

**SciDev Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	SciDev Limited
ABN:	25 001 150 849
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

**2. Results for announcement to the market**

			\$'000
Revenues from ordinary activities	up	105% to	49,528
Profit from ordinary activities after tax attributable to the owners of SciDev Limited	up	102% to	27
Profit for the half-year attributable to the owners of SciDev Limited	up	102% to	27
		<b>31 Dec 2022 Cents</b>	<b>31 Dec 2021 Cents</b>
Basic earnings/(loss) per share		0.01	(1.06)
Diluted earnings/(loss) per share		0.01	(1.06)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The profit for the consolidated entity after providing for income tax amounted to \$27,000 (31 December 2021: loss of \$1,775,000).

Reference is made to the *Review of Operations* in the Directors' Report contained in the attached Interim Financial Report for SciDev Limited for the half-year ended 31 December 2022.

**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>11.00</u>	<u>12.46</u>

**4. Other**

Not applicable.

**SciDev Limited**

**ABN 25 001 150 849**

**Interim Report - 31 December 2022**

**SciDev Limited**  
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**31 December 2022**

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**General information**

The financial statements cover SciDev Limited as a consolidated entity consisting of SciDev Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is SciDev Limited's functional and presentation currency.

SciDev Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

C/- Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney  
NSW 2000

**Principal place of business**

Unit 1  
8 Turbo Road  
Kings Park  
NSW 2148

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 February 2023.

**SciDev Limited**  
**Directors' report**  
**31 December 2022**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of SciDev Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

**Directors**

The following persons were directors of SciDev Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Vaughan Busby  
Simone Watt  
Jon Gourlay  
Dan O'Toole

**Principal activities**

SciDev is a leader in the environmental solutions market focused on water intensive industries. SciDev brings together world-class technology, chemistry and application to solve pressing operational and environmental issues for the water, oil and gas, mining and construction markets.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Review of operations**

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

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\$3.6m associated with the acquisition of Haldon Industries ref ASX release 29 March 2021.

Capex for the half was A\$2.1m.

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.

**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 are 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 Operations for the delivery of MaxiFlox chemistry and services with the estimated contract value of A\$14.0m
- 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 Build-Own-Operate (BOO) Water Treatment Plant (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 650MLitres to trace levels of detection of less than 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

### **Significant changes in the state of affairs**

During the half-year, the consolidated entity paid contingent consideration of \$3,620,000 (refer note 13) to the vendors of Haldon Industries.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

### **Matters subsequent to the end of the financial half-year**

Post the end of the period, SciDev has secured a three-year contract with Iluka Resources Limited at the Cataby Mineral Sands operation in Western Australia. The contract is expected to generate c.AUD\$14.0 million over the life of the contract for the supply of MaxiFlox® chemistry, with sales anticipated to commence in March 2023. The contract at the Cataby operation follows the ongoing engagement SciDev has with Iluka at their Jacinth Ambrosia operation which commenced in 2019.

**SciDev Limited**  
**Directors' report**  
**31 December 2022**

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Rounding of amounts**

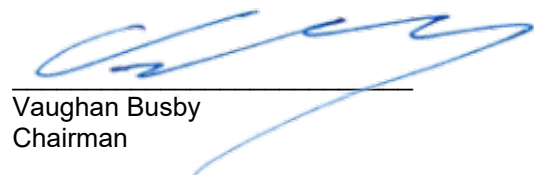
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Vaughan Busby  
Chairman

22 February 2023  
Sydney

## Auditor's independence declaration to the directors of SciDev Limited

As lead auditor for the review of SciDev Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of SciDev Limited and the entities it controlled during the financial period.



Ernst & Young



Siobhan Hughes  
Partner  
22 February 2023

**SciDev Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2022**

	<b>Note</b>	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000 *restated</b>
<b>Revenue</b>	3	49,528	24,138
Other income	4	25	673
<b>Expenses</b>			
Raw materials and consumables used and changes in inventories		(37,130)	(17,651)
Contractors and consultants		(728)	(1,056)
Depreciation and amortisation expense		(1,493)	(1,014)
Employee benefits expense		(6,034)	(4,613)
Foreign exchange losses		(115)	-
Insurance		(236)	(163)
Professional fees		(447)	(266)
Travel and accommodation		(399)	(192)
Other expenses		(1,969)	(1,293)
Finance costs		(434)	(338)
<b>Profit/(loss) before income tax expense</b>		568	(1,775)
Income tax expense		(541)	-
<b>Profit/(loss) after income tax expense for the half-year attributable to the owners of SciDev Limited</b>		27	(1,775)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of equity instruments at fair value through other comprehensive income		(523)	(515)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		55	219
Other comprehensive income for the half-year, net of tax		(468)	(296)
<b>Total comprehensive income for the half-year attributable to the owners of SciDev Limited</b>		<u>(441)</u>	<u>(2,071)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	19	0.01	(1.06)
Diluted earnings/(loss) per share	19	0.01	(1.06)

