

Companies Announcements Office
Australian Stock Exchange

24 March 2020

Market Update – COVID 19

Highlights

- Further to the Company's announcement (ref ASX 3 February 2020), our business is not experiencing any adverse supply chain implications arising from COVID-19. Post Chinese New Year several large orders have been manufactured and subsequently shipped by our strategic supply partner, Nuoer Group
- The Company's inventory position at 29 February 2020 was AUD\$2.8m and provides adequate supply to satisfy customer consumption requirements
- SciDev FY2020 YTD Sales exceed AUD \$12M and we continue to see incoming enquiries for our products and professional services as companies look to adhere to their environmental regulations in an efficient and cost-effective manner
- SciDev had a cash position of \$3.07m at the end of December 2019. The balance sheet has strengthened since this time and SciDev remains well funded to continue to deliver on our business activities
- A comprehensive COVID-19 Workplace Policy has been implemented to ensure the safety of staff, whilst continuing to deliver bespoke solutions and professional services in this challenging environment

SciDev Limited (ASX:SDV; **SciDev**, or the **Company**) provides an update on the Company's operations and business in the context of the evolving macroeconomic and COVID-19 situations. The Board and management recognise these current challenges and have a robust strategy to mitigate risks in the current environment and position effectively for continued growth.

Supply Chain

SciDev sources the majority of its key raw materials from China, primarily through its strategic partnership with the Nuoer Group, as well as through additional raw material manufacturers. Following Chinese New Year 2020, the Nuoer factory in Dongying manufactured and shipped 1,200 tonnes of

SciDev product (ex-Dongying Port) to destinations in Australia, Germany, Chile, Canada and the United States. In addition, several raw material shipments left China and arrived at SciDev's Kings Park manufacturing facility on schedule. The raw material supplies allow SciDev's Australian manufacturing operations to process bespoke chemistries for our local customer base.

The Nuor factory is located close to Dongying Port, which handles less volume than other major Chinese ports and is well placed to maintain steady state operations. As a result, the local logistics challenges associated with quarantine in China have not to date impacted Nuor or SciDev's supply chain in any material way. Additionally, SciDev maintains production capacity at its Kings Park Facility in Australia and a supply line through Highland Fluids in the US.

All existing SciDev customers remain well serviced, as SciDev implemented a conservative inventory build programme well before the COVID-19 onset (refer ASX: 27 February 2020, 3 February 2020 and 29 January 2020). Our current inventory level at 29 February 2020 is AUD\$2.8m.

Our Clients

SciDev is maintaining an elevated customer contact regime (via video and audio means) and is pleased to advise that all key customer operations remain on track. The Company's diversified industry footprint provides a high degree of revenue insulation against market conditions in any one segment. Deliveries to Iluka, Australia, remain strong. SciDev continues to have a large pipeline of potential new projects across a range of verticals and geographies, including long term domestic infrastructure opportunities.

Our strategic entry into the oil and gas market through the acquisition of Highland Fluid Technologies (HFT) remains on track (ref ASX 2 March 2020). Partnering HFT with our strategic supply partner, Nuor Group (the world's second largest manufacturer of water soluble polymers) allows for direct targeting of the end users of our product, circumventing several sections of the value chain, in turn allowing our products and services to gain market share. SciDev, via HFT, is well placed to capitalise on the changes in the North American oil and gas industry as they materialise.

Our people and policies

SciDev has adopted a comprehensive COVID- 19 Workplace Policy to ensure the safety of staff, whilst continuing to deliver bespoke chemistry solutions and professional services in this challenging macroeconomic environment. The SciDev team are accustomed to working remotely in challenging environments. Our production facility remains open and fully utilised with our customer facing and back office teams working remotely.

SciDev Managing Director and Chief Executive Officer, Lewis Utting said:

"SciDev are well placed to deal with the current circumstances that are universally challenging. Our focus is on looking after our people, our customers and our balance sheet. We remain well positioned to meet customer demand and have inherent flexibility to deliver on our current business commitments."

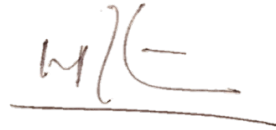
This release has been approved by the SciDev board.

On behalf of SciDev Limited



Lewis Utting

Managing Director and Chief Executive Officer



Heath Roberts

Company Secretary

For Further Information:

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About SciDev

SciDev is a leader in the development and application of services, 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 Mining, Water Treatment, Oil & Gas and Construction markets.