

Investor Presentation

Q1 FY2021 Financial Results





Making a difference to water

SciDev brings together world-class technology, chemistry, management and manufacturing capabilities to solve pressing operational and environmental issues for the Mining, Construction, Water treatment and Oil & Gas markets.

SciDev snapshot

Corporate overview

| | |
|----------------------------------|---------------------|
| ASX code | SDV |
| Market cap (at \$0.72 per share) | \$109m |
| Shares on issue | 152m |
| Cash at bank | \$5.6m ¹ |
| Working capital facility | \$8.6m ² |

Major shareholders² % held

| | |
|----------------------|-----|
| Nuoer Group | 6% |
| Board and Management | 8% |
| Institutional | 21% |
| Retail | 65% |



Second largest global producer of key raw materials for SciDev's chemistry range. SciDev has exclusive marketing rights in Oceania and support globally for key target end users and industries

- 1) 30 September 2020
- 2) Drawn \$1.1m at 30 September 2021
- 3) Unaudited

SciDev engages with its customers to deliver bespoke solutions to their solid-liquid separation requirements.

Offerings



Professional Services



Engineering



Bespoke Chemistry

Industries



Mining



Oil & Gas



Construction



Water treatment

Metrics

Q1 FY2021
Sales
A\$9.4m

Revenue
Growth
127%
vs PCP

Gross Profit³
25%
Vs
17% in FY20

Q1 FY2021
cash receipts
customers
A\$5.7m

Financial highlights

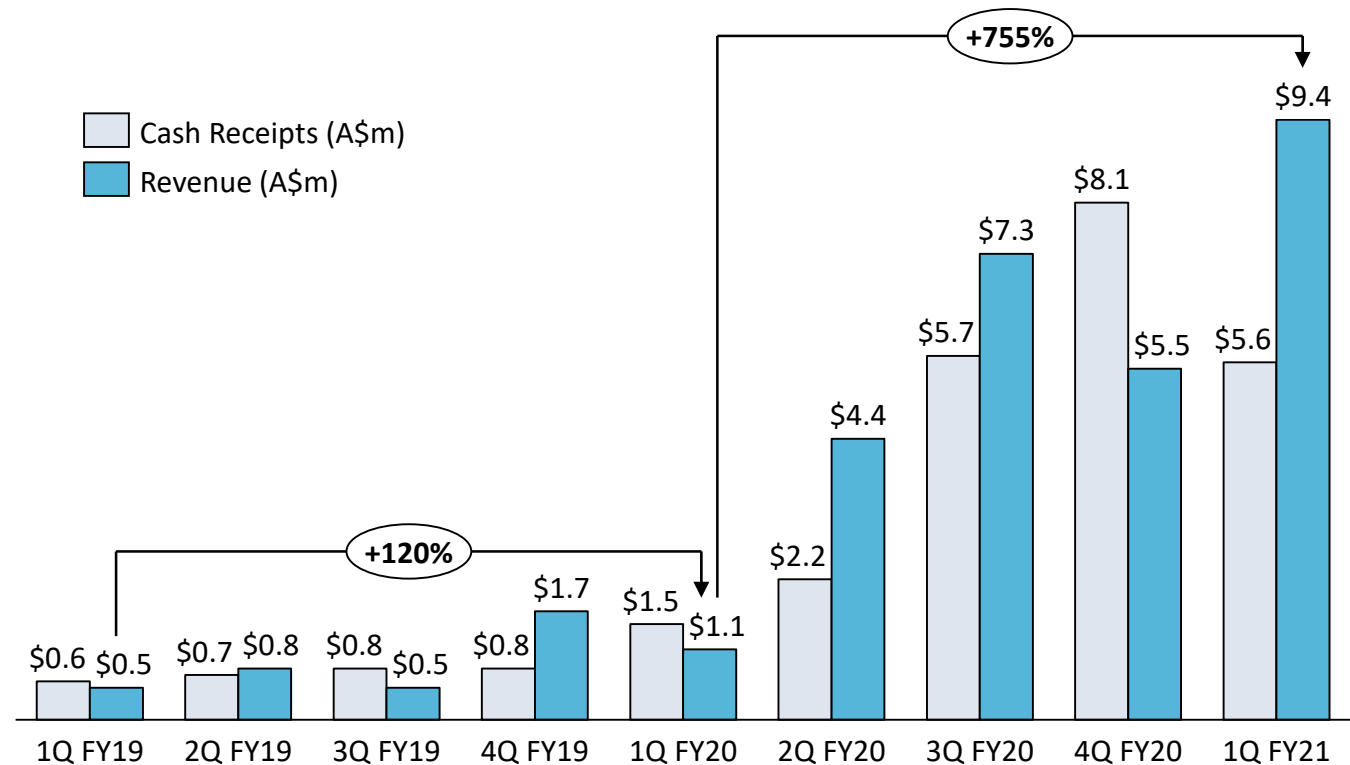
Q1 FY2021

Financial highlights

- Record quarterly sales of **A\$9.4m**
- A\$4.6m** of sales recorded in the month of September
- Strong performance from Oil & Gas vertical delivering **A\$3m** of revenue for the quarter
- 25% Gross Profit³** for the quarter. Strong improvement from **17%** in FY20
- Realising accounts payable (**A\$3.7m v A\$7.8m**) and accounts receivables (**A\$5.9m v A\$2.1m**) SDV was cashflow positive for the quarter
- A\$0.5m** unaudited Net Profit