\* Refer to note 1 for details of the restatement.

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**SciDev Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2022**

	<b>Note</b>	<b>31 Dec 2022</b> <b>\$'000</b>	<b>30 Jun 2022</b> <b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	9,031	14,064
Trade and other receivables	6	12,787	10,268
Inventories	7	4,996	7,346
Income tax refund due		3	3
Other		538	439
Total current assets		<u>27,355</u>	<u>32,120</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	8	983	1,730
Property, plant and equipment	9	11,597	7,772
Intangibles	10	25,772	25,874
Deferred tax		3,452	3,505
Other		554	156
Total non-current assets		<u>42,358</u>	<u>39,037</u>
<b>Total assets</b>		<u>69,713</u>	<u>71,157</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	15,222	11,787
Contract liabilities		567	242
Lease liabilities	12	2,018	2,551
Income tax payable		260	-
Employee benefits		476	432
Provisions	13	-	3,620
Total current liabilities		<u>18,543</u>	<u>18,632</u>
<b>Non-current liabilities</b>			
Lease liabilities	12	2,522	344
Provisions	13	-	3,344
Total non-current liabilities		<u>2,522</u>	<u>3,688</u>
<b>Total liabilities</b>		<u>21,065</u>	<u>22,320</u>
<b>Net assets</b>		<u>48,648</u>	<u>48,837</u>
<b>Equity</b>			
Issued capital	14	119,489	119,237
Reserves	15	(537)	(69)
Accumulated losses		<u>(70,304)</u>	<u>(70,331)</u>
<b>Total equity</b>		<u>48,648</u>	<u>48,837</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**SciDev Limited**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2022**

	<b>Issued capital \$'000</b>	<b>Other equity \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2021	100,997	308	25	(69,715)	31,615
Loss after income tax expense for the half-year	-	-	-	(1,775)	(1,775)
Other comprehensive income for the half-year, net of tax	-	-	(296)	-	(296)
Total comprehensive income for the half-year	-	-	(296)	(1,775)	(2,071)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity	18,524	-	-	-	18,524
Share-based payments (note 20)	-	-	27	-	27
Transaction costs	(955)	-	-	-	(955)
Options exercised	45	-	-	-	45
Contingent consideration	308	(308)	-	-	-
Balance at 31 December 2021 - restated*	<u>118,919</u>	<u>-</u>	<u>(244)</u>	<u>(71,490)</u>	<u>47,185</u>
	<b>Issued capital \$'000</b>	<b>Other equity \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2022	119,237	-	(69)	(70,331)	48,837
Profit after income tax expense for the half-year	-	-	-	27	27
Other comprehensive income for the half-year, net of tax	-	-	(468)	-	(468)
Total comprehensive income for the half-year	-	-	(468)	27	(441)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity (note 14)	<u>252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252</u>
Balance at 31 December 2022	<u>119,489</u>	<u>-</u>	<u>(537)</u>	<u>(70,304)</u>	<u>48,648</u>

\* Refer to note 1 for details of the restatement.

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**SciDev Limited**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2022**

	<b>Note</b>	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		48,716	22,244
Payments to suppliers and employees (inclusive of GST)		(46,287)	(24,613)
		2,429	(2,369)
Government grants and subsidies		-	119
R&D tax incentive received		-	1,043
Interest and other finance costs paid		(158)	(130)
Net cash from/(used in) operating activities		2,271	(1,337)
<b>Cash flows from investing activities</b>			
Payments for deferred consideration		-	(880)
Payments for contingent consideration		(3,620)	(3,235)
Payments for property, plant and equipment		(1,997)	(1,290)
Payments for intangibles		(59)	(59)
Payments for security deposits		(397)	(48)
Net cash used in investing activities		(6,073)	(5,512)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		187	18,387
Repayment of leases		(1,440)	(1,193)
Share issue transaction costs		-	(954)
Net cash from/(used in) financing activities		(1,253)	16,240
Net increase/(decrease) in cash and cash equivalents		(5,055)	9,391
Cash and cash equivalents at the beginning of the financial half-year		14,064	7,010
Effects of exchange rate changes on cash and cash equivalents		22	8
Cash and cash equivalents at the end of the financial half-year	5	9,031	16,409

