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## ASX Announcement

16 December 2021

# Synertec Corporation Limited (ASX:SOP) 2021 Annual General Meeting Chair and Managing Director Addresses & Presentation

**Melbourne, Australia:** Diversified technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec" or "the Company") advises the following addresses and presentations are attached and will be delivered today at the virtual Annual General Meeting of the Company, beginning at 11.00am (AEDT):

- Chair's Address – Mr. Dennis Lin
- Managing Director's Address – Mr. Michael Carroll
- Managing Director's Presentation to accompany his Address – Mr. Michael Carroll

**-ENDS-**

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

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This ASX announcement is authorised by the Directors of Synertec Corporation Limited (ASX: SOP).

### **About Synertec:**

Synertec Corporation Ltd (ASX: SOP) is a diversified 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.



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16 December 2021

## Synertec Corporation Limited (ASX:SOP) 2021 Annual General Meeting – Chair’s Address

In presenting our year in review, we must first acknowledge the COVID-19 pandemic and its impacts on the communities in which we operate and our stakeholders including our people, customers, suppliers and shareholders.

FY21 was a challenging year for our business due to the ongoing impacts of COVID-19 and the travel restrictions it placed on our people and our customers. During the year, Governments around the world took steps to protect their citizens from the worst of the pandemic’s effects. This was particularly evident in Australia, and especially the State of Victoria where Synertec and many of its key customers are based.

Although lockdown restrictions presented some operating challenges and impacted demand in some of the Group’s end markets, Synertec has maintained the health, well-being and safety of its people as a key priority and maintained a strong focus on providing a safe and inclusive work environment for all while continuing to deliver for our customers.

I am proud of the way our team has dealt with the challenges encountered during the COVID-19 pandemic. We believe this demonstrates our strong commitment to our people, our customers and their mission-critical projects, our alliance partners, our suppliers and our shareholders.

### Strategy

Over the past year, we have rapidly accelerated our strategic transformation. Having built a stable foundation for sustainable growth across earlier years, our actions in FY21 have set up Synertec for the future. We secured important commercial partnerships and gathered the resources we need to execute on multiple, highly scalable and near-term environmentally focused technology-led growth opportunities, as well as increased demand for our specialist engineering capability across our target industries.

As a diversified technology growth company, Synertec designs, develops and delivers technology that provides a viable transition for its commercial partners to a low carbon future. Our niche multi-disciplinary engineering expertise supporting our Tier-1 blue chip customer base has us uniquely positioned to generate scalable solutions to decarbonise industry globally.

In summary, we remain focused on our long-term sustainable growth agenda, with our mission of pursuing transition technologies for a low carbon future.

### Sustainability

Over the course of the year, our focus on developing innovative ESG-focused solutions culminated in the establishment of a Technology division that now houses a strong portfolio of market opportunities and continues to review technologies which are introduced to the Company through a variety of sources. Each of these technologies holds a different solution to achieving the widely-held ambition of rapidly reducing emissions in a way that supports economic growth and is commercial, as well as being reliable, sustainable and socially responsible.

Importantly, helping our clients address their sustainability needs is now a growing part of our business, and we expect it to have more substantial profit margins and scale than conventional engineering services. We are supporting our customers as they address the magnitude of the transition to achieve a low carbon future, and the scale of the longer-term opportunities we have identified, particularly in energy and wastewater management technology, has presented us with exciting opportunities to partner with companies during the year in Asia, Europe and Australia, each seeking to expand their offering across the Asia Pacific region.



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## Funding

To secure these technology-led growth opportunities and maintain our strong capital structure, the Company successfully completed a fully subscribed share placement in July 2020, raising \$1.3 million at 2.3 cents per share, and another more substantial share placement in August 2021, raising \$7.1 million before costs at 10.0 cents per share.

This important capital funding has been largely dedicated to investment in key technology-led growth initiatives. This activity attracted many new investors for Synertec, including several high-quality institutions, and we warmly welcome them to our Company.

As we have communicated consistently to our shareholders since listing on the ASX in 2017, with a solid framework becoming established for a technology-led growth strategy, commercialising exciting ESG-focused technology through strategic partners and growing out a high-end engineering solutions business, we expect the investments our long term shareholders and the Company have made will continue to drive outstanding shareholder returns from a business delivering scalable growth in revenue and profitability from a sustainability mega-trend in the years ahead.

The Company is future-fit and has the balance sheet to support these growth initiatives, and continues to focus and deliver on its key stated priorities: Safety; Shareholder Value; Industry Focus; High Performing Teams; and Innovation.

## Board Changes

After almost two years as a Non-Executive Director, I was honoured to succeed Leeanne Bond as Synertec's Independent Non-Executive Chair from 1 April 2021. Leeanne oversaw a period of great transformation in the business as Synertec successfully developed into an ASX-listed company with significant growth aspirations. We are grateful that we will retain Leeanne's valuable counsel, strategic contributions and industry insight as a Non-Executive Director.

This year also marked the retirement of Independent Non-Executive Director, Mr. Kiat Poh, effective from 31 March 2021. Poh served as a foundation Director of the Company before it acquired Synertec, and played a key role in the successful ASX re-listing of the Company in 2017, and on behalf of my fellow Directors I thank him for his contributions.

