

ANNUAL REPORT 2024

Driving Innovation  
and Profitability



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# 2024



## Who We Are

A leader in innovative solutions solving industries complex water problems. Our solutions allow clients to recycle and reuse water, improve operational efficiencies and reduce their environmental footprint. We deliver world-leading chemistry and water treatment technology with end-to-end support from our specialist scientists and engineers.

Working with clients across a range of industries, including Mining and Mineral Processing, Oil and Gas, Construction and Infrastructure, Wastewater Treatment and Remediation, we deliver practical solutions to manage water.

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### AS A COMPANY, WE ARE:

- ① Working to solve the growing global per-and poly-fluoroalkyl substance (PFAS) issue.
- ② Reducing industry's consumption of freshwater and generation of wastewater.
- ③ Supporting the communities in which we live and work.
- ④ Building a culture where we respect and embrace diversity in the workplace and wider community.

## Our Values

We live by these values to strengthen our relationships with our clients and within the communities in which we operate. They define who we are.



### Protect the Environment

We are dedicated to reducing harm and protecting our environment for future generations.



### Everyone Safe, Every Day

People are the heart of our business and nothing is more important than ensuring everyone goes home safely every day.



### Achieve More Together

We achieve better outcomes when we work together.



### Challenge Boundaries

We discover more possibilities when we challenge what's possible.



### Go the Last Mile

We deliver more by exceeding client benchmarks and adding value to everything we do.



# Shaping Tomorrow's Environment

We look at complex problems from different angles to deliver innovative chemistries and water treatment technologies that improve operational and environmental outcomes.

## Chemical Services

Improving operational and environmental outcomes with world-leading chemistry.

We specialise in water chemistry, designing solutions to suit a wide variety of applications, helping clients to improve operational efficiency and minimise wastewater generation.

Additionally, we offer a range of services, from last-mile delivery to process optimisation, supporting our clients every step of the way.

## Water Technologies

Delivering innovative water treatment technologies solving complex contamination issues.

We design and deliver tailored water treatment solutions that remove harmful contaminants from groundwater, surface water and industrial liquid waste, allowing the water to be reused or safely discharged back to the environment.

## What We Do

Deliver innovative solutions solving industries complex water problems.



**Mining and Mineral Processing**  
Maximising operational performance, reducing water consumption, and treating and recycling a wide range of contaminated waste streams.



**Water Treatment**  
Delivering tailored solutions for water recycling and processing.



**Construction and Infrastructure**  
Managing on-site water for the successful completion of any large construction and infrastructure project.



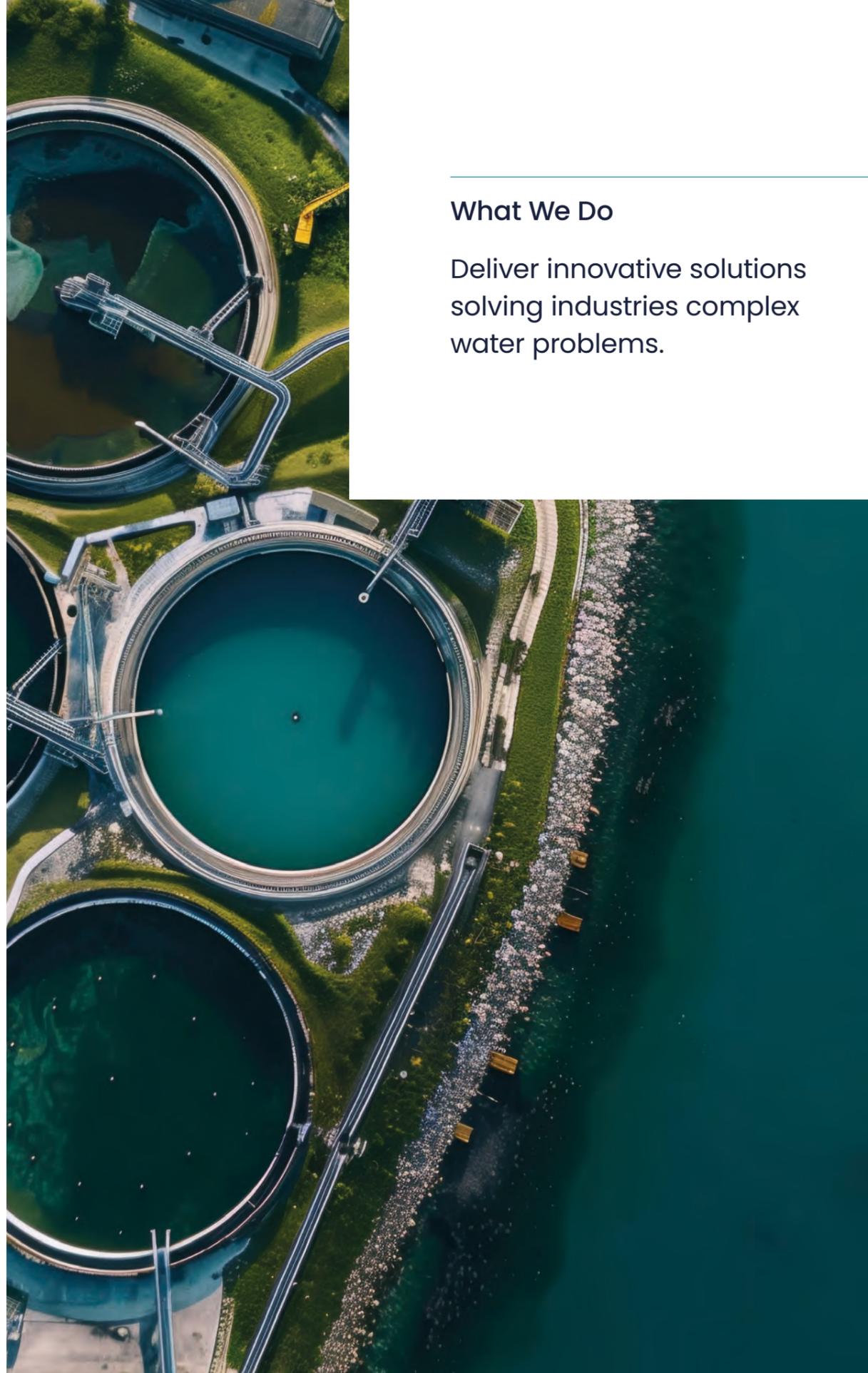
**Oil and Gas**  
Reducing the environmental impact of onshore oil and gas operations.



**Remediation**  
Repairing our natural environments through sustainable remediation of contaminated water.

### SciDev areas of operation

- Asia – Pacific
- North America
- South America
- UK and Europe
- Middle East



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# Chair's Letter



“The financial results for the last twelve months are the strongest in our company’s history.”

**\$109.2m**

REVENUE

**\$8.8m**

UNDERLYING EBITDA

**\$6.5m**

POSITIVE OPERATING CASH FLOW

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DEAR SHAREHOLDERS,

**On behalf of the Board, I am pleased to present the SciDev Ltd Annual Report for the financial year ending 30 June 2024 (FY24).**

The financial results for the last twelve months are the strongest in the company’s history. Annual revenue of \$109.2 million, up 22% on last year, EBITDA of \$8.8 million, up 117% on last year and positive operating cash flows of \$6.5 million for the year.

Shareholders will recall me saying over the last couple of years that we have been working towards building a stronger, more resilient and sustainable business. So, it is pleasing to report the company has made material progress towards this goal in the last twelve months, especially when it comes to the solid operating cash flows of \$6.5 million over the last year. The surplus cash that

has been generated has been reinvested in the business, as working capital, which will contribute to the continued growth of the business.

As part of our growth strategy, and as investors will be keenly aware, a growing business requires additional working capital to fuel its growth. To this end the company has negotiated a \$10 million finance package with Westpac Bank which includes a working capital facility to support our ongoing growth. Shareholders will also recall the different financing requirements of our two primary business models. Chemical Services (comprising Energy Services and Mining and Construction), which is more working capital intensive and the Water Technologies business, which has greater capex requirements. The Westpac facilities also include an equipment finance facility specifically to help accelerate growth in the water business.

Having flexible finance facilities with a major lending institution such as Westpac represents a watershed moment in the company’s development. This should also go some way to answering shareholders recurring question “will SciDev need to raise additional capital to fund our ongoing growth?” Given the strong operational cash flows over the last twelve months, and the new working capital facilities,

an additional capital raise to fund working capital should not be required in the foreseeable future.

Management’s strong focus on managing working capital and keeping costs in check has resulted in an EBITDA that has more than doubled in the last twelve months to \$8.8 million.

Investment in the Water Technologies business continued during FY24 with investments made in the team, equipment and capital investments across various projects. These projects started delivering in FY24 with revenue roughly doubling. Despite this revenue growth, EBITDA from the Water Technologies business didn’t increase in line with revenue, partly due to these ongoing investments. We believe we now have all the necessary elements in place to profitably grow this business going forward.

Managing the competing demands for capital from these two business models is not always easy. That said, I believe the senior management team has done an excellent job managing the competing capital requirements of both businesses to ensure the highest value projects receive the necessary funding. This is clearly paying dividends with the strong growth in positive cash flows from operations whilst continuing to invest for future top line revenue growth.

The material progress achieved over the last year would not have been possible without our teams’ 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.

Yours sincerely,

**Vaughan Busby**  
Non-Executive Chairman



# CEO's Letter

I am pleased to share our Annual Report for the 2024 financial year.



DEAR SHAREHOLDERS,

2024 was a pivotal year for SciDev, marked by record profitability and increased market share across each of our key verticals. These achievements demonstrate the tangible difference our technology and unwavering commitment to innovation makes for our clients. Our financial and operational success during FY24 is the result of strategic initiatives targeted at expanding our global footprint and our commitment to helping clients address their most complex water issues.

