

ASX Announcement

26 February 2024

1H 2024 Results – Growing Scale Driving Improved Profitability

SciDev Ltd (ASX: SDV) ('SciDev' or 'the Company') is pleased to provide an update on its financial¹ and operational performance for the six months ended 31 December 2023 (1H FY24).

1H FY24 Financial Highlights

- Revenue of \$50.3m, up 1.5% on 1H FY23 (previous corresponding period or "PCP")
- Underlying EBITDA of \$3.2m up 29.4% on PCP (1H FY23 \$2.5m)
- Net profit after tax of \$57k (1H FY23 profit of \$27k)
- Net positive operating cashflow of \$0.5m, the Company deployed more working capital to support ongoing growth
- Cash and cash equivalents at 31 December 2023 of \$5.8m with \$8.1m in inventory.

1H FY24 Operational Highlights

- Awarded \$4.6m D&C contract with Acciona Construction Australia Pty Ltd to Design and Construct two Water Treatment Plants in Sydney, NSW, to support the construction of the Western Harbour Tunnel
- Secured a \$4.7m, two-year extension to a PFAS contract with a blue-chip Australian mining client
- Secured a two-year contract at the Thunderbird Minerals Sands Project, which is expected to generate approximately \$7.0m in sales
- Expanded international exposure through sales of MaxiFlox® chemistry via resellers in Turkey and Mexico
- A major E&P producer has commenced a field trial of our proprietary CatChek 12S technology, evaluating performance benefits when using wet sand applications in the Permian Basin in West Texas
- Renewed a contract for R&D support through December 2026 with Qatar Shell GTL Ltd., a division of Royal Dutch Shell Group Inc

¹ All \$ are A\$ unless otherwise stated

SciDev Limited

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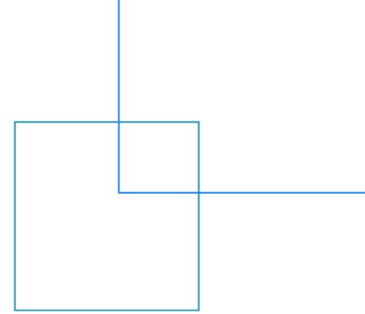
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- FluorofIX™, SciDev's PFAS treatment technology, has achieved a significant milestone, treating over one billion litres of PFAS-contaminated water and removing PFAS contamination to below detectable levels for a blue-chip Australian mining client
- Commencement of commercial operations on several new PFAS projects across Queensland and Victoria that had been previously delayed
- Appointed a Vice-President – North America for Water Technologies. This role is responsible for implementing strategic initiatives to drive the growth of our Water Technologies vertical in the North American market.

SciDev CEO Seán Halpin, addressing performance for 1H FY24, said, "We continue to experience growing global demand for our Chemical Services and Water Technologies, which underpins our financial growth. Importantly, we are seeing strong demand for our chemistry solutions in the North American and European markets, opening up further avenues of growth for our Company. As PFAS regulation continues to advance in these regions, we anticipate growing Water Technologies revenue. We have deployed senior sales and technical staff in the USA and Europe to fast-track our presence in these markets. The improving profitability of our business through the 1H FY24 reflects the leverage we have in our business, and with a strong pipeline, we anticipate to continue delivering improved financial performance in coming periods."

Financial Performance

SciDev delivered revenue of \$50.3m for 1H FY24 (1H FY23 \$49.5m). Whilst revenue was broadly in line with the previous corresponding period, the Company secured several major new contracts and expanded its client base, which positions SciDev well for further growth in 2H FY24 and beyond.

The Company delivered a record EBITDA of \$3.2m reflecting the business's growing scale and operational leverage. Margins increased versus the previous period, reflecting the continued growth of specialty chemical sales.

Whilst operating cashflows for the first half were positive at \$0.5m, the Company deployed more working capital in the period to support ongoing growth, particularly in the Chemical Services segment.

SciDev reported a net profit after tax of \$57k.

