



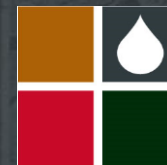
# Investor Presentation

February 2020

# *Next-generation technology for solids-liquid separation in mining, water and wastewater*

SciDev is a leader in the development and application of both chemistry and process control for solids-liquid separation.

SciDev brings together world-class technology, chemistry, management and manufacturing capabilities to solve pressing operational and environmental issues for the minerals processing, tailings, water treatment and Oil & Gas markets.





# *Financial Highlights*



# FINANCIAL HIGHLIGHTS

SciDev is in a strong financial position to continue advancing opportunities in our growth pipeline

Our aim is to maintain a positive balance sheet to provide flexibility for growth

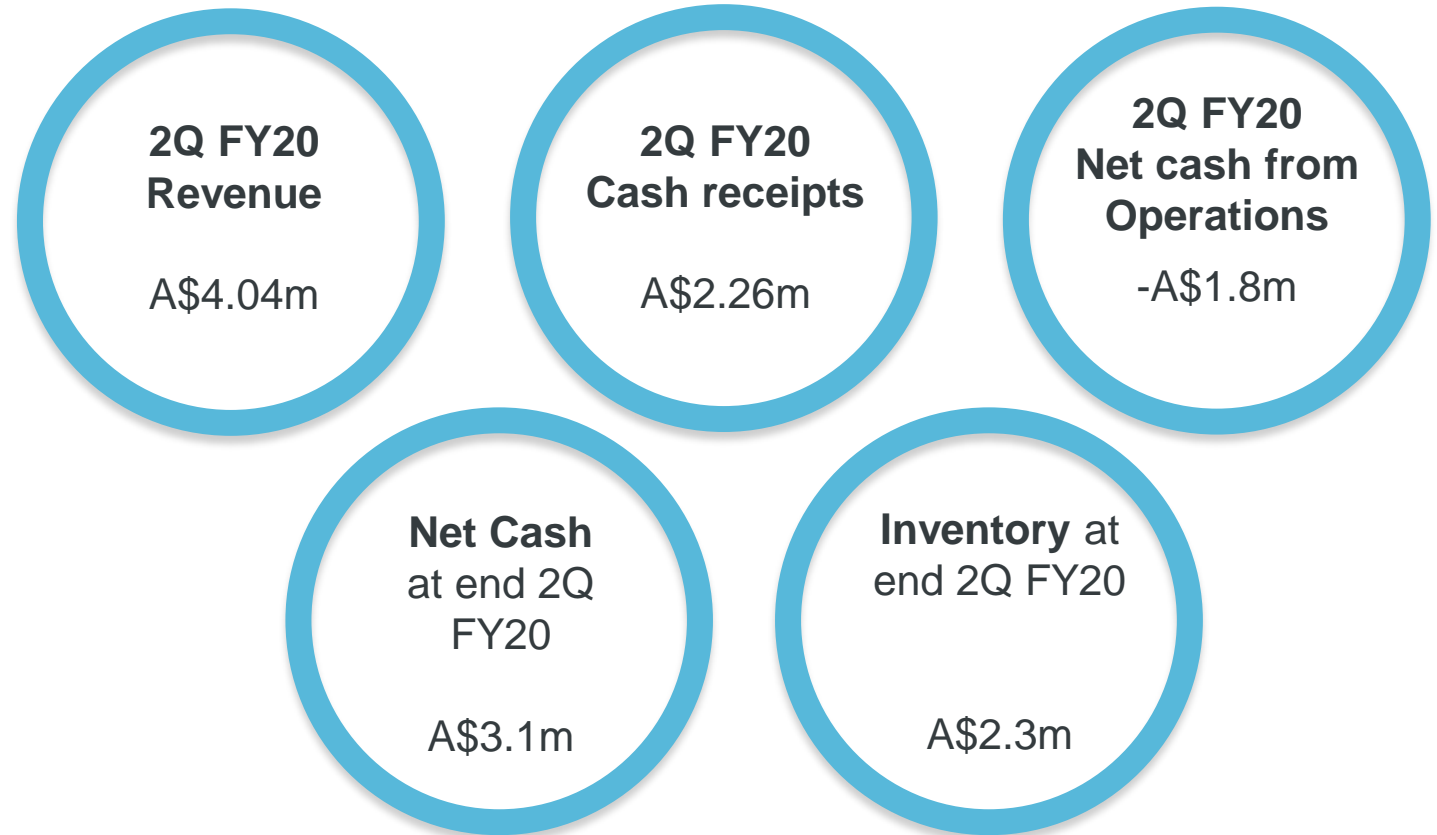
Growing customer engagement is requiring a near term increase in inventory levels

