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ASX Announcement

25 November 2020

2020 Annual General Meeting Chair and Managing Director Addresses & Presentation

Melbourne, Australia: Engineering product and solution provider, 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 2.00pm (AEDT):

- Chair's address – Ms. Leeanne Bond
- Managing Director & CEO'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) provides mission-critical engineering products and solutions to complex, high-risk and highly regulated industries. The Company targets industry segments with high barriers to entry and high client reputational risk, including Pharmaceuticals, Critical Infrastructure, Oil & Gas, Water and Defence.

Synertec has delivered 24 years of growth and development as a multidisciplinary and integrated consulting business, delivering end-to-end proprietary engineering products and solutions which leverage the Company's ability to develop commercial intellectual property through innovative partnerships with a portfolio of blue-chip customers.



Synertec Corporation Limited (ASX:SOP)

2020 Annual General Meeting – 25 November 2020, 2.00PM (AEDT)

Chair's Address (3 pages) – Ms. Leeanne Bond

I say with great pleasure it has been a privilege as Chair to be part of the substantial development of Synertec since our last AGM. We must of course acknowledge COVID-19 and its impacts on the regions in which we operate and our stakeholders including our people, customers, suppliers and shareholders.

Synertec's Management and Board moved decisively to tackle COVID-19 related risks – including the health and safety of our people, our customers and the communities in which we operate, as well as our operations and our balance sheet.

We are proud of the way our Company has dealt with the COVID-19 pandemic and community lockdowns imposed by Governments across Australia, particularly in Victoria, and internationally. Synertec's investment in IT infrastructure and support allowed the company to work remotely without loss of productivity. We believe this demonstrates our strong commitment to our customers and their mission-critical projects, our alliance partners, our suppliers and our shareholders.

I am fortunate to be based in Brisbane which has been relatively unaffected by COVID-19 this year but I have not been able to travel outside Queensland. I have been inspired and grateful to see the dedication of our people in Melbourne as they faced some of the strictest and longest lockdown conditions in the world and very pleased that they have emerged from this and are now able to start enjoying our new offices. Our people based in Perth, whilst also not able to leave Western Australia, assisted on various projects and the teams have worked seamlessly to ensure customers' projects continued throughout the pandemic.

I am also grateful to the loyalty and support of our customers, and proud to say that no projects which were in progress at the outbreak of COVID-19 in March this year have been significantly delayed thanks to the proactive response of both Synertec and our customers early in the pandemic outbreak. As to be expected however, working remotely has presented us with some challenges in efficiency when it comes to our most complex projects. We have worked through this situation diligently so as not to compromise the quality of the product we deliver.

The highlight in a financial sense this year has been positive net cash flow returning in the second half amid substantial improvements in our profit margins, funding further development of our technology-led growth strategy. The past year also saw the Company implement innovative change within the Company as we built on the foundations and gathered the resources we need to deliver multiple near-term global growth opportunities.

All this made FY20 a year of investment for Synertec as we have maintained focus on what we want the business to look like in the future, remained true to our strategy and ensured we have the platforms and personnel to capitalise on the economic recovery that we expect to see across our target markets in 2021 and beyond.



We welcomed Mr Dennis Lin to the Board in August 2019, and Mr Freddie Heng retired at the 2019 Annual General Meeting in November. Freddie was a long-time director of the Company providing excellent service as Audit and Risk Committee Chair and alongside Mr Poh Kiat was instrumental in the acquisition of Synertec Pty Ltd.

Dennis has brought extensive ASX company and capital markets experience, as well as valuable insights into doing business in Asia having enjoyed a long and successful career as an advisor in corporate transactions between Australia and Asia. Dennis' wealth of experience is on-point with Synertec's technology-led growth strategy focused on developing opportunities across the Asia Pacific region.

To maintain funding flexibility, we managed our discretionary costs and successfully renegotiated our banking arrangements to free up substantial cash reserves. In the face of the pandemic, it would have been an easier option to pull back on our investments in staff, projects and technology development. However, as an organisation we have consciously chosen to invest in our people and in technology, in line with our strategy of commercialising globally scalable technology through our established diversified engineering consulting business.

To support our pursuit of technology-led growth opportunities and strengthen our capital structure, the Company successfully completed a fully subscribed share placement in July 2020. This exercise provided \$1.3 million to fund our investment in key growth initiatives, and attracted many new investors to Synertec, whom we warmly welcome to our Company.

The focus for Synertec's strategic investments is early-stage emerging technology that will benefit from long-term structural trends and complement Synertec's core capability in commercialisation and scale-up while providing revenue, cost and technology synergies. We firmly believe this approach will help deliver outsized returns for shareholders.

The scale of the opportunities we have identified, particularly in oil and gas and wastewater management technology, presented us with the opportunities to partner with two international companies during the year in Greentech (based in China) and EffecTech (based in the United Kingdom). Each of these partners is seeking to significantly expand its offering across the Asia Pacific region, and we are well-placed to share in this anticipated growth.

Both parties identified and chose to partner with Synertec based on our track record for delivering highly complex, replicable and scalable engineering products and solutions to blue-chip customers across the world, especially in Australia's world class hydrocarbons arena.

The opportunity with Greentech in particular continues to develop positively. We have achieved several exciting milestones in the few months since we formalised our partnership, and Synertec has provided critical funding to empower Greentech to complete important technology pilot programs with multiple major Chinese State-Owned Enterprise customers.

Across all arms of our business, our team has worked hard to remain focused on, and deploy, our growth strategy over the past year. This has compounded our ability to replicate, expand and commercialise our high-value proprietary intellectual property in target markets such as water, rail, LNG and other critical infrastructure. I am pleased to report that we are experiencing unprecedented levels of recurring revenue from our existing customer base, which is an important and pleasing development given the challenging economic environment.



