

# ASX Announcement

25 July 2023

## SciDev delivers a revenue increase of 62% in FY23 with A\$5m in positive operating cashflow

SciDev Ltd (ASX: SDV) ('**SciDev**' or '**the Company**') is pleased to provide an update on its financial<sup>1</sup> and operational performance for the quarter ended 30 June 2023 (Q4 FY23).

### Q4 FY23 Financial Highlights

- Revenue of A\$19.2m and cash receipts of A\$26.1m
- Cashflow from operations of A\$2.2m

### FY23 Financial Highlights

- Unaudited FY23 revenue of A\$89.9m (+62% vs FY22) and underlying EBITDA of A\$4.0m
- Secured new contracts with clients in excess of A\$50m
- YTD operating cash inflow of A\$5.0m
- Cash and cash equivalents at 30 June 2023 of A\$7.7m with A\$7.1m in inventory

### Q4 FY23 Operational Highlights

- Awarded a three year contract agreement with First Quantum Minerals at the Ravensthorpe Nickel Operations, expected to generate \$9.5m in sales
- Post quarter end secured a two-year contract at the Thunderbird Minerals Sands Project which is expected to generate approximately A\$7.0m in sales
- Supply and purchase order agreements awarded for MaxiFlox™ chemistry and technical services for two tunnelling projects in Australia
- Secured contract with blue-chip exploration and production (E&P) company in the Eagleford Shale for the utilisation of SciDev's new proprietary CatChek 15 technology
- Awarded contract with Cleanaway Waste Management Limited for the design and construction of a water treatment plant to treat PFAS-impacted wastewater with a contract value of A\$3.15m
- Operated on seven PFAS treatment projects through Q4 generating A\$1.8m in revenue.

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<sup>1</sup> All financial results for FY23 and Q4 FY23 are unaudited. All \$ are A\$ unless otherwise stated.

**SciDev Limited**

ABN: 25 001 150 849

e: [info@scidevlimited.com](mailto:info@scidevlimited.com)

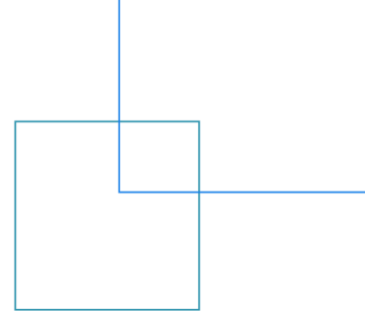
w: [scidevlimited.com](http://scidevlimited.com)

Unit 1, 8 Turbo Rd

Kings Park

NSW 2418 AUSTRALIA

p: +61 2 9622 5185



SciDev CEO, Seán Halpin, addressing performance for Q4 FY23, said, "I am exceptionally proud of SciDev's performance in FY23, delivering a 62% increase in revenue, and more importantly a strong positive operating cashflow performance. Our growth has been underpinned by a range of major new contracts with quality counterparties such as Iluka, Cleanaway, First Quantum and Sydney Metro West demonstrating our ability to meet the operational requirements at large and complex sites.

"The strong performance of the Mining vertical over the past two quarters highlights the diversity in our business. Whilst the delay in the commencement of two major water treatment projects was a disappointment during the quarter, the contracts will contribute meaningful revenue in FY24. We continue to see strong inbound engagement for our PFAS technology, both domestically and internationally, and we have a very positive outlook for growth in this vertical in FY24. Having treated over 20 sites and 2.5 billion litres of PFAS contaminated water to date, SciDev's solutions are generating widespread industry acceptance.

"With an expanding client base, growing regulatory tailwinds, a deep sales pipeline and a robust balance sheet, SciDev is positioned for considerable growth driving sustainable returns for our shareholders."

