

ASX Announcement

22 February 2023

2023 Half-Year Results

SciDev Ltd (ASX: SDV) ('SciDev' or 'the Company') is pleased to provide an update on its financial and operational performance for the six months ended 31 December 2022 (1H FY23).

Highlights

1H FY23 Financial Highlights

- ▶ 1H FY23 revenue of A\$49.5m (+105% vs 1H FY22)
- ▶ EBITDA of A\$2.5m
- ▶ Net profit after tax of A\$27k (31 December 2021: loss of A\$1.8m)
- ▶ Net cashflow from operations of A\$2.3m
- ▶ Cash and cash equivalents of A\$9.0m at 31 December 2022 and A\$5.0m in inventory.

1H FY23 Operational Highlights

- ▶ Continued to expand customer footprint in Energy Services, including an increased number of speciality chemistry product sales
- ▶ Received an initial purchase order to supply an international exploration and production (E&P) company with our innovative co-polymer chemistry for use in North America, Saudi Arabia and Argentina
- ▶ Secured a contract with Cleanaway Waste Management Limited, with a minimum contract value of A\$2.15m, to deploy a Build Own Operate (BOO) water treatment plant (WTP) to treat per and Poly-fluoroalkyl substances (PFAS) impacted leachate
- ▶ Seven operational PFAS treatment projects during the period generated A\$4.3m in revenue
- ▶ Post-period end, SciDev signed a three-year contract with Iluka Resources Limited, with an expected contract value of A\$14.0m, to deliver MaxiFlox® chemistry to the Cataby Mineral Sands Mine
- ▶ Continued to expand our highly skilled staff with key hires across our technical and sales teams to fast-track delivery of our growing sales pipeline
- ▶ SciDev consolidated and relocated multiple offices and operational sites into new headquarters in Seven Hills, NSW. Research and development activity and commercial chemistry production at the Seven Hills site are anticipated to commence in 2H FY23.

SciDev Limited

ABN: 25 001 150 849

e: info@scidevlimited.com

w: scidevlimited.com

Unit 1, 8 Turbo Rd

Kings Park

NSW 2418 AUSTRALIA

p: +61 2 9622 5185

SciDev CEO, Seán Halpin, addressing performance for 1H FY23, said, "The continued growth in our revenue reflects the ongoing adoption of our chemistries and technologies as well as the growing diversity and scale of our client base. Importantly the delivery of positive cashflow and EBITDA demonstrates our focus on ensuring that we grow in a manner that will deliver ongoing returns to our shareholders. We remain well capitalised to execute on our deep pipeline of projects and are positioned to deliver sustainable returns for shareholders".

Financial Performance

1H FY23 revenue of A\$49.5m (+105% vs 1H FY22) delivering an EBITDA of A\$2.5m.

Gross profit margin for the half-year period was 23%, an improvement versus 1H FY22, with all verticals delivering positive gross profit. The improvement in gross profit margin reflects the combination of increased speciality chemistry sales and the growing proportion of revenue generated by the higher margin water treatment business.

Capital expenditure for the half was \$2.0m.

Cashflow from operations of A\$2.3m is an improvement on 1H FY22, reflecting the normalisation in our working capital cycle. During the period, SciDev made a payment of A\$3.62m associated with the acquisition of Haldon Industries (ref ASX release 29 March 2021).

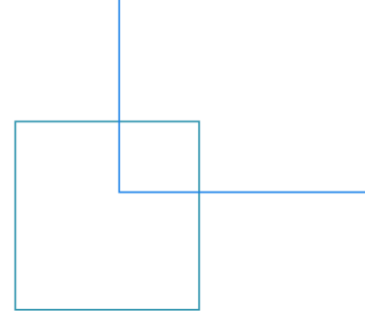
SciDev maintained a robust balance sheet with cash and cash equivalents of A\$9.0m at 31 December 2022, with a further A\$5.0m in inventory.

Figure 1: Financial Performance Summary

A\$m	1H FY23	1H FY22	% Change
Operating Revenue	49.5	24.1	105%
Cost of Revenue	37.9	18.7	103%
Gross Profit ¹	11.6	5.4	115%
Operating Expenses	9.1	5.8	34%
EBITDA	2.5	(0.4)	
Depreciation & Amortisation	1.5	1.0 ²	92%
Interest & Tax	1.0	0.3	
Net Profit/ (loss) after income tax	0.0	(1.8)	

¹Unaudited Gross Profit

²Re-stated based on finalisation of purchase price adjustment



Operational Performance

Energy Services

SciDev continues innovating and delivering a range of chemistry solutions to our clients that improve operational efficiency and reduce their wastewater footprint. During the period SciDev operated across multiple Oil & Gas basins in the US, supporting a number of well-completion fleets, generating revenue of A\$31.0m. We are continuing to expand the number of speciality chemistry products per well as customers continue to recognise our products' performance and environmental benefits.