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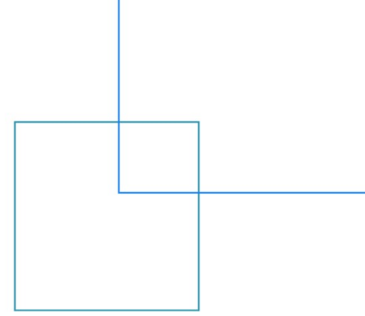
Table 1: Financial Performance Summary

Sector	1H FY22 (\$m)	1H FY23 (\$m)	1H FY24 (\$m)	% Change (vs PCP)
Operating Revenue	24.1	49.5	50.3	1%
Gross Profit	5.4	11.6	14.3	23%
Operating Expenses	5.8	9.1	11.6	27%
EBITDA	(0.4)	2.5	3.2	28%
Depreciation and Amortisation	1.0	1.5	2.0	33%
Interest & Tax	0.3	1.0	1.1	10%
Net Profit (loss) after income tax	(1.8)	0.0	0.1	

Outlook

With a growing portfolio of major new contracts and strong 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
- Growth and expansion of market share in the global mining sector by delivering MaxiFlox® direct to new clients via direct sales, local licencing and partnership agreements & leveraging our Joint venture with Nuocer Chemicals
- Continuing to diversify our Oil and Gas industry client base as our proprietary CatChek and XSlik product line gain increasing market acceptance
- Delivering the Water Technologies' current order book while developing our business systems and processes to enable sustainable growth
- Utilising our proven technologies, FluorofIX™ and RegenIX™, to generate revenue from our developing North American PFAS pipeline, spanning the US Department of Defence and private industry
- Exploring opportunities to accelerate growth in Europe as PFAS regulations build in the region, while also exploring leachate and industrial wastewater treatment opportunities to secure initial revenue
- Continued execution of business development opportunities in the domestic and overseas construction sector.



Investor Webinar

Date and Time: 28 February at 2.00pm 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_tAS87xJUTOSg3RFFZukk2Q

For Further Information

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Investors

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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 and Mineral Processing, Oil and Gas, Construction and Infrastructure, and Water Treatment.

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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 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	1% to	50,261
Profit from ordinary activities after tax attributable to the owners of SciDev Limited	up	111% to	57
Profit for the half-year attributable to the owners of SciDev Limited	up	111% to	57
			31 Dec 2023
			Cents
Basic earnings per share			0.03
Diluted earnings per share			0.03
			31 Dec 2022
			Cents
			0.01
			0.01

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 \$57,000 (31 December 2022: \$27,000).

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 2023.

3. Net tangible assets

	31 Dec 2023	30 Jun 2023
	Cents	Cents
Net tangible assets per ordinary security	<u>11.95</u>	<u>11.80</u>

4. Other

Not applicable.

SciDev Limited

ABN 25 001 150 849

Interim Report - 31 December 2023

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SciDev Limited
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31 December 2023

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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 8
210 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 26 February 2024.

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SciDev Limited
Directors' report
31 December 2023

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 2023 (1H FY24).

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 FY24 unaudited revenue of \$50.3m (1H FY23 49.5m), delivering an underlying EBITDA of \$3.2m (1H FY23 \$2.5m).

Cashflow from operations of \$0.5m. During the period, SciDev made a payment of \$0.3m associated with the acquisition of Haldon Industries (ref ASX release 29 March 2021).

SciDev maintained a robust balance sheet with cash and cash equivalents at 31 December 2023 of \$5.8m with \$8.1m in inventory.

Reconciliation of profit before income tax to EBITDA (unaudited):

	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Profit before income tax	886	568
Depreciation and amortisation	2,041	1,493
Finance costs	301	434
EBITDA	<u>3,228</u>	<u>2,495</u>

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and, therefore, may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the consolidated entity's performance.

During 1H FY24, SciDev continued to expand its client presence, securing numerous new contracts and expanding its operational footprint across the two segments of Chemical Services and Water Technologies.

