

ASX Announcement

21 November 2023

2023 AGM Chair Address

Shareholders may recall that at last year's AGM I introduced our new management team – CEO Seán Halpin and new CFO Anna Hooper. Seán and Anna are a great team and have been working very well together.

Over the last twelve months, SciDev has continued to deliver strong growth with record revenues of \$89.8 million, up 62% over FY22 and adjusted EBITDA of \$4.1 million, up 111% on FY22. The business has now also recorded its sixth straight quarter of positive free cash flow from operations, and over the course of the last financial year, the business generated \$4.8 million in cash flow from operations.

This strong financial and operational performance has been achieved, in large part, by management's careful focus on managing working capital throughout the year. To this end, and in order to facilitate continued growth, we are currently investigating options for a working capital facility. This has only been made possible by achieving the continued positive operating cash flows over the last six quarters. That said, lending institutions in Australia are still wary of cashflow-based lending to services businesses such as SciDev without a significant asset base to secure those loans.

Shareholders have asked whether we'll need to raise capital to fund ongoing working capital for the business. I do not believe this will be the case and anticipate the low point in the cash position will come once the final acquisition payment for the Haldon business has been made.

I am also regularly asked about the potential for acquisitions. While we maintain a watching brief on acquisitions, our current focus is on managing working capital and funding organic growth. With the share price at current levels, I also believe raising capital to fund an acquisition would be unnecessarily dilutive.

While I want to acknowledge the flat share price over the last year, over this time, the business has grown materially, increasing both its revenue and its profitability, and we have strengthened our systems, processes and governance. This work will ensure we have a sustainable business for the future.

FY23 saw strong results from our energy and mining divisions, which appear to have meaningful future opportunities for growth. While the water business appears to have had sub-optimal results, this is primarily the result of a couple of large projects where capital has been invested to establish the projects – but which have not yet started producing revenue. These projects will begin delivering cash flow in FY24.

SciDev has a great opportunity to make a significant contribution as an innovative environmental solutions provider, as the world is accelerating towards a greener, more environmentally friendly economy. We are seeing increasing demand for our innovative and tailored solutions, with clients seeking new ways to recycle, reuse and treat water.

The substantial progress achieved over the last year would not have been possible without our employees' strong support and commitment. We thank them for their enormous contribution.

I would also like to thank our shareholders, investors and all stakeholders for their ongoing support throughout the year.

I will now hand over to Sean Halpin, our CEO, to give a brief presentation.

For Further Information

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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.