Inventory levels to normalise in 2HFY20, providing an increase in cash realisation



SciDev has a robust balance sheet, growing revenues and an ongoing focus on cost control.

2Q FY20 Revenue +77% vs 1QFY20



# RECENT CORPORATE ACTIVITIES



Contract win



Commercial trial



Strategic alliance



SciDev has delivered several significant milestones in the past 12 months.



**2018**

Secured strategic partnership with Sinoz Group of companies – a globally significant manufacturer of mining reagents



**Feb 19**

Strategic alliance with Nuocer Group of China – the worlds 2<sup>nd</sup> largest producer of water based polymer products



**July 19**

Awarded an AUD\$1.08m contract to provide friction reducers in to the US shale industry. First contract in the Oil & Gas sector



**Aug 19**

Awarded a 3 year contract **with Iluka Resources** for delivery of MaxiFlox® chemistry to the Jacinth–Ambrosia mine. AUD\$8-12m contract over term



**Sep 19**

\$4.16m capital raising to provide working capital requirements for growing inventory requirements



**Oct 19**

Acquired ProSol Australia Pty Ltd for AUD\$1.9m, strengthening SDV's position in the Hunter Valley Coal fields



**Jan 20**

Strategic acquisition of Highland Fluid Technology for US\$6m, providing access to onshore USA oil and gas market



**Jan 20**

Trial Order for Maxiflox® chemistry from Las Bambas copper mine in Peru. First order in large South American copper industry