We continued to invest in technology and people to accelerate our growth trajectory in existing markets and to propel us forward. Our proprietary technologies help our clients improve their operational performance, reduce waste, and minimise their environmental footprint.

With industry-leading solutions, a growing order book, and strong client demand across end markets, we can continue growing our operational and financial footprint into FY25 and beyond.



"2024 was a pivotal year for SciDev, marked by record profitability and increased market share across each of our key verticals."

### Delivering for Clients Drives Growth

SciDev works with a broad and diverse range of water-intensive industries with a particular focus on heavy industries such as Mining, Construction and Infrastructure, Oil and Gas, Waste Management, and Remediation. We offer our clients world-leading technology applied with a pragmatic approach to provide a solution that is tailored to their specific requirements to help them deal with their most challenging water problems. Beyond our leading technology, we invest in developing solid relationships and communicating with clients. The success of this approach is evident in the long-term partnerships we've formed and our ability to grow our base. Building on the success of FY24, we have started FY25 with significant momentum and a strong pipeline of committed works.

### Record Profitability Driven by Our Expanded Operational Footprint

In FY24, we made strong progress towards our strategic priorities, and I am pleased to deliver record financial performance. Underlying EBITDA was \$8.8 million, an increase of 117% on the previous year, a result of the embedded commercial discipline across our company and continued focus on the quality of earnings.

During FY24, we delivered \$109.2 million in revenue, representing growth of 22% on FY23. We maintained positive operational cash flow throughout the year with improved cash flow working capital cycles and a strengthening cash position, providing a strong platform for continued and sustainable growth. Our robust financial performance is a testament to the remarkable efforts of our people, who continue to drive our business forward.

### The Global Spotlight on PFAS 'Forever Chemicals'

The global spotlight on Per- and Polyfluoroalkyl Substances (PFAS), continues to intensify. These human-made chemicals are known for their bioaccumulation, resistance to degradation, mobility in the environment, and have been linked to a number of adverse human health impacts.

The North American and European regulatory landscape continues to evolve. The US Environmental Protection Agency's (EPA) PFAS strategic roadmap has seen a dramatic policy shift, with the EPA now claiming there is no safe level of exposure to PFAS. Australian regulations, which have to date been world-leading, will now need to adapt to reflect tightening standards worldwide.

117%

INCREASE IN EBITDA

As governments and regulatory bodies worldwide step up efforts to address PFAS contamination, the demand for pragmatic and effective solutions to separate, concentrate, and destroy PFAS is now higher than ever. SciDev's Fluorofix™ and RegenIX™ technologies currently stand out as the most efficient, cost-effective, and commercially viable solution available worldwide for treating PFAS.





Fluorofix™ has treated over seven billion litres of PFAS-contaminated water, treating a wide range of contamination levels down to non-detectable levels. We have successfully completed ten PFAS projects across Western Australia, New South Wales, Queensland, and Victoria and anticipate further growth as we expand globally. Since 2016, we have specialised in PFAS treatment and successfully developed a market-leading position domestically; with strong leadership driving our growth in Europe and North America, SciDev is well-positioned to capitalise on the significant opportunities in these regions driven by tightening Environmental regulations.

**World-leading Chemistry**

Our industry-leading proprietary chemistry continues to be a cornerstone of our success, offering us a competitive edge and driving sustained growth across the US Oil and Gas and global Mining markets. In the Oil and Gas sector, our market share has seen significant improvement due to the increasing adoption of our chemistry by a growing client base across multiple onshore basins. In FY24, we supported an average of eight completion fleets and achieved a 51.5% increase in CatChek™ Sales. We also expanded the range of SciDev products provided per completion fleet to ensure the continued growth of our market share.

Our MaxiFlox® chemistry and OptiFlox® technology have proven instrumental in increasing our market share in the Mining and Construction sectors. Our client base continues to grow both locally in Australia and overseas through our strongly committed project-focused team, improving operational consistency, reducing treatment costs, and increasing plant availability and throughput in a safe environment.

We have further strengthened our partnership with Nuocer this year, reinforcing our commitment to excellence and innovation in the mining industry. The role of polyacrylamide chemistry is critical to enhancing mineral and metal recoveries and advancing water recycling processes. By integrating directly with Nuocer through the Nuocer SciDev Joint Venture, we now have unparalleled access to the second-largest producer of polyacrylamides globally. This joint venture is built on a shared vision of sustainable growth, enabling us to respond swiftly and effectively to our client's needs worldwide.



89

FTE'S

**Our People**

Our people remain committed to executing our strategy and driving improved performance across the company. To achieve our future growth ambitions, we recognise the importance of attracting and retaining the best talent and developing SciDev's next generation of leaders. We work hard to develop and foster a culture that promotes high performance and psychosocial safety in parallel. As we build on SciDev's strong foundations, we prioritise integrating, developing, and caring for our people, optimising our work processes, and enhancing our working environment. Health and safety, ethics, and compliance remain top priorities. I am proud of our diverse and inclusive culture, and I thank the SciDev team for their ongoing contributions and commitment.

**Industry Recognition**

Our impressive year of revenue growth and global expansion has been recognised, and I'm pleased to report we are now ranked among the fastest-growing companies in the Asia Pacific region. The Financial Times and Statista High-Growth Companies List honours successful companies that have achieved exceptional three-year revenue growth rates in our region.

In another testament to our relentless pursuit of innovation, we were also named in the Australian Financial Reviews Most Innovative Companies for 2023 and made Australia's Top 50 Most Innovative Manufacturers list for 2024, with our unique Fluorofix™ technology recognised with a Silver Award. Our company has built its reputation on innovative chemistry and water technology solutions that deliver improved operational and environmental outcomes for our clients.

**Looking Forward**

Our record profitability in FY24 reflects the leverage we have in our business. With our industry-leading technology, growing market demand, regulatory tailwinds and strong pipeline, we have a positive outlook for growth across all verticals in FY25.

I'd like to thank the entire SciDev team for their hard work, passion and commitment as we deliver a record year of profitability and growth to opening new markets for our technology and promoting SciDev as an industry-leader.

And lastly, thank you to our loyal shareholders for your ongoing support. I am excited about what we can achieve in the year to come. We will continue to build on the solid progress we made in FY24 and carry this momentum forward to expand into new markets and work together to deliver value from the many opportunities we have in front of us.

Yours sincerely,

**Seán Halpin**  
Chief Executive Officer



# Cultivating a Culture of Innovation and Growth

Effective water management has never been more critical for businesses, industries, and communities in an era marked by climate change, water scarcity, and increasing environmental regulations. With operational budgets under pressure, finding sustainable solutions is key.

We leverage innovation, technical expertise, and extensive experience to help our clients overcome their most urgent water challenges. Our mission is to provide the most effective strategies and solutions, ensuring a resilient and sustainable future for all.



## FY24 Operational Highlights

- Developed Fluorofix™ pilot plants in Europe and North America to demonstrate the superior performance of our technology.
- Secured a \$4.7 million two-year extension PFAS treatment contract with a blue-chip Australian mining client where Fluorofix™ has treated over one billion litres of PFAS-contaminated water to date.
- Awarded a contract of an initial value of approximately \$2 million with Ventia to supply a Build (BOO), temporary water treatment plant in Victoria to treat PFAS-contaminated surface water.
- Engaged by a blue-chip mining client to supply and maintain 30 water quality monitoring stations for use across multiple mines in Western Australia.
- Appointed a Vice-President North America for Water Technologies to drive our Water Technologies vertical growth in the North American Market.
- Operated across four Oil and Gas basins in North America, supporting an average of eight completion fleets during FY24.
- Expanded international exposure through sales of MaxiFlox® chemistry via resellers in Turkey and Mexico.
- Nuocer SciDev JV Pte Ltd incorporation established in Singapore, expanding on the current partnership with Nuocer Group to take MaxiFlox® chemistry to the global mining industry.
- Secured two contracts, with a combined value of \$9.35 million with a Tier 1 construction company to design and construct three water treatment plants (WTP) to support the construction of a new tunnel in NSW.
- CatChek™ sales up 51.5% year on year.
- Secured a two-year contract at the Thunderbird Minerals Sands Project expected to generate circa \$7.0 million in sales.

## Financial Review

This fiscal year has been the most significant in the company's history. SciDev achieved record results, marked by a 22% increase in net revenue, reaching \$109.2 million. Our underlying EBITDA grew to \$8.8 million, reflecting strong operational performance across all verticals and successfully implementing strategic initiatives to broaden our global footprint.

Key metrics include:

### OPERATIONAL CASH FLOW:

↑\$6.5m

up from \$4.8 million in FY23.

### UNDERLYING EBITDA:

↑\$8.8m

compared to \$4.1 million in FY23.

### NET PROFIT AFTER TAX:

↑\$2.1m

a substantial increase from \$0.3 million loss in FY23.

As of 30 June 2024, we maintained a robust balance sheet with \$9.4 million in cash and cash equivalents and an additional \$7.5 million in inventory.

During the year, SciDev paid \$1.3 million related to the acquisition of Haldon Industries. Subsequent to the financial year end, SciDev secured a new finance facility with Westpac, signed on 23 August, providing access to up to \$10 million to support future growth initiatives.



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## CEO's Letter (continued)

SciDev's principal activities throughout the year was to service its growing client base with tailored chemistries and leading water treatment technologies to enhance production efficiencies, reduce waste, and minimise environmental footprints. Our solutions serve a wide range of industries, including mining and construction, oil and gas, and water treatment. Throughout FY24, we expanded our client base, securing a substantial number of new contracts demonstrating the increasing scale and success of our business.