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### Restatement of comparatives

As disclosed in the 30 June 2022 financial statements, the Haldon purchase price adjustment was finalised in May 2022. As a result of this finalisation, there has been a reclassification between goodwill and intangible assets on the balance sheet in addition, the useful lives of all assets acquired was also fully assessed. The impact of these changes was a net decrease in depreciation & amortisation of \$523k for the six months ended 31 December 2021 which has been restated.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Note 2. Operating segments

### Identification of reportable operating segments

The consolidated entity operates in primarily two geographical segments: Australia and the United States. The primary business segment is the treatment of industrial waste.

Operating and business segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Board of Directors.

### Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

### Operating segment information for the six months ended:

	Australia \$'000	United States \$'000	Eliminations and adjustments \$'000	Total \$'000
<b>31 Dec 2022</b>				
<b>Revenue</b>				
Sales to external customers	15,800	33,692	(20)	49,472
Other revenue	56	-	-	56
<b>Total revenue</b>	<u>15,856</u>	<u>33,692</u>	<u>(20)</u>	<u>49,528</u>
<b>EBITDA</b>	<u>(1,327)</u>	<u>3,733</u>	<u>89</u>	<u>2,495</u>
Depreciation and amortisation				(1,493)
Finance costs				(434)
<b>Profit before income tax expense</b>				<u>568</u>
Income tax expense				(541)
<b>Profit after income tax expense</b>				<u>27</u>

SciDev Limited  
Notes to the consolidated financial statements  
31 December 2022

**Note 2. Operating segments (continued)**

	Australia \$'000	United States \$'000	Eliminations and adjustments \$'000	Total \$'000
<b>31 Dec 2021 - restated*</b>				
<b>Revenue</b>				
Sales to external customers	12,117	12,021	-	24,138
Intersegment sales	13	10	(23)	-
<b>Total revenue</b>	<u>12,130</u>	<u>12,031</u>	<u>(23)</u>	<u>24,138</u>
<b>EBITDA</b>	<u>(975)</u>	<u>461</u>	<u>91</u>	<u>(423)</u>
Depreciation and amortisation				(1,014)
Finance costs				(338)
<b>Loss before income tax expense</b>				<u>(1,775)</u>
Income tax expense				-
<b>Loss after income tax expense</b>				<u>(1,775)</u>

\* Refer to note 1 for details of the restatement.

**Note 3. Revenue**

	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000</b>
<i>Revenue from contracts with customers</i>		
Treatment fees and product sales	<u>49,472</u>	<u>24,138</u>
<i>Other revenue</i>		
Rent	<u>56</u>	<u>-</u>
<b>Revenue</b>	<u><u>49,528</u></u>	<u><u>24,138</u></u>

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000</b>
<i>Geographical regions</i>		
Australia	15,094	11,202
North America	32,936	10,104
Asia	872	2,602
Other	<u>570</u>	<u>230</u>
	<u><u>49,472</u></u>	<u><u>24,138</u></u>

**Note 4. Other income**

	<b>31 Dec 2022 \$'000</b>	<b>31 Dec 2021 \$'000</b>
Subsidies and grants	-	404
Net gain on lease termination	18	-
Sundry	<u>7</u>	<u>269</u>
<b>Other income</b>	<u><u>25</u></u>	<u><u>673</u></u>

**SciDev Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 5. Cash and cash equivalents**

	<b>31 Dec 2022 \$'000</b>	<b>30 Jun 2022 \$'000</b>
<i>Current assets</i>		
Cash at bank	8,981	14,014
Cash on deposit	50	50
	<u>9,031</u>	<u>14,064</u>

**Note 6. Trade and other receivables**

	<b>31 Dec 2022 \$'000</b>	<b>30 Jun 2022 \$'000</b>
<i>Current assets</i>		
Trade receivables	12,489	10,105
Other receivables	298	163
	<u>12,787</u>	<u>10,268</u>