Chemical Services

SciDev continues to innovate and deliver a range of chemistry solutions to its clients, that improve operational efficiency and reduce their wastewater footprint. During the period, SciDev delivered an improved financial performance and expanded the client base across the mining & mineral processing, construction & infrastructure, and oil & gas markets, with the award of a number of new contracts to blue-chip clients. The outlook for the Chemical Services segment remains positive, and SciDev anticipates growth and expansion of market share by delivering bespoke chemistry to new clients, through direct sales and by progressing the Joint Venture with Nuocer Chemicals.

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SciDev Limited
Directors' report
31 December 2023

Water Technologies

SciDev's Water Technologies segment is focussed on the removal of harmful contaminants from groundwater, surface water and industrial liquid waste, allowing water to be reused or safely discharged to the environment. SciDev operates through both Build, Own & Operate (BOO) and Design & Construct (D&C) commercial models and delivers solutions to various markets. During the period, the segment continued expanding its Australian operations, executing several new contracts with clients requiring PFAS and broader water treatment solutions. The segment has a strong outlook as the demand for PFAS treatment solutions increases, driven by impending regulation in Europe and North America.

Significant changes in the state of affairs

There were no 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

No matter or circumstance has arisen since 31 December 2023 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

26 February 2024
Sydney

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SciDev Limited
Auditor's independence declaration



Ernst & Young
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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 2023, 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
26 February 2024

SciDev Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue	3	50,261	49,528
Other income		19	25
Expenses			
Changes in inventories, and raw materials and consumables used		(35,215)	(37,130)
Contractors and consultants		(697)	(728)
Depreciation and amortisation expense		(2,041)	(1,493)
Employee benefits expense		(7,564)	(6,034)
Foreign exchange losses		-	(115)
Insurance		(309)	(236)
Motor vehicle expenses		(237)	(194)
Professional fees		(423)	(447)
Travel and accommodation		(778)	(399)
Other expenses		(1,829)	(1,775)
Finance costs		(301)	(434)
Profit before income tax expense		886	568
Income tax expense		(829)	(541)
Profit after income tax expense for the half-year attributable to the owners of SciDev Limited		57	27
Other comprehensive income			
<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		108	(523)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(334)	55
Other comprehensive income for the half-year, net of tax		(226)	(468)
Total comprehensive income for the half-year attributable to the owners of SciDev Limited		(169)	(441)
		Cents	Cents
Basic earnings per share	15	0.03	0.01
Diluted earnings per share	15	0.03	0.01

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 2023

Note **31 Dec 2023** **30 Jun 2023**
\$'000 **\$'000**

Assets

Current assets

Cash and cash equivalents	4	5,806	7,732
Trade and other receivables	5	12,645	7,778
Contract assets		2,764	601
Inventories	6	8,076	6,930
Income tax refund due		-	178
Other		682	633
Total current assets		<u>29,973</u>	<u>23,852</u>

Non-current assets

Financial assets at fair value through other comprehensive income	7	519	411
Property, plant and equipment	8	12,411	12,727
Intangibles	9	25,174	25,622
Deferred tax		4,147	4,135
Other		724	627
Total non-current assets		<u>42,975</u>	<u>43,522</u>

Total assets

72,948 67,374

Liabilities

Current liabilities

Trade and other payables	10	20,412	14,770
Contract liabilities		745	648
Lease liabilities	11	1,165	1,064
Income tax payable		178	-
Employee benefits		529	452
Total current liabilities		<u>23,029</u>	<u>16,934</u>

Non-current liabilities

Lease liabilities	11	2,063	2,415
Total non-current liabilities		<u>2,063</u>	<u>2,415</u>

Total liabilities

25,092 19,349

Net assets

47,856 48,025

Equity

Issued capital		119,489	119,489
Reserves	12	(1,020)	(794)
Accumulated losses		(70,613)	(70,670)