### INCREASE IN REVENUE

# 22%

## Water Technologies

**SciDev's water treatment solutions remove harmful contaminants from groundwater, surface water and industrial liquid waste, allowing water to be reused or safely discharged to the environment.**

SciDev operates through two general project types: short-term, high-margin Build, Own and Operate (BOO) projects which charge fees at key project milestones; and long-term, lower-margin Design and Construct (D&C) projects that generate regular cashflow for the business.

During FY24, SciDev executed several large contracts with clients requiring water treatment solutions in Australia, including remediation of PFAS-contaminated water. FY24 revenue for water technologies services of \$22 million was up 88% on FY23 (\$12 million), driven by new client wins and the commencement of the capital-intensive projects secured in FY23.

In FY24, we appointed a Vice-President North America for Water Technologies to drive our Water Technologies vertical growth in the North American Market.

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## Innovation and Awards

This year, our commitment to innovation has been recognised with top industry awards. We proudly secured a spot on the Australian Financial Review's Most Innovative Companies for 2023 and ranked among Australia's Top 50 Most Innovative Manufacturers for 2024, with our FluorofIX™ technology receiving a Silver Award. These accolades affirm our commitment and leadership in advancing chemistry and water technology solutions that drive superior operational and environmental outcomes. In addition to these achievements, our impressive revenue growth and global expansion have secured us a place among the fastest-growing companies in the Asia Pacific region, as noted by the Financial Times and Statista High-Growth Companies List, which celebrates exceptional three-year revenue growth. Additionally, our significant revenue growth and strategic global expansion have established us as one of the fastest-growing companies in the Asia Pacific region, as highlighted by the Financial Times and Statista High-Growth Companies List.



## Water Treatment Plants

In September 2023 SciDev extended its commercial relationship with Acciona Construction Australia Pty Ltd with a significant new contract to design and construct two water treatment plants for Sydney's iconic Western Harbour Tunnel project. In June 2024, Acciona commissioned SciDev to build a third plant. The headline contract value across both contracts of \$9.35 million contributed meaningfully to revenue throughout FY24.

In September SciDev secured a contract to supply three small BOO water treatment plants to support a large infrastructure project in North Coast NSW, generating around \$1 million revenue recognised by June 2025. During the period, SciDev also delivered 42 water quality monitoring stations to a blue-chip mining client to help monitor their water quality across multiple mines in Western Australia.



## PFAS

SciDev continued to expand its leading position in PFAS treatment in the Australian market and is well placed to take advantage of the global demand for PFAS remediation solutions driven by regulations in North America and Europe.

During FY24, the Company operated on eight PFAS treatment projects, generating \$12 million in revenue. SciDev achieved a significant milestone, using its FluorofIX™ technology to treat over one billion litres of PFAS-contaminated water and removing PFAS contamination to below detectable levels on a single site for a blue-chip Australian mining client. Responding to a government request, in April SciDev rapidly mobilised to a site in New South Wales to treat 1.5ml of PFAS-impacted stormwater using FluorofIX™.

In March, SciDev began construction of a PFAS water treatment plant for a mining client in Western Australia. SciDev will operate and maintain the treatment plant for a minimum of 12 months prior to handover to the client. In March SciDev commenced full-scale treatment operations on the previously delayed project for Cleanaway at their New Chum landfill in Queensland, where FluorofIX™ has been deployed to treat PFAS from landfill leachate.

In March, the Company secured a new contract with an initial value of approximately \$2 million with Ventia Utility Services Pty Ltd for the supply of a BOO water treatment plant using FluorofIX™ to remediate PFAS-contaminated surface water in Victoria.



## CEO's Letter (continued)

### Chemical Services

SciDev's chemical services division specialises in advanced water chemistry solutions that significantly enhance operational outcomes for clients.

Our proprietary range of chemicals, including both natural and synthetic polymers, are engineered to perform in the most challenging process waters. This capability reduces the need for freshwater and improves operational efficiency and environmental outcomes.

### Energy Services

We boosted market share in the oil and gas sector by expanding the use of our chemistry among a growing number of clients across four onshore basins. During FY24, we supported an average of eight completion fleets and realised a 51.5% increase in CatChek™ Sales.

We further enhanced our market position by expanding the range of SciDev products offered per completion fleet, successfully transitioning customers from commodity to proprietary products. Notably, in August, we completed a successful field trial across six wells with a prominent operator in the Permian Basin in West Texas, leading to the selection of SciDev Chemistry for commercial application.

Additionally, we developed and field-trialed CatChek™ 157, the latest addition to our CatChek™ product portfolio, demonstrating our ongoing commitment to innovation. In December, we renewed our contract with Qatar Shell, GTL, Ltd., a Royal Dutch Shell Group division, for research and development support through to December 2026. This contract reinforces our ongoing partnership and commitment to advancing research and development.

In April, we successfully executed a Master Services Agreement with BPX for the direct supply of our innovative CatChek™ chemistry. This partnership marks a significant milestone in our strategy to strengthen relationships with blue-chip clients and expand our market presence.



Throughout FY24, we also collaborated with several blue-chip clients to explore the advantages of CatChek™ technology. To further support our operations, we expanded our sales team and acquired a property in the Eagle Ford Basin, which has reduced lead times and freight costs for well-site deliveries, thereby lowering operating costs and enhancing client service.



### Mining and Construction

Our MaxiFlox® chemistry and OptiFlox® technology have significantly increased our market share in the mining and construction sectors. We continued establishing ourselves as an industry leader in solid-liquid separation for the mining and mineral processing industry. Our client base continues to grow in Australia and overseas through our strongly committed project-focused team, improving operational consistency, reducing treatment cost, and increasing plant availability and throughput in a safe environment.

In July, we secured a two-year contract with the Thunderbird Mineral Sands project to supply MaxiFlox® chemistry, OptiFlox® technology, and technical services, expected to generate \$7 million in revenue and further establish our footprint in the mineral sands extraction industry.

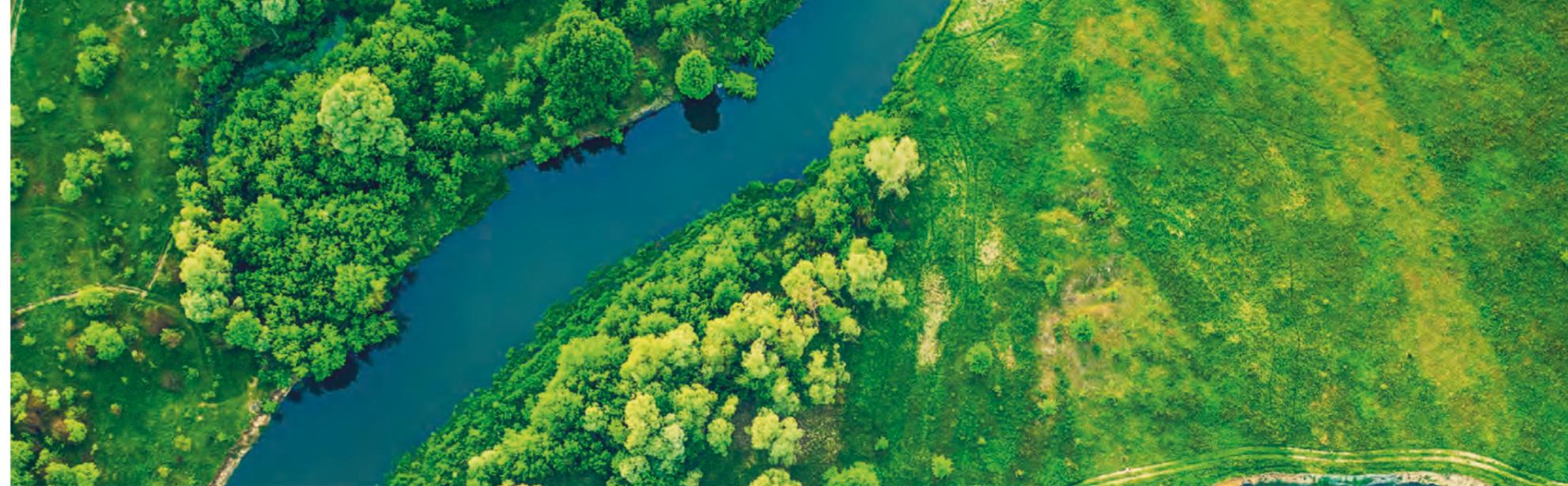
We also expanded our international presence through successful sales of MaxiFlox® chemistry via resellers in the US and Mexico. We received our first purchase order in Mexico in September for supply into the mining industry with sales expected to grow during FY25. In addition, our MaxiFlox® chemistry was successfully trialed at a large gold mine in Carribean with further trials to be executed in early FY25 to close out the validation process.

In March, we were awarded a contract to supply MaxiDry chemistry and services for a new tunnelling project in New South Wales. Additionally, the team successfully completed supply of similar technology to a tunnelling project managed by John Holland Group where MaxiFlox® Chemistry is being used in the dewatering process to enable the re-use of water.

We also established the Nuoer SciDev JV in Singapore this year, strengthening our partnership with Nuoer and reinforcing our commitment to excellence and innovation in the mining industry. The role of polyacrylamide chemistry is critical to enhancing mineral and metal recoveries and advancing water recycling processes. By integrating directly with Nuoer through the Nuoer SciDev joint venture, we now have unparalleled access to top-tier chemistry and cutting-edge research and development services. This Joint Venture is built on a shared vision of sustainable growth, enabling us to respond swiftly and effectively to our client's needs around the world. This strategic relationship not only fortifies our global market position but also lays the groundwork for future opportunities, ensuring we are well-equipped to meet the challenges of an evolving industry.