With a solid framework now established to commercialise exciting technology both in-house and through strategic partners, we expect that the investments the Company has made will deliver scalable growth in revenue and profitability in the years ahead. The cost of maximising long term shareholder returns will sometimes come at the expense of short term profits; however we remain confident that our technology, competitive advantages and growth strategy, which we have communicated consistently to our shareholders since listing on the ASX in 2017, will underpin our medium-term aspiration of \$40 million in annual revenues with above-industry margins. Naturally, COVID-19 conditions could impact the timeframe.

Although the current macro outlook remains uncertain, the long-term structural growth drivers of our chosen target markets remain unchanged. With this in mind, our internal focus has been on getting through the crisis with an eye to the future, continuing to execute and invest for the medium-to-long-term benefit of our customers, people and ultimately our shareholders. We are confident our investment and long-term focus is the right approach given Synertec's revenue opportunity remains large and Synertec will emerge a stronger and better business from this challenging period and when energy markets return to more normal conditions.

The strong foundations we set in previous years have left the Company well-positioned in the markets it has targeted. We continue to focus and deliver on our key stated priorities: Safety; Shareholder Value; Industry Focus; High Performing Teams; and Innovation.

I would like to thank each and every employee for their contribution. Their dedication in the past year has been remarkable and has underpinned much of Synertec's recent success in winning further awards from new and existing customers. Their talent is the key to Synertec's success.

I thank our Board and management for tremendous efforts during the year. Our Managing Director Michael Carroll has done a great job in steering Synertec into a stronger position for the future. David Harris, our CFO and Company Secretary, has ensured we have a professional team providing excellent support to the business in governance and financially. My fellow Non-executive Directors Poh Kiat and Dennis Lin have been actively assisting our team to ensure the company has the capital to grow. I would also like to thank our shareholders for supporting Synertec's vision, strategy and development ambitions. I look forward to your continued support.

I now hand over to Michael to provide some more insights into our business and progress with strategy.

-ENDS-



Synertec Corporation Limited (ASX:SOP)

2020 Annual General Meeting – 25 November 2020, 2.00pm (AEDT)

Managing Director's Address (6 pages) – Mr. Michael Carroll

Good afternoon everyone. Thank you for joining our meeting today and adopting this virtual meeting platform. I believe this forum should prove to be as effective, if not more so, for our interstate and international shareholders than our usual face to face format.

Our results for FY20 and the first few months of FY21, some of which I will highlight to you today, across various aspects of the business and our key strategic initiatives hopefully demonstrate to our long and newer term shareholders alike how much progress we have made since listing on the ASX just over three years ago. These developments give us a great foundation on which to build further in the years ahead and begin to see greater shareholder returns.

Over our journey as an ASX-listed company, we have been proud to deliver long-term shareholder value, with our share price now trading approximately 100% higher than the 4 cent price of our initial public offer. More recently, we have delivered outsized positive returns for investors, with Synertec shares now trading almost 3-times higher than the price of our most recent capital raising in July 2020 and with significantly increased daily volume and depth in the market. We are pleased to deliver these investment returns to you with the consistency that comes from having a stable executive and management team since our ASX listing, which is firmly focused on the long-term strategic objectives of the business.

The success of our recent share placement has raised the profile of our company and stock on the ASX and other trader platforms, and generated significantly more interest from investors and positively reshaped our share register. The new shareholders we have attracted represent fresh support for Synertec's strategic focus on technology-led high growth engineering-based initiatives with scalable global application in the large and growing energy market, with a focus on efficiency and environmental impact.

In working towards our strategic goals, it is important for our management team to have a clear strategy and then execute on it – or more simply, do what we say we are going to do. We believe the business has done this over the course since listing.

However, the timing and impact on financial results does not always match or coincide with reporting periods when shaping and executing a series of strategic initiatives and bidding on large multi-million dollar projects along the way. The investment in these necessary aspects of our approach are sometimes punctuated by major adverse global events which are outside of our control and which can impact heavily upon both local and broader economic environments.

This requires us to manoeuvre the core business in response and continue to meet our customers' needs, while at the same time progress our strategy by investing in our technology and capability so that we continue to remain a valuable partner to our customers, expand our scalable product offering and deliver shareholder value.



I am proud of the agility of this Company over several decades and this quality has again served Synertec well through the latest global 'Black-Swan' event, which impacted the State of Victoria in particular over most of calendar 2020. Our business, with the support and loyalty of our customers, our people and the Australian Government, has navigated this year particularly well, especially when considering the advances in our technology-led strategy and the potential we have created for a business with internationally patented technology products focused on the world's energy markets.

Our strategy remains unchanged in our three years of trading on the ASX. In our 2017 Prospectus, we revealed key strategies which relied upon innovation, product development and an enhanced international focus as a path to increasing market penetration, accelerating our growth rates and achieving global scale, all with a view to delivering superior long term shareholder returns. In particular, we called out the rich opportunities we saw on offer across the Asia-Pacific region.

I am pleased to report that three years later, we have made great progress towards executing this strategy and achieving our objectives. There is, however, a lot more progress to be made in order to realise the full value of these opportunities, and partnering with larger organisation with a global footprint is an important attribute of our approach. Again, I am pleased to report that our international strategic partnerships with Trelleborg Group, EffecTech, GreenTech and more recently, one of the world's leading shipping owners and operators, are all shaping to help commercialise and deliver Synertec's technology developments on a global scale.

Over the three financial years to FY20, we have delivered over \$47m in revenue. Across this period profitability of our products and solutions has markedly improved, achieving a gross margin increase from 20% to over 30% across FY19 and FY20, and we expect this to continue to increase again across FY21. This has come as Synertec has focused, as planned, on higher-value consultancy work with existing customers in our targeted industry sectors of Rail, Water, Pharma/Biotech and Energy. This higher value work has typically come about following excellent delivery of critical projects for those customers, and proving ourselves as a valuable partner.

