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Lycopodium

The science of solving engineering problems

Investor Presentation

Full Year Results FY2020

26 August 2020



About Lycopodium

Lycopodium is an innovative and value-driven process, engineering and project delivery group.

The Company is headquartered in Perth, Western Australia and is listed on the Australian Stock Exchange (ASX: LYL).

Corporate Overview



Share Price
(as at 24.8.20)
\$4.50

Shares on Issue
39.7m



Market Capitalisation
~\$178.8m



Earnings per Share
29.7 cents



Full Year Dividend
20 cents



Shareholder Breakdown

Board and Management	41%
Institutions	30%
Retail	29%

Core Capabilities

Sectors



Resources

- Gold and Precious Metals
- Base Metals
- Battery Metals
- Specialty Metals
- Diamonds and Gemstones
- Bulk Minerals
 - Iron Ore
 - Minerals Sands
 - Bauxite



Infrastructure

- Railways
- Roads
- Ports
- Non-Process Resource Infrastructure
- Asset Management



Industrial Processes

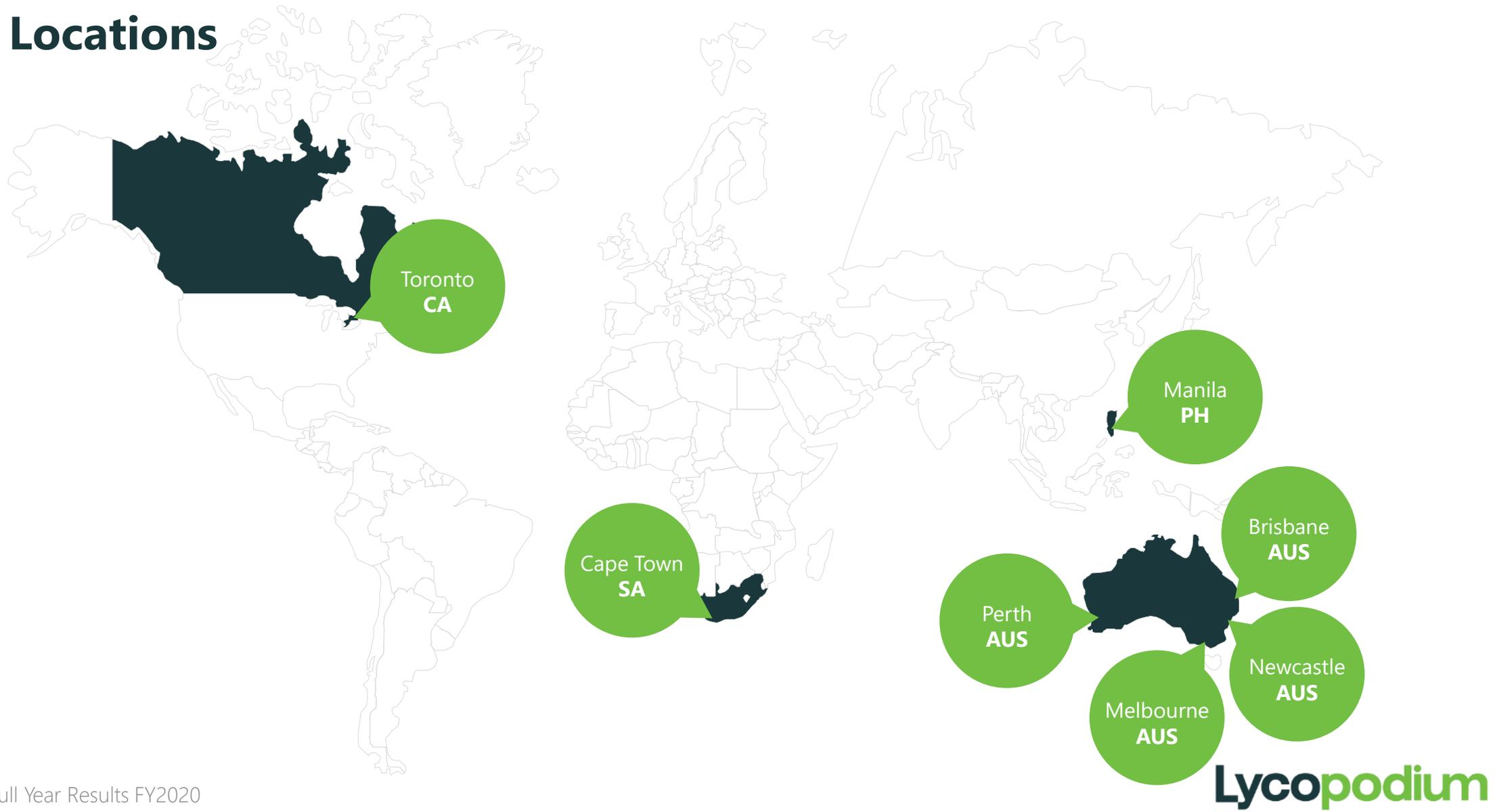
- Pharmaceuticals
- Biotechnology
- Chemical and Energy
- Food and Beverage
- Manufacturing
- Research and Development