Total equity

47,856 48,025

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 2023

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
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	252	-	-	252
Balance at 31 December 2022	<u>119,489</u>	<u>(537)</u>	<u>(70,304)</u>	<u>48,648</u>
	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	119,489	(794)	(70,670)	48,025
Profit after income tax expense for the half-year	-	-	57	57
Other comprehensive income for the half-year, net of tax	-	(226)	-	(226)
Total comprehensive income for the half-year	-	(226)	57	(169)
Balance at 31 December 2023	<u>119,489</u>	<u>(1,020)</u>	<u>(70,613)</u>	<u>47,856</u>

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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 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		45,241	48,716
Payments to suppliers and employees (inclusive of GST)		<u>(44,172)</u>	<u>(46,287)</u>
		1,069	2,429
Interest and other finance costs paid		(199)	(158)
Income taxes paid		<u>(410)</u>	<u>-</u>
Net cash from operating activities		<u>460</u>	<u>2,271</u>
Cash flows from investing activities			
Payments for contingent consideration		(402)	(3,620)
Payments for property, plant and equipment		(1,144)	(1,997)
Payments for intangibles		(30)	(59)
Payments for security deposits		<u>(213)</u>	<u>(397)</u>
Net cash used in investing activities		<u>(1,789)</u>	<u>(6,073)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	187
Repayment of leases		<u>(507)</u>	<u>(1,440)</u>
Net cash used in financing activities		<u>(507)</u>	<u>(1,253)</u>
Net decrease in cash and cash equivalents		(1,836)	(5,055)
Cash and cash equivalents at the beginning of the financial half-year		7,732	14,064
Effects of exchange rate changes on cash and cash equivalents		<u>(90)</u>	<u>22</u>
Cash and cash equivalents at the end of the financial half-year	4	<u><u>5,806</u></u>	<u><u>9,031</u></u>

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

Note 1. Material accounting policy information

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 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 accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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 reportable operating segments were previously presented on a geographic basis. Over the past 6 months, the business has transitioned from geographic-based reporting to reporting results in two operating segments, each focused on different service offerings: Chemical Services and Water Technology. These are presented along with a corporate segment. The 31 December 2022 comparatives have been restated to reflect the changes made for the 31 December 2023 half-year.

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.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Chemical Services	Develop, manufacture and supply a range of chemistries and performance solutions that improve operational efficiencies, reduce waste and minimise water consumption across industry.
Water Technologies	Specialised water treatment and remediation technologies that remove harmful contaminants from groundwater, surface water and industrial liquid waste allowing water to be recycled or safely discharged to the environment.
Corporate	Includes Head Office and group services

Intersegment transactions

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

SciDev Limited
Notes to the consolidated financial statements
31 December 2023

Note 2. Operating segments (continued)

Operating segment information for the six months ended:

31 Dec 2023	Chemical Services \$'000	Water Technologies \$'000	Corporate \$'000	Eliminations and adjustments \$'000	Total \$'000
Revenue					
Sales to external customers	40,943	9,246	-	-	50,189
Intersegment sales	13	-	-	(13)	-
Total sales revenue	40,956	9,246	-	(13)	50,189
Other revenue	-	-	72	-	72
Total revenue	40,956	9,246	72	(13)	50,261
EBITDA	5,200	(584)	(1,428)	40	3,228
Depreciation and amortisation					(2,041)
Finance costs					(301)
Profit before income tax expense					886
Income tax expense					(829)
Profit after income tax expense					57

31 Dec 2022	Chemical Services \$'000	Water Technologies \$'000	Corporate \$'000	Eliminations and adjustments \$'000	Total \$'000
Revenue					
Sales to external customers	43,591	5,881	-	-	49,472
Intersegment sales	20	-	-	(20)	-
Total sales revenue	43,611	5,881	-	(20)	49,472
Other revenue	-	-	56	-	56
Total revenue	43,611	5,881	56	(20)	49,528
EBITDA	3,592	821	(2,007)	89	2,495
Depreciation and amortisation					(1,493)
Finance costs					(434)
Profit before income tax expense					568
Income tax expense					(541)
Profit after income tax expense					27