As our Chair has discussed, the Group responded swiftly to the onset of COVID-19 with the health and safety of our people and customers at the forefront, along with measures to strengthen our financial position. Although the pandemic has caused delays to a range of large projects which were due to be awarded across our target markets, we have maintained close relationships with all of our customers, retained and invested in our workforce, strengthened our capabilities, and are proud that we have seen zero redundancies or resignations since the COVID pandemic took hold in Australia in March 2020.

While we can point to a unique global event, as stated in our Annual Report, we were disappointed with the financial result for FY20, returning an operating loss after tax of \$1.26 million from revenues and other income of \$11.2 million. This follows a year in which the Company demonstrated its ability to execute several major critical infrastructure projects simultaneously, generating \$24.1 million in revenue and positive EBITDA returns, and managing a large working capital requirement debt-free.

Nevertheless and importantly, we made substantial progress on our strategic agenda including successful delivery of several of those large, high quality critical infrastructure projects and created new partnerships to position the organisation for sustainable growth and development. This included further investment in people, process and technology which has laid the foundation to better enable and fast track the delivery of our niche products and solutions to customers.



Notwithstanding the challenging environment of mostly working remotely and unable to travel locally or internationally under Government-imposed COVID-19 restrictions during 2020, Synertec substantially advanced its strategic agenda in FY20.

Our excellent project delivery to our Tier-1 customer base has allowed us to secure valuable consultancy arrangements, many of which have grown throughout calendar 2020 with several key long term customers in Australia's critical infrastructure sectors of Water, Rail and Energy. This enables us to support projects in the design phase, moving into delivery over the coming few years, as well as some of our oil and gas customers who are focused heavily on optimising their operations and investing for the recovery in energy prices. One high profile example is the delay in Final Investment Decision by Woodside of their Pluto LNG Train 2 expansion, a significant project which Synertec is currently well placed to participate in with its LNG metering solutions.

Many of these awards have come off the back of what we internally refer to as 'equity' projects, so named because of the deliberate way in which we have targeted those projects and customers as we have identified the potential for Synertec to learn from our customers and our combined solutions in order to then further develop replicable new globally-scalable technology and knowhow. Critical infrastructure is an important pillar for Synertec and a source of several equity projects over the past few years. This strategy allows us to leverage a strong national and international project pipeline which is often heavily supported by local and international government stimulus. Our recent experience on these projects has exposed our people to technological solutions incorporating AI and machine learning.

Our strategic focus on environmentally-friendly and energy efficient engineering and technology solutions is exposing Synertec to attractive growth themes and ever-increasing our relevance to ESG-focused customers and investors.

We are pleased to advise of the steady progress which we continue to see in our collaboration with GreenTech in commercialising their environmentally-focused and globally scalable oil and gas drilling mud and wastewater treatment technology, known as 'CDP'.

At the time of successfully completing our share placement on 1 July this year, Synertec advised that it had identified an attractive early-stage opportunity to augment its technology portfolio by collaborating with GreenTech. Synertec has since worked with GreenTech in piloting its innovative and environmentally-friendly CDP technology that provides the potential for a fast and cost-effective solution for the treatment and recycling of drilling mud, applicable to both oil and gas operations as well as, potentially, municipal waste water from sewage. Synertec formalised this collaboration and provided GreenTech with a \$1 million loan facility to complete the pilot programs with two major Chinese state-owned enterprise customers.

Since July, GreenTech has completed one pilot program and invoiced its customer for this work, and is now in the final stages of completing a pilot program with the other customer. These pilot programs are confirming the original smaller scale evaluation of the technology with regard to environmental benefits, cost competitiveness and speed of delivery, as well as the effectiveness of GreenTech's proprietary mobile equipment.



In September this year, GreenTech granted Synertec an exclusive worldwide licencing agreement. We have initially focused on the Australian market and leveraging Synertec's existing customer base to seek partners in Australia to pilot the technology with a view to then marketing a highly scalable solution that can be applied to the large international market opportunity. In doing so, Synertec secured the services of Mr. Joe Corvetti as a technical and strategic advisor to assist in the Australian market investigation and engagement process. We are encouraged by the opportunities uncovered to date which we are hopeful will enable a pilot of the technology on Australian soil in coming months.

It is worth highlighting again that the major SOEs which have been so supportive of the initial trials in China have equity positions in major energy operations in Australia. These Australian operations have similar challenges with respect to the treatment of drilling mud. We believe GreenTech's success in China should offer a roadmap for prospective collaborators and translate directly to opportunities in Australia and beyond.

Broader term horizon opportunities for the GreenTech technology and proprietary processes include the ability to use GreenTech's treated drilling mud in making bricks. GreenTech is in collaboration with established brick-making operations and the resultant product has reached the final stages of approval by local Chinese environmental authorities.

The CDP treated drilling mud is combined with other starting materials and then subjected to a unique environmentally-friendly bake-free proprietary process. The resultant bricks have been independently tested for compression strength and quality. The results were pleasing and indicate the bricks could be applied to similar applications as traditional high input energy kiln fired bricks. A "value proposition" is what was once an environmentally damaging waste product, is now a resource in the manufacture of low input energy construction materials.

We have also reported to you that Synertec is assisting GreenTech with the application for international patent protection of its technology, currently patented in China. This process is underway with one international patent application lodged, and another separate patent application to be lodged in January 2021.

As we see ourselves as still in the early stages of a long-term global mega-trend in LNG, and are one of very few, if any, businesses globally which can provide the systems, products and solutions of the quality and scale which Synertec has delivered. We are excited to have announced this week a significant strategic alliance to progress commercialisation of Synertec's marine-based LNG Custody Transfer System technology.

We formed this relationship last year when bidding for one of their major projects, a large floating LNG storage unit to be based in Americas. While we were unsuccessful competing against larger international companies, our partner identified Synertec's technology as best-in-class and worthy of further development and piloting for the purposes of scaling an effective solution for the booming LNG-marine sector.

Synertec was excited when approached about such a collaboration and the opportunity to work closely with an experienced marine engineering team and to have unfettered access to their ships and floating storage units and the key interfaces with our technology. Our partner is an internationally listed company with a strong pipeline of ships and floating solutions being built to meet the expanding global demand for LNG bunkering and LNG trade between countries.



