



# Investor Update

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CHIEF FINANCIAL OFFICER



# About SciDev

## Purpose Statement

SciDev's purpose is to deliver innovative solutions for a sustainable future.

We live these values to strengthen our relationships with our clients and within the communities in which we operate. They define who we are.

### Challenge boundaries

We discover more possibilities when we challenge what's possible

### Achieve more together

We achieve better outcomes when we work together

### Go the last mile

We deliver more by exceeding benchmarks and adding value in everything we do

### Protect the environment

We are dedicated to reducing harm and protecting our environment for future generations



# Our Business: Chemical Services

- Our chemistry business focusses on the development, manufacturing and supply of a range of chemistries that help our clients improve their operational efficiency and minimise waste water generation
- We also provide a range of supporting services from “last mile delivery” to process optimisation ensuring maximum value for our clients
- Increasing clean water requirements, environmental regulations and the sustainability focus of industries is driving greater awareness, technologies and solutions that not only solve the water discharge issues, but drive operational performance
- Our ability to deliver greater scale and revenue will be driven by increased regulation and a focus on increased operational output
- Revenue model is based on chemistry per unit sales, typically under a 1-3 year contract nature





# Our Business: Water Technology

- Centred around the delivery of innovative water treatment technology across a wide range of applications
  - Our treatment technologies remove harmful contaminant from groundwater, surface water and industrial liquid waste allowing water to be reused or safely discharged to the environment
  - Our services are on focused on the provision of mobile, temporary or permanent treatment systems that are tailored to our clients specific objectives and site constraints
- Increasing regulation, specifically in the global PFAS sector, are driving increased client engagement in our solutions
  - We operate through both Build, Own, Operate (BOO) and Design and construct (D&C) commercial models
  - Given the unique nature of our solutions the Water Treatment business delivers high margins than our chemistry division



# PFAS Opportunity – A growing environmental issue

- Per and Polyfluoroalkyl substances (PFAS) are a family of man-made chemicals in use since 1950's many of which are now banned
- Sites of PFAS contaminated soil include airports, defense bases, mines, fire & rescue stations and other hazard facilities
- Increased Global regulation is driving the requirement for treatment solutions
- Every PFAS project is different and requires a tailored approach
- SciDev has designed and developed a toolkit of **PFAS** treatment strategies

• We deliver results of **<0.0002 ug/l**, **over 1000 times better than our competitors**

- SciDev PFAS treatment is best utilised on higher complexity problems that interact with water runoff and discharge
- **Removal rates** being achieved with our clients are currently **the most efficient** in the country reducing residual levels below existing detection limits
- In FY22, our technology was operated on 12 sites across Australia and delivered \$9.5m in revenue

Over **2,854** sites around the USA have been identified to potentially contain PFAS.

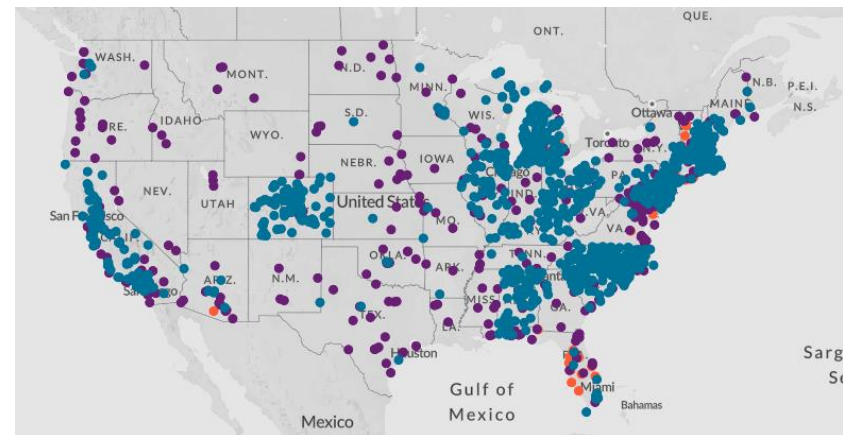










Figure 1 – Registered PFAS sites in the USA.  
Source - [https://www.ewg.org/interactive-maps/pfas\\_contamination/](https://www.ewg.org/interactive-maps/pfas_contamination/)