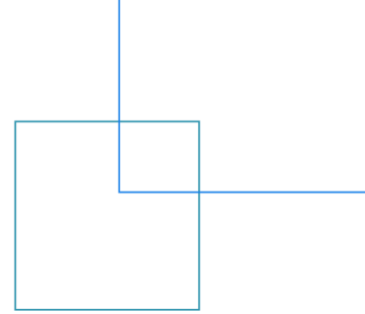
## Financial Performance

During the fourth quarter of FY23 SciDev delivered revenue of A\$19.2m and cash receipts of A\$26.1m. Whilst underlying revenue was up on an annualised basis, it was down slightly compared to Q3 due to the impact that a lower natural gas price had on drilling activity in the US shale sector. In Mining and Construction the Company recently signed major contracts including the Iluka Cataby contract which continues to ramp up providing further growth through the remainder of CY23 as the activity reaches steady-state levels.

Revenue in the water treatment business was negatively impacted versus expectations due to timing delays in the commencement of major PFAS projects in Queensland and New South Wales. These projects are anticipated to commence in the September quarter and will contribute meaningfully to a forecast uplift in water treatment revenue in FY24.

Table 1: Revenue by vertical (unaudited)

Sector	Q4 FY22 (A\$m)	Q3 FY23 (A\$m)	Q4 FY23 (A\$m)	% Change (vs Q4 FY22)
Mining & Construction	2.8	5.1	6.3	125
Energy Services	11.7	13.0	9.7	-17
Water Technologies	3.7	3.0	3.2	-14
<b>Total</b>	<b>18.2</b>	<b>21.1</b>	<b>19.2</b>	<b>5</b>



Quarterly positive cash flow from operations of A\$2.2m, building on the previous four quarters of positive cash flow.

On an FY23 basis, the company delivered record revenue of A\$89.9m, up 62% on the previous financial year, highlighting the considerable growth secured during the year. Importantly the Company delivered positive operational cashflow of A\$5.0m for the year with underlying EBITDA of A\$4.0m.

SciDev maintained a robust balance sheet with cash and cash equivalents of A\$7.7m at 30 June 2023, with a further A\$7.1m in inventory.

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

## Operational Performance

### Energy Services

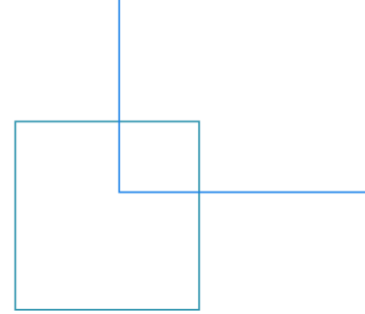
SciDev continues innovating and delivering a range of chemistry solutions to our clients that improve operational efficiency and reduce their water footprint. During the period SciDev operated across five Oil & Gas basins in the US, supporting multiple well-completion fleets, generating A\$9.7m revenue. Revenue was down on the prior quarter due to lower activity levels driven by lower domestic USA natural gas prices; however, SciDev continues to expand our operational footprint in the USA.

Key Q4 FY23 operational and development highlights include:

- Blue Chip operator in the Eagleford Shale in South Texas has approved and is utilising new proprietary CatChek 15 technology delivering performance benefits when using wet sand in completions applications
- A second blue chip operator in the Haynesville Shale is completing laboratory testing on CatChek 15 technology
- SciDev's Energy Services business has developed and commercialised a cement fluid loss additive for use in the cementing phase of well completion with our sales team currently marketing the unique product to cement service companies
- Engaged by a leading E&P company to develop a bespoke technology to solve their operational issue of oil emulsification during the production phase of well life.