Synertec has identified many potential new projects to target globally and, working together with its worldwide marketing partner, Trelleborg Group and their marine systems operation, anticipates that substantial revenue from this technology product could be derived via several different financial models which provide Synertec's customers with a long term fully maintained solution to a critical piece of gas metering technology. It also provides access to crucial operational data and potential for greater analytics and optimisation of plant performance, further increasing the value of Synertec's solution.

We will keep you abreast of CTS developments as this collaboration progresses during FY21.

Demonstrating our diversity and relevance in the current economic and political climate, I would like to now talk to you briefly about another of our important capabilities which is experiencing increased demand and is particularly relevant to the current climate.

The Pharmaceutical industry both in Australia and abroad is obviously high profile at present and Governments and private enterprise are now positioning to invest heavily in this sector to ensure the world, and individual countries, have adequate access to medicines and vaccines. Synertec's profile in this industry in Australia and Asia has always been strong, built up since Synertec's inception almost 25 years ago working closely with the likes of CSL and CSIRO.

Synertec continues to work closely with these organisations each year, and has recently been involved in some potentially important national initiatives. During FY20 we also proudly completed our work on a vaccine global centre of excellence facility in Victoria for a major global vaccine manufacturer. The project was completed in February 2020.

Additionally, Synertec completed a detailed design of a cGMP vaccine manufacturing facility for the production of late stage clinical trial material for CSIRO.

We anticipate that demand for our expertise in this industry will grow in the coming months and years as Australia invests more heavily in its sovereign medical manufacturing capacity and capability.

Although our organic growth pipeline is robust and we are developing scalable technology, we are always actively looking for ways that we can augment this through strategic M&A. We have identified that based on opportunities we are anticipating we could grow our business by securing specialist operations in advanced technical automation engineering capabilities, encompassing experience in advancing digitisation, data analytics and IoT to broaden and further value-add Synertec's product and solution offering to its target markets. We are seeing these opportunities both locally and overseas and are pursuing them with a time and capital-efficient approach.

Our recent move to a new head office in Camberwell, Victoria, this year has run smoothly despite COVID restrictions, and we are excited to open our new headquarters and provide our people and all our visitors with a COVID-safe environment. As an inherently creative and solution-based business we believe it is important to continue to provide an environment for our multi-disciplined teams to continue to collaborate and innovate together in addition to our virtual working capabilities.



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Beyond the office move and strengthening our information technology platforms and security, we continue to invest heavily in the development of our people and culture. We firmly believe this enables us to intelligently and practically grow our capabilities and provide a creative environment where our people feel empowered, enjoy their work and are seeking to improve all that we do for our customers. Our people are central to our future and we are proud of our highly capable, loyal and resilient team.

Looking ahead to FY21, we will continue to pursue our immediate global growth opportunities by commercialising innovative technology, allowing us to deliver into multibillion-dollar markets on the cusp of acceleration. The Group has entered FY21 well-positioned financially to achieve these goals with a robust, cash-generative and scalable platform, backed by the balance sheet strength to grow quickly and opportunistically.

We have a tremendous team and pipeline of opportunities and are well placed to drive high quality growth and pursue new opportunities. I look forward to keeping you up to date on our achievements through the remainder of the year.

Thanks for taking the time today to understand a little more about Synertec.

-ENDS-



SYNERTEC

Synertec Corporation Limited (ASX: SOP)

2020 Annual General Meeting, 25 November 2020 - Managing Director's Presentation



Synertec Corporation Limited (ASX:SOP)

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expertise  experience

Corporate Snapshot

ASX Stock Code	SOP
Listing date	11 Aug 2017
Share price as at 24 November 2020	\$0.079
Shares on issue as at 24 November 2020	276.3m
Cash balance as at 30 June 2020 (ex. \$1.3m placement)	\$3.0m
Fully diluted market cap	\$21.8m

Experienced, commercial and invested leadership team

Director	Role	Shares held
Ms Leeanne Bond	Independent Non-Exec Chair	2.8m (1.0%)
Mr Michael Carroll (Founder)	Managing Director and CEO	49.4m (17.9%)
Mr Kiat Poh	Independent Non-Exec Director	2.4m (0.9%)
Mr Dennis Lin	Independent Non-Exec Director	0: appointed Aug 19
Mr David Harris	CFO and Company Secretary	1.8m (0.7%)
Total Board		56.4m (20.4%)

Offerings



Technology Design and Development

- Replicable and scalable solutions to enhance industrial clients' profitability, efficiency, safety and environmental impact*



Specialist Engineering Consultancy Services

- The design, implementation and maintenance of mission-critical processes and systems within our clients' operations*

Key Industries



Rail



Water



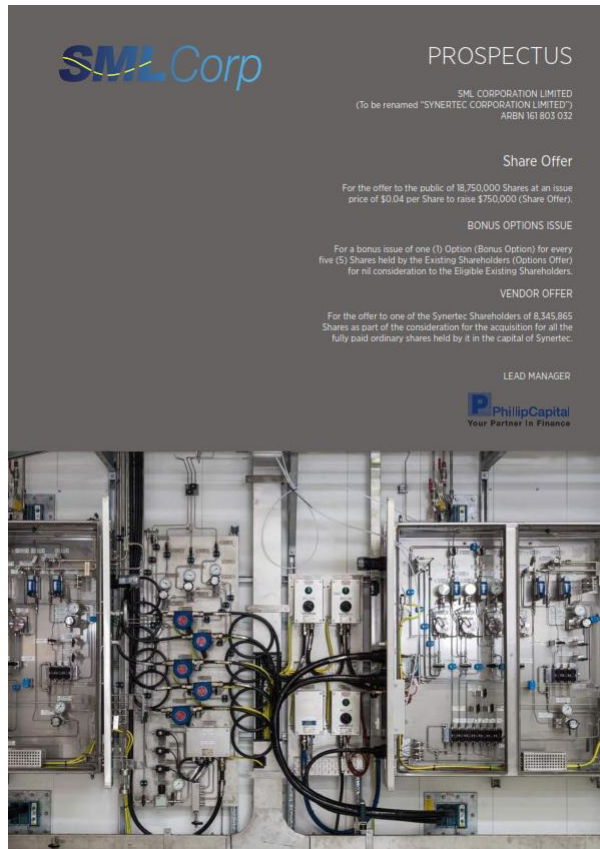
Pharma/Biotech



Oil & Gas

Long-Term Shareholder Value Creation

- ✓ Significant operational and strategic progress since listing on the ASX just over three years ago is gaining recognition in the investment market