Services



- Feasibility Studies
- Process Development and Optimisation
- Engineering and Design
- Project Management and Delivery
- Project Services
- Construction Management
- Commissioning and Operations Support
- Asset Management

Locations



FY2020 Financial Highlights

Revenue \$211.1m	EBITDA \$27.1m	Profit Before Tax \$18.5m
NPAT \$11.8m	Cash at Bank \$102.9m	Operating Cashflow \$62.2m

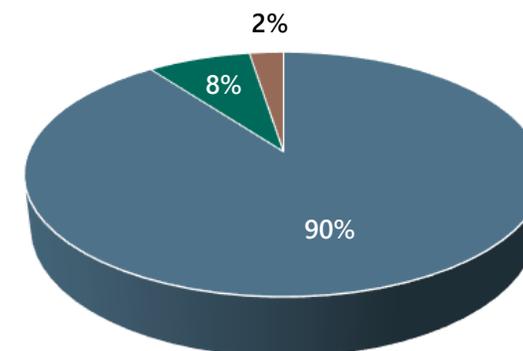
Operating within our core sectors of Resources, Infrastructure and Industrial Processes, during FY2020 we serviced a cross-section of clients with broad geographical reach across Australia, Africa, Asia, Europe, the Americas and Canada.

COVID-19 impact – we safely managed and progressed the delivery of existing projects, but the award and commencement of new opportunities was curtailed, with projects delayed or suspended.

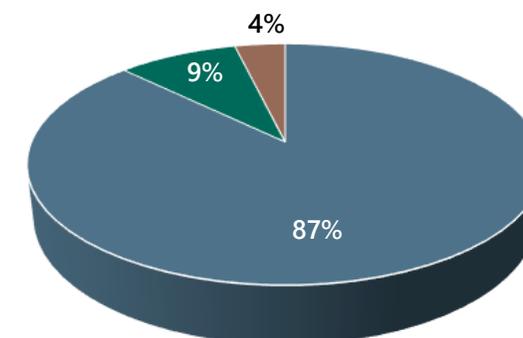
FY2020 Revenue by Sector

	FY2020	FY2019
Sector	A\$'000	A\$'000
● Resources	189.6	134.4
● Infrastructure	16.2	13.8
● Industrial Processes	5.4	5.8
	211.1	154.0

FY2020



FY2019

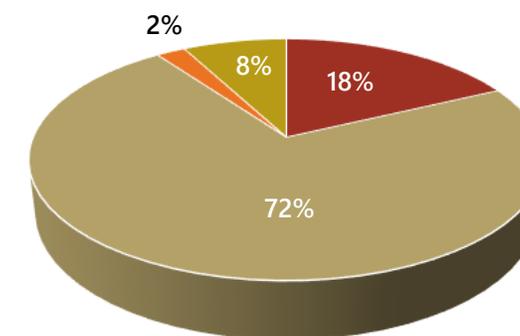


FY2020 Revenue by Geography

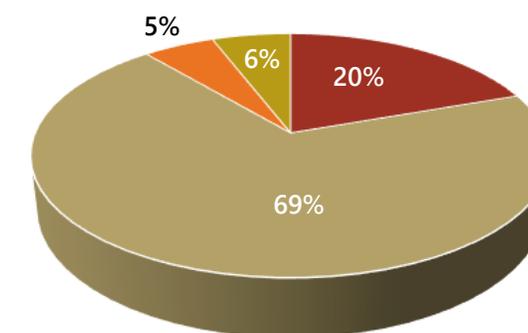
	FY2020	FY2019
Geography*	A\$'000	A\$'000
● Australia	37.8	30.2
● Africa	152.3	106.7
● Americas	4.6	8.2
● Other	16.4	9.0
	211.1	154.0