### Mining & Construction

SciDev delivered a strong quarter in the Mining & Construction vertical as the company continued to expand the delivery of chemistry and technology to a range of Australian and international companies. Key activity and development work during the period included:



- Awarded three-year contract agreement with First Quantum Minerals at the Ravensthorpe Nickel Operations which is anticipated to deliver over A\$9.5m in sales over the contract term
- Post quarter end, secured a two-year contract (with the option for a two-year extension) at the Thunderbird Minerals Sands Project which is expected to generate approximately A\$7.0 m in sales over the initial two-year period
- Awarded three-year contract agreement at a large coking coal mine in southern Bowen Basin after successful extended trials in qualifying the MaxiFlox™ chemistry in late 2023
- Supply and purchase order agreements awarded for MaxiFlox™ chemistry and technical services for a two tunnelling projects in Australia supporting the re-use of water and environmentally friendly handling and disposal of waste spoil
- Post quarter end SciDev executed a one-year exclusive distribution agreement with Sonora Naturals S.A de C.V for the sale of SciDev's MaxiFlox™ MaxiSpense™ and MaxiDry™ chemistry into the Mexican market
- Business development activities continued across several operations and commodities in both mining and construction, expanding to the US, Mexico, Canada and the Caribbean
- Successful execution of technical program at a major copper producer in Central America resulting in client qualification with planning to progress to field trials.

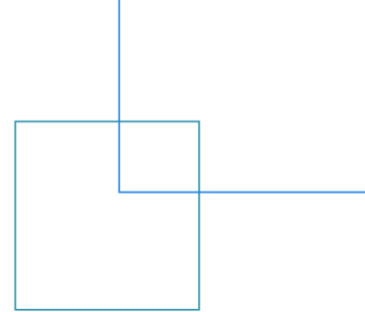
## Water Technologies

The financial performance of the water technology business was impacted by the delays in the commencement and commissioning of several new projects across Queensland and Victoria. These delays were driven by significant scope changes requiring additional design and plant upgrade works. All projects are successfully progressing, and associated revenue will be recognised in 1H FY24.

The Company continues to be actively engaged with a number of potential clients in the PFAS sector and broader water treatment industries and is focused on the delivery of a robust pipeline of projects.

Key highlights from the period include:

- Executed a contract with Cleanaway Waste Management Limited for the civil design and construction of a water treatment plant to treat PFAS-impacted wastewater in Victoria with a value of A\$3.15m
- Completed successful Proof of Performance period and commenced ongoing Operations and Maintenance of the Sydney Olympic Park Build Own Operate Treatment Plant
- Successfully delivered two Design and Construct (D&C) packaged drinking water plants for the Queensland Government's - Qbuild Public Works Division with a total contract value over A\$500k
- Operated on seven PFAS treatment projects through Q4 generating A\$1.8m in revenue.



- Appointment of Vice President – North America for Water Technologies. This role will be responsible for implementing strategic initiatives to drive the growth of our Water Technologies vertical in the North American market.

## Outlook

With a growing portfolio of major new contracts and strong inbound client demand across our end markets, 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
- Delivery of Water Technologies pipeline of contracted works with a focus on the delivery of revenue from contracts secured in FY23
- Ongoing development and diversification of our technology portfolio across both our Water Technologies and Chemical Services businesses
- 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 presence
- Continued execution of business development opportunities in the Construction sector both domestically and overseas.

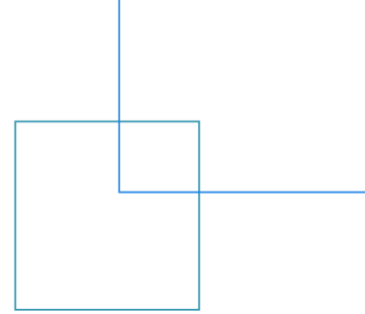
## Investor Webinar

Date and Time: Wednesday 26 July at 12.00pm AEST

Please note that SciDev will use the Zoom video webinar facility for the call. Participants will need to register their participation to join the call.

Please Register in advance to participate:

[https://us02web.zoom.us/webinar/register/WN\\_6j7pifdkR12hBaK4v81NoA](https://us02web.zoom.us/webinar/register/WN_6j7pifdkR12hBaK4v81NoA)



## 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@atomicgroup.com.au](mailto:Craig.sainsbury@atomicgroup.com.au)

+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.