# Addressable Market

 <p><b>SciDev Solutions</b></p>	 <p><b>Mining &amp; Mineral Processing</b></p> <p>SciDev is an industry leader in solids-liquid separation in the mining and mineral processing sector</p>	 <p><b>Oil &amp; Gas</b></p> <p>Engineered performance solutions to recycle, reuse and minimise oilfield water waste</p>	 <p><b>Infrastructure &amp; Construction</b></p> <p>Reduce costs and operational downtime in the infrastructure and construction sectors</p>	 <p><b>Water Treatment</b></p> <p>Leading environmental solution provider of BOO, D&amp;C water treatment plants for nutrient, heavy metal and organic pollutant removal</p>	 <p><b>PFAS Treatment</b></p> <p>Industry leader in PFAS treatment</p>
 <p><b>Addressable Market</b></p>	<p><b>&gt;US \$2bn</b></p> <p>Global mineral processing chemistry market</p>	<p><b>&gt;US \$2bn</b></p> <p>Specialty and production chemical market in US oil and gas industry</p>	<p><b>&gt;US \$1bn</b></p> <p>Infrastructure and construction dewatering chemistry market</p>	<p><b>&gt;US \$6bn</b></p> <p>Municipal and industrial water treatment market</p>	<p><b>&gt;US \$6bn</b></p> <p>PFAS treatment market</p>
 <p><b>FY22 Revenue</b></p>	<p><b>A\$11.8m</b></p>	<p><b>A\$27.8m</b></p>	<p><b>A\$0.2m</b></p>	<p><b>A\$6.1m</b></p>	<p><b>A\$9.5m</b></p>