* By project location

FY2020



FY2019



FY2020 Balance Sheet

	FY2020	FY2019
	A\$'000	A\$'000
Current Assets	134.3	102.8
Total Assets	155.7	119.8
Total Liabilities	77.8	40.4
Equity	77.8 ¹	79.4

¹ Decline in equity due to exchange differences arising on translation of foreign controlled entities



FY2020 Operational Highlights

- Completion of two significant EPCM projects in Burkina Faso – Sanbrado Gold Mine (West African Resources) and Wahgnion Gold Mine (Teranga Gold Corporation), both delivered safely, ahead of schedule and within budget
- Ongoing delivery of Yaouré Gold Mine (Perseus Mining) in Côte d’Ivoire – completion of the design and procurement scope and commencement of construction work on site achieved ahead of schedule and within budget, with project remaining on track to achieve the contracted schedule despite the onset of COVID-19
- Completion of engineering and procurement services for the expansion of the Mine Services Area for the Fekola Gold Mine (B2Gold) in Mali
- Commencement of Mondium’s EPC delivery of the Western Turner Syncline Phase 2 iron ore project in the Pilbara for Rio Tinto – practical completion of the engineering services achieved within schedule and budget, with delivery ongoing into FY2021
- Delivery of the engineering services scope of Mondium’s EPC contract for Talison Lithium’s Tailings Retreatment project at Greenbushes, WA
- Completion of numerous studies across a spectrum of commodities, including gold, copper, lead, zinc, silver, lithium, graphite, mineral sands and sulphate of potash
- Successful completion of past studies has led to the award of further scope on a number of projects, supporting the project pipeline moving into FY2021

FY2020 Operational Highlights

Continued to focus on maximising opportunities across core services – rail infrastructure management, non-process infrastructure and infrastructure related asset management:

- Rail infrastructure management – services provided during the year included condition surveys and design services for the Australian Rail Track Corporation (ARTC) and the Country Regional Network (CRN), and rail inspection services for various clients including Pacific National, BHPB and Southern Ports Authority
- Non-process infrastructure – providing resources to support delivery of the Armadale Road to North Lake Road Bridge Project in Western Australia
- Infrastructure related asset management – optimisation of maintenance for a number of critical assets for the Cape Preston Port Company's Pilbara port facilities, which services CITIC Pacific Mining's magnetite mining operation, the largest magnetite operation in Australia

Infrastructure



FY2020 Operational Highlights

Continued to leverage our expertise in the provision of projects and engineering services in the areas of specialty chemicals, pharmaceutical and heat/mass transfer:

- Completed scope on the Geo40 Silica Extraction Plant in New Zealand, for the design and commissioning of a new facility for the extraction of silica from geothermal fluids
- Provided services on the Kawasaki Heavy Industries' Hydrogen Energy Supply Chain (HESC) project, a world-first pilot project to safely and efficiently convert locally-produced, clean hydrogen for international transport
- Ongoing focus on emerging opportunities in renewable energy and sustainability related projects

Industrial Processes



Lycopodium

Business Improvement

Focus over the past 12 months has been on developing and implementing initiatives to support improved organisational connectedness, to facilitate greater collaboration across the company, globally:

- Development of a Corporate Shared Services model to standardise processes and operating platforms across the business for key functions, including Finance, HR, Travel, IT, Legal, Marketing & Communications, and Corporate Development
- Development and implementation of a People Strategy and People Plan, providing a strategic framework for attracting and retaining talent – focus on leadership and succession planning, upskilling, global mobility and talent management, client-centred design and delivery, and knowledge management
- Achieved consistency and alignment in the systems, processes and procedures used across the business to increase efficiency and facilitate work and knowledge sharing between offices across the globe



Innovation

Digital Twin

- Significant initiative being undertaken by ADP Marine & Modular (ADP), our specialist subsidiary in Cape Town
- Applying advanced digital technology and engineering for process simulation and control to support brownfield optimisation work and greenfield plant design
- Development of a connected digital twin to facilitate efficient remote operation of the plant, engineering the plant as a static digital twin (a digital replica of the asset)
- This software technology, combined with the specialist in-house skills developed in its use, will facilitate more extensive and cost-effective options analysis and scenario planning during project study phases

Orway IQ (OIQ)