3) Unaudited

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

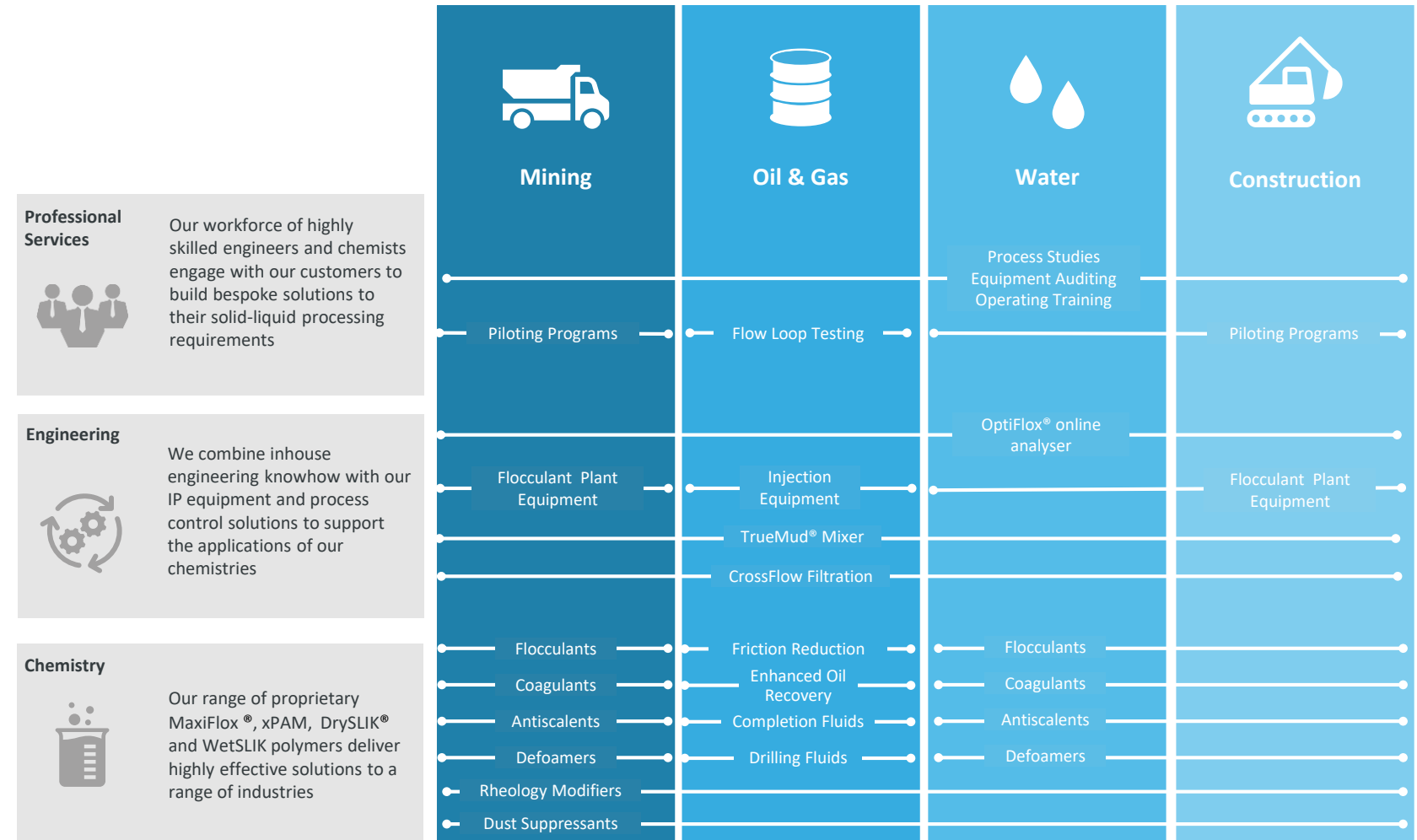


Business Update

SciDev: technology

- **SciDev's bespoke solutions** and professional services deliver **sustainable solutions** reducing the associated costs and the elimination of poor performance
- **SciDev generates revenue** from professional **services**, its operating **systems**, equipment, and **chemical sales**
- Our **solutions** are utilised in a range of industries including **mining**, **water** treatment, **construction** and the **oil & gas** sectors

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



SDV's strategic opportunity



- The global opportunity for **SciDev's** products is **significant**
- The **chemical industry** has experienced a period of **consolidation**, with suppliers removed from **customers**
- This has created large industry **competitors** that are **not customer focussed**, rather focussed on product manufacturing with **reduced customer service levels**
- Our world-class technical staff and our **bespoke** solutions allow **SciDev** to increase its penetration into this market with our **customer focussed approach**

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 | \$2bn |
| Global Mineral processing | \$2bn |
| Global Municipal water treatment | \$5bn |
| Global Industrial water treatment | \$1bn |