Note 3. Revenue

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<i>Revenue from contracts with customers</i>		
Treatment fees and product sales	50,189	49,472
<i>Other revenue</i>		
Rent	72	56
Revenue	50,261	49,528

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SciDev Limited
Notes to the consolidated financial statements
31 December 2023

Note 3. Revenue (continued)

Disaggregation of revenue

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

	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
<i>Geographical regions</i>		
Australia	20,791	15,094
North America	28,305	32,936
Asia	221	872
Other	872	570
	<u>50,189</u>	<u>49,472</u>

Timing of revenue recognition

Goods transferred at a point in time

Services transferred over time

40,014	42,853
<u>10,175</u>	<u>6,619</u>
<u>50,189</u>	<u>49,472</u>

Note 4. Cash and cash equivalents

Current assets

Cash at bank

Cash on deposit

	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
5,756	7,682	
<u>50</u>	<u>50</u>	
<u>5,806</u>	<u>7,732</u>	

Note 5. Trade and other receivables

Current assets

Trade receivables

Other receivables

	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
12,467	7,593	
<u>178</u>	<u>185</u>	
<u>12,645</u>	<u>7,778</u>	

Note 6. Inventories

Current assets

Stock in transit - at cost

Stock on hand - at cost

	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
2,077	1,076	
<u>5,999</u>	<u>5,854</u>	
<u>8,076</u>	<u>6,930</u>	

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SciDev Limited
Notes to the consolidated financial statements
31 December 2023

Note 7. Financial assets at fair value through other comprehensive income

	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Unlisted equity securities	3	3
Listed equity securities	516	408
	<u>519</u>	<u>411</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	411	1,730
Revaluation decrements through profit or loss	-	(164)
Revaluation increments/(decrements) through other comprehensive income	108	(1,155)
	<u>519</u>	<u>411</u>

Refer to note 13 for further information on fair value measurement.

Note 8. Property, plant and equipment

	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
<i>Non-current assets</i>		
Office buildings and warehouses - at cost	2,949	2,819
Less: Accumulated depreciation	(892)	(518)
	<u>2,057</u>	<u>2,301</u>
Plant and equipment - at cost	14,629	13,661
Less: Accumulated depreciation	(5,734)	(4,679)
	<u>8,895</u>	<u>8,982</u>
Motor vehicles - at cost	1,698	1,553
Less: Accumulated depreciation	(569)	(426)
	<u>1,129</u>	<u>1,127</u>
Office equipment - at cost	455	390
Less: Accumulated depreciation	(125)	(73)
	<u>330</u>	<u>317</u>
	<u>12,411</u>	<u>12,727</u>

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SciDev Limited
Notes to the consolidated financial statements
31 December 2023

Note 8. Property, plant and equipment (continued)

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 2023	2,301	8,982	1,127	317	12,727
Additions	-	1,066	13	65	1,144
Exchange differences	(12)	(12)	(7)	-	(31)
Lease termination	-	-	(61)	-	(61)
Rent adjustments	147	7	11	-	165
Recognition of right-of-use assets	-	-	222	-	222
Depreciation expense	(379)	(1,148)	(176)	(52)	(1,755)
Balance at 31 December 2023	<u>2,057</u>	<u>8,895</u>	<u>1,129</u>	<u>330</u>	<u>12,411</u>

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

	Office buildings and warehouses \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
Balance at 1 July 2023	2,301	309	795	3,405
Recognition of right-of-use assets	-	-	222	222
Lease termination	-	-	(61)	(61)
Exchange differences	(12)	(4)	(7)	(23)
Transfer	-	-	(21)	(21)
Rent adjustments	147	7	11	165
Depreciation expense	(379)	(106)	(119)	(604)
Balance at 31 December 2023	<u>2,057</u>	<u>206</u>	<u>820</u>	<u>3,083</u>