We strengthened our Board in April 2021 by welcoming Synertec's CFO and Company Secretary, Mr. David Harris, to the Board as Executive Director, Corporate Development, and remaining as CFO and Company Secretary.

David has loyally served the Company since 2017. He now leads our Technology and Future Business initiatives and this appointment reflects David's key role in developing the many technology-led growth opportunities identified, and helping to set and deliver our corporate strategy at a pivotal time for the Company.

## Stakeholders

In FY21, our team demonstrated discipline and focus, with many of our key strategic objectives for FY21 achieved. I would like to thank each and every employee for their contribution to Synertec during the 2021 financial year. Their remarkable dedication has underpinned Synertec's success in earning further awards of projects and programs of work during the year from our existing customer base and in developing our portfolio of technologies, enabling the strong positioning of the business as the world emerges from the pandemic.

I would also like to thank our customers and partners for their support and loyalty to Synertec throughout the year and for the opportunities they have provided for us to continue to work together into FY22 and beyond.

Finally, I am grateful to our shareholders for supporting Synertec's vision, strategy and development ambitions. I look forward to your continued support.

This concludes the Chair address, and I now hand over to our Managing Director and CEO, Mr. Michael Carroll, for a more in-depth review of our business and progress with the growth strategy.

**-ENDS-**



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## Synertec Corporation Limited (ASX:SOP) 2021 Annual General Meeting – Managing Director’s Address

### Introduction

Good morning, my name is Michael Carroll and I am the Managing Director of Synertec Corporation Limited. I would like to extend Dennis’ welcome to the Company’s 2021 Annual General Meeting.

The financial year ended 30 June 2021, FY21, has been a transformative one for Synertec. The environment in which we operate has presented ongoing challenges, but I am pleased to report that these same conditions have provided opportunities for us. Our technologies are well placed to help the planet move towards a lower carbon future whilst generating value to our customers, partners and investors.

Our Technology and Engineering businesses are well placed to strongly grow diversified revenue streams. We are currently commercialising three exciting Technology opportunities: our Powerhouse Project, LNG marine Custody Transfer Systems and Composite Dry Powder. I will go into more detail on these opportunities shortly.

Our Engineering business is well diversified, offering multi-disciplinary expertise across our blue chip tier-1 customers in key industries including energy, infrastructure, water, rail and advanced manufacturing and pharmaceutical.

I am particularly excited about the progress we have achieved in our Technology business during FY21. Following many months of work during FY21, we announced an MOU with Santos Limited (ASX:STO) in July this year to progress our unique Powerhouse offering; our LNG marine Custody Transfer System (CTS) recently achieved GASA approval (General Approval for Ship Application) from DNV, and we signed a perpetual licence agreement for the exclusive use of Composite Dry Power (CDP) technology subsequent to the financial year end.

While COVID-19 presented challenges to our Engineering business, we generated strong revenue growth of 40% during the second half of the financial year, and I am proud to report that FY21 represented record Engineering Consultancy Services Revenue for the company. Our Engineering business remains the backbone of the company, providing us with the cash flows and access to a Tier-1 blue chip customer base to support the development and commercialisation of our Technology opportunities.

Although the COVID-19 pandemic continues to impact the business to some extent, our determined leadership, sound strategy and hardworking team have empowered us to position the Company for a strong post-COVID growth phase. We recently announced a trading update for the first quarter of FY22 which highlighted 44% revenue growth on the prior corresponding period.

### ESG, Health and Safety

We are proud of our strong Environmental, Social and Governance (ESG) credentials. During the year, Synertec adopted the formal ESG framework of 21 key areas designed by the World Economic Forum. This further aligns Synertec with its Tier-1 customer base, who track their progress against well-defined ESG metrics, and places ESG at the forefront of our strategy and day-to-day operations. Our Engineering and Technology solutions are well placed to help address the global focus on carbon emissions reductions.

Safety is Synertec’s highest priority, and we continue to focus sharply on the ongoing safety, well-being and care of all people associated with Synertec. We are pleased to again report a clean safety record and no lost time injuries during the year.

Throughout FY21, the COVID-19 pandemic and associated community restrictions imposed by Governments significantly influenced market behaviour. Synertec’s priority has always remained the health, well-being and safety of its people and continuing to provide a safe and inclusive work environment for all.



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We are proud that in FY21 we provided a stable work environment for our people and our customers, choosing not to make a single employee redundant or force people to take leave during lockdown periods and enabling all of our projects to continue smoothly despite the many logistical challenges of the pandemic.

## Financial Performance

The initiatives we delivered this year have seen Synertec make significant progress in establishing a sustainable growth platform. Overall, the business invested approximately \$1.5 million during the year in establishing a Technology division in which the various technologies we announced throughout the year have progressed to position the Company for growth, and we have restructured the business accordingly to accommodate this development from FY22 onwards.

Evident from our results is our focus on solid revenue diversification across our four target industries of energy, water, critical infrastructure and advanced manufacturing. With approximately 25% of revenue coming from each of these sectors it is fair to say we are building strong and integral foundations, through deep customer relationships, for further growth in the Engineering business, while providing a strong platform for our Technology business to expand across all of these sectors.