**Note 7. Inventories**

	<b>31 Dec 2022 \$'000</b>	<b>30 Jun 2022 \$'000</b>
<i>Current assets</i>		
Stock on hand - at cost	<u>4,996</u>	<u>7,346</u>

**Note 8. Financial assets at fair value through other comprehensive income**

	<b>31 Dec 2022 \$'000</b>	<b>30 Jun 2022 \$'000</b>
<i>Non-current assets</i>		
Unlisted equity securities	167	167
Listed equity securities	<u>816</u>	<u>1,563</u>
	<u>983</u>	<u>1,730</u>

*Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

Opening fair value	1,730	2,721
Revaluation increments	-	164
Revaluation decrements	<u>(747)</u>	<u>(1,155)</u>
Closing fair value	<u>983</u>	<u>1,730</u>

Refer to note 16 for information on fair value measurement.

**Note 9. Property, plant and equipment**

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
<i>Non-current assets</i>		
Office buildings and warehouses - at cost	2,521	410
Less: Accumulated depreciation	(216)	(286)
	<u>2,305</u>	<u>124</u>
Plant and equipment - at cost	11,807	9,714
Less: Accumulated depreciation	(3,658)	(2,748)
	<u>8,149</u>	<u>6,966</u>
Motor vehicles - at cost	1,305	849
Less: Accumulated depreciation	(264)	(173)
	<u>1,041</u>	<u>676</u>
Office equipment - at cost	133	33
Less: Accumulated depreciation	(31)	(27)
	<u>102</u>	<u>6</u>
	<u>11,597</u>	<u>7,772</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Office buildings and warehouses \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Balance at 1 July 2022	124	6,966	676	6	7,772
Additions	-	1,897	-	100	1,997
Disposals	-	(28)	-	-	(28)
Lease termination	(89)	-	-	-	(89)
Exchange differences	21	(4)	2	-	19
Transfer	(3)	3	-	-	-
Adjustments	-	-	(30)	-	(30)
Recognition of right-of-use assets	2,521	197	484	-	3,202
Depreciation expense	(269)	(882)	(91)	(4)	(1,246)
Balance at 31 December 2022	<u>2,305</u>	<u>8,149</u>	<u>1,041</u>	<u>102</u>	<u>11,597</u>

Included in the above line items are right-of-use assets over the following:

	Office buildings and warehouses \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	124	4,067	233	4,424
Recognition of right-of-use assets	2,521	197	484	3,202
Lease termination	(89)	-	-	(89)
Exchange differences	21	(15)	2	8
Transfer	(3)	-	-	(3)
Adjustments	-	-	(30)	(30)
Depreciation expense	(269)	(518)	(46)	(833)
Balance at 31 December 2022	<u>2,305</u>	<u>3,731</u>	<u>643</u>	<u>6,679</u>

**SciDev Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 10. Intangibles**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Goodwill - at cost	20,661	20,576
Trademarks and intellectual property - at cost	3,604	3,544
Less: Accumulated amortisation	(552)	(467)
	<u>3,052</u>	<u>3,077</u>
Customer contracts - at cost	2,600	2,600
Less: Accumulated amortisation	(541)	(379)
	<u>2,059</u>	<u>2,221</u>
	<u><u>25,772</u></u>	<u><u>25,874</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Trademarks and intellectual property	Client contracts	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	20,576	3,077	2,221	25,874
Additions	-	59	-	59
Exchange differences	85	3	-	88
Write off of assets	-	(2)	-	(2)
Amortisation expense	-	(85)	(162)	(247)
	<u>20,661</u>	<u>3,052</u>	<u>2,059</u>	<u>25,772</u>
Balance at 31 December 2022	<u><u>20,661</u></u>	<u><u>3,052</u></u>	<u><u>2,059</u></u>	<u><u>25,772</u></u>

**Note 11. Trade and other payables**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Trade payables	10,116	10,787
Payable to the vendors of Haldon Industries	3,620	-
Other payables	1,486	1,000
	<u>15,222</u>	<u>11,787</u>
	<u><u>15,222</u></u>	<u><u>11,787</u></u>