# SALES PER QUARTER (\$m)

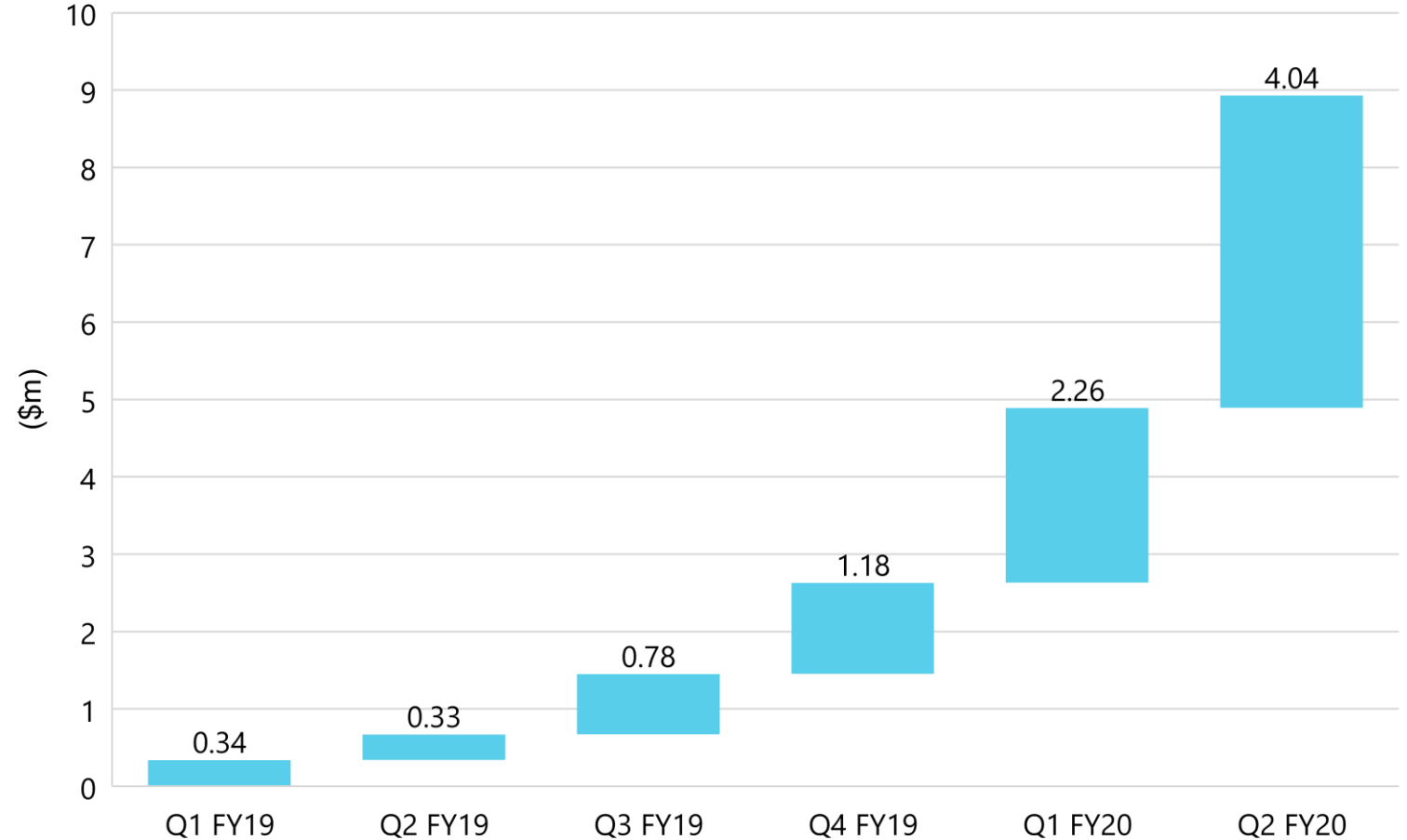
SciDev has a track record of growing its sales as it executes on opportunities in its pipeline

Management are focused on signing new contracts and pursuing business opportunities globally

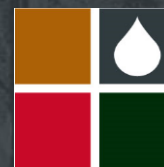


SciDev has a track record of growing revenues and has a well-structured pipeline of business development opportunities globally

### Sales per Quarter (\$m)



# *Business update*



# SCIDEV: TECHNOLOGY



SciDev's bespoke solutions and professional services deliver sustainable coagulant and flocculant dosage optimisation reducing the associated costs and the elimination of poor performance

SciDev generates revenue from professional services, our operating systems, and chemical sales

Our technology can be utilised in a range of industries including mineral processing, tailings, water treatment, construction, dairy and oil & gas sectors



SciDev provides world-class coordinated technology and chemical solutions for *solids-liquid separation*.



Professional Services

Our workforce of highly skilled engineers and chemists engage with our customers to build bespoke solutions to their solid-liquid processing requirements