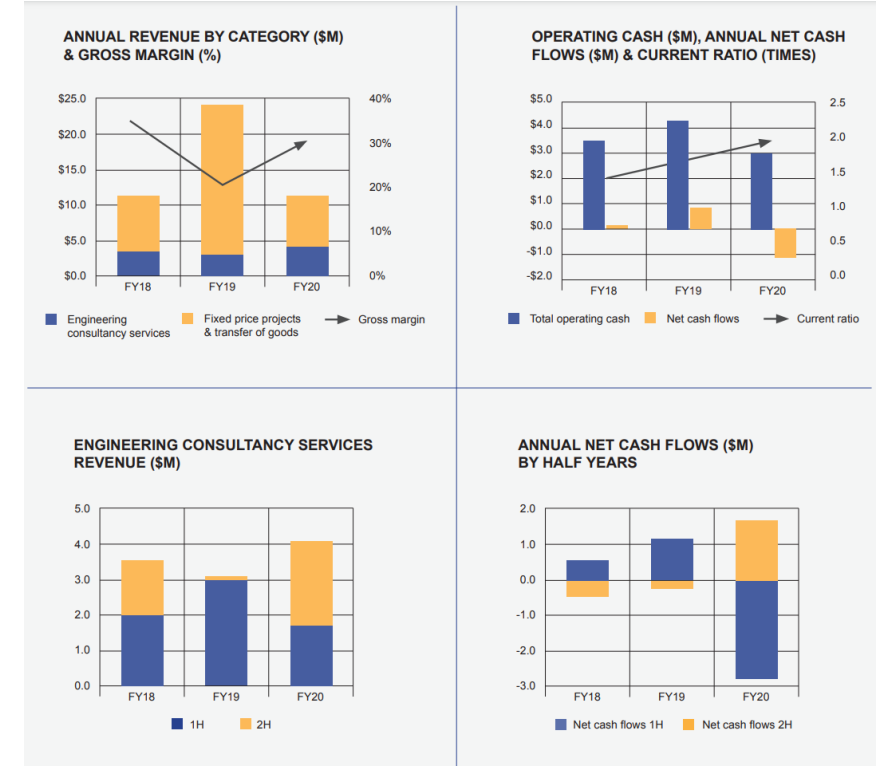


- ✓ Underpinned by the consistency that comes from having a stable Board, Executive and Management team since our ASX listing, firmly focused on the long-term strategic objectives of the business



Above: Share price performance since ASX listing, Aug 2017

Several Years of Solid Revenue and Cashflow Through Repeat Tier-1 Customers



- With 80% of revenue derived from repeat clients, Synertec delivers with **unrivalled experience** into a global market where ~US\$3.7 trillion in global infrastructure spend is expected to 2040¹
- The annual value of the global infrastructure functional safety control system market is expected to grow from US\$4.6 billion in 2019 to US\$7.1 billion by 2024²

1: Oxford Economics: Global Infrastructure Outlook July 2017; 2: Markets & Markets, 2019

Catalysts and Growth Potential Building on progress in FY20



- ✓ Base business (highly specialised quality engineering solutions) is expanding through diverse blue-chip contract wins and extensions, generating cashflow to fund growth
- ✓ The Group is augmenting this organic growth through IP-protected tech-driven solutions which can be scaled and applied globally to enhance industrial clients' profitability, efficiency and safety, and through active pursuit of strategic M&A
- ✓ Through GreenTech, Synertec is well-placed to benefit from the global mega-trend in rising shale gas production, with an improving environmental, social and governance (ESG) overlay
- ✓ Successful completion of Composite Dry Powder (CDP) pilot programs is expected in 2020, confirming the commercial viability of GreenTech's products
- ✓ Proof of concept for Synertec's CTS and subsequent commercial awards are expected in FY21, offering dozens of opportunities to deliver material diversified revenue growth

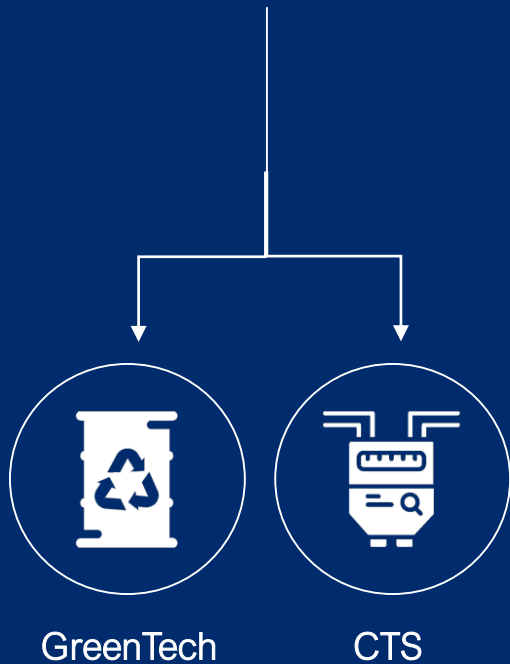
Catalysts and Growth Potential Building on progress in FY20 (cont.)