Synertec's gross margins continued to improve, with FY21 almost doubling the rate achieved in FY19. This improvement reflects our prioritisation of higher-value programs of consultancy work with our blue-chip customer base, particularly across water and rail, creating a growing pipeline of opportunities and stable work in hand position.

Although our business was heavily impacted by COVID-19 during FY21, we saw the fruits of our hard work with substantial growth in revenue during the second half of the financial year. The revenue of the Group for the period was \$8.4 million, growing by 40% from H1 (\$3.5 million) to H2 (\$4.9 million). This represents the strongest year of Engineering Consultancy Services revenue the Group has ever delivered, spurred by growing demand from major energy and critical infrastructure customers. As a result, to grasp these immediate opportunities, we rapidly expanded our billable workforce through 2H FY21 by almost 50%, and we are continuing to recruit roles in a challenging skilled labour environment.

This year the Group produced an EBITDA loss before corporate development costs of \$1.3 million, in line with FY20. While we continue to strive to achieve near-term profitability through greater scale, and the commercialisation of our announced technologies, the operating result also reflects several significant strategic investments in both project bidding and additional technology development opportunities, as well as maintaining our highly specialised workforce for the anticipated demand coming out of the pandemic, which has been evident since early this year. We firmly believe the combination of our engineering capabilities and technology opportunities will deliver sustainable long-term profitable growth and continue the strong shareholder returns most of our shareholders have enjoyed over the past 18 months.

Of particular note we have re-shaped and re-positioned the business for growth in a low carbon future while effectively maintaining our cash position throughout FY21. Following our \$7.1M equity raise in August 2021, our cash balance as at 30 September 2021 was approximately \$8M. We believe this underscores our fiscal controls and our prudent approach to any application of funds.

## Technology update

We continue to explore a range of strategic inorganic growth opportunities across our target markets. The common theme uniting these opportunities is how they ignite our imagination to solve current challenges with our partners in their pursuit of a low carbon future. To this end, we see significant opportunities to add technology-led value in a range of subsectors of the global energy industry.

### **Powerhouse**

During FY21, we made significant progress on our Powerhouse Project: an AI-powered solar and battery renewable baseload power system. We identified that this technology had application in remote gas well sites in Queensland. We approached a long-time customer in Santos and later formalised a cooperation agreement in the form of an MOU that was announced subsequent to year-end, in July 2021. A first of its kind project in Australia, Synertec will design, construct, own and field test a prototype Powerhouse system throughout the coming year, with our anticipated investment fully funded.



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The Powerhouse Project will help displace unreliable diesel generation and/or distant grid connections with 100% renewable and reliable base load power. Our initial prototype work with Santos is focussed on reliably powering the de-watering of coal seam gas wells, however we see broader remote power applications for Powerhouse across the energy and resources sectors and beyond.

### **CTS**

Our development of a world-leading LNG Custody Transfer System has positioned Synertec with precise, safe and environmentally friendly technology for LNG transfer, for both land and marine applications. This is a critical piece of LNG metering technology, designed by Synertec to produce no fugitive greenhouse gas emissions. During late 2020, we secured GasLog as a strategic partner to aid our commercialisation of CTS. GasLog, previously listed on the New York Stock Exchange, this year merged with Blackrock's Global Energy & Power Infrastructure Team which is focused on essential, long-term infrastructure investments in the energy and power sector. Gaslog is one of the world's largest providers of LNG shipping and floating solutions and services, and also has interests in major Australian projects, including the Outer Harbour LNG Import Project in Port Adelaide, South Australia with Venice Energy. Synertec is also currently engaged and performing Front End Engineering Design (FEED) work for the Outer Harbour Project consortium.

Following the end of the financial year, only this week, world-leading independent certification body Det Norske Veritas (DNV) approved Synertec's marine Custody Transfer System (CTS) for installation on LNG vessels. The DNV Approval is a significant operational and technical milestone that demonstrates the transferability of Synertec's existing land-based CTS (currently in operation at large LNG plants such as Gorgon and Wheatstone) to marine applications. With over 175 LNG fuelled ships in operation worldwide in 2020 and a further 200 on order, and an average CTS installation revenue of A1\$m per vessel, plus ongoing servicing and maintenance revenue, marine CTS represents a significant growth opportunity for Synertec.

We continue to see demand growing for this environmentally friendly technology, both in Australia and globally, as newly-imposed marine regulations are driving a long-term transition towards LNG as the marine fuel of choice for cleaner sea vessels and coastal LNG storage and regasification facilities. We see ourselves still in the early stages of a global mega-trend in LNG, and very few, if any, businesses globally can provide the systems, products and solutions of the quality which Synertec has delivered over the past decade.

### **CDP**

Synertec's opportunity with Composite Dry Powder (CDP) continues to develop toward its promise of an environmentally friendly and economic treatment of oil and gas drilling mud. In FY21 Synertec provided critical funding to the owner of the technology, GreenTech, to complete important technology pilot programs with major Chinese State-Owned Enterprise customers such as Sinopec and PetroChina, who are responsible for most of China's oil and gas production. These pilot programs, specifically designed to evaluate the technology's environmental benefits and commerciality, returned encouraging results.