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

ECOLAB

kemira

SOLVAY

Key Contract Wins

- **SciDev's** solution based **customer** focussed approach with an excellent **global** team is the key **growth** driver
- **SciDev** is developing a portfolio of **blue-chip customers** in the mining, infrastructure and oil & gas sector
- The company is **continuing** to experience **strong inbound** enquiries from **large multi-national** companies
- SciDev have **several** field **qualifications** underway in several sectors with **key** customers

SciDev is developing a portfolio of blue-chip customers



Iluka: 3-year contract at Jacinth Ambrosia minerals sands

BHP: Trial works at Olympic Dam copper mine

OZ Minerals: Provision of chemistry for Prominent Hill copper mine

MMG: Trial at Las Bambas copper mine progressing

YanCoal: Ongoing activity withing Hunter Valley coal fields



Melbourne Metro: Provision of chemistry and professional services on Melbourne Metro Tunnel



Syncrude: Trial underway 2HCY20 at one of Canada's largest oil sands producers

Shell: Secondment of HFT staff to Shell to provide product development support

Major Global E&P Company: Ongoing chemistry development initiatives

FloTek: Partnership to deliver friction reducing chemistries to major US E&P producer

Highland Fluids Opportunity

- The onshore US **oil sector** is **recovering** from the June quarter
- **Sales** in September quarter **A\$3m** following June quarter **A\$1m**
- **Activity** levels are now **normalizing**, an expanded team Highland Fluid Technology (**HFT**) is capitalizing on its first mover **advantage**
- **Shell** R&D work with key HFT technical services team for Gas to Liquid (**GTL**) application development
- South Texas major **E&P** company for **completion** fluids and **water** treatment
- Ongoing work with **Flotek Industries** to supply into several key projects

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 wastewater 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**

Customer target market

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

Industry drivers



Clean water requirements



Environmental regulations



Sustainability

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

Syncrude opportunity

- The **purchase order** received from Syncrude (ref ASX 3 March 2020) is a significant new business development opportunity
- Order is for **A\$1m**, representing approximately **2 weeks** of **chemistry** supply for field qualification
- SciDev **chemistry** on plant in **September** with initial technical results **promising**
- Further commercial **reviews** post initial **field qualification** will take place in the remainder of **FY21**

SciDev's trial order from Syncrude represents a significant new business development opportunity.

Oil sands market

1.3 trillion litres of tailing volumes in Canada
Volumes **up +70%** in past 10 years
Estimated cost of rehabilitation **C\$260bn**

Regulatory drivers

Alberta Energy Regulator tightening regulation on the amount of fluids allowed to pass into tailings dams
Directive 85 sets out increased regulation for managing tailings in oil sand projects
Fluid tailings must be ready to **reclaim within 10 years** of closing an oil sands mine

Syncrude

One of the largest operators in the Canadian oil sands industry
2.8 billion barrels of cumulative oil production
Over 85% of water used in bitumen extraction process is recycled from tailings settling basins

Nuoer Strategic partnership



- **Nuoer Group** is the **world's second largest** producer of water-soluble polymers with a manufacturing **capacity** exceeding **300kT** per annum
- **Nuoer** has a world class facility in Donying, China which operates under **ISO 9001 and ISO 14001** quality and environmental systems
- Our Nuoer **relationship** provides the **ability** to offer a **competitive** chemistry **supply** chain to complement our professional services **solutions**

Strategic partnership with Nuoer group delivers supply chain security & leverage.

SciDev strengthened the relationship with Nuoer Group by entering a new joint venture (the new JV) to accelerate global growth initiatives (signed April 2020)

The new JV strengthens the relationship between the two parties and expands upon the original binding Heads of Agreement (Feb 2019)

The new JV provides a platform to accelerate global growth initiatives with specific focus on targeting Chinese State Owned Enterprises (SOE's) operating around the globe. These entities would normally be off-limits to western companies

Under the terms of the new JV, the parties will bring core products and skill sets at agreed costs and attractive terms;

- Nuoer: the supply of chemistry backed by their existing production facilities and logistics network
- SciDev: Expert technical advice, marketing & sales, specialist staff and technology & relationship base

Stand-alone joint venture, which will not impact SDV's own business development opportunities

Outlook

The outlook

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



Ensure the health and safety of all SciDev staff in all regions



Continued focus on revenue growth and **Cash conversion** across all sectors and regions



Progress commercial discussions post field validation of SciDev chemistry across several opportunities



Capitalise on our position in the North American oil & gas sector with our best in class team



Accelerate our efforts with technology partners in **North America** and **Europe**



Building on the momentum in the construction sector locally & globally and progress outstanding projects



Continue to assess strategic growth opportunities globally in all sectors

Appendix

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



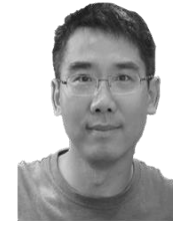
John Fehon
CFO



Kevin Smith
President HFT



Jamiel Muhor
Business
Development



Jeffrey Zhiang
Marketing & Strategy
Director



Ben Gill
Technical Director

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