

# ASX Announcement

29 January 2024

## Record Revenue and EBITDA Quarter

SciDev Ltd (ASX: SDV) ('**SciDev**' or '**the Company**') is pleased to provide an update on its financial and operational performance for the quarter ended 31 December 2023 (Q2 FY24).

### Q2 FY24 Financial Highlights<sup>1</sup>

- ▶ Record quarterly revenue of A\$28.5m (+19% on Q2 FY23) and cash receipts of A\$25.9m
- ▶ Underlying EBITDA of A\$2.5m
- ▶ Gross profit margin of 26%, materially consistent with prior quarters
- ▶ Net operating cash outflow for the quarter was \$0.8m due to longer project durations in Energy Services impacting the working capital cycle
- ▶ Cash and cash equivalents at 31 December 2023 of A\$5.8m with A\$8.1m in inventory.

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

- ▶ Revenue of A\$50.1m
- ▶ Unaudited and underlying EBITDA of A\$3.2m with positive operating cashflow generation of A\$0.5m.

### Q2 FY24 Operational Highlights

- ▶ Awarded a contract to supply MaxiDry™ chemistry and services for a new tunnelling project in NSW, commencing in 4Q FY24
- ▶ First purchase order received for supply of MaxiFlox® chemistry to a new distributor in the water, paper and mining industry in Turkey
- ▶ Renewed a contract for R&D support through to December 2026 with Qatar Shell GTL, Ltd., a division of Royal Dutch Shell Group, Inc
- ▶ A major E&P producer has commenced a field trial of CatChek™ 12S technology, evaluating performance benefits when using wet sand applications in the Permian Basin in West Texas
- ▶ Secured an A\$4.7m, two-year extension to a PFAS contract with a blue-chip Australian mining client
- ▶ Commencement of commercial operations on SciDev's A\$4.6M contract with Acciona Construction Australia Pty Ltd for the construction of two water treatment plants at the Western Harbour Tunnel project in Sydney, NSW.

SciDev Limited

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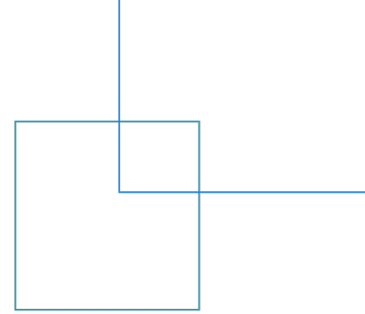
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SciDev CEO Seán Halpin, addressing performance for Q2 FY24, said, "Our growing revenue profile is a reflection of the increasing diversity of our client base. We are building positive momentum and seeing strong demand for our Chemical Services solutions in the North American and European markets, opening further avenues of growth for our Company.

"SciDev continues to lead Australia's PFAS water treatment sector. We continue to see strong engagement for our PFAS solutions in Australia and overseas, as increasing global regulation drives the need for PFAS-contaminated sites to be appropriately remediated and managed.

"The growing profitability of our business through the first half of FY24 reflects the leverage we have in our business, and with a strong pipeline, we anticipate continuing to deliver improved financial performance in coming periods."

## Financial Performance

SciDev delivered record quarterly revenue of A\$28.5m (+19% on Q2 FY23) and cash receipts of A\$25.9m. Further, the Company delivered a record quarterly EBITDA of \$2.5m, reflecting the business's growing scale and operational leverage.

The strong revenue performance for the quarter was driven by SciDev's growth in both Chemical Services and Water Technologies across each of our key target markets. Our Chemical Services business delivered a strong quarter driven by an expanding client footprint, new product development and increased adoption of our core technologies. Increased sales into Oil & Gas clients were driven by improved market activity in the US shale sector, while in Mining and Mineral Processing, SciDev continued to expand its profile globally, securing new contracts in the USA and Europe throughout the period. Our domestic Water Technologies business delivered a strong improvement in revenue versus previous quarters as a recently secured project commenced operations.

The net operating cash outflow for the quarter was \$0.8m due to longer project durations, primarily in the US shale sector, impacting the working capital cycle.

For 1H FY24, the Company delivered \$50.1m of revenue, resulting in an unaudited 1H FY24 EBITDA of \$3.2m and net cashflow of \$0.5m.

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

Table 1: Revenue by vertical (unaudited)

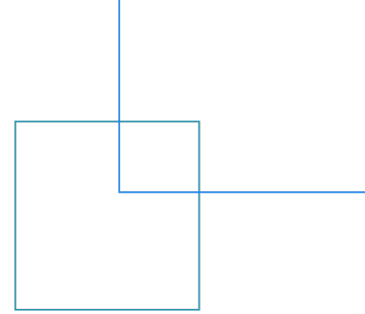
Sector	Q2 FY23 (A\$m)	Q1 FY24 (A\$m)	Q2 FY24 (A\$m)	% Change (vs PCP)
<b>Water Technologies</b>	<b>2.4</b>	<b>3.8</b>	<b>5.4</b>	<b>125%</b>
<b>Chemical Services</b>	<b>21.5</b>	<b>17.8</b>	<b>23.1</b>	<b>7%</b>
- Mining & Construction	5.2	6.5	6.2	19%
- Energy	16.3	11.3	16.9	4%
<b>Total</b>	<b>23.9</b>	<b>21.6</b>	<b>28.5</b>	<b>19%</b>