- ✓ Secured valuable consultancy arrangements, growing throughout CY20 with several key long-term customers in Australia's critical infrastructure sectors of Water, Rail and Energy
- ✓ 'Equity' projects empower Synertec to develop new, replicable and globally-scalable technology and knowhow. Recent projects expose us to solutions which incorporate AI and machine learning
- ✓ Service contract extension with key Water infrastructure customers, Melbourne Water and Central Highlands Water
- ✓ Continued expansion of services into Rail infrastructure with Metro Trains Melbourne and the Rail Systems Alliance
- ✓ New contract awards in Energy with INPEX Corp and Lochard Energy, and recent completion of another critical technology project for Jemena
- ✓ Renewal of engineering and construction panel inclusions with CSIRO and Australian Defence positions Synertec to gain future awards in these two key target growth sectors

Technology Design and Development:

Commercialisation opportunities



Synertec + GreenTech: Strategic Synergies and Leverage to Success

- Synertec views GreenTech's recent progress as **an attractive opportunity** to bolster the Company's tech portfolio:
 - Synertec has partly funded GreenTech's commercial scale Pilot Programs on client sites with a senior secured loan facility of \$1 million, repayable with interest by 31 December 2020
 - The recent successful completion of a first expanded Pilot Program has confirmed the modelled outcomes for CDP as an environmentally friendly and cost-effective solution to treat hydrocarbon drilling mud and wastewater
 - GreenTech has earned approximately **AUD\$0.9 million revenue** for works completed to date for a major Chinese energy State-Owned Enterprise (SOE) as part of the first of several CDP Pilot Programs
 - Synertec has an **exclusive worldwide License Agreement** to market the CDP technology, focusing initially on Australia, to develop a mobile, replicable and internationally scalable solution
- Synertec retains an **option to acquire GreenTech**, subject to the satisfaction of several conditions which are binding upon GreenTech
- Synertec is seeking **international patent protection** for GreenTech's unique intellectual property



Above: Site establishment of GreenTech equipment at a drilling facility on the major Chinese oil field in Changqing

Synertec + GreenTech: Strategic Synergies and Leverage to Success

- Sichuan GreenTech Environmental Co., Ltd. (GreenTech) is commercialising innovative technology that provides a **unique, environmentally friendly and cost-effective solution** to treat toxic sludge and various wastewaters
- GreenTech's patent-pending lead product, **Composite Dry Powder (CDP)**, provides a quick, effective and affordable way to process water-based oil & gas sludge into non-polluting, high-strength building materials

Right: Photo from a GreenTech pilot program showing GreenTech's proprietary processing equipment treating liquid-like drilling mud with the CDP technology. This becomes dried sludge, which may be used as a raw material in bricks.



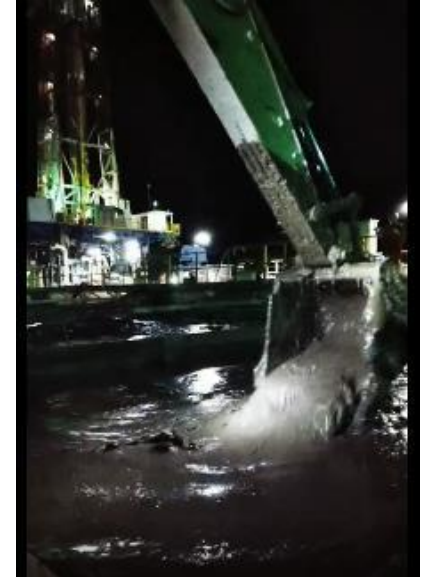
Dried Sludge



Products

- CDP is customisable for **diverse global applications** beyond energy production, including mine tailing sludge and municipal sewage sludge
- GreenTech is in negotiations regarding the first commercial contracts for sale of the CDP technology, chemicals and processing to major Chinese State-Owned Enterprises (SOEs), presenting **significant potential upside**
- Synertec is seeking **international patent protection** for GreenTech's unique intellectual property

Right: Photo from a GreenTech pilot program showing drilling mud in its original liquid state which was then treated with GreenTech's CDP technology.



Synertec's Immediate Opportunity in Marine-Based CTS

- Synertec's development of **best-in-class LNG Custody Transfer System (CTS) technology** allows the Company to take the solution from land to sea and install marine-based CTS on new and existing LNG vessels
- Synertec is now collaborating with **a global major owner, operator and manager of LNG carriers** to jointly develop and deploy the first example of Synertec's patented marinised CTS
- Synertec's partner is a **European-based internationally listed company**
- This collaboration will provide **proof of concept, investment validation** and is expected to position Synertec favourably for **future awards on floating LNG projects**
- Each such award could be worth between \$0.5 and \$2 million to Synertec, with dozens of potential new projects to target globally each year
- **Strategic alliance signed in 2018 with Trelleborg Group**, a global leader in oil & gas transfer technology, allows Synertec to leverage Trelleborg's global marine salesforce which offers reach into more than 50 countries
- Synertec is exploring ways to present this technology through innovative financial models that can minimise clients' capex outlay and provide **longer-term recurring revenue streams**

