip was successful in securing credit approval for a \$2.0 million Equipment Finance Facility with Westpac during the quarter. The facility remains subject to final documentation.

### ***ATEN Waste Heat to Zero Emission Power (100% owned) – ESG Competitive Advantage clarity***

- The ATEN Waste Heat to Power technology is a combined heat recovery and organic rankine cycle turbine system that can recover and utilise low grade, industrial waste heat otherwise vented to atmosphere to generate zero emission, baseload electricity.
- The Company completed a comprehensive formal Price Enquiry response for the installation of two zero emission, baseload ATEN Waste Heat to Power systems with ~35MW of combined electricity generation capacity at two existing Australian domiciled baseload, open cycle gas fired power stations (Volt Price Enquiry Response) in Q4 2021.
- The Volt Price Enquiry Response formed a significant component of a broader study performed by engineering consultancy, GHD for the end-user customer (GHD Study). GHD have confirmed that the GHD Study was submitted to the customer in February 2022 however, no feedback has been received from the customer to date. The high-level results of the Volt Price Enquiry Response compared to an equivalent annual power generation Solar / BESS system are detailed in the Table below:

Description	Units	Combined ATEN 1 & 2	Solar / BESS Equivalent	Variance Vs Solar
Capacity (gross / net)	MW (AC)	35.5 / 32.4	106.7	+71.2
Gross Annual Generation (MWh)	MWh	265,375	265,375	-
Capital Cost	\$'M	137.0	255.4	<b>+118.4</b>
Utilisation	%	93.4	28.4	Baseload Vs Intermittency
Annual Scope 1 CO2 Abatement	CO <sub>2</sub> t	159,530	159,530	-
Levelised Cost of Energy (LCOE) <sup>1</sup>	A\$/MWh	47.5	85.7	<b>+38.2</b>

- The Table above highlights that a 107MW (AC) solar array is required to generate the equivalent annual electricity as the combined 32.4MW (AC) ATEN installations. Further, that the two zero emission, baseload ATEN Waste Heat to Power systems the subject of the Volt Price Enquiry Response deliver a combined \$118.4 million Capital Cost saving compared to an equivalent Scope 1 emission reduction Solar / BESS hybrid system.
- Critically, the ATEN LCOE\* is ~45% lower that the cost of an annual generation equivalent Solar / BESS installation (ATEN: A\$47.5/MWh Vs Solar/BESS: A\$85.7/MWh).
- The Volt Board believes that the achievement of the “Net Zero by 2050” pledge by Governments, industry and electricity grid stakeholders globally will require the adoption of multiple technology pathways. The Volt ATEN Waste Heat to Power technology delivers a lowest cost, zero emission solution which resonates with the private sector incentive to maximise return on capital deployed.
- Importantly, the ATEN Waste Heat to Power technology is compatible and complimentary to the installation of Solar / Wind intermittent power generation technologies. ATEN’s zero-emission, baseload power supply capability provides grid firming / stability to electricity grids connected to intermittent Solar/Hybrid generation. ATEN optimises the Scope 1 reduction performance where an available heat resource exists that would be otherwise limited by intermittent wind / solar technologies.
- The Company remains highly optimistic about the near-term commercialization potential of the Volt ATEN Waste Heat to Power solution and continues to prosecute a committed business development activity effort to resource, power generation and gas pipeline operators.

### ***HYTEN – Waste Heat to Hydrogen (100% owned) – Exciting HYTEN Study Results Pending***

- As previously reported, the Company has advanced the flowsheet development of a combined ATEN Waste Heat to Power system with a proven, high efficiency alkaline water electrolyser solution for production of zero emission hydrogen gas. The combined ATEN / electrolyser system is called, HYTEN. A HYTEN patent application has been submitted and related initial patent search due diligence completed.
- The initial HYTEN preliminary feasibility study activities were completed in Q4 FY21 and the results are highly encouraging. The preliminary engineering activities have confirmed that HYTEN has numerous cost and technical competitive advantages relative to an equivalent annual electricity supply Solar to Hydrogen system. These include:
  - A ~50% lower LCOE\* for zero emission electricity supply to the electrolyser;
  - ~300% greater electrolyser utilization performance (baseload Vs intermittent power supply); and
  - At least 50%+ lower electrolyser CAPEX;
  - All delivering a significantly lower Levelised Cost of Hydrogen (LCOH<sup>1</sup>).
- During the Quarter, the Company expanded the scope of the HYTEN Preliminary Study to include downstream hydrogen compression to 102bar and related storage (Compression & Storage). The preliminary engineering, OEM pricing & specification clarification and price estimation activities are close

to completion. The HYTEN Preliminary Study report preparation has commenced with completion scheduled for June 2022.

- The Board is excited about the potential of the HYTEN technology to facilitate existing LNG facilities, natural gas pipeline compression stations and some power station assets to become significant low-cost hydrogen producers by exploiting the waste heat generated by existing energy infrastructure to create zero emission hydrogen.