Subsequent to the FY21 year-end we signed a perpetual licence agreement with GreenTech. The agreement provides Synertec with exclusive use of the CDP and associated intellectual property within Australia, New Zealand, Canada, North America, Central America and South America. Our focus in FY22 will be to complete testing the technology on a commercial scale, most likely in fields in central Australia.

All three of the technologies in our current portfolio are now well poised to launch and offer exciting potential for commercialisation and significant scale over the coming years.

To deliver the growth targeted in Synertec's strategic plan, we will continue working through these and other technology opportunities which have diverse global applications and fit within the Group's strategy to commercialise replicable and scalable solutions which enhance industrial clients' profitability, efficiency and safety, with the key objective of reducing their environmental footprint.





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## Strategy

We made substantial progress on our strategic agenda during FY21, and the Group is now well-positioned to leverage its unique capabilities in high-tech engineering to generate scalable solutions to decarbonise industry. With that as our guiding principle, we are continuing to invest ambitiously and expect to benefit from the global economic recovery as we continue to execute our technology-led growth strategy. We are well-funded to execute this strategy, having successfully completed an oversubscribed \$7.1 million share placement in August 2021, cornerstoned by several high-quality supportive institutional investors, for which we are very grateful.

The Group is now also appropriately structured to accelerate the development of our Technology initiatives, having appointed Mr. David Harris as Executive Director of Corporate Development with oversight of Technology and Future Business, as Dennis mentioned earlier.

The Board and management team have remained stable over the past 4 years and this has enabled the Company to remain focused on operations and strategic growth initiatives.

## Summary / Outlook

We are now seeing the benefits of several years of dedicated effort in developing both our Engineering and Technology arms. As a result of our experience and ability to replicate, expand and commercialise high-value proprietary intellectual property and increase our value to our customers, we are seeing in excess of 80% of revenue recurring from our existing customer base – an important and pleasing development in one of our key metrics.

Although the impacts of COVID-19 have resulted in the deferral of some engineering projects and opportunities, we are beginning to see signs of these projects restarting. We expect to see some larger project awards begin to flow through our target markets (many of which are with our existing customers) as economic conditions improve through FY22.

We believe that with our strong financial position, careful resource allocation, intensive sales focus, unique and scalable global IP and highly-regarded team of multidisciplined engineering and technology experts, the Company remains on a firm and deliberate path to delivering the long term strategy and sustainable growth for its shareholders.

I would like to take this opportunity to thank our people for their enormous efforts over this past year, as well as my fellow Directors for their guidance and support. The Company's operational and strategic achievements are a direct result of the significant dedication contributed by all of Synertec's people.

I would also like to thank our loyal customers, suppliers and shareholders for supporting Synertec through what has been a tumultuous and uncertain period in the world, particularly for smaller businesses. At the same time, we take confidence and are grateful for their continued backing as we remain sharply focused on executing our growth strategy in FY22 and beyond.

Thank you.

**-ENDS-**



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**Synertec Corporation Limited  
(ASX: SOP)**

**2021 Annual General Meeting - Managing Director's Presentation**

16 December 2021

expertise  experience



# Disclaimer

This presentation has been prepared by Synertec Corporation Limited (the Company) on behalf of the Company and its subsidiaries (the Group).

The information in this presentation about the Group and its activities is current as at 15 December 2021. Statements in this presentation are made only as at 30 June 2021 and the information in this presentation remains subject to change without notice. The information in this presentation is of a general nature and does not purport to be complete, is provided solely for information purposes and should not be relied upon by the recipient.

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Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance of the Group.

Information, including forward-looking statements, forecasts and estimates of the financial condition, operations and business of the Group and/or plans and objectives of the Group, contained in this presentation and/or discussed with the Group's personnel should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in the Company, or in any other company. Actual results may vary from such forecasts and estimates and any variation may be materially positive or negative.

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Forward-looking statements, forecasts and estimates speak only as at the date of this presentation and, to the full extent permitted by law, the Group disclaims any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Before making or varying any decision in relation to holding, purchasing or selling shares in the Company, investors should not rely on this presentation and should make their own assessment of an investment in the Company and consider the appropriateness of that investment in light of their individual investment objectives and financial situation. In all cases, each person receiving this presentation should: (a) conduct their own research of the Group and their own analysis of the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Group and its business, and the contents of this presentation; and (b) seek their own independent legal, financial, tax and other advice appropriate to their circumstances and their jurisdiction.

The presentation includes financial information that is not reported using the International Financial Reporting Standards (IFRS). The non-IFRS financial information is unaudited and has not been reviewed by the Company's external auditors. Non-IFRS financial information should not be considered as an indication of, or alternative to, an IFRS measure of profitability, financial performance or liquidity. Unless marked, all currency is denominated in Australian dollars.