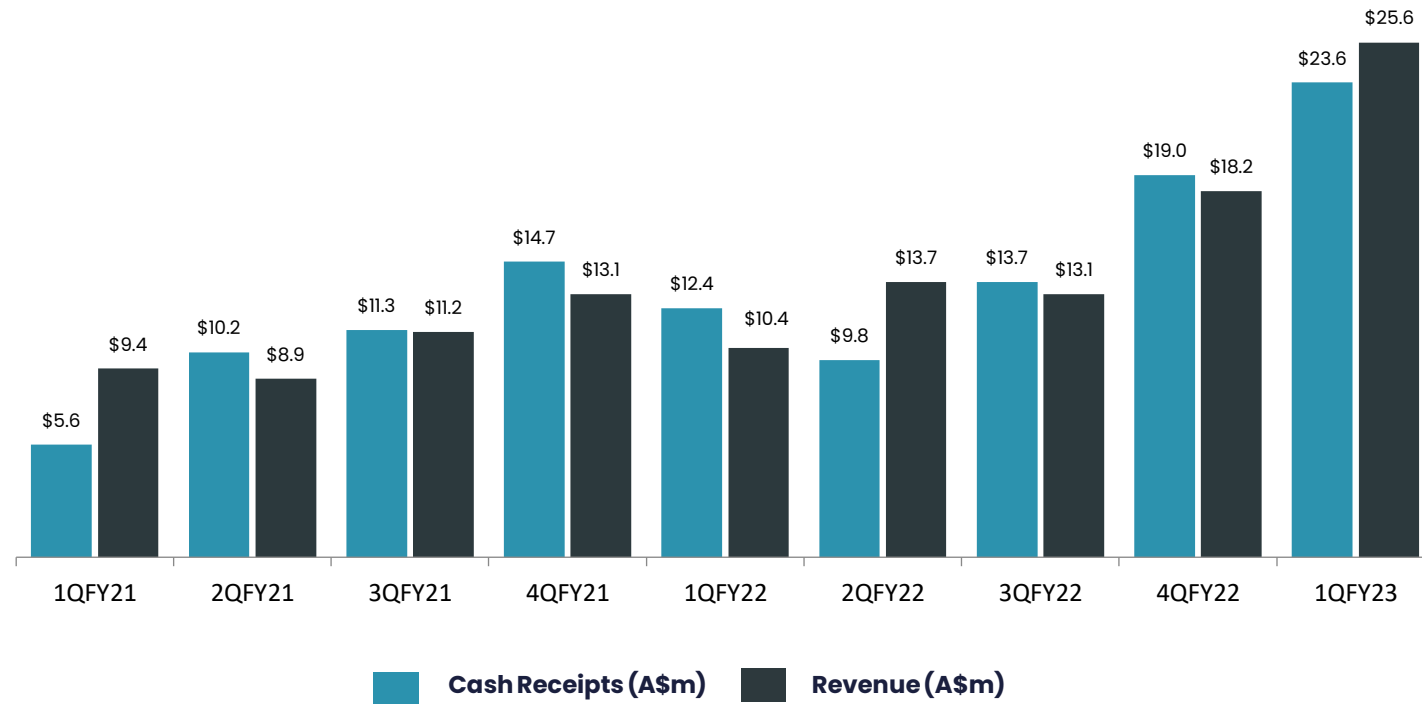
# 01

## Financial and Operational Performance

# Q1 FY 23 Financial summary

## Financial Highlights

- **Q1 Record Revenue of A\$25.6m** and record cash receipts of A\$23.6m
- **Q1 Gross profit margin of 23%** marginally down driven by increased proportion of revenue from chemistry sales
- Q1 breakeven **cashflow** from operations
- Q1 unaudited underlying **EBITDA of A\$1.7m**



Q1 FY23  
REVENUE

↗ A\$25.6m

Q1 FY23  
REVENUE VS  
Q4FY22

↗ +40%

CASH  
& EQUIVALENTS  
AT 30 SEPTEMBER 2022

↗ A\$12.4m



# Mining and Construction Summary

## Operational Highlights

- Sales increased 148%, vs Q4FY22
- \$2.7m contract to supply product to a major Mining Services company in the US
- Commenced a trial for a major nickel producer in Western Australia
- Awarded a three-year contract agreement with a mineral sands producer for the delivery of MaxiFlox® chemistry and services to support operations at their mine in Western Australia
- Awarded a two-year contract extension with Société Le Nickel (SLN) to continue supply of our MaxiFlox® to two operational mines in New Caledonia

## Outlook

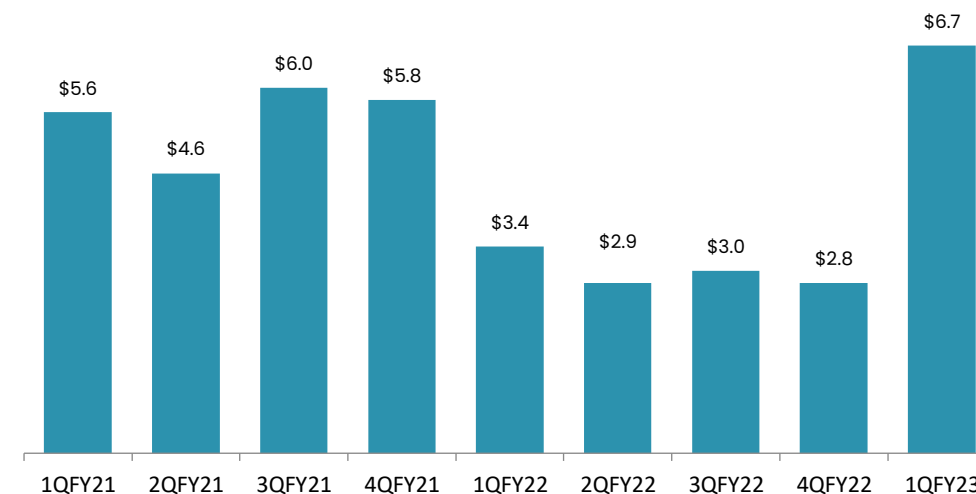
- Increase reoccurring revenue in Mining by delivering successful field trials & converting to long term supply contracts
- Continued BD initiatives to grow construction vertical across both domestic and international opportunities
- Convert existing emulsion clients to suspension chemistry
- Further expansion of Mining business into US

Q1 FY23  
REVENUE VS  
Q4 FY22

↗ +148%

Q1 FY23  
REVENUE

↗ A\$6.7m



# Energy Services Summary

## Operational Highlights

- Record quarterly revenue, sales increased 26%, vs Q4FY22
- Maintaining strong gross margin via a combination of sustained sales of speciality chemistry, improved logistics management and further supply chain efficiencies
- Operated across five major Oil and Gas basins, supporting 25 Oilwell completion fleets
- Continued supply of SciDev's proprietary suspension polymer technology, Xslik 620, to a major E&P company operating in Oklahoma, USA. The initial contract has expanded to a second location, generating additional revenue in 2H FY23
- Initial A\$1.8m purchase order to supply an international E&P company with our innovative MaxiFlox® co-polymer chemistry for use in North America, Saudi Arabia and Argentina
- SmartVIS technology was successfully field trailed on-site with an E&P company in North America. Trials remain ongoing with the client at a second location

