

# ASX Announcement

18 April 2024

## Growing Demand for SciDev's Proprietary Chemistry Delivers Record Quarter

SciDev Ltd (ASX: SDV) ('**SciDev**' or '**the Company**') is pleased to provide an update on its financial<sup>1</sup> and operational performance for the quarter ended 31 March 2024 (Q3 FY24).

### Q3 FY24 Financial Highlights<sup>1</sup>

- Revenue of \$29.1m, up 38% on Q3 FY23 (previous corresponding period or "PCP") and cash receipts of \$31.3m
- Cashflow from operations of \$3.8m and underlying EBITDA of \$3.6m
- Stronger gross profit margin of 30% driven by growing demand for proprietary chemistry solutions, particularly in Energy and improved profitability in the Water Technologies business
- Cash and cash equivalents at 31 March 2024 of \$9.1m (\$5.8m at 31 December 2023).

### YTD FY24 Financial Highlights<sup>1</sup>

- YTD FY24 revenue of \$79.4m and unaudited underlying EBITDA of \$6.8m, up 12% and 62%, respectively, on the same period in FY23
- Positive operating cashflow of \$4.3m.

### Q3 FY24 Operational Highlights

- Successfully executed field trial of MaxiFlox® chemistry to a major global gold producer in Central America
- Nuoer SciDev JV Pte Ltd incorporation established in Singapore, expanding on the current partnership with Nuoer Group to take the MaxiFlox® chemical solutions to the global mining industry
- Operated on nine PFAS treatment projects through Q3, generating \$3.0m in revenue
- Post quarter end, SciDev executed a contract with an initial value of approximately \$2m with Ventia Utility Services Pty Ltd for the supply of a Build Own Operate (BOO) water treatment plant using FluorofIX™ to remediate a PFAS contaminated site in Victoria, Australia
- Appointment of Mike Utsler as Non-executive Director.

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<sup>1</sup> All financial results are unaudited. All \$ are A\$ unless otherwise stated

**SciDev Limited**

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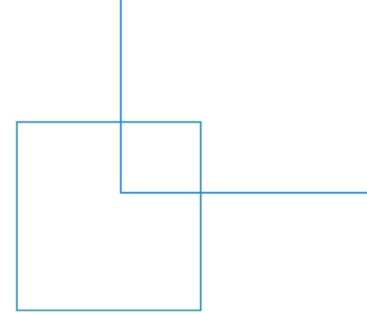
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SciDev CEO Seán Halpin addressed performance for Q3 FY24, saying, "Our performance in this quarter demonstrates the continued momentum and high demand for SciDev technology as we strengthened our industry position, delivering a record quarterly revenue of \$29.1m. Importantly, we continue to grow in a sustainable manner, recording a positive cashflow over the course of FY24 and delivering a year-to-date EBITDA of \$6.8 million.

"The company's strong financial performance is driven by the growth in our client base and operational performance across all markets. Our market share in the oil and gas sector improved significantly as our industry-leading proprietary chemistry is increasingly adopted by a growing client base across multiple onshore basins. We are also expanding the number of SciDev products provided per completion fleet to ensure we continue growing our market share.

"It was a pleasure to welcome Mike Utsler as Non-executive Director. Mike's extensive experience in the global and North American oil and gas sector and comprehensive strategic and technical knowledge will be invaluable as we continue to grow our American energy business.

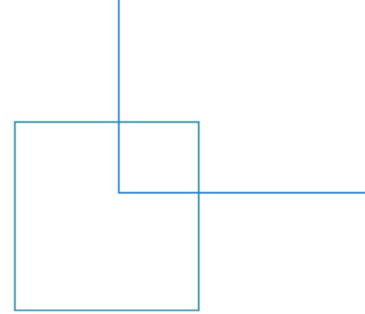
"Our results represent a strong set of operational outcomes and successful project milestones that continue to advance our growth strategy as an emerging water tech leader. In the long term, the mega-trends playing out in the world around us continue to underline our confidence in the future demand for our industry-leading solutions."

## Financial Performance

SciDev delivered revenue of \$29.1m, up 38% on the PCP. The growth in revenue over the period was driven by improved performance in both Water Technologies and Chemical Services. Revenue in Water Technologies was positively impacted by several major PFAS projects during the period. The growth in Chemical Services reflected our expanding footprint in US Oil & Gas and the ramping up of previously announced mining projects such as Iluka Cataby and the Thunderbird operation.

Table 1: Revenue by vertical (unaudited)

Sector	Q3 FY23 (A\$m)	Q2 FY24 (A\$m)	Q3 FY24 (A\$m)	% Change (vs PCP)
<b>Water Technologies</b>	<b>3.0</b>	<b>5.4</b>	<b>6.0</b>	<b>100</b>
<b>Chemical Services</b>	<b>18.1</b>	<b>23.1</b>	<b>23.1</b>	<b>28</b>
- Mining & Construction	5.1	6.2	6.8	33
- Energy Services	13.0	16.9	16.3	25
<b>Total</b>	<b>21.1</b>	<b>28.5</b>	<b>29.1</b>	<b>38</b>



Quarterly positive cash flow from operations of \$3.8m. The strong cashflow performance in the quarter also incorporated a positive reversion of the working capital cycle highlighted in the Q2 FY24 results. Year to date cashflow is \$4.3m.