# SciDev's Commitment to Sustainability, Safety, Diversity, and Community Engagement



## Sustainability

At SciDev, we are dedicated to minimising our environmental footprint and enhancing value through sustainable practices across our operations. Our commitment extends to achieving balanced economic, social, and environmental sustainability outcomes that benefit all stakeholders.

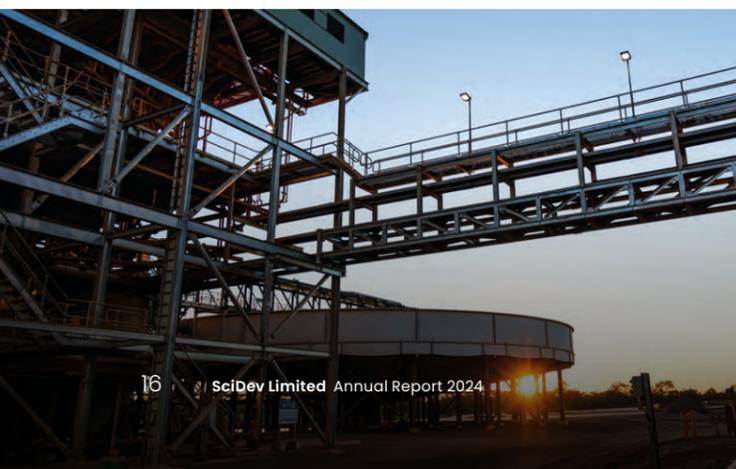
We specialise in crafting innovative, tailored solutions designed to help our clients reduce wastewater and improve operational efficiency while safeguarding the environment. Our efforts yield efficiency gains across various sectors.



### Key areas of our focus include:

- Addressing the pressing issue of emerging contaminants, including the treatment of per- and polyfluoroalkyl substances (PFAS).
- Minimising freshwater consumption and wastewater production across diverse industries.
- Supporting the communities where we operate.
- Fostering a culture of respect and diversity within the workplace and the broader community.
- Continuously building and formalising our commitment to sustainability by integrating these practices into all business decisions.
- Committing to ongoing improvements in our Environmental, Social, and Governance (ESG) performance.

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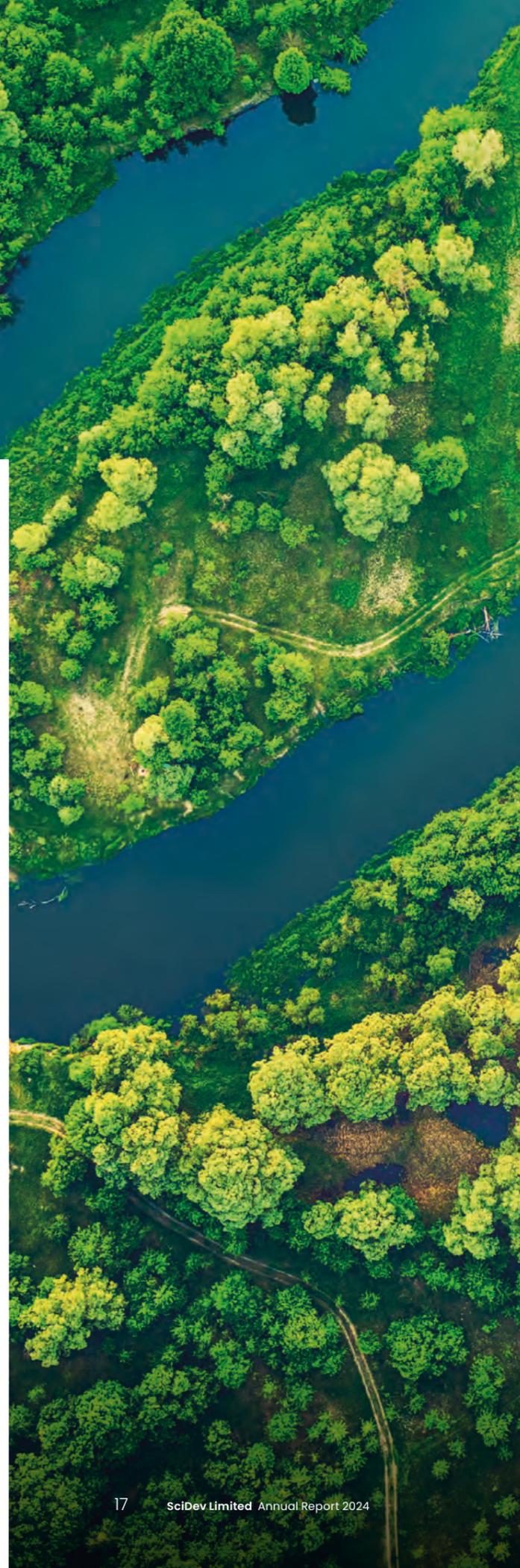
## Environment

SciDev's sustainable chemistry and water treatment solutions are designed to reduce freshwater use and lower industry wastewater levels. Our technologies are adaptable to various operating environments and challenges, including PFAS treatment, industrial wastewater disposal and tailings slurry management in the mining sector.

PFAS, a group of persistent man-made chemicals, pose significant environmental and health risks. SciDev's advanced water treatment plants are capable of removing detectable PFAS compounds to levels below the lowest commercially available reporting limits. In FY24, we operated on eight PFAS-impacted sites, remediating more than 500 million litres of contaminated water. We operate under Environmental Protection Authority (EPA) issued licences and operate within the boundaries of those licences, with no reportable incidents during the year.

In collaboration with global leaders in the onshore US oil and gas sector, we are developing new drilling and completion chemistries to address the environmental impact of high wastewater discharge. Our innovative drilling and completion chemicals, effective in saline water, allow for higher concentrations of produced and recycled water to be used during new oil and gas well projects, reduce water waste by 50% and lower our clients' freshwater footprint.

SciDev remains committed to innovation to help clients achieve their water discharge reduction objectives.





## Safety

At SciDev, health and safety are our top priorities. We are dedicated to ensuring that everyone in our workforce returns home safely each day. Our core value, "Everyone Safe, Every Day," reflects our commitment to this principle.

Our system of safe operations is based on a clear understanding of our risks, including critical risks, and our ability to effectively control them. Our leadership team ensures that health and safety are integrated into every aspect of our business, engaging our people through principles of learning, accountability, competence, and collaboration. We support and encourage our employees to make difficult decisions and have conversations that lead to the best possible safe outcomes, and to openly share knowledge and information to prevent harm in our operational activities.

This year, we continued to work towards our safe work objectives by focusing on critical operational risks. We implemented a consultation program across our various business areas to improve our controls that can help prevent high likelihood and high consequence events. We formed a cross-functional focus group to identify our critical controls and initiated an ongoing awareness program.

We have a dedicated HSE (Health, Safety, and Environment) Manager who implements company policy and directives. Among other safety initiatives, in FY24, we implemented a fleet management program, mandated reverse parking at all company and client locations, and introduced a field safety audit program that includes a chemical life-cycle review.

## Diversity and Inclusion

Our people are central to SciDev's success. Our leadership team is committed to creating high-performing, inclusive teams that value diversity and individuality. We believe diversity enhances talent pools, work-life balance, personal achievement, cooperation, and overall organisational performance.

We are committed to a workplace free from discrimination, where diversity improves company performance and shareholder value. We actively manage diversity to ensure a mix of skills and talents at all organisational levels. Notably, 25% of our workforce is now female, reflecting our progress in gender diversity.

## Communities

SciDev values the local communities where we operate and strives to minimise our impact while fostering positive engagement and economic development. Our goal is to create a lasting, positive legacy for future generations.

We engage with various communities based on their unique contexts. For example, we have partnered with Schools Plus to support disadvantaged communities by funding educational initiatives. Our contributions to the "Two-Way Science Programme" have benefited over 150 students, 100 teachers, and 100 community members in Anangu schools, enhancing cultural identity and educational outcomes.

We supported the Krait Foundation, which aids retired special operations personnel in transitioning to civilian life by providing vocational training and career support. This initiative reflects our commitment to supporting veterans and creating fulfilling career opportunities.

Through these and other efforts, SciDev demonstrates its dedication to sustainability, safety, diversity, and community support, ensuring that our operations contribute positively to all aspects of society.



## CEO's Letter (continued)

### Governance

SciDev is dedicated to upholding the highest governance, ethics, and integrity standards. Our commitment to these principles is reflected in our governing documents, including our Corporate Governance Statement, Board Charter, and Code of Conduct Policy. These documents form the foundation of our governance framework, ensuring accountability and effective risk management.

The SciDev Board of Directors recognises the critical role of our corporate governance framework in establishing clear accountabilities and managing risks. Our governance policies and procedures are detailed in our Corporate Governance Statement and Board Matrix, which are available for review on the SciDev website.

During the year, we appointed a new Director with strong international experience to broaden the Board's depth of skills. This new appointment forms a part of the Board's ongoing review and assessment programme.

### Ethics and Whistleblowing

At SciDev, we prioritise open and honest communication within our organisation. We encourage our employees to report any unethical behaviour or policy violations to senior management or the Board. Our commitment extends to fostering a culture of honesty, ethical practices, and corporate compliance. We also support reporting any suspected illegal, fraudulent, or undesirable conduct related to our business operations.

We provide an objective, confidential, and independent reporting and investigation mechanism to ensure that our employees can raise concerns without fear. This mechanism safeguards employees against intimidation, reprisals, or any form of disadvantage.

### Ethical Sourcing and Modern Slavery

We are resolute in our commitment to ethical and transparent business practices. To prevent modern slavery within our operations and supply chain, we have implemented effective systems and controls.

