

# ASX Announcement

29 October 2024

## SciDev delivers another strong EBITDA quarter

SciDev Ltd (ASX: SDV) ('**SciDev**' or '**the Company**') provides an update on its financial<sup>1</sup> and operational performance for the quarter ended 30 September 2024 (Q1 FY25).

### Q1 FY25 Financial Highlights<sup>1</sup>

- Revenue of \$26.1m, up 21% on Q1 FY24 (previous corresponding period or "PCP")
- Underlying EBITDA of \$2.7m and positive cashflow from operations of \$1.4m
- Cash and cash equivalents at 30 September 2024 of \$10.2m (\$9.4m at 30 June 2024).

### Q1 FY25 Operational Highlights

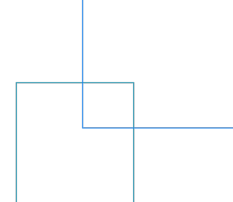
- Successfully executed a one-year supply agreement with a BlueChip E&P client for the provision of a completion chemistry package, including SciDev's CatChek™ technology, to support the clients' operations in the Mid-Con oilfield.
- Operated on six PFAS treatment projects through Q1, generating \$2.0m in revenue.
- Successfully completed a \$2m contract with Ventia Utility Services for the supply of a Build-Own-Operate water treatment plant to treat PFAS-contaminated surface water in Victoria.
- The Nuocer SciDev Joint Venture continued supply into Turkey and successfully secured its first sales in the US mining market.

### SciDev CEO Seán Halpin said:

"We've had another solid quarter delivering strong profitability. Gross margin for the period was 29%, driven by sales of our proprietary chemistry into the US Oilfield and the domestic mining market. The quarter delivered a pleasing underlying EBITDA result of \$2.7m, up 286% on PCP. While our revenue from operations was down quarter-on-quarter (-12%) due to project-based variability, revenue was up strongly on the previous corresponding period, increasing 21% to \$26.1 million.

We continue to generate positive operating cash flow and along with a strong balance sheet means we continue to be well-positioned to deliver our growth trajectory over FY25 and can capitalise on future opportunities to grow our proprietary chemistry and water technologies verticals."

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



## Financial Performance

SciDev delivered revenue of \$26.1m (up 21% on the PCP) and cash receipts from customers of \$26.1m. This PCP growth in revenue was driven by improved performance in both Chemical Services and Water Technologies.

Table 1: Revenue from Operations by vertical (unaudited)

Sector	Q1 FY24 (A\$m)	Q4 FY24 (A\$m)	Q1 FY25 (A\$m)	% Change (vs PCP)
<b>Water Technologies</b>	<b>3.8</b>	<b>7.4</b>	<b>4.2</b>	<b>11</b>
<b>Chemical Services</b>	<b>17.8</b>	<b>22.3</b>	<b>21.8</b>	<b>22</b>
- Mining & Construction	6.5	5.8	6.2	-5
- Energy Services	11.3	16.5	15.6	38
<b>Total</b>	<b>21.6</b>	<b>29.7</b>	<b>26.0</b>	<b>20</b>

Quarterly positive cash flow from operations of \$1.4m, building on \$6.5m of positive operating cashflow in FY24.

Cash and cash equivalents at 30 September 2024 of \$10.2m with \$6.1m in inventory.

A financing facility was signed with Westpac during the quarter giving SciDev access to funds to support continued growth.

A drawdown of \$3m was made in the quarter under the Westpac non-revolving facility and the final deferred consideration relating to the May 2021 acquisition of Haldon Industries was paid (\$2.4m including interest).

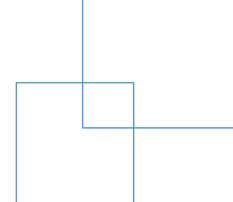
Payments to Directors and their associates for the quarter of \$93k include fees paid to Non-executive Directors.

## Operational Performance

### Chemical Services

#### Energy Services

- Our Energy Services business operated across six U.S. Oil & Gas basins supporting between six and eight completion fleets throughout the quarter.
- Successfully executed a one-year supply agreement with a BlueChip E&P client for the provision of completion chemistry package, including SciDevs CatChek™ technology, to support the clients' operations in the Mid-Con oilfield.
- Commercial launch of new Iron Tolerant Friction Reducer line FerriSlik™. FerriSlik™ has been developed to solve issues currently faced by operators in the Midland Basin of West Texas operating in iron rich environments.