## Outlook

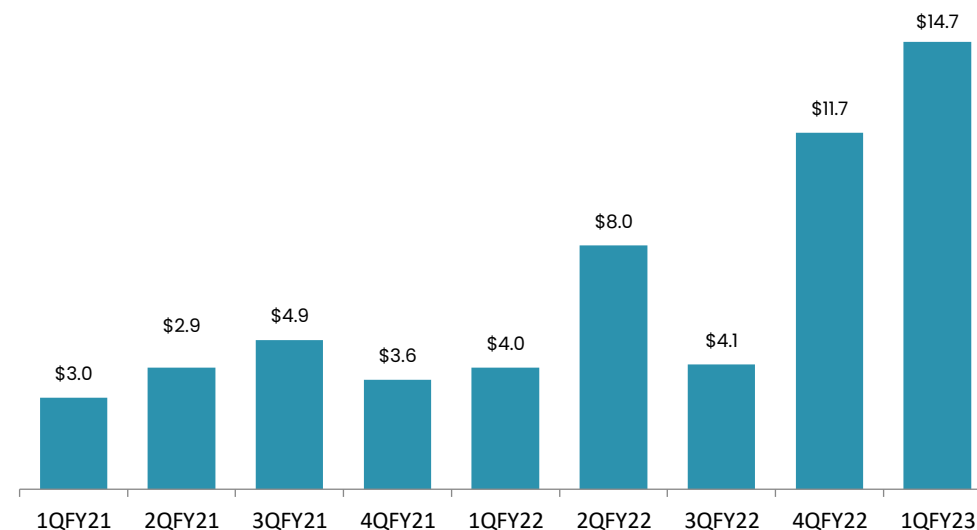
- Continue to increase market share in key geographical areas
- Healthy pipeline, future sales will be directly linked client activity levels and the broader market conditions
- Diversify service offering to Oil & Gas and broader US market

Q1 FY23  
REVENUE VS  
Q4 FY22

↗ +26%

Q1 FY23  
REVENUE

↗ A\$14.7m



# Water Services Summary

## Operational Highlights

- Sales increase 8%, vs Q4FY22
- Several new contracts executed
- Active on seven PFAS sites during the quarter generating A\$2.5m in revenue
- Awarded an Operation and Maintenance contract for 98 remote water quality monitoring units across multiple mines in WA
- Secured a major works contract for a Tier 1 construction company to manage and treat contaminated groundwater at a residential development site in Sydney, NSW

## Outlook

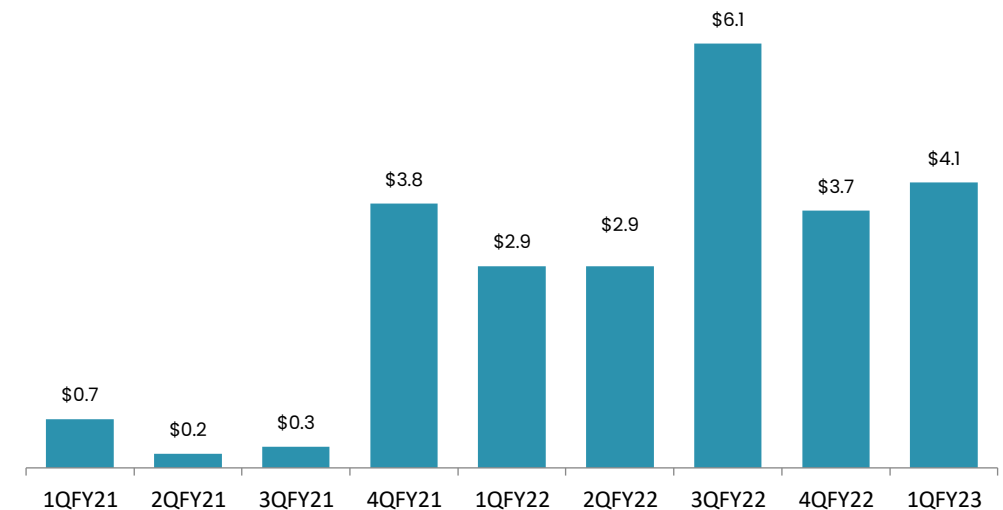
- Continue to provide industry leading solutions to the rapidly growing global PFAS problem
- Establish presence in Europe and North America for the utilisation of PFAS treatment technology
- Target key mining clients within existing SciDev client base
- Leverage existing pipeline converting opportunities in to contracts

Q1 FY23  
REVENUE VS  
Q4 FY22

↗ +8%

Q1 FY23  
REVENUE

↗ A\$4.1m



Water services revenue includes the acquisition of Haldon Industries (SciDev Water Services) from Q4 FY21 onwards.