Respect for human rights is a cornerstone of our culture and values, and we are dedicated to combating modern slavery as a fundamental aspect of our business operations.

### Reconciliation Action Plan

SciDev is committed to promoting reconciliation and contributing to recognising, understanding, and repairing relationships between Aboriginal and Torres Strait Islander peoples and the wider Australian community. We are working within the framework set by Reconciliation Australia to deepen our understanding of our impact and make meaningful contributions across the five dimensions of reconciliation: race relations, equality and equity, institutional integrity, unity, and historical acceptance.

Some of SciDev's projects have Native Title Groups as stakeholders, and when they arise, these projects provide a direct and concrete opportunity for SciDev to work with these groups and facilitate positive outcomes.

Through these efforts, SciDev demonstrates its commitment to strong governance, ethical practices, and meaningful community engagement, ensuring that our operations align with our core values and contribute positively to society.

### Mandated ESG reporting... We're getting ready!

In January 2024, the Australian Treasury issued its climate-related financial reporting disclosure exposure draft. Under the new reporting requirements, SciDev expects to commence mandatory reporting via its first 'Sustainability Report' in FY2028.

While not required to formally report until FY2028, SciDev is developing its data and information systems now to enable SciDev to capture this critical information and to enable us to act accordingly leading up to 2028.

Based on reporting to date, the new 'Sustainability Report' will involve the delivery of a climate statement for the relevant year, with accompanying notes and changes to the Director's Declaration. SciDev is monitoring developments in the legislation and preparing for these new reporting requirements.

## Board & Leadership Team

### Board



**Vaughan Busby**  
Non-Executive Chairman



**Simone Watt**  
Non-Executive Director



**Jon Gourlay**  
Non-Executive Director



**Dan O'Toole**  
Non-Executive Director



**Mike Utsler**  
Non-Executive Director

### Leadership Team



**Seán Halpin**  
Chief Executive Officer



**Anna Hooper**  
Chief Financial Officer



**Sarah Stewart**  
Head of Client Experience  
and Marketing



**Ollie Kelly**  
Head of People  
and Culture



**Jamiel Muhor**  
Head of Mining and  
Construction, APAC



**Chris Dartez**  
President – Energy  
Services, Americas



**Mick Cox**  
Head of Water  
Technologies,  
APAC



**John Wilson**  
Vice President –  
Water Technologies,  
Europe



**Quinn Smith**  
Vice President –  
Water Technologies,  
North America

### Company Secretary



**Heath Roberts**



# Financial Report

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# Directors' Report

30 June 2024

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 year ended 30 June 2024.

## Directors

The following persons were directors of SciDev Limited during the whole of the financial year, except where noted below, and up to the date of this report:

Vaughan Busby  
Simone Watt  
Jon Gourlay  
Dan O'Toole  
Michael Utsler (appointed 1 March 2024)

## 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 year.

## Operating and financial review

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.

In Financial Year 2024, the company delivered record revenue of \$109,236,000, representing a 21.6% increase on the FY2023. Importantly our growth continued to be profitable, delivering \$8,844,000 of EBITDA and positive cashflow for the year.

SciDev maintained a robust balance sheet with cash and cash equivalents of \$9,425,000 on 30 June 2024 and a further \$7,529,000 in inventory.

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

	2024 \$'000	2023 \$'000
Profit/(loss) before income tax	4,102	(222)
Depreciation and amortisation	4,092	3,508
Finance costs	650	630
EBITDA	8,844	3,916
Net fair value loss on options held in R3D Resources Limited	-	164
Adjusted EBITDA	8,844	4,080

## Directors' Report (continued)

EBITDA and adjusted EBITDA are non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. These measures, which are unaudited, are important to management as an additional way to evaluate the consolidated entity's performance. Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events.

## Review of operations

SciDev operates across a range of markets with a single common thread: we solve our clients' water problems. Our innovative chemistries are used across a range of industries to enhance production efficiency, minimise waste, and reduce our clients' environmental impact. We also specialise in water treatment technologies that remove harmful contaminants from our environment by treating and remediating contaminated groundwater, surface water, and liquid waste.

### Chemical services

SciDev continues to innovate and deliver a range of chemistry solutions to its clients, that improve operational efficiencies and reduce their wastewater footprint. During the period, SciDev delivered an improved financial performance and expanded the client base across the mining and mineral processing, construction and infrastructure, and oil and gas markets, with the award of a number of new contracts to blue-chip clients.

### Mining and construction

SciDev delivers comprehensive solutions in mining, mineral processing, and construction, enhancing operational performance and minimising waste through advanced chemistries and professional services. In mining, their focus is on optimising mineral processing systems and reducing water waste, while in construction, they offer complete water management solutions, including dewatering and treatment services, to minimise costs and ensure compliance with environmental regulations. FY24 achievements include securing a significant contract at the Thunderbird Minerals Sands Project, expanding international sales of MaxiFlox® chemistry, and establishing a new joint venture in Singapore to further global market reach.

### Energy services

SciDev offers advanced friction reduction solutions, effectively using recycled water to enhance environmental compliance, cut costs, and boost operational performance in onshore oil and gas production. In FY24, SciDev supported eight completion fleets across four North American basins, secured a new field trial in the Permian Basin, and collaborated with a major Utah customer on CatChek technology for wet sand applications. They also expanded operations by acquiring storage property near the Eagleford Basin, added sales staff, and renewed a significant R&D contract with Qatar Shell GTL Ltd. Additionally, a major E&P producer began testing SciDev's CatChek™ 12S technology in West Texas.

### Water Technologies

SciDev's Water Technologies business specialises in removing contaminants from various water sources, allowing for reuse or safe discharge. They operate under both Build, Own & Operate (BOO) and Design & Construct (D&C) models, focusing on PFAS and broader water treatment solutions.



## Directors' Report (continued)

### Australia

In FY24, SciDev expanded its Australian operations, securing several new contracts and maintaining a strong position in PFAS treatment. Notable achievements include a \$4.75 million contract with a Tier 1 construction company for a water treatment plant supporting Sydney's Western Harbour Tunnel, a \$2.0 million BOO contract with Ventia in Victoria, and the ongoing construction and management of PFAS treatment facilities across multiple sites. Additionally, the team secured several new contracts for the supply and ongoing maintenance of water quality monitoring stations for use across multiple mine sites in Western Australia, and they commenced full-scale operations at Cleanaway's New Chum landfill.

### North America and Europe

In North America and Europe, SciDev is expanding its presence in the PFAS treatment market, capitalising on growing demand driven by upcoming regulations. Key activities include appointing a Vice-President for North America to lead strategic growth initiatives and submitting proposals for the US Department of Defence's Environmental Security Technology Certification Program for RegenIX™ technology. The company is also advancing business development efforts, developing PFAS pilot plants, and seeking to broaden its client base in these regions, demonstrating the robustness of its treatment technologies.

### Outlook

With a growing portfolio of significant new contracts and strong demand across our end markets, SciDev is well-positioned to continue to grow our operational and financial footprint. Key areas of outlook focus for the Company in FY25 continue to include:

- Ongoing focus on the health and safety of all our employees;
- Capitalise on recent USA EPA PFAS National Primary Drinking Water Regulations developments;
- Growth and expansion of market share in the global mining sector by delivering MaxiFlox® directly to new clients via direct sales, local licencing and partnership agreements and leveraging our Joint venture with Nuocer Chemicals;
- Continuing to diversify our Oil and Gas industry client base as our proprietary CatChek and XSlik product lines 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, and exploring leachate and industrial wastewater treatment opportunities to secure initial revenue; and
- Continued execution of business development opportunities in the domestic and overseas construction sector.

### Risk factors

The business activities of SciDev are subject to various risk factors that may impact on its future performance and financial position. These risks are both specific to SciDev's activities as well as general commercial and economic risks.

## Directors' Report (continued)

### Risk management framework

The Board has established a risk management framework to identify, monitor and manage risks across the company. The framework is administered by the Audit and Risk Committee. The Committee is responsible for assisting the Board in identifying and managing financial and non-financial risks. The Committee maintains a Risk Assessment Register and evaluates the potential impact and likelihood of each risk occurring and ranks them accordingly. The responsibility to manage, monitor and report on each risk is delegated to the CEO and senior management.

Risks that are identified as material to SciDev are summarized below. This information should not be regarded as exhaustive, and the items have not been presented in priority order.

### Material business risks

#### Commodity price risk

SciDev supplies products and services to a range of sectors, domestically and overseas (including the energy sector in the US). This exposes the company indirectly to fluctuations in the price of a range of different commodities, including metals, oil and gas, as these correlate with the activity levels of our customers. Significant drops in commodity prices, which would typically lead to drops in production, could result in decreased demand for SciDev services across its business units.

#### Contract risk

SciDev is subject to the risk that material contracts with suppliers, customers and others are terminated, expire, are not renewed or are renegotiated on less favourable terms. This may have a negative impact on SciDev's financial performance and position. SciDev is also exposed to the risk that it does not manage obligations in line with contractual or operational standards, with could result in customer dissatisfaction and/or financial losses.

#### Competition

The markets that SciDev's businesses operate in are highly competitive. The competitive environment could be significantly affected by market forces including production capacity, disruptive product innovation and new entrants. An increase in competition could result in a loss of market share or downwards pressure on margins.

#### Regulator activity

SciDev's business is premised to a significant degree on Government and regulator imposition of strong environmental conditions on industry; particularly in the Water and Chemical Services businesses. Any movement by Governments and regulators to reduce regulation could impact detrimentally on SciDev's business units and overall financial performance.