### ***Wescone (100% owned) – Delivering Reliable On-budget Performance***

- Wescone is the Original Equipment Manufacturer (OEM) of the proprietary W300 sample crusher extensively deployed in the global iron ore and assay laboratory industries. The Wescone OEM offering comprises three sample crushing equipment solutions with alternative dimensional feed acceptance capabilities – the W300 Series 3, W300 Series 4 and W300 Lab crushers.
- During the Quarter, Wescone performed broadly in accordance with its forecast budget for the period. The business continues to respond to numerous new tender opportunities and facilitate the expansion of its partner businesses in South Africa and North America.
- The FY22 Wescone budget forecasts annual revenues of ~\$2.0 million.

### ***Corporate and Appendix 4C – Salient December Quarter Financial & Other Information***

- The Company was pleased announce the appointment of Mr Paul Everingham as a Non-Executive Director immediately subsequent to quarter end. Mr Everingham is the outgoing Chief Executive Officer of the Chamber of Minerals and Energy of Western Australia (CME). Paul finishes his role with CME at the end of May 2022.
- The Company generated positive operating cashflow during the period of approximately \$0.3 million for the Quarter.
- The Company held a cash balance of ~\$1.9 million at 31 March 2022. Ordinary revenue receipts totaled ~\$0.8 million for the Quarter which is significantly higher than for the same period in FY21. The Company's Wescone business traditionally generates higher revenues in Q3 and Q4 in line with planned shutdown execution schedules of the iron ore sector.
- Cash payments for the March Quarter totaled ~\$0.8 million comprising:
  - Research & Development and Intellectual Property - \$0.09 million
  - Staff Costs - \$0.16 million
  - Manufacturing Costs - \$0.32 million
  - Admin & Other Costs (net) - \$0.25 million
- Related Party payments for Non-Executive Director and CEO & Managing Director services for the period totaled \$24,739 representing ~3 months of non-executive director fees. The CEO & Managing Director fees for the period were deferred.

**End**

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**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 power generation and infrastructure asset / equipment developer and owner. The Company's businesses 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 generation equipment solution. The ATEN is at an advanced stage of initial commercialisation. ATEN enjoys Australian Innovation Patent certification. 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, reduction ratio and durability specifications;
- **EcoQuip (~70%)** – developer and owner of a ‘best in class’ Mobile Solar Lighting & Communications Tower equipment solution incorporating robust design attributes including US military spec design & build quality, solar / lithium (LFP) battery and storage solution and advanced power management, data telemetry & control system capable of LED lighting, LTE Wi-Fi mesh repeater, 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 / low emission power generation and contract services, infrastructure asset & innovative equipment footprint.

**About the ATEN Technology:** 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 operating 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 existing 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) compatible with Solar Hybrid systems with high penetration;
- Levelised Cost of Electricity (LCOE)\* up to ~50% lower than gas and ~80% lower than diesel generation;
- LCOE\* ~50% lower than an equivalent annual generation Solar/Battery Energy Storage System (BESS);
- CAPEX ~60% lower than Solar / BESS based on identical annual generation and zero emission performance;
- Hydrogen co-firing capability;
- Carbon Credits (CFI) Act 2011 Offset Project / ACCU eligibility; and
- Zero water & operational personnel requirements

# ASX ANNOUNCEMENT (CONTINUED)



\* Levelised Cost of Energy (LCOE) is based on new ATEN zero emission capacity and operating costs and variable costs of fueled generation (where relevant) in the WA Pilbara region and the ARENA LCOE calculation methodology @ 8% discount rate and 20-year project life including ACCUs (\$30/ACCU) and RECs (\$30/REC) as applicable.

<sup>1</sup>Levelised Cost of Hydrogen (LCOH) is based on the LCOE methodology above inclusive of the capital and operating costs of hydrogen production via alkaline water electrolysis in the WA Pilbara region.



## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Volt Power Group Limited

**ABN**

62 009 423 189

**Quarter ended ("current quarter")**

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	827	827
1.2 Payments for		
(a) research and development	(82)	(82)
(b) product manufacturing and operating costs	(57)	(57)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(161)	(161)
(f) administration and corporate costs	(247)	(247)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes refunded/(paid)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>279</b>	<b>279</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(270)	(270)
(d) investments	-	-
(e) intellectual property	(15)	(15)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(285)</b>	<b>(285)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(6)	(6)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(6)</b>	<b>(6)</b>



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,883	1,883
4.2	Net cash from / (used in) operating activities (item 1.9 above)	279	279
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(285)	(285)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	(6)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,871</b>	<b>1,871</b>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	1,871	1,883
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,871</b>	<b>1,883</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	25
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

Payments totalling \$13,750 (incl. GST) were paid to Isapia Pty Ltd, a company related to Mr Simon Higgins, for non-executive directors' fees.

Payments totalling \$10,989 (incl. GST) were paid to Torre Corporate, a trust related to Mr Peter Torre, for non-executive directors' fees.

The above payments represent three (3) months directors' fees.

7. <b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	32
7.4 <b>Total financing facilities</b>	-	<b>32</b>
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<p>Other financing facilities include hire purchase facilities, which are secured against EcoQuip equipment fleet and motor vehicles, from Toyota Finance, TL Rentals and Capital Finance. There are various interest rates ranging from 5.2% to 9.5%.</p>	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	279
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,871
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,871
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: By the Board

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.