- OIQ is a collaboration between Process IQ and Orway Mineral Consultants (a wholly-owned subsidiary of Lycopodium)
- Company formed to provide remote optimisation consulting services to the minerals processing industry
- MillROC (Mill Remote Optimisation and Consulting), developed by OIQ, is an online platform providing customised dashboards, specialist metallurgical consulting and advanced process control consulting, delivered in real-time
- Over the past 12 months, OIQ has been providing services on three foundation projects implementing MillROC, with these initial projects meeting all technical goals

People First

During FY2020:

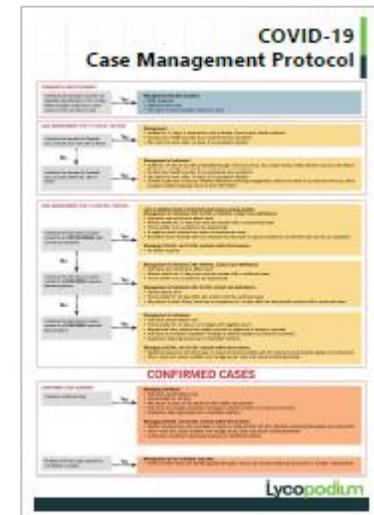
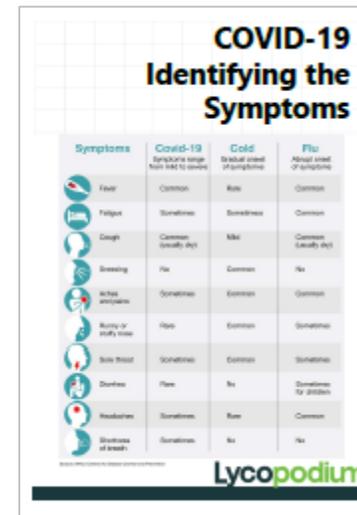
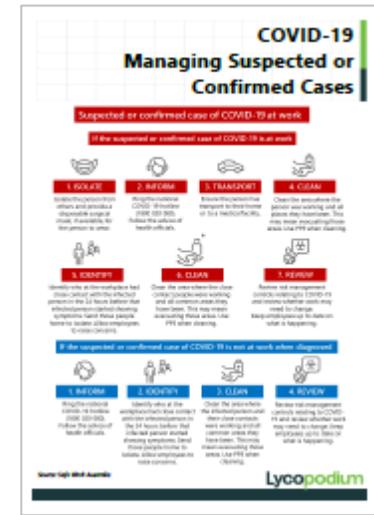
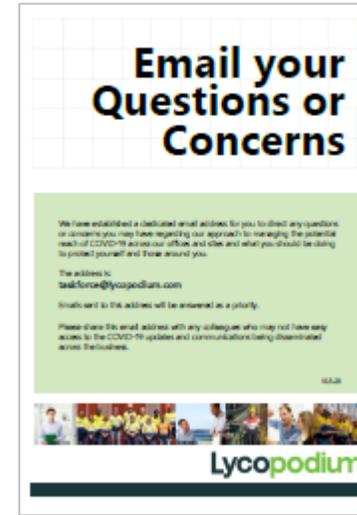
- 2.5 million manhours controlled
- Lost Time Injury Frequency Rate (LTIFR) – 0²
- Total Recordable Injury Frequency Rate (TRIFR) – 1.2

² Against Construction Industry frequency rate of 7.5
(Safe Work Australia, *Australian Workers' Compensation Statistics, 2017-18*)



Response to COVID-19

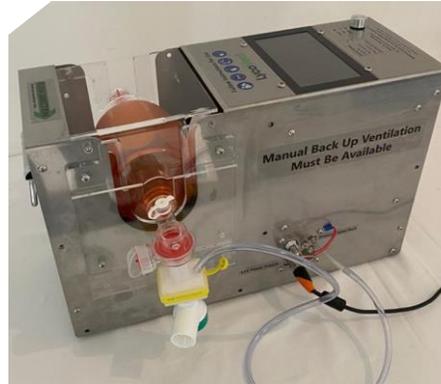
- Despite the growing impact of COVID-19 as events unfolded during the first half of 2020, the progress of our projects in delivery was generally unaffected, as we adjusted our approach to manage the potential implications of the pandemic on our operations
- Supporting and effectively communicating with our geographically dispersed workforce has been critical during this period
- Our response to the crisis has been managed by a dedicated internal taskforce, with actions aligned with the advice provided by the various governments and authorities within the locations in which we operate globally
- Throughout this extremely dynamic period, the health and wellbeing of our people, clients and partners, and the broader communities in which we operate, has remained our priority as we have worked together to maintain business continuity and a pipeline of future work