#### Customer and supplier concentration risk

Within SciDev there are business units that either have a higher degree of customer and/or supplier concentration than is considered optimal. SciDev is actively working on initiatives to broaden customer and/or supplier bases in order to alleviate that risk; this is however a long-term process and, until completed, loss of a key customer or key supplier could have significant, detrimental impact on a business unit and SciDev as a whole.



## Directors' Report (continued)

### FX exposure

SciDev is exposed to movement in exchange rates, particularly the US to AUD exchange rate. In Australia, the Chemical Services business (and to a lesser extent, Water Technology business) are exposed through the purchase of inventory and equipment denominated in US dollars. Where the corresponding sale is in Australian dollars, pricing is periodically reset reflecting exchange rate, commodity pricing and shipping costs.

Energy Services is a US-based business, hence exposing the business to foreign exchange risk through cash and inventory denominated in USD which is held on the SciDev consolidated balance sheet. Fluctuations in the AUD/USD exchange rate could have an adverse impact on SciDev's financial condition and results of the operation that are reported in AUD.

### Key person risk

Loss of key management and other personnel, including Board directors, could have a negative impact on SciDev's business.

## Significant changes in the state of affairs

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

## Matters subsequent to the end of the financial year

On 23 August 2024, SciDev Limited executed a finance facility for \$10.0 million with Westpac Limited. The package comprises of a revolving business loan facility for \$5.0 million to provide working capital flexibility, a \$2.0 million equipment finance facility and up to \$3.0 million amortising and non-revolving facility.

No other matter or circumstance has arisen since 30 June 2024 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.

## Environmental regulation

The consolidated entity is subject to a range of environmental regulations and licences under Australian Commonwealth or State laws. The Company is responsible for monitoring its compliance with these laws and is not aware of any breaches during the year.

A key area of regulation is specific process licences: Group companies are holders of NSW Environmental Protection Agency (EPA) mobile waste processing PFAS licences 20878 and 21114.

## Directors' Report (continued)

### Information on directors

<b>Name:</b>	<b>Vaughan Busby</b>
<b>Title:</b>	Non-executive Chairman
<b>Qualifications:</b>	B.Pharm, MBA (IMD Business School Switzerland)
<b>Experience and expertise:</b>	Mr Busby trained as a chemist and has extensive experience as a company director, having sat on several private and ASX listed boards over the last 16 years. He currently serves as a non-executive director for Energy Queensland Limited, a government-owned corporation and the largest energy company in Australia. He is also a non-executive director of EnergyCo, which is responsible for delivering the renewable energy zones as part of the NSW Government's Electricity Infrastructure Roadmap, and a Director of Netlogix Group Holdings Limited, a New Zealand based company specialising in supply chain logistics.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	Non-executive Director of Energy One Limited (12 January 2007 to 13 September 2023)
<b>Special responsibilities:</b>	Company Chairman
<b>Date of appointment to the Board:</b>	9 August 2021
<b>Interests in shares:</b>	150,000
<b>Interests in options:</b>	Nil
<b>Name:</b>	<b>Simone Watt</b>
<b>Title:</b>	Non-executive Director
<b>Qualifications:</b>	BASc
<b>Experience and expertise:</b>	Ms Watt is the Managing Director of Sinoz Chemical and Commodities (Sinoz), a global company that supplies reagents and technology-based improvements to the mining and agribusiness industries. Ms Watt is also a Director of Kemtec Mineral Processing and Kanins International, both parts of the Sinoz Group of companies. She has extensive experience in strategic sourcing and supplier management, business development and sales and marketing.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Audit and Risk Committee and Chair of the Nomination and Remuneration Committee
<b>Date of appointment to the Board:</b>	29 October 2018
<b>Interests in shares:</b>	5,313,280
<b>Interests in options:</b>	Nil



## Directors' Report (continued)

<b>Name:</b>	<b>Jon Gourlay</b>
<b>Title:</b>	Non-executive Director
<b>Qualifications:</b>	BCom, C.A, GAICD
<b>Experience and expertise:</b>	Mr Gourlay is a chartered accountant with extensive experience in finance and project management, risk management, business improvement and investor relationships, with a focus on the mining and resources technology sectors. Mr Gourlay has held senior commercial and management roles with Newcrest Mining and Glencore Zinc. He is currently a Principal Advisor to the Treasurer of Tasmania.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chairman of the Audit and Risk Committee and member of the Nomination and Remuneration Committee
<b>Date of appointment to the Board:</b>	28 May 2019
<b>Interests in shares:</b>	1,067,774
<b>Interests in options:</b>	Nil
<b>Name:</b>	<b>Dan O'Toole</b>
<b>Title:</b>	Non-executive Director
<b>Qualifications:</b>	BEng(Hons), EngExec, FIEAust, MAusIMM, MAICD
<b>Experience and expertise:</b>	Mr O'Toole brings over 36 years of experience across the engineering and consulting sectors including over 18 years in executive leadership roles within Coffey International Limited and Pitt & Sherry. Mr O'Toole is co-founder and Director of Viotel Limited, a private company focused on empowering mining, transport and infrastructure businesses to mitigate risks better using world-class monitoring technology. Prior to his current position, Mr O'Toole was the Chief Executive Officer of Pitt & Sherry, one of Australia's most dynamic consulting engineering companies with a team of high-calibre professional consultants servicing the Transport Infrastructure, Mining, Energy, Industrial, and Tourism and Recreation market sectors.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Member of the Audit and Risk Committee and the Nomination and Remuneration Committee
<b>Date of appointment to the Board:</b>	3 February 2021
<b>Interests in shares:</b>	266,000
<b>Interests in options:</b>	Nil

## Directors' Report (continued)

<b>Name:</b>	<b>Michael Utsler</b> (appointed 1 March 2024)
<b>Title:</b>	Non-executive Director
<b>Qualifications:</b>	BSc (Ptrl Eng), GAICD, MAICD
<b>Experience and expertise:</b>	Mr Utsler has worked in the Energy Industry for over 40 years across multiple international areas. He has built deep knowledge and experience in the upstream, midstream and downstream areas of the energy industry, as well as experience in power generation, alternative energy solutions, and some aspects of carbon management. He has held senior leadership and executive positions with Amoco, BP (including President of the Gulf Coast Restoration Organisation – GCRO and SVP BP Alaska Exploration); Woodside Energy and New Fortress Energy. In 2020 Mr Utsler joined Otto Energy as its Chief Executive Officer and Managing Director, then serving as Executive Chairman from November 2020 to 2023. Mr Utsler is a former non-executive Director of Integrated Asset Solutions and a former Director of Oil Search Limited. He has previously served on a variety of not-for-profit boards, including the West Australian Symphony Orchestra.
<b>Other current directorships:</b>	Non-executive Director of Santos Limited (from 3 May 2022)
<b>Former directorships (last 3 years):</b>	Oil Search (2021) Integrated Asset Solutions (2017 to 2021) Otto Energy (2020 to 2023)
<b>Special responsibilities:</b>	Member of the Audit and Risk Committee and the Nomination and Remuneration Committee
<b>Interests in shares:</b>	Nil
<b>Interests in options:</b>	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last three (3) years for listed entities only and exclude directorships of all other types of entities unless otherwise stated.



## Directors' Report (continued)

### Company Secretary

Mr Heath L Roberts (Dip Law (S.A.B.) and Grad Dip Legal Practice (UTS)) is a commercial solicitor with over 21 years of listed company experience. He has acted for SciDev in various capacities and brings strong transactional, compliance and capital raising experience to the role.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Vaughan Busby	9	9	–	–	–	–
Simone Watt	8	9	2	2	3	3
Jon Gourlay	9	9	2	2	3	3
Dan O'Toole	8	9	1	2	3	3
Michael Utsler (appointed 1 March 2024)	3	3	1	1	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

## Directors' Report (continued)

### Remuneration report (audited)

#### A. Introduction

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

This Report sets out the approach to remuneration for Key Management Personnel (KMP) and all staff. The Board intends that the Report provides clear and transparent communication of the remuneration arrangements in place for the Company's Directors and executives. These arrangements are intended to align remuneration with the Company's values, purpose, strategy and performance.

The Company's remuneration arrangements are structured to attract and retain high performing people and to remunerate them for achieving our objectives and for acting consistently with our values and purpose. Remuneration arrangements are reviewed regularly by the Remuneration Committee and adjustments and redesign made where considered appropriate, balancing alignment with the Company's circumstances, fairness to executives and considering market expectations and industry standards.

#### B. Persons covered by the report

This Report sets out the remuneration arrangements in place for KMP, which comprises the Directors of the Company (all currently non-executive) and those members of the SciDev executive team who have authority and responsibility for planning, directing and controlling the activities of the Company (Executive KMP).

The name and position of each key management personnel of the consolidated entity during the financial year ended 30 June 2024 consisted of the following directors of SciDev Limited:

- Vaughan Busby – Non-executive Chairman
- Simone Watt – Non-executive Director
- Jon Gourlay – Non-executive Director
- Dan O'Toole – Non-executive Director
- Michael Utsler – Non-executive Director, joined the Board from 1 March 2024

And the following executives:

- Seán Halpin – Chief Executive Officer
- Anna Hooper – Chief Financial Officer
- Heath Roberts – Company Secretary and General Counsel

#### C. Remuneration framework

##### 1. Remuneration governance

The Board has a Nomination and Remuneration Committee which comprises of four non-executive directors, and is responsible for providing advice on remuneration and incentive policies and practices and makes specific recommendations on remuneration packages and other terms of employment for the Chief Executive Officer, the Non-Executive Directors and other senior executives.