## **Mining and Construction**

- New purchase orders received for supply of MaxiFlox® for on-plant trails at multiple domestic mining operations.
- Successfully executed a product qualification program for MaxiFlox® chemistry to a key minerals sand producer in South Australia. A one-month field trial is scheduled to commence in Q2 FY25.
- Delivered first supply of MaxiDry® chemistry to a new tunnel project in Australia.
- The Nuoer SciDev Joint Venture continued supply into Turkey and successfully secured its first sales in the US mining market.

## **Water Technologies**

- Commenced design, procurement and early-stage construction of a water treatment plant under a \$4.75m contract supporting the Western Harbour Tunnel construction program in Sydney.
- Successfully completed a \$2m contract with Ventia Utility Services for the supply of a Build-Own-Operate water treatment plant to treat PFAS-contaminated surface water in Victoria.
- Delivered 30 water quality monitoring stations for use across multiple mine sites in Western Australia with an additional 18 units commissioned.
- Operated on six PFAS treatment projects through Q1 FY25 generating \$2m in revenue.
- Construction of FluoroFIX™ pilot plants for the US and European market. FluoroFIX™ and RegenIX™ pilot programs are set to commence in both regions in Q2 FY25 to demonstrate the commercial and operations benefits of the technology.

## **Outlook**

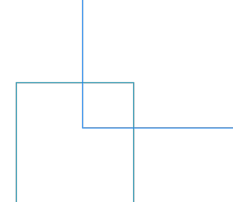
### **SciDev CEO Seán Halpin said:**

*"I am pleased to share that the outlook for SciDev remains very positive. Each of our business units are performing well and are favourably positioned to sustain their current growth trajectories. We anticipate that the momentum we've carried through Q1 will continue to drive growth through the remainder of FY25.*

*This optimism is driven by the continued success and acceptance of our proprietary technologies across each of our end markets.*

Despite market volatility in US Oil & Gas, we continue to expand our customer footprint and increase market share as customer look for technologies that increase operational efficiencies and improve their profit outcomes. We expect to see a slight seasonal downturn in Q2 FY25 before market activity picks up again in January.

"We have extensive opportunities both domestically and internationally to continue growing our mining chemical services business driven by the strength of our MaxiFlox® technology and leveraging the Nuoer SciDev joint venture.



“In Water Technologies, our domestic pipeline is strong as we continue to demonstrate our ability to win and deliver projects of increasing complexity and top line value. We are also making positive progress internationally, specifically in the US & European PFAS markets. where our world-leading FluorofIX™ technology is being recognised as the most effective and commercially viable solution for the remediation of PFAS contaminated water.”

## For Further Information

### Corporate

Seán Halpin – Chief Executive Officer

Anna Hooper – Chief Financial Officer

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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	30 September 2024

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	26,145	26,145
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(20,554)	(20,554)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(4,113)	(4,113)
	(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	(107)	(107)
1.6	Income taxes paid	-	-
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>1,371</b>	<b>1,371</b>

<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(2,379)	(2,379)
	(c) property, plant and equipment	(236)	(236)
	(d) investments	-	-
	(e) intellectual property	(2)	(2)
	(f) other assets	(254)	(254)

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 (3 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	-	-
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>(2,871)</b>	<b>(2,871)</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	3,000	3,000
3.6	Repayment of borrowings	(345)	(345)
3.7	Transaction costs related to loans and borrowings	(106)	(106)
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>2,549</b>	<b>2,549</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	9,425	9,425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,371	1,371
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,871)	(2,871)

**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 (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,549	2,549
4.5	Effect of movement in exchange rates on cash held	(233)	(233)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>10,241</b>	<b>10,241</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	10,241	9,425
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>10,241</b>	<b>9,425</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	93
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 \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Bank facilities	9,950	2,950
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	<b>Total financing facilities</b>	<b>9,950</b>	<b>2,950</b>
7.5	<b>Unused financing facilities available at quarter end</b>		<b>7,000</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
	Bank Bill Business Loan - Facility A	6.33%	23/08/2027
	Bank Bill Business Loan - Facility B	6.33%	23/08/2027
	Bank Equipment Finance - Facility C	N/A	On demand
			<u>9,950</u>

<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)	1,371
8.2	Cash and cash equivalents at quarter end (Item 4.6)	10,241
8.3	Unused finance facilities available at quarter end (Item 7.5)	7,000
8.4	Total available funding (Item 8.2 + Item 8.3)	17,241
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: 29 October 2024  
.....

By the board

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.