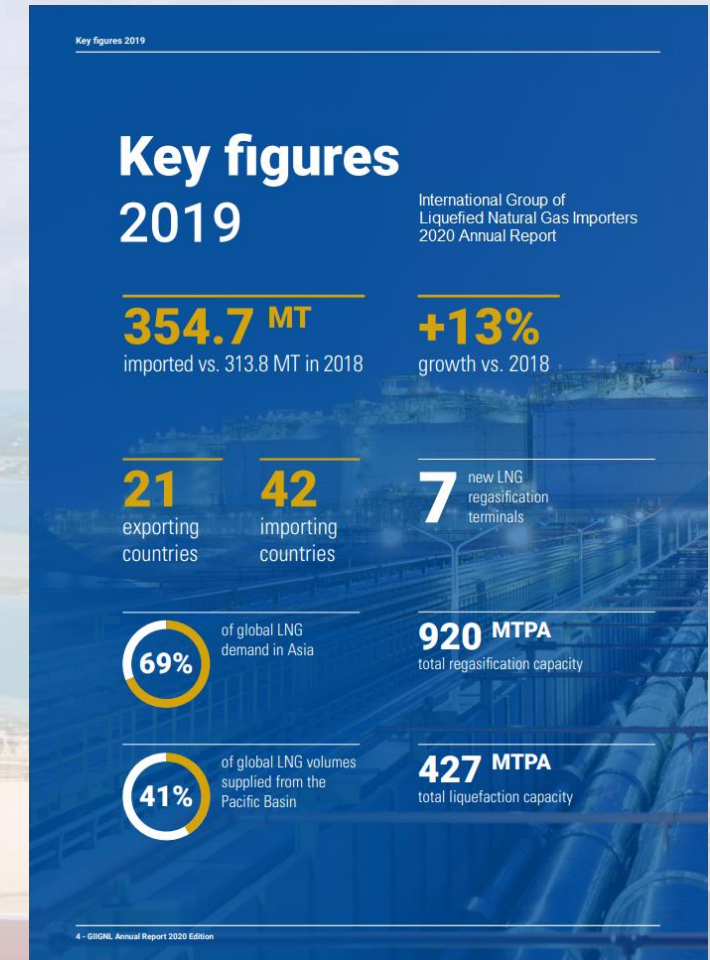


Total Addressable Market:	>US\$200 billion Capital expenditure on new LNG plants expected by 2025 ¹
Serviceable Available Market:	>US\$4 billion Estimated global capital expenditure on new and brownfield LNG CTS

1: Wood Mackenzie 2019, 'LNG primed for \$200 billion capex boom - will it drive cost inflation?'

Background: Marine LNG Global Mega-Trend

- The main type of “bunker” oil for ships is heavy fuel oil, the emissions from which contain sulphur, which cause respiratory illness, lung disease and acid rain
- This year, the International Maritime Organization (IMO) imposed **the steepest-ever cut to sulphur emissions**, slashing them by more than 80pc to help fight harmful air pollution
- Ship owners are responding by investing in cleaner-burning vessels and **are shifting towards LNG propulsion**, particularly for larger vessels. There are 184 LNG-fuelled ships currently on order and more than the 170 vessels currently in operation, according to standards agency DNV GL
- Consultancy Wood Mackenzie expects **the use of LNG for bunkering to rise roughly seven-fold by 2025** to 9 million tonnes per year. To prepare for this boom, over the next three years, the greatest number of floating production storage and offloading (FPSO) project sanctions in any one period in history is expected
- The infrastructure to bunker LNG-fuelled vessels is growing but still minimal, providing an **opportunity for Synertec and its marine CTS solution** with ground-floor positioning in this attractive emerging market



Experienced Pharma and Biotech Engineering Solutions Provider

- **Heavy private and government spend** is expected across the pharma industry both in Australia and abroad to ensure adequate access to medicines and vaccines
- Synertec maintains a high profile in this industry and has recently been involved in some **potentially important national initiatives**
- Synertec's heritage is in pharma engineering design and construction services. We have earned **more than \$50 million in revenue** since 2014 developing “clean process” pharmaceutical good manufacturing facilities for customers who deal with sterile and high containment environments that present significant reputational risk
- Synertec is a trusted partner to Australian pharma and research heavyweights including **CSIRO, CSL and ANSTO**, where the company provides clinical trial facility design support, computer systems validation testing and other complex engineering services to the highest international compliance standards
- In FY20 we proudly handed over a vaccine global centre of excellence facility in Victoria for a major global pharma company, and expect that **demand for our expertise in this industry will grow** in the coming months

Synertec has built a strong book of customers across the Asia-Pacific region



Left: Synertec's delivery of a major upgrade to MSD Animal Health's vaccine facility in Bendigo, Victoria included complex integration of services and equipment – a \$30 million project spanning approximately 20 months

Strategy and Investment Highlights

Synertec Corporation Ltd (ASX: SOP) is a high-tech engineering business commercialising globally scalable technology in the large target markets of Water, Infrastructure, Pharma and Energy.



Executing on **an immediate global growth opportunity** through a blue-chip client base, delivering into multibillion-dollar markets on the cusp of acceleration



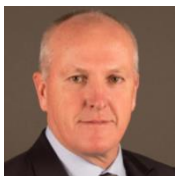
Cashflow to fund growth comes from Synertec's competitive advantage providing engineering services to clients in sectors with **high barriers to entry** and reputational risk



Strong exposure to **attractive global thematic**s in water tech, automation, pharma and the environmentally friendly treatment of oil & gas waste



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Unless marked, all currency is denominated in Australian dollars.

Appendices



Shale Energy Mega-Trend, Led by China

- Shale gas production in China is forecast to triple from 30bn m³ in 2020 to 90bn m³ in 2030. This is creating a huge glut of toxic sludge as mud is constantly pumped to the drilling bit to provide lubrication
- Each rig typically produces between 5,000 and 10,000 tons per annum of this toxic byproduct. Although oil and water-based drilling sludge needs to be treated to reduce its environmental harm, the majority of China's sludge **currently goes to landfill**
- Energy environmental regulations are increasingly strict in China and other jurisdictions, making sludge processing **a difficult, laborious and expensive process** for oil & gas companies
- Significant forecast growth in shale gas and oil demand and production is expected to drive **strong demand for innovative sludge treatment solutions**



China | PetroChina

Shi Weijun
Shanghai
20 October 2020



PetroChina predicts massive Chinese gas demand growth

The country's consumption of the fuel will double over the next 15 years, the company says

China's top natural gas supplier signalled a surprisingly bullish outlook for the fuel at an industry conference in Shanghai today. Beijing's recent landmark decision to overhaul its coal-dominated energy system puts gas on track to be the only fossil fuel that will expand its share of the Chinese energy mix.