## Directors' Report (continued)

### 2. Remuneration objectives

The objective of SciDev's Remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives of the consolidated entity and the creation of long-term value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good remuneration governance practices:

- market competitive, enabling SciDev to attract, retain and motivate high calibre people;
- targeted measures that drive performance and establish a clear link between executive remuneration and performance;
- remuneration structure, this should balance the delivery of short-term growth with long-term sustainability; and
- reward structure that is equitable and aligned to creation of shareholder value, implementation of business strategy and delivery of results.

The framework provides a mix of fixed base pay and variable pay that includes both short and long-term incentives, with an appropriate balance of at-risk remuneration.

### 3. External advisers

The Remuneration Committee engaged Godfrey Remuneration Group (GRG) in FY24 to conduct a comprehensive review of SciDev's executive remuneration and incentive arrangements, including the current equity component, as compared to those offered by similar competitor companies and which is tailored to the Company's particular circumstances.

The Nomination and Remuneration Committee reviewed the reports and recommendations from GRG at various meetings during FY24. The Board is satisfied the remuneration recommendations made were free from undue influence by any member of the Key Management Personnel because of the communication arrangements established between GRG and the Remuneration Committee. Fees charged by GRG referable to these services were \$36,000 during FY2024.

### 4. Employment contracts

Remuneration and other terms of employment for key management personnel are formalised in Employment Contracts. Details of these agreements at the date of this report are as follows:

<b>Name:</b>	Seán Halpin
<b>Title:</b>	Chief Executive Officer
<b>Agreement commenced:</b>	11 November 2022
<b>Term of agreement:</b>	On going
<b>Details:</b>	Base salary of \$360,500 plus superannuation and STI performance-based bonus up to \$100,000 and a target LTI bonus of \$175,000 in performance-based equity under the terms of the Company's ESS. In addition, Mr Halpin is eligible for an equity settled Outperformance bonus of up to \$400,000. The contract may be terminated by six (6) months' notice from either party.

## Directors' Report (continued)

<b>Name:</b>	Heath Roberts
<b>Title:</b>	Company Secretary and General Counsel
<b>Agreement commenced:</b>	1 March 2017
<b>Term of agreement:</b>	On-going
<b>Details:</b>	Consulting per diem rate equal to that of \$240,000 for full-time employment and services. The agreement may be terminated by one (1) months' notice from either party.
<b>Name:</b>	Anna Hooper
<b>Title:</b>	Chief Financial Officer
<b>Agreement commenced:</b>	6 December 2021
<b>Term of agreement:</b>	Ongoing
<b>Details:</b>	Base salary of \$363,624 including superannuation and STI performance-based bonus of up to \$70,000 and a target LTI bonus of \$125,000 in performance-based equity under the terms of the Company's ESS. The contract may be terminated by three (3) months' notice from either party.

Key management personnel (KMP) have no entitlement to termination payments in the event of removal for misconduct.

Other Senior Executives are full-time, permanent employees with employment contracts. Their employment contracts do not have termination dates or termination payments. However they typically specify an employee notice period of three months.

### 5. Remuneration voting and comments at the FY23 Annual General Meeting (AGM)

At the 2023 AGM, 97.57% of the votes received supported adopting the remuneration report for the year ended 30 June 2023. The company did not receive any specific feedback at the 2023 AGM regarding its remuneration practices.

### 6. Remuneration framework

The remuneration framework is designed to align executive interests with Company success and long-term shareholder value. The structure consists of several components:

For Non-Executive Directors, there are the directors fees. These are annual fees paid monthly (together with a superannuation guarantee payment).

For Executive KMP, for FY24 this is made up of three components:

- **Fixed Remuneration** – comprising of base salary and superannuation guarantee payments;
- **Short-Term Incentives (STI)** – at risk and based upon performance on key performance measures. This award is normally paid in cash at target; and
- **Long-Term Incentives (LTI)** – this is a long-term three-year equity plan under which Performance Rights are granted annually and are subject to performance conditions. In FY24, the rights are granted subject to an Earnings per Share (EPS) performance hurdle. The rights are tested against performance hurdles at the end of three years, once the financial results have been released for the relevant year.



## Directors' Report (continued)

The following factors have been taken into account when determining the proportion of at-risk remuneration including STI and LTI components for each role:

- the objectives the Board seeks to achieve and the behaviours that support those outcomes;
- the desire that key executives have equity interest in the Company, to better align with shareholders; and
- market practice.

### 7. Group performance

The STI and LTI are linked to performance against Key Performance Measures (KPM), these are detailed in Section E.

Performance measures are linked to financial performance of the Company along with, implementation of Company Strategy and creation of shareholder value. The STI is focussed on short-term performance over the preceding 12 months. The KPM under the LTI is measured at the end of the three-year measurement period.

The following table includes the consolidated financial KPM used executive remuneration in FY24, along with the results for the previous periods.

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Sales revenue	109,236	89,841	55,597	42,525	17,907
Profit/(loss) after income tax	2,175	(339)	(616)	3,453	(875)
Share price at financial year end (\$)	0.37	0.33	0.18	0.85	0.58
Basic earnings/(loss) per share (cents per share)	1.15	(0.18)	(0.35)	2.26	(0.69)

### D. Non-executive Directors remuneration arrangements

Non-executive Directors' fees are determined within an aggregate Non-executive Directors' cash remuneration limit, which was approved by shareholders at the 2007 Annual General Meeting, the current limit is \$400,000. Fees and payments to the Non-executive Directors reflect factors such as time commitment, participation in Committee work and fees paid to directors of comparable companies. The Board undertakes a periodic review of Non-executive Directors' fees and payments.

The amount paid to Non-executive Directors of SciDev Limited during the year to 30 June 2024 was \$325,250 (2023: \$303,875). Details in the Amounts of Remuneration table below.

In addition, Non-executive Directors are entitled to participate in issues of securities pursuant to the SciDev Employee Share Scheme (the SciDev ESS). The value of any securities granted to Non-executive Directors is not included in the aggregate cash remuneration limit as they are not cash-based payments. In the case where Directors seek equity-based remuneration over cash-based remuneration, consideration will be given to such request and, in any case, shareholder approval would be required for any such equity-based remuneration for Directors. During the 2024 financial year the Company granted no securities to Non-executive Directors.

### E. Executive remuneration

#### Short-term incentive

Before any awards accrue under the STI a minimum financial performance "gate" must be achieved by the SciDev Group. Group Net Profit after tax (NPAT) must be above a target and underlying EBITDA must be at least 85% of target.

Executives participate in an STI plan which assesses achievement against a balance scorecard of key performance measures (KMP). An STI bonus is awarded to the extent that target performance is achieved or exceeded against KMP set at the start of the financial year, as appropriate to the relevant company, business unit and individual performance.

## Directors' Report (continued)

STI payments are based upon key performance measures and weightings below. These targets, along with individual KPIs are set by the Remuneration Committee and align with the Group's strategic and business objectives.

In FY24, Key Performance Measures included:

- Financial** – Measures including Profit After Tax and EBITDA, Revenue and Return on Capital Employed;
- Strategic** – Delivery of and against the 5-year Strategic plans;
- Operational** – Measures including business operational efficiency, product innovation, staff retention and business sustainability; and
- Individual** – assessment of effectiveness against SciDev values.

Performance against KPI for each Executive were considered by the CEO with his recommendations provided to the Remuneration Committee. The Committee separately considered the CEO's performance.

The table below provides an overview of the STI weightings against key financial and non-financial performance measures and the relative weightings. It should be noted that targets applicable to all business unit executives include Group financial results.

	Financial	Operational	Strategic	Individual
CEO	70%	–	20%	10%
CFO	70%	–	20%	10%
Other Executives	60%	30%	–	10%

The Remuneration Committee can adjust the STI upwards or downwards at their discretion.

### Long-term incentives

LTI grants are made to executives who can significantly impact the Group's performance and create shareholder value over the long-term. In FY24 LTI participants included the CEO and CFO.

LTI remuneration is provided by the issue of performance rights with performance conditions. As the LTI Plan is a rights plan, participants do not receive dividends or voting rights on performance rights until the rights have vested. The rights are subject to forfeiture during the vesting period. If the conditions of vesting are not met upon testing, the rights are immediately forfeited.

Performance rights to be issued in relation to FY24 will be tested following the results in September 2026. The measurement period is from 1 July 2023 to 30 June 2026. The criteria will consider the Company's EPS performance in the last year of the measurement period. This metric was chosen as SciDev transitions from negative EPS in FY23 to targeted profit in three years' time.

EPS in Last Year of Measurement Period	EPS Performance Rights that vest %
Equal to or Above the Stretch EPS	100%
Between the Threshold and the Stretch EPS	straight line vesting between 25% and 100%
Equal to Target EPS	50%
At the Threshold EPS	25%
Below Threshold	Nil

In addition, vesting is dependent on a service condition where the LTI is to be seen as remuneration for the three-year measurement period. If terminated during the measurement period, LTI will have pro-rata forfeiture between start and the end of the measurement period. Otherwise LTI will be retained and subject to be measured at the end of the measurement period with other participants.

The Board has approved the introduction of a second hurdle for the FY25 performance rights issue, namely relative total shareholder return (rTSR), alongside EPS from FY24.



## Directors' Report (continued)

### Clawback and malus provisions

The Company maintains clawback and malus provisions within the variable pay plans. If in the Board's opinion, an employee:

- acts fraudulently or dishonestly;
- is in breach of their obligations to the Company; or
- receives awards based on financial statements with a later restatement;

then the Board may determine that unvested performance rights should lapse.