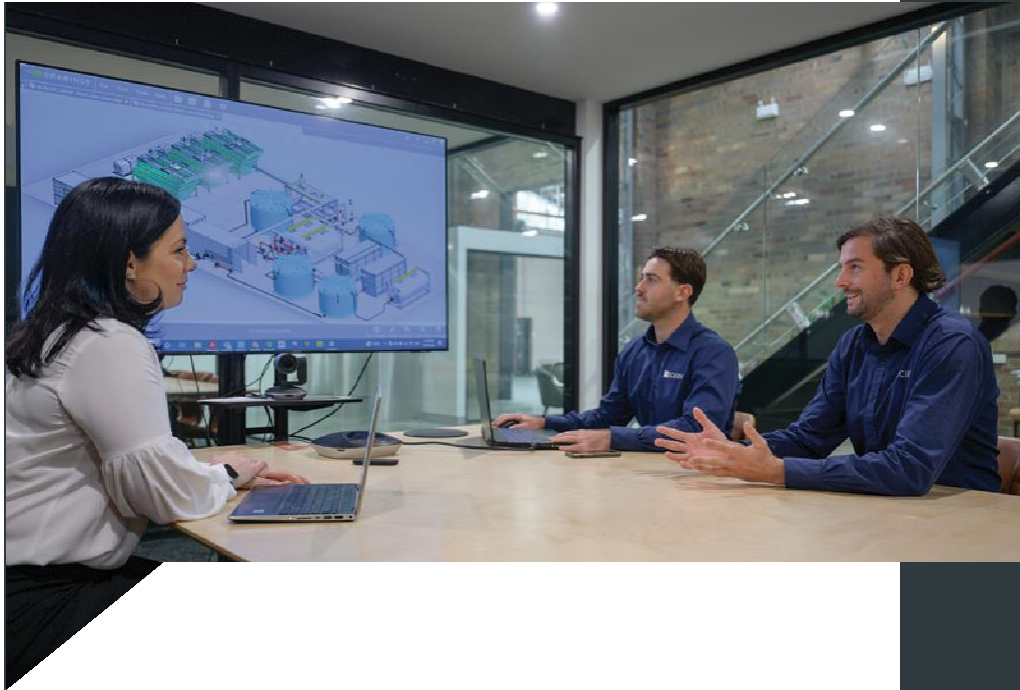


# 02

## Outlook



# Innovation



## Energy Services

Proposing **SmartVis** as a high viscosity alternative to traditional chemistry used for oilfield well completion

**CatChek** – shale stabiliser that inhibits pyrite oxidation and fine migration in oil wells improving well decline curves and lifecycles.



## Water Services

Continued development & optimisation of **PFAS treatment** technology

Alternative technologies for the treatment of wastewater for elevated Total Dissolved Solids without the use of Reverse Osmosis or other membrane technologies



## Mining & Construction

Ongoing development and commercialisation of suspension technology. Can be used across multiple chemistries to replace traditional emulsions

# FY23 Outlook

**SciDev delivers positive operational and environmental outcomes for our clients**



Drive a positive culture across the organisation and increase the level of integration within our business to take advantage of the strong cross sell opportunities across our client base



Leveraging the extensive business development pipeline in the water treatment sector and converting opportunities into contracts



Establish a presence in Europe and North America with the aim of delivering full scale PFAS treatment technology within FY23



Continue to increase sales of our speciality chemistry in the US oil and gas industry increasing not only the number of sites but also the number of solutions per site



Target key mining clients to further develop our water treatment presence and deliver an end-to-end service within the industry



Optimise the inventory position to ensure reliability of supply to clients whilst maintaining focus on effective working capital management