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# SYNERTEC

## Our Mission

In the Pursuit of Transition  
Technologies for a Low Carbon Future



# About Synertec

Synertec is a **diversified technology growth company**: our Engineering business generates **cashflow**, our Technology business has significant **growth potential**



## Technology

With a strong R&D track record, we design, develop and deliver **technology** that provides a viable transition for our partners to a low carbon future

- **Powerhouse**
- **Custody Transfer Systems**
- **Composite Dry Powder**



## Engineering

Our niche multi-disciplinary **engineering** expertise supports our Tier-1 blue chip customer base in the pursuit of a low carbon future

- **Energy**
- **Critical Infrastructure**
- **Water**
- **Advanced Manufacturing**



SYNERTEC

# Tier-1 Customer Base

Consistent strong cash position, increasing margins and >80% repeat business all underline the value we deliver to our customers

Energy	Infrastructure	Water	Advanced Manufacturing
		 	

All of our major customers track their progress against well defined ESG metrics



# Synertec at a Glance



	Powerhouse	Custody Transfer System (CTS)	Composite Dry Powder (CDP)	Engineering
<b>Overview</b>	AI controlled predictive solar array and battery system providing 100% renewable and reliable variable base load power	Measurement and metering system for the safe and accurate fiscal transfer of LNG from one owner to another  Eliminates fugitive emissions compared to competitors	Technology to convert hydrocarbon drilling mud almost instantly into non-polluting high-strength building materials  Signed perpetual licence agreement with IP owner GreenTech covering Australia, NZ and the Americas	Niche multi-disciplinary engineering expertise supporting a Tier-1 blue customer base  Focus on high technology and carbon abatement opportunities
<b>Market Opportunity</b>	Powerhouse allows solar energy to replace diesel generators, gas turbines and remote grid connections: <ul style="list-style-type: none"> <li>Reduction of carbon emissions</li> <li>Extremely high reliability</li> <li>Flexible and re-deployable to different sites</li> </ul> MOU signed with Santos in July 2021	Developing marine (ship-to-ship) based CTS: <ul style="list-style-type: none"> <li>Partnered with LNG carrier owner GasLog</li> <li>Marine CTS recently Approved by DNV for international jurisdictions</li> </ul>	Synertec has signed an MOU with BeneTerra to progress environmental testing and promotion of CDP  Commercial scale on-site testing is planned in 1H FY22  Wider applications in mining tailings and sewage sludge	80% of revenue from repeat business Targeting four key industries: <ul style="list-style-type: none"> <li>Energy</li> <li>Critical Infrastructure</li> <li>Water</li> <li>Advanced Manufacturing (Pharmaceutical &amp; Biotech)</li> </ul>
<b>Revenue Model</b>	Build, own, operate	Build, own, operate	Site rehabilitation services or chemical supply	Engineering consulting and fixed fee structures
<b>Total Addressable Market</b>	Australian oil & gas total addressable market c.\$0.5BN <sup>1</sup>	Global addressable opportunity of A\$0.5BN <sup>2</sup>  CTS technology could be worth c.\$1M in revenue per vessel to Synertec	Global addressable opportunity estimated around A\$5BN	

1. Based on operator public announcements
2. Based on GIIGNL forecasts



SYNERTEC

# Strong ESG Credentials

The global focus on carbon emissions reductions presents an historic investment opportunity in Synertec's Technology and Engineering solutions



## Environment

- Developing technologies to support the energy transition
- Reducing the carbon footprint of legacy processes and repairing past damage
- Responding to tightening environmental regulations with innovative 'green' technologies



## Social

- Working with industry to reduce its carbon footprint, recycle and deliver cleaner energy, water, products and services
- Supporting local economies with sustainable employment



## Governance

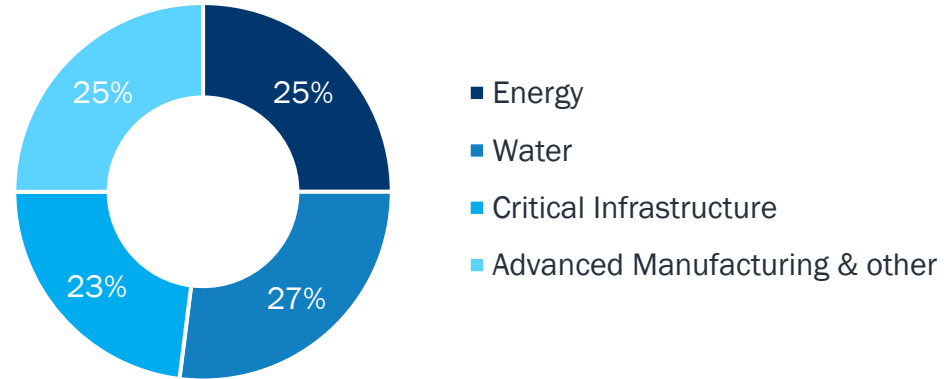
- Transparency and accountability to stakeholders
- Product transparency
- Solutions formed in collaboration with local regulators



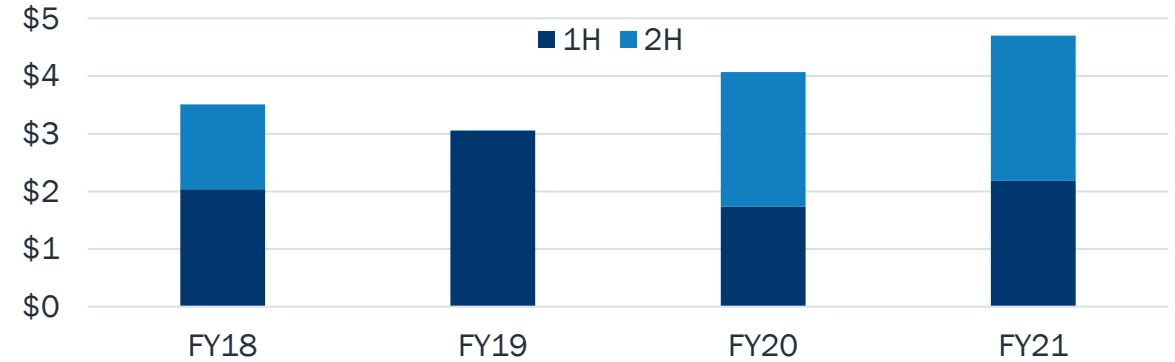
**Synertec has adopted the Environmental, Social and Governance (ESG) framework of 21 key areas designed by the World Economic Forum (WEF)**