Our Community

Joining the Fight Against COVID-19

- We have designed an electrically operated ventilator, known as LycoVent, for use as an emergency backup
- The portable unit, which is independent of piped oxygen supply, was developed locally in Perth
- We are in the process of applying to the Therapeutic Goods Administration (TGA) under the COVID-19 Emergency Exemption for possible use in Australia and also intend to seek the appropriate listing to allow it to be used to support the communities where Lycopodium operates in Africa, including Ghana or Burkina Faso
- Recognising the impact of the pandemic on the lives of everyday Australians, we also provided financial contributions to the Salvation Army and St Vincent de Paul Society, to support people in need during these difficult past few months



Providing Grass-Roots Support

- Long-term partnership ongoing with the Clontarf Foundation
- Support provided to the Murlpirrmarra Connection, a not-for-profit organisation that delivers programs for Aboriginal youth in the remote communities of Wiluna and Leonora
- In Africa, continue to support BASICS International, an NGO based in Ghana, which is committed to protecting the basic human rights of children to education, shelter, food and safety



FY2020 Major Projects



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Wahgnion Gold Project

Sector	Resources
Client	Teranga Gold Corporation
Location	Burkina Faso
Commodity	Gold
Scope	Engineering, Procurement and Construction Management (EPCM) services
Processing Capacity	2.0 to 2.7 Mtpa



Sanbrado Gold Project

Sector	Resources
Client	West African Resources
Location	Burkina Faso
Commodity	Gold
Scope	Engineering, Procurement and Construction Management (EPCM) services
Processing Capacity	2.0 to 2.7 Mtpa



Yaouré Gold Project

Sector	Resources
Client	Perseus Mining Limited
Location	Côte d'Ivoire
Commodity	Gold
Scope	Engineering, procurement and construction (EPC) services
Processing Capacity	3.0 Mtpa



Western Turner Syncline Phase 2

Sector	Resources
Client	Rio Tinto
Location	Pilbara, Western Australia
Commodity	Iron Ore
Scope	Engineering, design, procurement and construction of the mineral processing facilities and associated non-process infrastructure Awarded and delivered via Mondium
Processing Capacity	36 Mtpa