**SciDev Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 12. Lease liabilities**

	<b>31 Dec 2022 \$'000</b>	<b>30 Jun 2022 \$'000</b>
<i>Current liabilities</i>		
Lease liability - land and buildings	544	246
Lease liability - motor vehicles	158	60
Lease liability - equipment	1,316	2,245
	<u>2,018</u>	<u>2,551</u>
<i>Non-current liabilities</i>		
Lease liability - land and buildings	1,825	1
Lease liability - motor vehicles	481	171
Lease liability - equipment	216	172
	<u>2,522</u>	<u>344</u>
	<u><u>4,540</u></u>	<u><u>2,895</u></u>

**Note 13. Provisions**

	<b>31 Dec 2022 \$'000</b>	<b>30 Jun 2022 \$'000</b>
<i>Current liabilities</i>		
Contingent consideration	-	3,620
<i>Non-current liabilities</i>		
Contingent consideration	-	3,344
	<u>-</u>	<u>6,964</u>

The contingent consideration related to the acquisition of Haldon Industries and represented the cash component of the contingent consideration. It was measured at the present value of the estimated liability. Upon announcement of the appointment of Sean Halpin to CEO, the Haldon acquisition terms have been varied so that the third and final tranche payment, due in Q3 CY2023 is now unconditional. The amount has not changed but has been recorded as a current payable at 31 December 2022 (note 11).

*Movements in contingent consideration*

Movements in the contingent consideration during the current financial half-year are set out below:

<b>31 Dec 2022</b>	<b>Contingent consideration - Haldon \$'000</b>
Carrying amount at the start of the half-year	6,964
Payments	(3,620)
Unwinding of discount	276
Transferred to trade and other payables (note 11)	(3,620)
Carrying amount at the end of the half-year	<u><u>-</u></u>

**SciDev Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 14. Issued capital**

	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Ordinary shares - fully paid	<u>189,853,077</u>	<u>187,906,234</u>	<u>119,489</u>	<u>119,237</u>

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2022	187,906,234		119,237
Options exercised	12 July 2022	800,000	\$0.10	80
Options exercised	19 July 2022	250,000	\$0.12	30
Options exercised	22 July 2022	200,000	\$0.10	20
Options exercised	22 July 2022	475,000	\$0.12	57
Shares issued to employee under ESS	1 December 2022	<u>221,843</u>	<u>\$0.29</u>	<u>65</u>
Balance	31 December 2022	<u>189,853,077</u>		<u>119,489</u>

**Note 15. Reserves**

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Financial assets at fair value through other comprehensive income reserve	(521)	2
Foreign currency reserve	(431)	(486)
Share-based payments reserve	<u>415</u>	<u>415</u>
	<u>(537)</u>	<u>(69)</u>

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

	Financial assets at FVOCI reserve \$'000	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Total \$'000
Balance at 1 July 2022	2	(486)	415	(69)
Revaluation - gross (note 8)	(747)	-	-	(747)
Deferred tax	224	-	-	224
Foreign currency translation	<u>-</u>	<u>55</u>	<u>-</u>	<u>55</u>
Balance at 31 December 2022	<u>(521)</u>	<u>(431)</u>	<u>415</u>	<u>(537)</u>

**Note 16. Fair value measurement**

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 Dec 2022</b>				
<i>Assets</i>				
Equity securities - listed	816	-	-	816
Equity securities - unlisted	-	167	-	167
Total assets	816	167	-	983
<i>Liabilities</i>				
Contingent consideration	-	-	-	-
Total liabilities	-	-	-	-
<b>30 Jun 2022</b>				
<i>Assets</i>				
Equity securities - listed	1,563	-	-	1,563
Equity securities - unlisted	-	167	-	167
Total assets	1,563	167	-	1,730
<i>Liabilities</i>				
Contingent consideration	-	-	6,964	6,964
Total liabilities	-	-	6,964	6,964

*Valuation techniques for fair value measurements categorised within level 2 and level 3*

Level 2: Equity securities

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Contingent consideration

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The valuation model for the contingent consideration upon acquisition considered the present value of expected future payments. The contingent consideration liability was discounted using a risk-adjusted discount rate. The significant input to the consideration calculation was the entity's forecast EBITDA. The probability of achieving the maximum payout under the contract was initially estimated at 88% however the target maximum EBITDA was achieved in Financial Year 2022 and hence an additional provision was recognised in that year. At 31 December 2022, the consideration is no longer considered to be contingent and the balance owing is disclosed under *Trade and other payables*.