Cash and cash equivalents at 31 March 2024 of \$9.1m with \$7.7m in inventory.

Payments to Directors and their associates for the quarter, \$76k, include fees paid to Non-executive Directors.

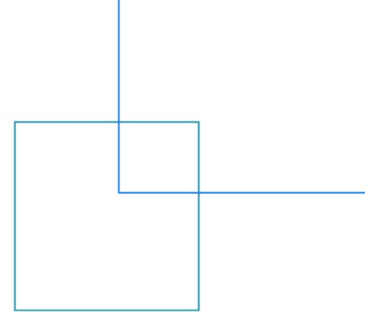
SciDev's Appendix 4C for the December 2023 quarter included, at Items 7.1, 7.4 and 7.6, a reference to \$814k in finance leases for motor vehicles. On further assessment by the Company, this disclosure is not required as the vehicle leases do not constitute 'financing facilities' in the context of the relevant accounting standard-AASB 107 Statement of Cash Flows. In line with the applicable accounting standards, leases will continue to be reported in the Company's half and full-year financial reports. SciDev confirms this Appendix 4C has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A and Appendix 4C gives a true and fair view of the matters disclosed.

## Operational Performance

### Chemical Services

SciDev continues innovating and delivering a range of chemistry solutions to clients that improve operational efficiency and reduce their water footprint. Key Q3 FY24 operational and development highlights include:

- SciDev operated across six Oil & Gas basins in North America, supporting an average of 11 completion fleets during the quarter
- Secured an additional blue-chip E&P client in the North American onshore shale industry with revenue to commence in Q4 FY24
- First purchase orders received for supply of MaxiFlox® chemistry to local distributor and service provider to the coal industry in Central Queensland
- Awarded a chemical dosing equipment supply contract for a major coal operator in Hunter Valley, with the first project phase executed during the quarter
- Successfully executed field trial of MaxiFlox® chemistry to a blue-chip global gold producer in Central America with SciDev's technical resources in Australia and the Americas supporting the trial across a four-week period
- New Business awarded with an existing customer for the supply of SciDev's OptiFlox® technology
- Nuoer SciDev JV Pte Ltd incorporation established in Singapore, expanding on the current partnership with Nuoer Group to take the MaxiFlox® chemical solutions to the global mining industry.



## Water Technologies

The Water Technologies business continued to expand its operations in Australia by executing several new contracts across the PFAS and broader water treatment industries.

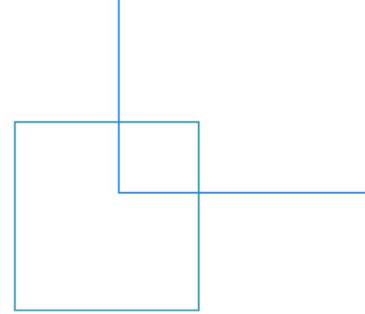
Key highlights from the period include:

- SciDev commenced full-scale treatment operations on the previously delayed project for Cleanaway at their New Chum landfill in Queensland, where FluorofIX™ has been deployed to treat PFAS from landfill leachate
- Construction of a PFAS water treatment plant has begun onsite for a blue-chip mining client in Western Australia. The WTP will be commissioned in Q4 FY24. SciDev will then operate and maintain the treatment plant for a minimum of 12 months prior to handover to the client
- Received a purchase order for the supply and ongoing maintenance of 30 water quality monitoring stations for use across multiple mines in Western Australia
- Delivered a preliminary design for an Oily Water Treatment Plant for a mining client in Western Australia
- Post quarter end, SciDev executed a contract with an initial value of approximately \$2m with Ventia Utility Services Pty Ltd for the supply of a Build Own Operate water treatment plant using FluorofIX™ to remediate a PFAS contaminated site in Victoria
- Rapidly mobilised to a government site in New South Wales to treat 1.5ML of PFAS-impacted stormwater using FluorofIX™
- Operated on nine PFAS treatment projects through Q3 FY24 generating \$3m in revenue
- SciDev submitted multiple proposals under the US Department of Defence's Environmental Security Technology Certification Program (ESTCP) for our RegenIX™ regenerable PFAS treatment technology
- Strong business development activities in North America and Europe as demand for PFAS treatment solutions increases, driven by impending regulation in both regions.

## Corporate

Mr Mike Utsler was appointed as an independent Non-executive Director of the Company, effective 1 March 2024.