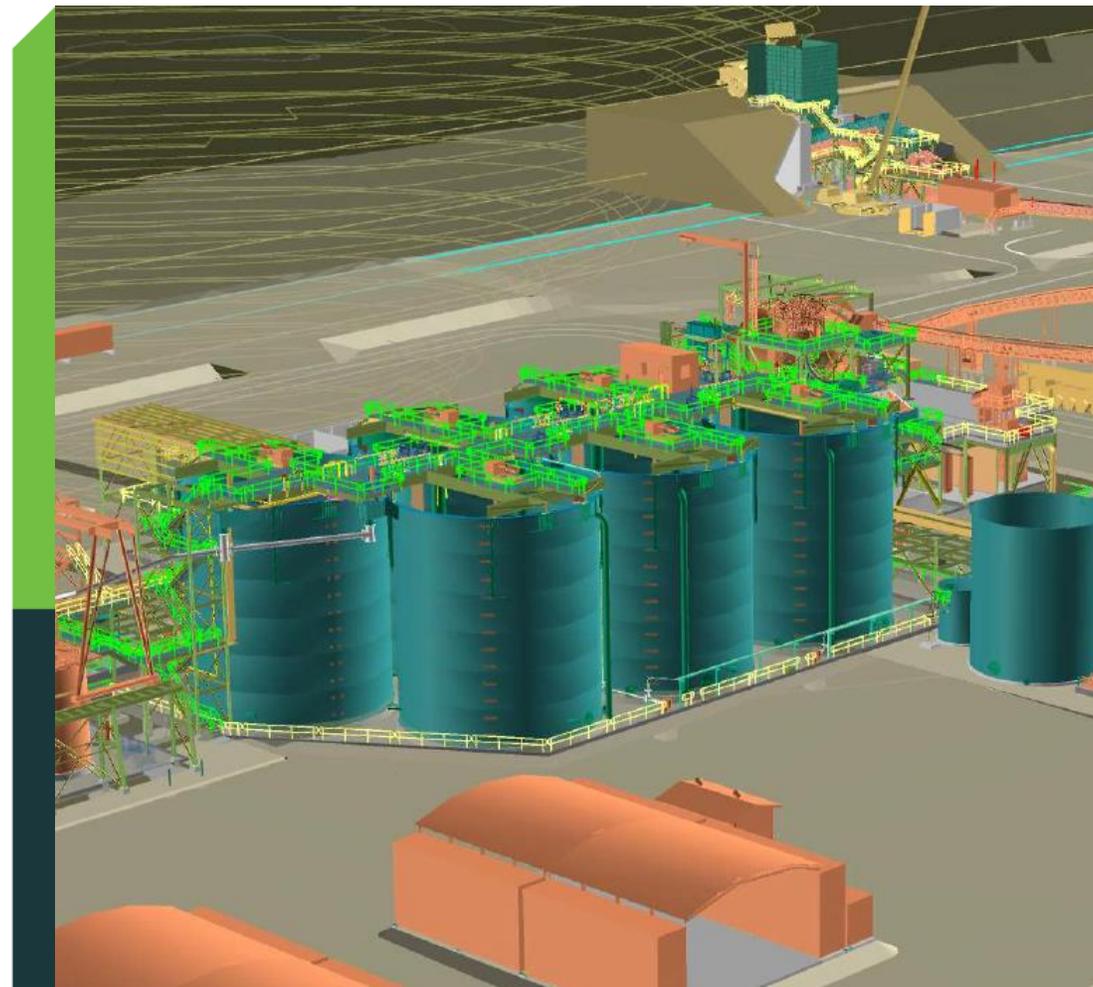
Tailings Retreatment Project

Sector	Resources
Client	Talison Lithium
Location	Greenbushes, Western Australia
Commodity	Lithium
Scope	Engineering, procurement and construction (EPC) services Awarded and delivered via Mondium
Processing Capacity	2 Mtpa



Boto Gold Project

Sector	Resources
Client	IAMGOLD Corporation
Location	Senegal
Commodity	Gold
Scope	Engineering and Procurement (EP) services
Processing Capacity	2.7 Mtpa



Fekola Mine Expansion

Sector	Resources
Client	Fekola SA (B2Gold)
Location	Mali
Commodity	Gold
Scope	Engineering and Procurement (EP) services for expansion of the Mine Services Area
Processing Capacity	7.5 Mtpa