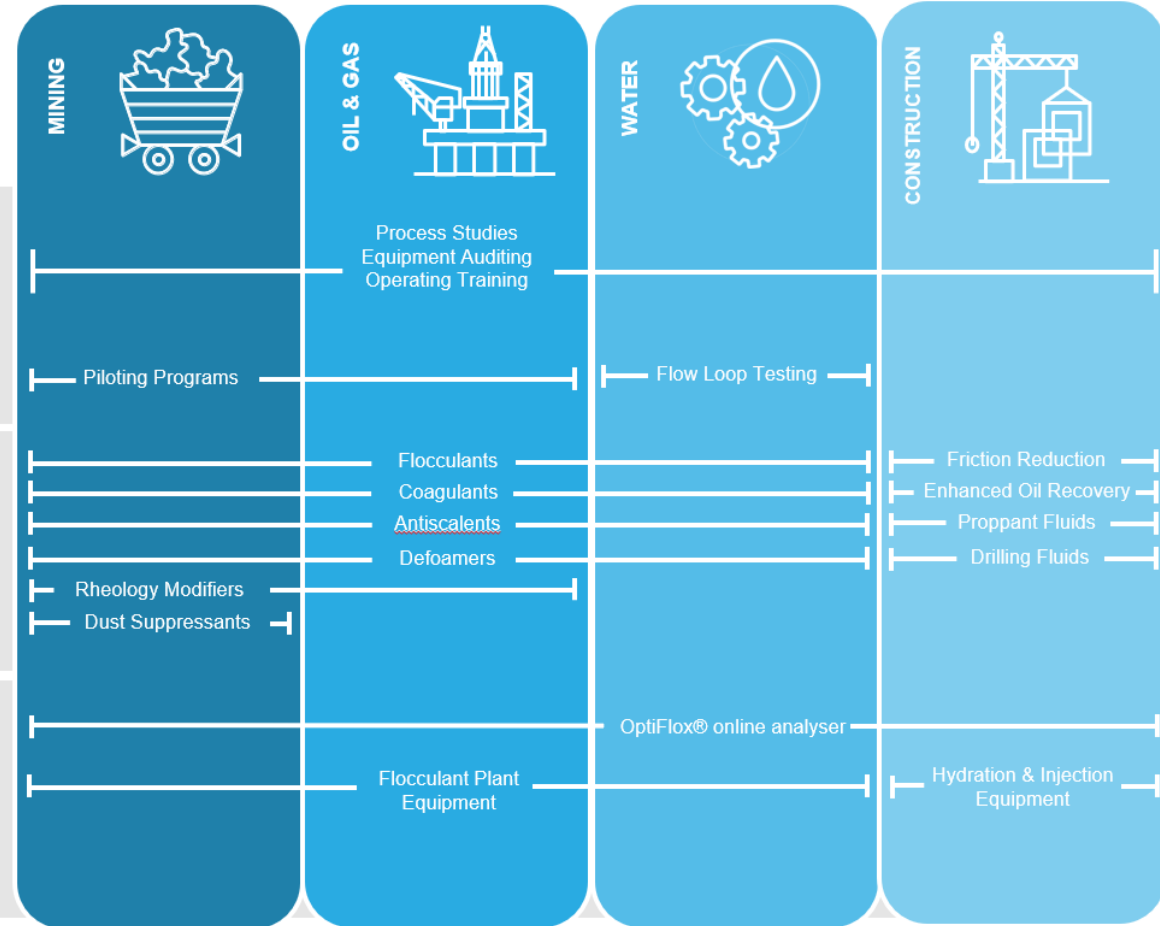
Process Control

OptiFlox® is a patent pending technology that continuously analyses & measures key parameters in industrial process streams. The technology supports our key chemistry MaxiFlox®



Chemistry

Our range of proprietary chemicals & polymers deliver highly effective solutions to a range of industries





# THE STRATEGIC OPPORTUNITY

The global opportunity for SciDev's products is significant

The chemical industry has experienced a period of consolidation which has created large industry competitors that are focussed on centralised manufacturing with reduced service levels

Our world-class technical staff and our bespoke solutions will allow SciDev to increase penetration into the market



SciDev technologies can be applied as a solution to a range of solid-liquid problems across multiple industries on a global basis.

## GLOBAL MARKETS

Oil & Gas market in USA	<b>\$2bn</b>
Global Mineral processing	<b>\$2bn</b>
Global Municipal water treatment	<b>\$5bn</b>
Global Industrial water treatment	<b>\$1bn</b>

## INDUSTRY DRIVERS

-  CLEAN WATER REQUIREMENTS
-  METAL DEMAND
-  ENVIRONMENTAL REGULATIONS
-  SUSTAINABILITY

## COMPETITOR INSIGHTS

Large industry competitors have consolidated and are now focused on centralised manufacturing with reduced service levels.