# Financial Highlights

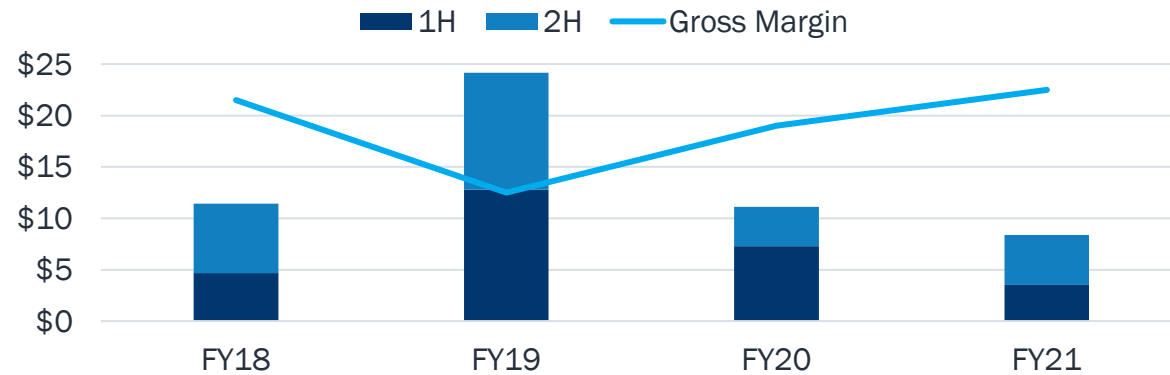
## FY21 Revenue Split by Industry



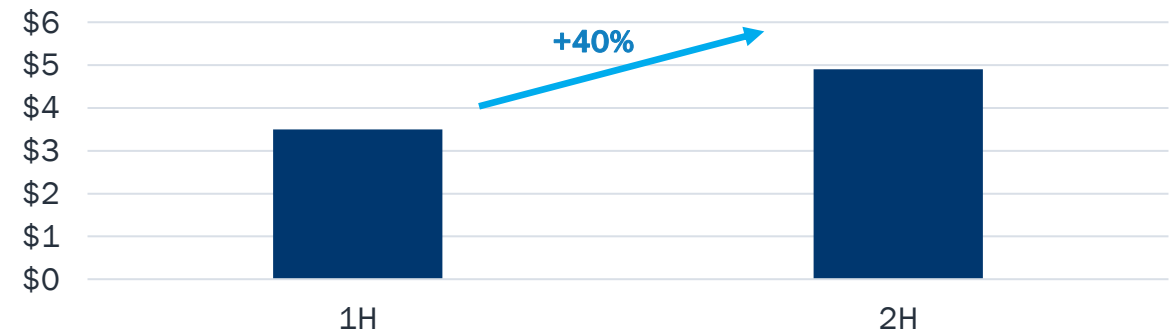
## Engineering Consultancy Services Revenue (\$M)



## Revenue (\$M) and Gross Margin



## FY21 Revenue by Half Year (\$M)



# Financials



Balance Sheet	FY21 (\$M)	FY20 (\$M)
Total Assets	8.23	6.95
Current Liabilities	3.99	2.90
Non-Current Liabilities	2.14	0.11
Net Assets	2.10	3.95
External borrowings	0.00	0.00

- \$1.1M write-down of deferred tax assets impacted FY21 Net Assets
- Balance sheet significantly strengthened following \$7.1M equity raise in August 2021

Cash Flow Statement	FY21 (\$M)	FY20 (\$M)
Cash flows from operating activities	(0.36)	(2.51)
Cash flows from investing activities	(1.27)	1.46
Cash flows from financing activities	1.21	(0.25)
Net Cash	2.63	3.04

- Synertec raised \$7.1M in August 2021
  - \$5M to invest in near-term ESG-focussed Technology opportunities
  - \$2M to working capital to fund growing Engineering solutions
- Cash position as at 30 September 2021 of \$8M

Profit and Loss	FY21 (\$M)	FY20 (\$M)
Revenue	8.39	11.12
EBITDA	(1.81)	(1.47)
Net Profit / (Loss)	(3.35)	(1.26)

- FY21 revenues impacted by COVID-19 lockdowns, particularly in Victoria
- 2H FY21 revenue of \$4.9M was 40% higher than 1H FY21 (\$3.5M)
- FY21 operating result reflected several significant investments in project bidding and technology development that are expected to deliver sustainable long-term profitable growth