Mike has over 40 years of experience across the energy industry, having held senior leadership and executive positions with several multinational companies. Mike is currently a Non-executive Director of Santos Limited (ASX: STO) and has previously served as a Non-executive Director of Oil Search Limited (ASX: OSH) and Integrated Asset Solutions Limited. Previously, Mike was Chief Operations Officer for Woodside Energy (ASX: WDS), responsible for overseeing Woodside's producing Operations, D&C, Logistics, Subsea, Pipelines, Subsurface, and HSEQ worldwide.



## Outlook

With a growing portfolio of significant new contracts and strong demand across our end markets, SciDev is well-positioned to continue to grow our operational and financial footprint.

Key areas of outlook focus for the Company include:

- Ongoing focus on the health and safety of all our employees
- Capitalise on the recent developments in the USA EPA PFAS National Primary Drinking Water Regulations
- Growth and expansion of market share in the global mining sector by delivering MaxiFlox® directly to new clients via direct sales, local licencing and partnership agreements & leveraging our Joint venture with Nuocer Chemicals
- Continuing to diversify our Oil and Gas industry client base as our proprietary CatChek and XSlik product lines gain increasing market acceptance
- Delivering the Water Technologies' current order book while developing our business systems and processes to enable sustainable growth
- Utilising our proven technologies, FluorofIX™ and RegenIX™, to generate revenue from our developing North American PFAS pipeline, spanning the US Department of Defence and private industry
- Exploring opportunities to accelerate growth in Europe as PFAS regulations build in the region while also exploring leachate and industrial wastewater treatment opportunities to secure initial revenue
- Continued execution of business development opportunities in the domestic and overseas construction sector.

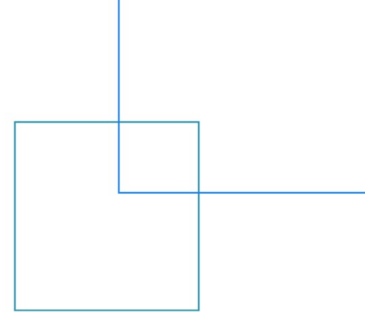
## Investor Webinar

Date and Time: 18 April at 2.00 pm AEST (Sydney Time)

Please note that SciDev will use the Zoom video webinar facility for the call. Participants will need to register to join the call.

Please Register in advance to participate:

[https://us02web.zoom.us/webinar/register/WN\\_H2F25NVkQdqUaskeXQXFyw](https://us02web.zoom.us/webinar/register/WN_H2F25NVkQdqUaskeXQXFyw)



## For Further Information

### Corporate

Seán Halpin – Chief Executive Officer

Anna Hooper – Chief Financial Officer

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### Investors

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The Board of SciDev Limited authorises this announcement.

## About SciDev

SciDev is a leader in environmental solutions focused on water-intensive industries. Our solutions allow clients to reuse water, improve operational efficiencies and reduce their environmental footprints. We deliver world-leading chemistry and water treatment technology with end-to-end support from our specialist scientists and engineers.

SciDev works with clients across a range of industries, including Mining, Oil & Gas, Construction & Infrastructure and Water Treatment.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Name of entity</b>		
SciDev Limited		
<b>ABN</b>		<b>Quarter ended ("current quarter")</b>
25 001 150 849		31 March 2024

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	31,305	76,546
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(23,419)	(60,027)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(3,885)	(11,449)
	(f) administration and corporate costs	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(83)	(282)
1.6	Income taxes paid	(92)	(503)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>3,826</b>	<b>4,285</b>

<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(100)	(502)
	(c) property, plant and equipment	(397)	(1,541)
	(d) investments	-	-
	(e) intellectual property	(14)	(44)
	(f) other assets	(1)	(337)

**Appendix 4C**  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other assets	33	156
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(479)</b>	<b>(2,268)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(261)	(767)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(261)</b>	<b>(767)</b>
<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,806	7,732
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,826	4,285
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(479)	(2,268)



**Appendix 4C**  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(261)	(767)
4.5	Effect of movement in exchange rates on cash held	160	70
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>9,052</b>	<b>9,052</b>

<b>5</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	9,052	5,806
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,052</b>	<b>5,806</b>

<b>6</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	76
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Amount included in 6.1 comprises fees paid to Non-executive Directors and remuneration for the Managing Director and rent paid to a company associated with a Director.

**Appendix 4C**  
**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

<b>7</b>	<b>Financing facilities</b> Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	<b>Total facility amount at quarter end</b> <b>\$A'000</b>	<b>Amount drawn at quarter end</b> <b>\$A'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<b>Secured</b>	%	Maturity date
			Facility amount \$A'000
			<b>0</b>
	<b>Unsecured</b>		
			<b>0</b>

<b>8</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (Item 1.9)	3,826
8.2	Cash and cash equivalents at quarter end (Item 4.6)	9,052
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	9,052
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	-
8.6	If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 18 April 2024

Anna Hooper - Chief Financial Officer

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

**Notes**

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.