**SNF**

\$3.5B EUR

**kemira**

\$2B EUR

**ECOLAB**

\$56B USD

**SOLVAY**

\$9B EUR

# HIGHLAND ACQUISITION

Initial US\$5m acquisition

c.US\$7.8m of revenue delivered in CY19

Acquisition funded via the issue of 11.9m shares to the vendors at a price of \$0.60/sh

50% of shares have nil escrow, 25% with 6-month escrow and 25% 12-month escrow

US\$1m additional cash payment if US\$20m of revenue achieved in CY2020 at a specified margin



SciDev's strategic acquisition of Highland Fluid Technologies provides access to the sizeable USA onshore Oil & Gas market.



## Immediate access

The US onshore oil and gas market represents a potential US\$2bn market in production & speciality chemicals



## Margin Uplift

Margins are expected to improve through SciDev's ability to introduce a low cost chemical supply chain via their own facilities and strategic relationship with Nuocer Group who are a substantial SciDev shareholder



## Accelerated growth

Surety of quality supply from Nuocer and SciDev facilities will allow Highland to target larger value customers accelerating growth



## Skilled staff

Highland staff will remain with SciDev providing valuable knowledge especially in the water recycling component of the oil and gas sector



## USA base

The Highland facilities in Houston will provide a base for SciDev in the USA to target opportunities in other sectors throughout the Americas

# HIGHLAND OPPORTUNITY

Strategic acquisition of Highland Fluid Technology provides access to the fluid recycling and water reuse markets in the US\$2.5bn onshore USA oil & gas industry

SciDev's chemistries and services have been tested by Highland and its customers since mid year and have passed commercial trials – significantly de-risking the project

Acquisition will provide a USA base for further North American business development opportunities

Highland Fluid Technology management have a global network providing a segue into other large oil & gas markets



SciDev's strategic acquisition of Highland Fluid Technologies provides access to the sizeable USA onshore Oil & Gas market.

## USA ONSHORE OIL & GAS MARKET

**4** barrels of **wastewater** are generated by every 1 barrel of oil produced

Water scarcity and **increasing regulations** on waste-water quality driving a need to produce less waste and reuse more water

Specialty & production chemical market in US oil and Gas industry is estimated at **US\$2bn**

## INDUSTRY DRIVERS



CLEAN WATER REQUIREMENTS



ENVIRONMENTAL REGULATIONS



SUSTAINABILITY

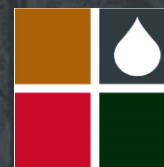
The amount of water used in the US shale industry has risen **770%** since 2011

## CUSTOMER TARGET MARKET



SciDev, via Highland will target, drillers, producers and service companies to provide chemistry, equipment and professional services to help in the re-use and recycling of water and reduce waste. Key customer targets include; Halliburton, Innospec & US Well Services

# *Outlook*





# THE OUTLOOK



SciDev has a strong growth pipeline and is well positioned to deliver sustainable growth in solid-liquid separation.

**Drive our revenue** line through the execution of a well-structured business development pipeline in the mineral processing, oil & gas, construction and wastewater sectors

**Build upon** the Company's momentum in the Australian coal industry, transitioning across application, mineral types and key industry players with our OptiFlox® technology

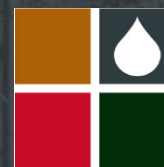
**Further develop** the opportunities presented by Highland in the US oil & gas sector

**Extend our technology** into the precious metal and base metal sectors throughout Australia and Asia, while looking for other opportunities in currently unrealised sections of the mineral processing value chain

**Renew our effort** in the Australian water and wastewater sector with strategic partnerships and licensing opportunities with global operators and key end users

**Continue** to strengthen and leverage our relationship with Nuocer through joint marketing and R&D efforts in key market areas

# *Appendix*



# SOLIDS-LIQUIDS SEPARATION



Many chemical processes require the separation of solids out of their liquid state

Solid liquid separation can occur via many methods such as;

- Filtration
- Precipitation
- Centrifuging
- Chemical additives such as flocculants and coagulants

SciDev technology focusses on the addition of flocculants and coagulants into liquids to drive the solid separation



SciDev focuses on *solids-liquid separation* which is an important component of chemical engineering & manufacturing.