Note 9. Intangibles

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	<u>20,675</u>	<u>20,861</u>
Trademarks and intellectual property - at cost	3,752	3,729
Less: Accumulated amortisation	<u>(987)</u>	<u>(865)</u>
	<u>2,765</u>	<u>2,864</u>
Customer contracts - at cost	2,600	2,600
Less: Accumulated amortisation	<u>(866)</u>	<u>(703)</u>
	<u>1,734</u>	<u>1,897</u>
	<u>25,174</u>	<u>25,622</u>

SciDev Limited
Notes to the consolidated financial statements
31 December 2023

Note 9. Intangibles (continued)

Reconciliations

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

	Goodwill \$'000	Trademarks and intellectual property \$'000	Client contracts \$'000	Total \$'000
Balance at 1 July 2023	20,861	2,864	1,897	25,622
Additions	-	30	-	30
Exchange differences	(186)	(6)	-	(192)
Amortisation expense	-	(123)	(163)	(286)
Balance at 31 December 2023	<u>20,675</u>	<u>2,765</u>	<u>1,734</u>	<u>25,174</u>

Note 10. Trade and other payables

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<i>Current liabilities</i>		
Trade payables	15,417	9,662
Payable to the vendors of Haldon Industries*	3,320	3,620
Other payables	1,675	1,488
	<u>20,412</u>	<u>14,770</u>

* The balance of consideration owed to Haldon Industries, a related party, is due on 15 April 2024, accruing interest at 12% per annum.

Note 11. Lease liabilities

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
<i>Current liabilities</i>		
Lease liability - land and buildings	761	684
Lease liability - motor vehicles	240	200
Lease liability - equipment	164	180
	<u>1,165</u>	<u>1,064</u>
<i>Non-current liabilities</i>		
Lease liability - land and buildings	1,442	1,714
Lease liability - motor vehicles	573	578
Lease liability - equipment	48	123
	<u>2,063</u>	<u>2,415</u>
	<u>3,228</u>	<u>3,479</u>

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SciDev Limited
Notes to the consolidated financial statements
31 December 2023

Note 12. Reserves

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Financial assets at fair value through other comprehensive income reserve	(984)	(1,092)
Foreign currency reserve	(451)	(117)
Share-based payments reserve	415	415
	<u>(1,020)</u>	<u>(794)</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 2023	(1,092)	(117)	415	(794)
Revaluation - gross (note 7)	108	-	-	108
Foreign currency translation	-	(334)	-	(334)
Balance at 31 December 2023	<u>(984)</u>	<u>(451)</u>	<u>415</u>	<u>(1,020)</u>

Note 13. 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
31 Dec 2023				
<i>Assets</i>				
Equity securities - listed	516	-	-	516
Equity securities - unlisted	-	3	-	3
Total assets	<u>516</u>	<u>3</u>	<u>-</u>	<u>519</u>
30 Jun 2023				
<i>Assets</i>				
Equity securities - listed	408	-	-	408
Equity securities - unlisted	-	3	-	3
Total assets	<u>408</u>	<u>3</u>	<u>-</u>	<u>411</u>

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SciDev Limited
Notes to the consolidated financial statements
31 December 2023

Note 13. Fair value measurement (continued)

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.

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 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 15. Earnings per share

	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Profit after income tax attributable to the owners of SciDev Limited	<u>57</u>	<u>27</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>189,853,077</u>	<u>189,519,289</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>189,853,077</u>	<u>189,519,289</u>
	Cents	Cents
Basic earnings per share	0.03	0.01
Diluted earnings per share	0.03	0.01

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SciDev Limited
Directors' declaration
31 December 2023

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 2023 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

26 February 2024
Sydney

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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 2023, 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 2023 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 2023 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*.

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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.

Ernst & Young

A handwritten signature in black ink that reads 'Siobhan Hughes'.

Siobhan Hughes
Partner
Sydney
26 February 2024

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SciDev Limited
Corporate directory
31 December 2023

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 8 210 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 8 210 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	www.scidevltd.com
Corporate governance statement	www.scidevltd.com/governance

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