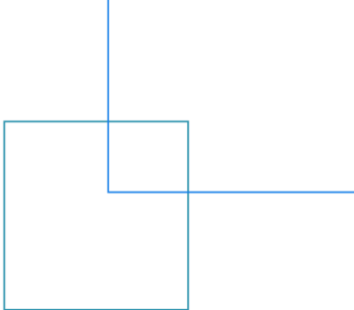
Key 1H FY23 operational and development highlights include:

- ▶ Continued supply of SciDev's proprietary suspension polymer technology, Xslik 620, to a major US E&P company
- ▶ Blue Chip operator in the EagleFord Shale in South Texas has approved and is utilising AmberSlik lubricant technology
- ▶ Post successful field trials conducted with a major E&P customer, SmartVis is being considered by a second customer in the Permian Basin in West Texas. SmartVis helps decrease wastewater volumes during the re-completion phase of well-development
- ▶ Cationic suspension technology is being trialled in high Total Dissolved Solids source waters in the Haynesville Shale in North Louisiana.

Mining & Construction

SciDev continued to deliver chemistry and technology for major clients, such as Iluka, Yancoal, Glencore, Indemitsu and Peabody Energy. Key activity and development work during the period included:

- ▶ Post period end, Iluka Resources - Cataby awarded a three-year contract for the delivery of MaxiFlox chemistry and services with the estimated contract value of A\$14.0 million
- ▶ Finalised a trial of MaxiFlox® chemistry for a major nickel producer in Western Australia. The trial has been highly successful, increasing process efficiencies
- ▶ Successful trials at a large coal mine in the southern Bowen Basin resulted in an initial six-month supply contract. The account also delivers opportunities in other on-site tailings management project activities
- ▶ First supply of new innovative MaxiFlox® suspension technology to a key client in the Bowen Basin
- ▶ Awarded a two-year contract extension with Société Le Nickel (SLN) to continue supply of our MaxiFlox® to two operational mines in New Caledonia
- ▶ A one-off A\$2.7m contract for the supply of MaxiFlox® chemistry to a major Mining Services company in the US. All revenue was recognised in 1H FY23.



In addition, the team continues to pursue opportunities in the construction space with a key commercial proposal issued for a major tunnelling project in US as well as consultancy support to pipeline projects in Australia.

Water Treatment

During the period, the Water Services business continued expanding its operations in Australia by executing several new contracts across the PFAS and broader water treatment industries.

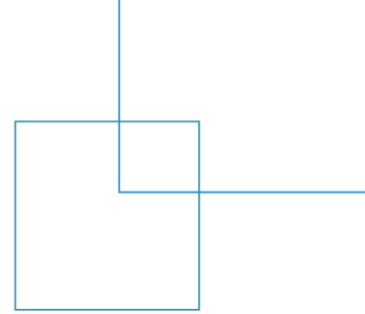
Contracts signed during the period include:

- ▶ An Operation and Maintenance contract for 98 remote water quality monitoring units across multiple mines in WA
- ▶ A major works contract for a Tier 1 construction company to manage and treat contaminated groundwater at a residential development site in Sydney, NSW
- ▶ A contract with Cleanaway Waste Management to deploy a BOO WTP in Queensland to treat PFAS-impacted leachate. The contract has a minimum value of A\$2.15m with material upside potential. The minimum contract value is based on a fixed volume threshold of leachate to be treated. The upside to the contract value will be recognised as leachate volumes in excess of this threshold
- ▶ A contract to provide a BOO WTP to treat nutrient and PFAS-impacted wastewater on the Sydney Metro West – Central Tunnelling Works for the Acciona Ferrovial Joint Venture (AFJV) on the Sydney Olympic Park project. The contract has a total value of A\$1.7m and will be delivered over the next 18 months
- ▶ A 12-month extension for the operations and maintenance of an existing PFAS WTP with a major tier-one mining client. To date, this treatment plant has treated in excess of 650ML to trace levels of detection of <0.0002ug/L.

Outlook

SciDev's focus for the remainder of FY23 will include:

- ▶ Ongoing focus on the health and safety of all our employees
- ▶ Leveraging the extensive sales pipeline in the water treatment sector and converting opportunities into contracts
- ▶ Continue to establish a presence in Europe and North America with an aim to deliver full-scale PFAS treatment technology into these regions.
- ▶ Advancement of potential activity in the North American construction industry
- ▶ Continued execution of business development opportunities in the global mining and resources sector
- ▶ Focus on margin expansion and reducing the working capital employed.



For Further Information

Corporate

Seán Halpin – Chief Executive Officer

Anna Hooper – Chief Financial Officer

+61 2 9622 5185

Investors

Craig Sainsbury – Atomic Markets

Craig.sainsbury@atomic group.com

+61 428 550 499

This announcement is authorised by the Board of SciDev Limited.

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.