	Coagulation	Flocculation
WHAT	Promotes the aggregation of particles $1/50^{\text{th}}$ the size of a human hair by enhancing the attractive forces between them	Brings together small often coagulated particles, $1/5^{\text{th}}$ the size of a human hair using polymers which bridge between particles and bind them together
WHERE	Coagulation is used in mineral processing, oil & gas, papermaking, water treatment, and several industries	Flocculation is critical in wastewater, sewage, mineral processing, oil & gas, papermaking, water treatment, and several other industries
WHY	Coagulation is critical for the control of fine particles or pollutants. In wastewater and drinking water, coagulation allows the fine solids to be removed to make the water fit for consumption or discharge	Flocculation allows for better environmental outcomes through increased water recovery and is also used in mineral processing, papermaking and oil & gas for production

# SCIDEV: PEOPLE



SciDev's products are backed up with expert support from our technical personnel, with a combined experience of several decades in the field. We can determine the best chemistry for a particular application and assist customers in optimising dosing and performance on site

## SCIDEV BOARD



TREVOR JONES

CHAIRMAN



LEWIS UTTING

CEO & MD



SIMONE WATT

NON-EXECUTIVE  
DIRECTOR



JON GOURLAY

NON-EXECUTIVE DIRECTOR



HEATH ROBERTS

COMPANY SECRETARY

## EXECUTIVE MANAGEMENT TEAM



DALE BARRON

COO



John Fehon

CFO



Kevin Smith

PRESIDENT HFT



JAMIEL MUHOR

BUSINESS  
DEVELOPMENT



JEFFREY ZHIANG

MARKETING & STRATEGY  
DIRECTOR



BEN GILL

TECHNICAL  
DIRECTOR



# CORPORATE SNAPSHOT

## CORPORATE OVERVIEW

<b>ASX code</b>	SDV
<b>Market cap (at \$0.80 per share)</b>	\$103m
<b>Shares on issue</b>	129m
<b>Options on issue</b> (exercisable at \$0.12 – exp. 07/22)	3.35m
(exercisable at \$0.10 – exp. 07/22)	2.00m
<b>Cash in bank</b>	\$3.1m
<b>Working capital facility</b>	\$0.5m

## MAJOR SHAREHOLDERS

	% held
Nuoer Group	7%
Sinoz Group	4%
Board and Management	5%
Institutional	12%
Retail	72%

## BOARD MANAGEMENT

Chairman	Trevor Jones
MD & CEO	Lewis Utting
Non-Executive Director	Simone Watt
Non-Executive Director	Jon Gourlay
Company Secretary	Heath Roberts

## STRATEGIC INVESTORS



Leading Chinese chemical company. SciDev have exclusive marketing rights in Oceania and globally for key target end users and industries



Globally significant manufacturer & supplier of mining reagents. Offers a highly complimentary portfolio to SciDev and ability to leverage customer relationships

# DISCLAIMER

## Important Information

This presentation has been prepared by SciDev Ltd (SciDev) based on information available to it as at the date of this presentation. The information is provided in summary form and does not contain all information necessary to make an investment decision. Hence, no representation is made as to the accuracy, completeness or reliability of the information.

In addition, neither SciDev nor any of its subsidiaries, directors, employees, shareholders nor any other person shall have liability whatsoever to any person for any loss, including without limitation from any fault or negligence arising from this presentation or any information supplied in connection with it. This presentation may contain forward-looking statements and projections. These reflect SciDev's current expectations, based on what it believes to be reasonable assumptions.

SciDev gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or ASX listing rules, SciDev is not obliged to update this presentation after its release, even if matters change materially.

This presentation does not constitute financial advice. Further, this presentation is not and should not be construed as an offer to sell or a solicitation of an offer to buy SciDev securities and may not be relied upon in connection with any purchase of SciDev securities.



INNOVATIVE SCIENCE • REAL VALUE

# CONTACT

## CEO & MD

Lewis Utting

+61 2 9622 5185

## Company Secretary

Heath Roberts

+61 2 9622 5185

## Investor Relations

Craig Sainsbury

[craig.sainsbury@marketeye.com.au](mailto:craig.sainsbury@marketeye.com.au)

0428 550 499

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