**SciDev Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 16. Fair value measurement (continued)**

*Level 3 assets and liabilities*

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	Contingent consideration \$'000
Balance at 1 July 2022	(6,964)
Payments	3,620
Unwinding of discount recognised through net finance costs	(276)
Transfers out level 3 to <i>Trade and other payables</i>	3,620
Balance at 31 December 2022	-
Total gains for the previous half-year included in profit or loss that relate to level 3 assets held at the end of the previous half-year	266
Total gains for the current half-year included in profit or loss that relate to level 3 assets held at the end of the current half-year	-

**Note 17. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 18. Cash flow information**

*Non-cash investing and financing activities*

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Shares issued to acquire ProSol Australia Pty Ltd	-	308
Additions to right-of-use assets	3,202	369
Paycheck Protection Program (USA) loan converted into a subsidy	-	280
Shares issued to settle outstanding employee incentive entitlements	-	181
Shares issued for services rendered by consultant	65	-

**Note 19. Earnings per share**

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Profit/(loss) after income tax attributable to the owners of SciDev Limited	27	(1,775)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	189,519,289	167,810,421
Weighted average number of ordinary shares used in calculating diluted earnings per share	189,519,289	167,810,421
	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	0.01	(1.06)
Diluted earnings/(loss) per share	0.01	(1.06)

**SciDev Limited**  
**Notes to the consolidated financial statements**  
**31 December 2022**

**Note 20. Share-based payments**

(a) Options

Set out below are summaries of options granted:

**31 Dec 2022**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
16/05/2019	23/07/2022	\$0.10	400,000	-	(200,000)	(200,000)	-
16/05/2019	23/07/2022	\$0.12	600,000	-	(400,000)	(200,000)	-
23/07/2019	23/07/2022	\$0.10	800,000	-	(800,000)	-	-
23/07/2019	23/07/2022	\$0.12	250,000	-	(250,000)	-	-
11/11/2019	23/07/2022	\$0.12	75,000	-	(75,000)	-	-
			<u>2,125,000</u>	<u>-</u>	<u>(1,725,000)</u>	<u>(400,000)</u>	<u>-</u>

(b) Performance rights

Set out below are summaries of performance rights granted:

**31 Dec 2022**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
15/12/2020	31/10/2022	\$0.00	1,408,399	-	-	(1,408,399)	-
			<u>1,408,399</u>	<u>-</u>	<u>-</u>	<u>(1,408,399)</u>	<u>-</u>

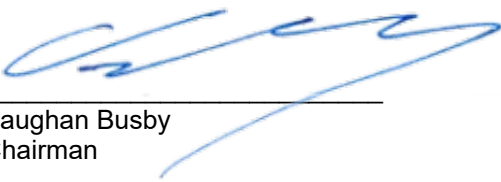
**SciDev Limited**  
**Directors' declaration**  
**31 December 2022**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

  
\_\_\_\_\_  
Vaughan Busby  
Chairman

22 February 2023  
Sydney

## Independent Auditor's Review Report to the Members of SciDev Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of SciDev Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility for the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its



performance for the half year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of 'Ernst &amp; Young' in black ink.

Ernst & Young

A stylized, handwritten signature of 'Siobhan Hughes' in black ink.

Siobhan Hughes  
Partner  
Sydney  
22 February 2023



**SciDev Limited**  
**Corporate directory**  
**31 December 2022**

Directors	Vaughan Busby - Non-executive Chairman Simone Watt - Non-executive Director Jon Gourlay - Non-executive Director Dan O'Toole - Non-executive Director
Company secretary	Heath L Roberts
Registered office	C/-Boardroom Pty Limited Level 12, Grosvenor Place 225 George Street, Sydney NSW 2000 Phone: 1300 737 760
Principal place of business	Unit 1 8 Turbo Road Kings Park NSW 2148 Phone: (02) 9622 5185
Share register	Boardroom Pty Limited Level 12 225 George Street, Sydney NSW 2000 Phone: 1300 737 760
Auditor	Ernst & Young 200 George Street Sydney NSW 2000
Stock exchange listing	SciDev Limited shares are listed on the Australian Securities Exchange (ASX code: SDV)
Website	<a href="http://www.scidevltd.com">www.scidevltd.com</a>
Corporate governance statement	<a href="http://www.scidevltd.com/governance">www.scidevltd.com/governance</a>