## Operational Performance

### Chemical Services

SciDev continues to innovate and deliver a range of chemistry solutions to our clients that improve operational efficiency and reduce their water footprint. Key Q2 FY24 operational and development highlights include:

- Chemical supply and services continued into all significant mining clients, including Iluka, First Quantum, Yancoal, DRA Global, Indemitsu, Coronado and Peabody Energy
- Thunderbird Operations Pty Ltd commenced full-scale operations at Kimberley Minerals Sands, with the supply of MaxiFlox® chemistry ramping up during the quarter
- Awarded a contract to supply MaxiDry™ chemistry and services for a new tunnelling project in NSW, commencing in 4Q FY24
- First purchase order received for the supply of MaxiFlox® chemistry to a new distributor for the water, paper and mining industry in Turkey
- Trial purchase order received for the supply of MaxiFlox® chemistry to a significant global gold producer, with trials to begin in America during Q3 FY24
- Strong business development activities continued across several operations and commodities in the Mining & Mineral Processing industry in Australia, Oceania and the Americas
- Renewed a contract for R&D support through December 2026 with Qatar Shell GTL, Ltd., a division of Royal Dutch Shell Group, Inc
- A major exploration and production producer has commenced a field trial of CatChek™ 12S technology, evaluating performance benefits when using wet sand applications in the Permian Basin in West Texas
- Development and field trial of the CatChek™ 157, the latest addition to our CatChek™ product portfolio, was successfully field trialled with a blue-chip client in Utah.



## Water Technologies

Our APAC Water Technologies business continued expanding its Australian operations during the period, executing several new contracts across the PFAS and broader Water Treatment industries.

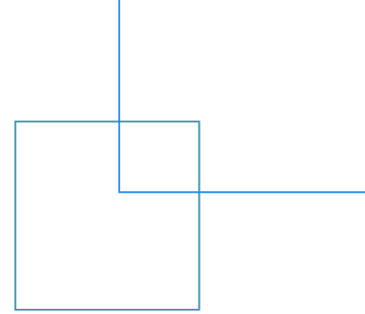
Key highlights from the period include:

- ▶ FluorofIX™, SciDev's PFAS treatment technology, achieved a significant milestone, treating over one billion litres of PFAS-contaminated water and removing PFAS contamination to below detectable levels on a single site for a blue-chip Australian mining client
- ▶ Secured an A\$4.7m, two-year extension at the site, taking the engagement to five years
- ▶ SciDev has begun commercial operations on Sydney's Western Harbour Tunnel project for Acciona Construction Australia Pty Ltd. The project scope involves designing and constructing two water treatment plants that will contribute meaningfully to revenue throughout 2HFY24
- ▶ Trademark lodged for SciDev's FluorofIX™ PFAS treatment technology
- ▶ Trademark and Patent application lodged for SciDev's RegenIX™ technology. RegenIX™ is used with FluorofIX™ and extends the life of the system's ion exchange resin that removes and holds PFAS, minimising byproduct waste generation and reducing annual OPEX costs by up to 75% in some applications
- ▶ Operated on six PFAS treatment projects through Q2 FY24 generating A\$2.5m in revenue
- ▶ Strong business development activities in North America and Europe as demand for PFAS treatment solutions increases, driven by impending regulation in both regions
- ▶ SciDev has generated A\$20m in revenue from PFAS treatment projects over the past two calendar years.

## Outlook

With a growing portfolio of major new contracts and strong demand across our sectors, SciDev is well-positioned to continue to grow our operational and financial footprint across FY24. Key areas of focus for the Company include:

- ▶ Ongoing focus on the health and safety of all our employees
- ▶ Actively pursuing strategic opportunities to accelerate growth in the global PFAS sector with a focus on the European and North American markets
- ▶ Leveraging strategic partnerships and licencing agreements to increase market share in the global mining and resources sector
- ▶ Diversification of North American business by entering new markets and broadening our service offerings where we have an established and growing presence
- ▶ Continued execution of business development opportunities in the domestic and overseas construction sector.



## Investor Webinar

SciDev will host an Investor Webinar after the release of the IHFY24 results, which is expected in the last week of February.

## For Further Information

### Corporate

Seán Halpin – Chief Executive Officer

Anna Hooper – Chief Financial Officer

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### Investors

Craig Sainsbury – Automic Markets

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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 and Mineral Processing, Oil & Gas, Construction & Infrastructure, Water Treatment and Remediation.

## 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 December 2023

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	25,935	45,241
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(22,047)	(36,608)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(4,145)	(7,564)
	(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	(106)	(199)
1.6	Income taxes paid	(411)	(411)
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>(774)</b>	<b>459</b>

<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(402)	(402)
	(c) property, plant and equipment	(358)	(1,144)
	(d) investments	-	-
	(e) intellectual property	(15)	(30)
	(f) other assets	(282)	(336)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other assets	123	123
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>(934)</b>	<b>(1,789)</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	(244)	(506)
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>(244)</b>	<b>(506)</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	7,971	7,732
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(774)	459
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(934)	(1,789)

**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 (6 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(244)	(506)
4.5	Effect of movement in exchange rates on cash held	(213)	(90)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,806</b>	<b>5,806</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	5,806	7,971
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>5,806</b>	<b>7,971</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	814	814
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	<b>Total financing facilities</b>	<b>814</b>	<b>814</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
	Finance leases (motor vehicles)	Various	within 4 years
			814
	<b>Unsecured</b>		
			<b>814</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)	(774)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,806
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	5,806
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>7.5</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: .....

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.