# SciDev Snapshot

## Corporate overview

ASX code	SDV
Market cap (at \$0.326 per share)	A\$49.3m
Shares on issue (at 04 OCT 2022)	189m
Cash at bank	A\$14.0m

As at 04 October 2022

## Major shareholders<sup>2</sup>

	% held
Board and Management	14%
Institutional	33%
Retail	53%

As 30 May 2022

## SCIDEV BOARD



**Vaughan Busby**  
NON-EXECUTIVE  
CHAIR



**Simone Watt**  
NON-EXECUTIVE  
DIRECTOR



**Jon Gourlay**  
NON-EXECUTIVE  
DIRECTOR



**Heath Roberts**  
COMPANY  
SECRETARY



**Dan O'Toole**  
NON-EXECUTIVE  
DIRECTOR

## EXECUTIVE MANAGEMENT TEAM



**Seán Halpin**  
CHIEF EXECUTIVE  
OFFICER



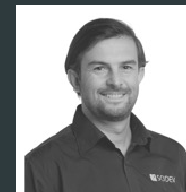
**Anna Hooper**  
CHIEF FINANCIAL  
OFFICER



**Sarah Stewart**  
HEAD OF  
MARKETING & CX



**Jamie Muhor**  
HEAD OF MINING  
& CONSTRUCTION



**Todd Placek**  
HEAD OF WATER  
SERVICES



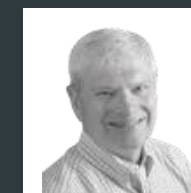
**Chris Dartez**  
HEAD OF ENERGY  
SERVICES & PRESIDENT  
NORTH AMERICA



**Craig McCloskey**  
DIRECTOR  
OPERATIONS



**Jeffrey Zhang**  
DIRECTOR  
PROCUREMENT



**Kevin Smith**  
VICE PRESIDENT  
SCIDEV LTD





# 03

## Appendix



# SciDev is committed to our people, the environment and our communities

## Our People

**Our people are our key and we are committed to providing a safe and inclusive workplace**

Strong focus on safety. Safety a core value and at the forefront of all operations

Progressing towards greater gender diversity with over 25% of our workforce female

Continuing to foster and develop an inclusive culture and a culture of innovation and continuous improvement

## The Environment

**Our environmental solutions help reduce our clients waste footprints and costs**

We significantly reduce the volume of waste water from our clients operations

Our treatment technologies treat hazardous waste and remediate contaminated sites

Continued development of alternatives to petrochemical based chemistries, minimising environmental impact

## Our Communities

**We are committed to giving back to the communities where we live and work.**

SciDev has so far pledged \$120,000 in support of the Schools Plus 'Two Ways Science' project

The project helps support seven remote Indigenous schools and communities develop and implement an integrated learning program



**Schools Plus** 

 **WaterAid**

# Sustainable Business Strategy

## Our Sustainable growth strategy



### Strengthen

Disciplined balance sheet management

Structure, systems & process to support growth

Talent acquisition & retention

Expand Business Development capability to maximise growth in existing markets.

Focused development and commercialisation of proprietary technology



### Grow

Maximise Business Unit cross selling

Pursuit of adjacent opportunities via targeted acquisition

Expand existing service lines into new geographies.

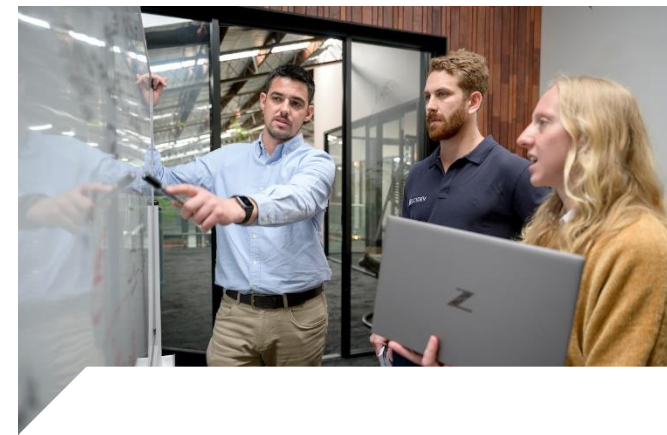
Diversification of US business into new industries



### Scale

Global expansion of commodity chemistry business via Nuor relationship.

Targeted M&A to achieve scale



# Disclaimer

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## Important Information

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