The goal of carbon-neutrality by 2060 will require China to kick its longstanding addiction to coal while building unprecedented amounts of intermittent wind and solar capacity. This opens the door for the country's annual gas demand to roughly double over the next 15 years, reaching 600bn m³/yr by 2030 and 620bn m³/yr by 2035, a representative of PetroChina Natural Gas Marketing Co. told delegates.

The extremely ambitious projections, which are considerably higher than long-term energy outlooks from the IEA and BP, highlight the rising confidence felt in the Chinese gas industry after it effectively weathered the short-term demand shock caused by Covid-19.

CTS: Synertec's Lead Product in LNG, Market-Proven on Land



When transferring large, valuable volumes of LNG, an exceptionally accurate, certified and reliable custody transfer system (CTS) is crucial, as errors of 1% are common and can **dramatically impact profitability**.



The market-proven Synertec CTS can **unlock additional profit** of \$25 million per year, every year, for the life of a typical facility that generates \$5 billion worth of LNG per year. The technology is **suitable for all LNG applications** across both land and marine-based facilities.



The Synertec CTS can deliver **material financial gains**, having built a proven track record with organisations including Chevron and Exxon. Our clients tell us **our CTS is market-leading**, and they consider it the most precise in the world.



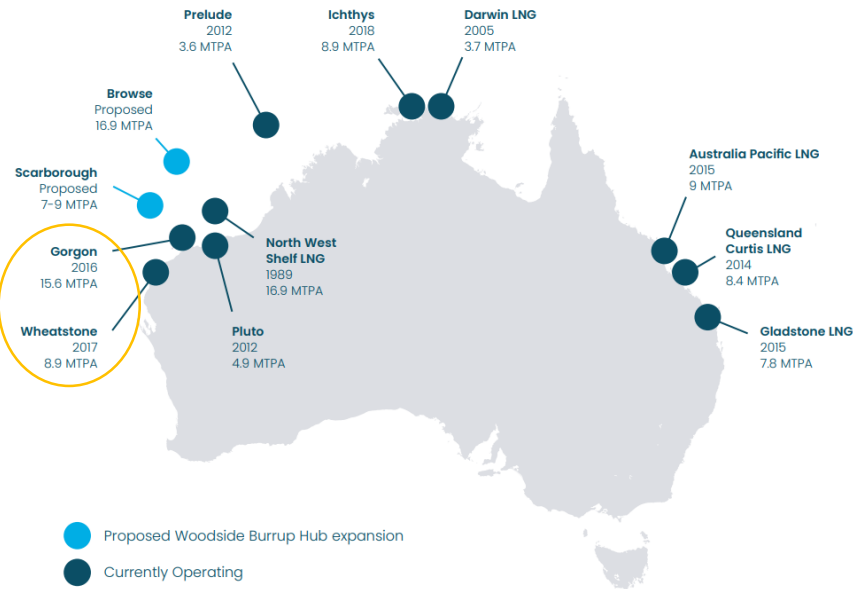
Synertec's CTS has gained the certification and endorsement of EffecTech, the global leader in gas measurement for the energy industry. This led to Synertec becoming EffecTech's exclusive APac regional representative in 2020

Synertec has successfully delivered multiple land-based CTS systems in Australia, to the Gorgon and Wheatstone projects in WA (circled at right), earning more than \$30m revenue since 2014



Click image above to view a video introducing Synertec's CTS

Australian LNG Projects and annual capacity – current and proposed



Source: SMH

Board of Directors



Leeanne Bond

Independent
Non-Executive
Chairperson
Australia-based

- Ms. Bond has 30 years' experience in business strategy, technology and innovation, risk management, infrastructure and governance of major capital projects across a range of industrial sectors including energy, minerals, infrastructure and water
- Joined Synertec in 2017
- Non-Executive Director of Snowy Hydro Ltd, Aurecon and Mining3; Board member of the Clean Energy Finance Corporation; 10 years in management at Worley and former Executive for Diversity and Inclusion at Downer EDI
- Owner and sole director of Breakthrough Energy Pty Ltd, a project and business development consulting firm



Poh Kiat

Independent
Non-Executive
Director
Singapore-based

- Mr. Kiat has over 30 years' experience at the senior management level in construction, real estate development, manufacturing and financial markets, also holding senior positions in corporate finance and investment companies in Malaysia
- Chair of Synertec Corporation Limited (formerly SML Corporation Limited) when it acquired Synertec Pty Ltd
- Since 2005, has managed a Singapore-based investment advisory company focused on participating in strategic stakes in listed companies
- Former Non-Executive Director of Centrex Metals Limited (ASX:CXM)



Dennis Lin

Independent Non-Executive Director
Australia-based

- A Chartered Accountant and solicitor, Mr. Lin is Founding Partner and Chairman of Cortina Capital, an independent private equity firm focused on middle-market businesses with great export potential to Asia
- Worked with Synertec as a strategic advisor from 2018 and joined the Board in 2019
- Chairman of Bubs Australia Ltd (ASX: BUB) and Non-Executive Director at Buderim Group Ltd (ASX: BUG)



Michael Carroll

Managing Director
& Chief Executive
Officer
Australia-based

- Synertec founder and visionary, highly commercial and strategic thinker who is hands-on in the day-to-day management of the company
- Founded Synertec in 1996 and has grown and led the business during this time
- Extensive experience in Australian and Asian engineering markets
- Experienced and effective contract negotiator
- Focused on delivering Synertec's growth strategy; responsible for business development coordination (particularly for larger-scale strategic project opportunities) and IP development
- Major Synertec shareholder; effective ownership of 18% of shares on issue



David Harris

CFO and Company
Secretary
Australia-based

- Experienced ASX executive, skilled in strategic corporate development, governance, financial control, leading enterprise-wide system projects
- Joined Synertec in 2017
- Works closely with CEO and Board to provide:
- Leadership, facilitation of strategy and aligned corporate development activities
- Planning, management, reporting and control of all financial, taxation and treasury activities
- Oversight of key systems and processes delivering operational excellence and financial control
- Company secretarial duties and corporate governance activities