# Powerhouse Project



100% renewable  
base load power



AI controlled  
predictive solar  
array and battery  
system



Displaces diesel  
generation or  
distant grid  
connection



MOU signed with  
Santos in July  
2021



Broader remote  
power  
applications

## Powerhouse offers significant benefits over existing CSG well de-watering methods:

- Reduction in carbon emissions
- Lower impact on landowners
- Flexible and re-deployable to different sites
- Greater reliability, longer life and lower cost

## MOU with Santos (ASX:STO):

- 12 month agreement
- Synertec will design, construct, own and field test a prototype Powerhouse system
- First of its kind in Australia
- Total investment of up to \$3.0m by Synertec, fully funded





SYNERTEC

# Custody Transfer System (CTS)



High precision measurement system for the fiscal transfer of LNG



Eliminates fugitive emissions - competitive advantage



Leverage to growing demand for LNG as a marine fuel



Synertec installed land-based systems in place



Developing marine-based solution with GasLog



## Current CTS applications:

- Synertec has installed and maintains land-based CTS systems in place at the Gorgon and Wheatstone facilities in Western Australia

## CTS opportunities:

- Synertec has partnered with LNG carrier owner GasLog to develop marine (ship-to-ship) based CTS
- Marine CTS recently Approved by Det Norske Veritas (DNV) – world leading independent certification body
- Venice Energy first potential customer with Outer Harbour LNG project in South Australia
- IMO2020 marine fuel standards are driving a long-term transition to less polluting fuels such as LNG
- In 2020: 175 LNG fuelled ships operating, >200 on order
- CTS technology could be worth c.\$1M in revenue per vessel to Synertec





SYNERTEC

# Custody Transfer System (CTS) (continued)



High precision measurement system for the fiscal transfer of LNG



Eliminates fugitive emissions - competitive advantage



Leverage to growing demand for LNG as a marine fuel



Synertec installed land-based systems in place



Developing marine-based solution with GasLog



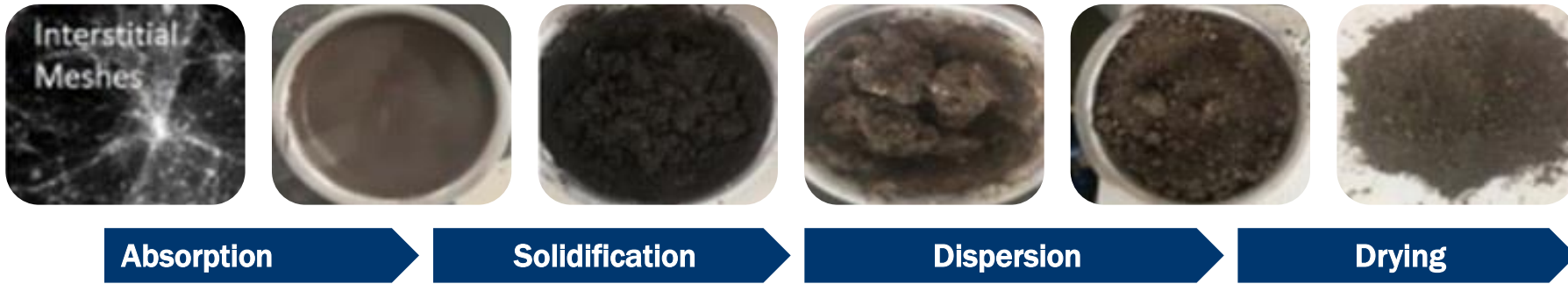
## About Gaslog

- GasLog is amongst the largest independent owners, operators and managers of LNG vessels in the world, with 36 vessels
- Previously listed on the New York Stock Exchange, this year GasLog merged with Blackrock's Global Energy & Power Infrastructure Team which is focused on essential, long-term infrastructure investments in the energy and power sector
- GasLog is also active in the floating terminals business, including the Outer Harbour LNG Import Project in Port Adelaide, South Australia with Venice Energy
- Synertec is currently engaged and performing Front End Engineering Design (FEED) work for the Outer Harbour LNG Import Project consortium



SYNERTEC

# Composite Dry Powder (CDP)



## Current CTS applications:

- Synertec has a perpetual and exclusive licence to utilise Sichuan GreenTech Environmental’s CDP technology within Australia, New Zealand, Canada, North America, Central America and South America
- Lab testing in Australia has delivered similar results to China
- Synertec has signed an MOU with BeneTerra to progress environmental testing and promotion of CDP
- Next step: Re-engagement post COVID-19 demobilisation towards commercial scale on-site testing is planned in 2H FY22