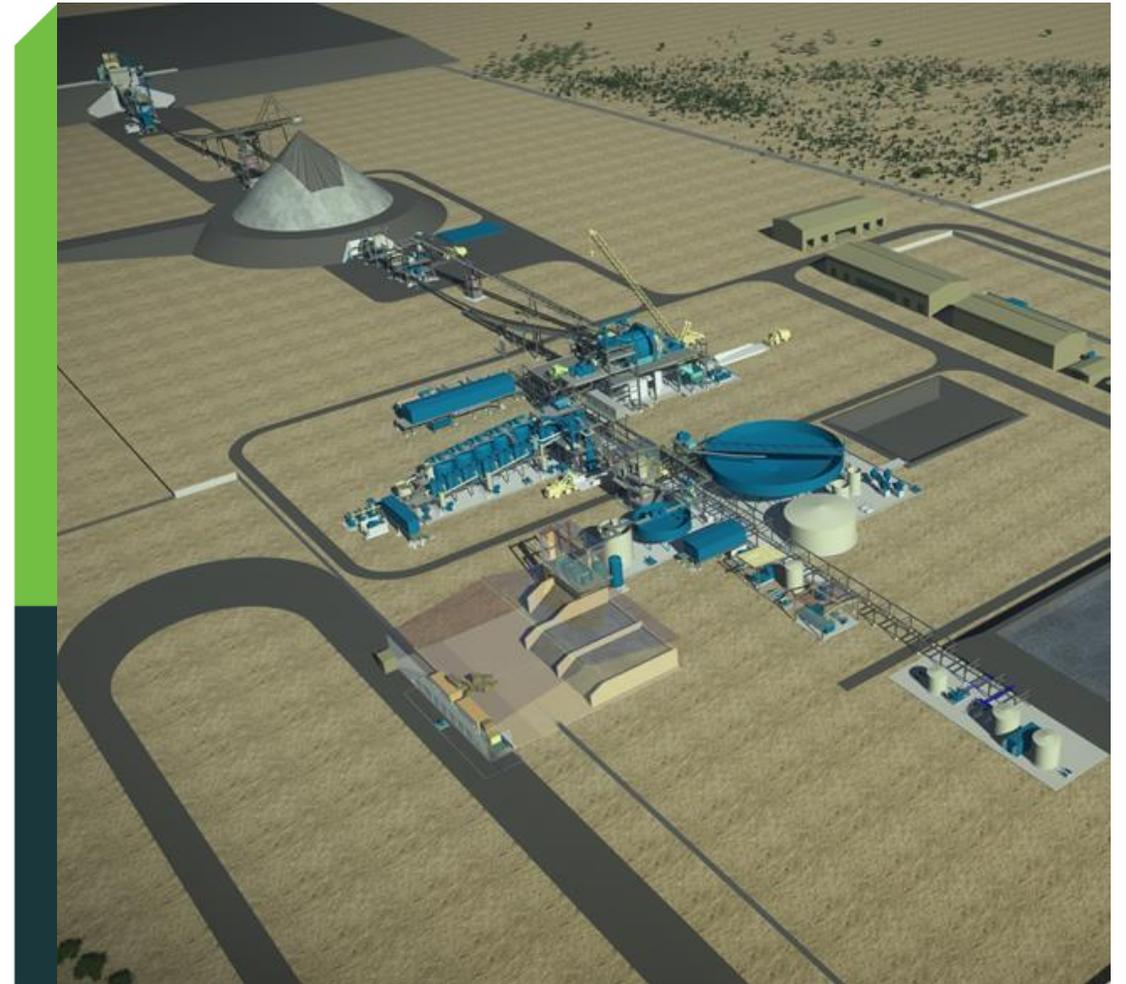
Ahafo North Stage 3 Study

Sector	Resources
Client	Newmont Ghana Gold Limited
Location	Ghana
Commodity	Gold
Scope	Advancement of engineering design to prepare for the procurement of long lead items and to enable the award of early contracts to support Stage 4 (execution)
Processing Capacity	3.4 to 3.7 Mtpa



Motheo Copper Project Processing Plant

Sector	Resources
Client	Sandfire Resources Ltd
Location	Botswana
Commodity	Copper
Scope	Optimised Feasibility Study (OFS) and Front End Engineering and Design (FEED) to support long lead procurement and early works site packages
Processing Capacity	3.2 Mtpa



Batu Hijau Plant Expansion

Sector	Resources
Client	PT Amman Mineral Nusa Tenggara
Location	Indonesia
Commodity	Copper, Gold
Scope	Front End Engineering and Design (FEED)
Processing Capacity	60 Mtpa



Lake Wells SOP Project

Sector	Resources
Client	Australian Potash Limited
Location	Goldfields, Western Australia
Commodity	Sulphate of Potash
Scope	Front End Engineering and Design (FEED)
Processing Capacity	150,000 tpa



Strategy and Outlook

The measures implemented to contain the coronavirus pandemic are likely to continue to constrain global economic activity for an extended period – with this uncertainty, our forward strategy is to stay focused on our established relationships to secure ongoing works with key clients

Resources

- In the resources sector, our proven experience and multidisciplinary capability across a range of commodities and geographies is advantageous, enabling us to respond to opportunities across a broad cross-section of the market
- Particularly working to our experience and strengths, the current global economic outlook is driving up the price of gold
- We also see some opportunity in the domestic Australian market to support clients embarking on sustaining capital works projects, given the prospect of new developments potentially being delayed for some time
- Additionally, as clients focus on streamlining their operations to curtail costs, we will leverage our asset management capability, pursuing opportunities to establish recurring revenue streams for the business

Infrastructure

- Working within our core service offering, we have rationalised our target markets in the infrastructure sector
- Focus is on the provision of rail infrastructure management, non-process infrastructure and infrastructure related asset management
- We will continue to leverage our established long-term partnerships with our core client base to secure new opportunities

Industrial Processes

- In the industrial processes sector, we will continue to provide our specialist expertise in emerging markets, such as cannabinoids, light metals and water purification
- Our ability to support renewable energy and sustainability related projects, focused on energy efficiency and clean energy generation, ensures we are well positioned to capitalise on opportunities as businesses seek to operate smarter and leaner in response to current economic pressures

Questions?

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