# Synertec's Competitive Advantage



## 4. Partnerships and Commercialisation

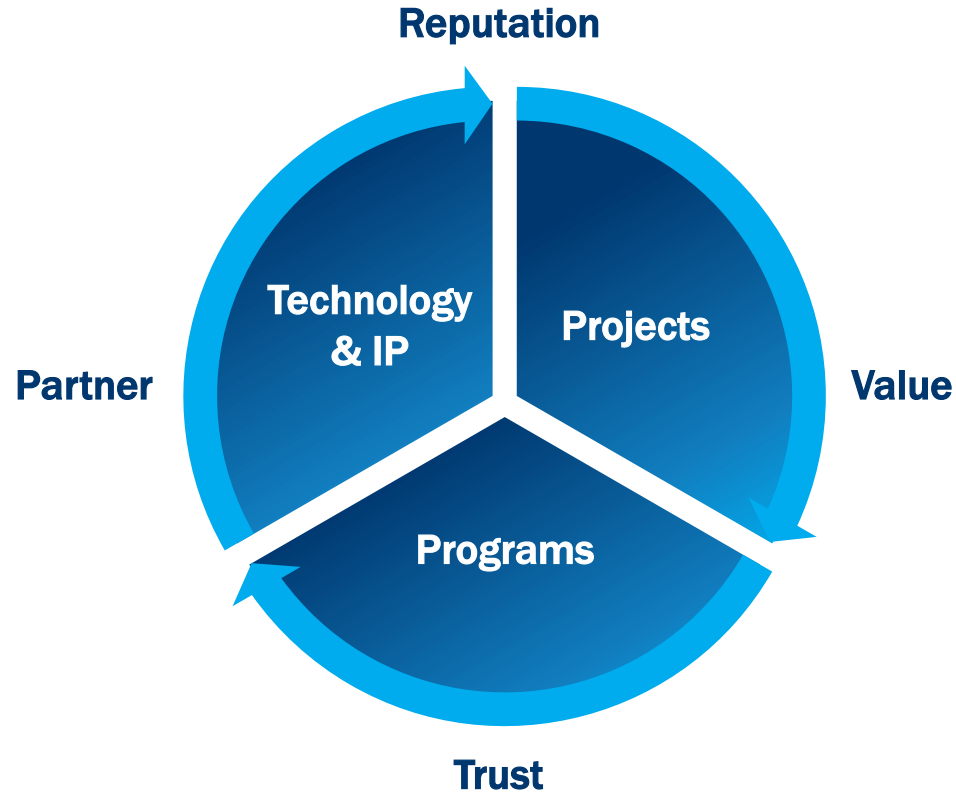


Strong customer relationships and our reputation enable us to develop technology and form **partnerships to deeply understand and commercialise** our customers' needs

## 3. Enhance and Extend Offering



Identifying key pain points for our customer, we choose to develop a technology product both for their benefit and for **broader industry and geographic application**



## 1. Strategically Bid 'Equity' Projects



We deliver **reliable and exceptional value to our customers** by identifying pain points and opportunities in live projects with broader commercial application

## 2. Embedded in Customer



Having delivered exceptional project value, we are brought back **'client-side' to deliver long-term** customised solutions - **>80% of work since FY17 is from repeat clients**

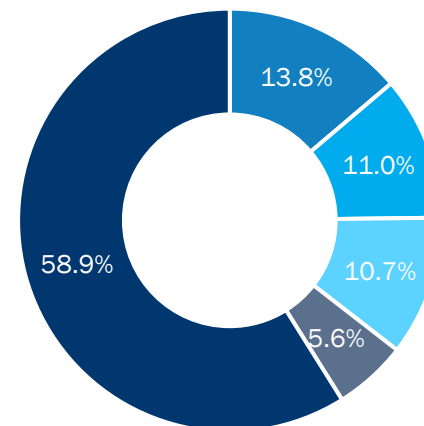
# Corporate snapshot



## Synertec Corporation Ltd

ASX Code	ASX:SOP
Shares on issue	357,360,560
Share Price (as at 6 Dec 21)	7.6c
Market Cap (as at 6 Dec 21)	\$28.6M
Cash (as at 30 Sep 21)	\$8M

## Key Shareholders



- Kensington Trust Singapore
- Northwest Nonferrous Australia Mining
- Mrs Kerry Abdallah
- Perennial Value Management
- Other

## Company Board



**Dennis Lin**

Independent Non-Executive Chair



**Michael Carroll**

Managing Director and CEO



**David Harris**

Executive Director, Technology & Future Business, CFO and Company Secretary



**Leanne Bond**

Independent Non-Executive Director

# Investment Highlights



## Emerging Technology business with strong growth prospects

- Powerhouse Project
- CTS
- CDP



## Established revenue generating Engineering business

- \$4M in recent contracts
- Approaching \$60M since listing



## Fully funded through current growth projects

- \$8M cash following Aug 2021 capital raising
- Only \$8.4M in external funding since listing



## Board & management with proven track record

- Stable board & management since listing
- Track record of delivery on commitments



## Tier 1 Customer base

- >80% repeat business
- Customers with strong ESG focus



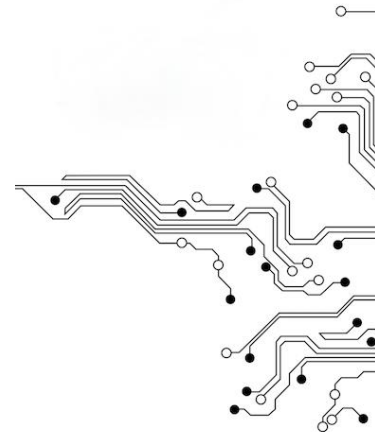
## Strong ESG Credentials

- Developing technologies to support the energy transition



## Positioned to benefit from COVID-19 rebound

- Return to site post lockdowns
- Investment in infrastructure





# SYNERTEC

expertise  experience



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Managing Director & CEO

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