### F. Remuneration Table

	Short-term		Post-employment benefits	Share-based payments	Total \$	Proportion of remuneration performance related %
	Salary and fees \$	Bonus \$	Superannuation \$	Performance rights <sup>(b)</sup> \$		
<b>2024</b>						
Vaughan Busby	95,000	–	10,450	–	105,450	–
Simone Watt	60,000	–	6,600	–	66,600	–
Jon Gourlay	60,000	–	6,600	–	66,600	–
Dan O'Toole	60,000	–	6,600	–	66,600	–
Michael Utsler <sup>(a)</sup>	20,000	–	2,200	–	22,200	–
Seán Halpin	360,500	93,348	27,399	58,333	539,580	28
Heath Roberts	205,000	–	–	–	205,000	–
Anna Hooper	336,225	55,870	27,399	41,666	461,160	21
	1,196,725	149,218	87,248	99,999	1,533,190	

(a) Michael Utsler was appointed a Non-executive Director on 1 March 2024.

(b) Performance rights to be issued in August 2024. For accounting purposes the deemed grant date is 22 February 2024.

## Directors' Report (continued)

	Short-term		Post-employment benefits	Share-based payments	Total \$	Proportion of remuneration performance related %
	Salary and fees \$	Bonus \$	Superannuation \$	Performance rights <sup>(b)</sup> \$		
<b>2023</b>						
Vaughan Busby	95,000	–	9,975	–	104,975	–
Simone Watt	60,000	–	6,300	–	66,300	–
Jon Gourlay	60,000	–	6,300	–	66,300	–
Dan O'Toole	60,000	–	6,300	–	66,300	–
Seán Halpin <sup>(a)</sup>	368,289	–	28,652	–	396,941	–
Heath Roberts	144,000	–	–	–	144,000	–
Anna Hooper	342,824	57,750	25,292	–	425,866	14
	1,130,113	57,750	82,819	–	1,270,682	

(a) Seán Halpin was appointed Interim Chief Executive Officer on 29 April 2022 and Chief Executive Officer on 11 November 2022.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors or other key management personnel as part of compensation during the year ended 30 June 2024.

#### Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

#### Performance rights

SciDev will formally approve the issuance of 2,234,636 performance rights in relation to the FY24 LTI (1,303,538 to the CEO, Sean Halpin and 931,098 to the CFO, Anna Hooper) on 28 August 2024. The number of LTI performance rights issued was based upon executive contracts and the 10-day VWAP following the release to market of the FY23 financial results (26.85c). These rights vest based on a three-year service period as well as an EPS target and will only vest if the EPS hurdle and the service conditions have been met.

For valuation purposes, the performance rights have been valued at the share price when the rights were deemed to have been granted at the February 2024 Board meeting. Due to the applicable three-year service period and the EPS target period, the fair value of the rights will be taken to account over the measurement period, 1 July 2023 – 30 June 2026. As these are non-market based vesting conditions, these vesting conditions have been taken into account by adjusting the number of equity instruments that are expected to vest. This estimate will be reviewed annually.



## Directors' Report (continued)

### G Additional disclosures relating to key management personnel

#### Shareholding of KMP

The number of shares in the company held during the financial year by each director and other key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received during the year on the exercise of options	Additions/ other	Disposals/ other	Balance at the end of the year
Vaughan Busby	-	-	150,000	-	150,000
Simone Watt	5,313,280	-	-	-	5,313,280
Jon Gourlay	1,067,774	-	-	-	1,067,774
Dan O'Toole	266,000	-	-	-	266,000
Michael Utsler <sup>1</sup>	-	-	-	-	-
Heath Roberts	-	-	-	-	-
Seán Halpin <sup>2</sup>	6,100,000	-	-	-	6,100,000
Anna Hooper	-	-	-	-	-
	12,747,054	-	150,000	-	12,897,054

1. Mr Utsler joined the Board on 1 March 2024.
2. Mr Halpin is a director and part-owner of Haldon Industries Pty Ltd, which is the holder of 5,100,000 shares. These are subject to escrow until 15 September 2024. Mr Halpin also has acquired interests in a further 1,000,000 shares which are not subject to escrow.

#### Loans to key management personnel and their related parties

There were no loans owing by key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2024.

#### Other transactions with key management personnel and their related parties

Seán Halpin, CEO is also a director of Haldon Industries Pty Limited (HIPL). On 12 May 2021, SciDev Limited acquired the assets and business of Haldon Industries Limited. In relation to that transaction, during the financial year 2024, SciDev Limited paid a consideration of \$1,300,000. In 2023, SciDev Limited paid a contingent consideration of \$3,620,000, lease payments of \$2,308,000 and cash on settlement of \$879,685 to HIPL. \$287,207 of interest was paid in FY24 relating to the outstanding balance on the final acquisition payment.

As at 30 June 2024, SciDev has a payable balance of \$2,320,000 to HIPL (2023: \$3,620,000). There is also a trading balance owing by SciDev to HIPL of \$77,940 at 30 June 2024 (2023: \$355,940).

There were no other transactions with key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2024.

## Directors' Report (continued)

Aggregate amounts of each of the above types of other transactions with key management personnel of SciDev:

	2024 \$'000	2023 \$'000
<i>Amounts recognised as expenses</i>		
Finance costs	287,207	-
<i>Amounts recognised as liabilities</i>		
Current liabilities:		
Trade and other payables	77,940	3,975,940
Interest bearing liabilities	2,320,000	-

This concludes the remuneration report, which has been audited.

### Shares under option

There were no unissued ordinary shares of SciDev Limited under option outstanding at the date of this report.

### Shares under performance rights

There are 2,234,636 rights outstanding which are exercisable into 2,234,636 ordinary shares if vesting conditions are met. Refer to Section F of the Remuneration Report for further details.

### Shares issued on the exercise of options

There were no ordinary shares of SciDev Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

### Shares issued on the exercise of performance rights

There were no ordinary shares of SciDev Limited issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

### Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.



## Directors' Report (continued)

### Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in Note 26 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as an advocate for the company or jointly sharing economic risks and rewards.

### Officers of the company who are former partners of Ernst & Young

There are no officers of the company who are former partners of Ernst & Young.

## Directors' Report (continued)

### 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.

### Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



**Vaughan Busby**  
Chairman

28 August 2024  
Sydney



# Auditor's Independence Declaration



Building a better working world

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GPO Box 2646 Sydney NSW 2001

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ey.com/au

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

As lead auditor for the audit of the financial report of SciDev Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Siobhan Hughes  
Partner  
28 August 2024

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>	5	109,236	89,841
Other income		5	31
<b>Expenses</b>			
Changes in inventories, and raw materials and consumables used		(75,119)	(65,542)
Contractors and consultants		(1,262)	(1,244)
Depreciation and amortisation expense		(4,092)	(3,508)
Employee benefits expense		(16,106)	(12,597)
Employee related expenses		(1,051)	(1,005)
Insurance		(714)	(508)
Foreign exchange losses		(21)	(194)
Professional fees		(1,049)	(953)
Travel and accommodation		(1,564)	(960)
Other expenses		(3,511)	(2,953)
Finance costs	6	(650)	(630)
<b>Profit/(loss) before income tax expense</b>		<b>4,102</b>	<b>(222)</b>
Income tax expense	7	(1,927)	(117)
<b>Profit/(loss) after income tax expense for the year attributable to the owners of SciDev Limited</b>		<b>2,175</b>	<b>(339)</b>
<b>Other comprehensive loss</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, net of tax		41	(1,094)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(104)	369
Other comprehensive loss for the year, net of tax		(63)	(725)
<b>Total comprehensive income/(loss) for the year attributable to the owners of SciDev Limited</b>		<b>2,112</b>	<b>(1,064)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	34	1.15	(0.18)
Diluted earnings/(loss) per share	34	1.15	(0.18)

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



# Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	9,425	7,732
Trade and other receivables	9	7,355	7,466
Contract assets	10	4,930	601
Inventories	11	7,529	6,930
Income tax refund due		3	178
Other		798	633
<b>Total current assets</b>		<b>30,040</b>	<b>23,540</b>
<b>Non-current assets</b>			
Trade and other receivables	9	-	312
Contract assets	10	157	-
Financial assets at fair value through other comprehensive income	12	452	411
Property, plant and equipment	13	11,514	12,727
Intangibles	14	25,047	25,622
Deferred tax	7	4,113	4,135
Other		691	627
<b>Total non-current assets</b>		<b>41,974</b>	<b>43,834</b>
<b>Total assets</b>		<b>72,014</b>	<b>67,374</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	15,031	14,770
Contract liabilities	16	395	648
Lease liabilities	17	1,166	1,064
Interest bearing liabilities	19	2,320	-
Income tax	7	570	-
Employee benefits	18	656	452
<b>Total current liabilities</b>		<b>20,138</b>	<b>16,934</b>
<b>Non-current liabilities</b>			
Lease liabilities	17	1,639	2,415
<b>Total non-current liabilities</b>		<b>1,639</b>	<b>2,415</b>
<b>Total liabilities</b>		<b>21,777</b>	<b>19,349</b>
<b>Net assets</b>		<b>50,237</b>	<b>48,025</b>
<b>Equity</b>			
Issued capital	20	119,489	119,489
Reserves	21	(757)	(794)
Accumulated losses		(68,495)	(70,670)
<b>Total equity</b>		<b>50,237</b>	<b>48,025</b>

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

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2022	119,237	(69)	(70,331)	48,837
Loss after income tax expense for the year	-	-	(339)	(339)
Other comprehensive loss for the year, net of tax	-	(725)	-	(725)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(725)</b>	<b>(339)</b>	<b>(1,064)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (Note 20)	65	-	-	65
Options exercised (Note 20)	187	-	-	187
<b>Balance at 30 June 2023</b>	<b>119,489</b>	<b>(794)</b>	<b>(70,670)</b>	<b>48,025</b>
	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2023	119,489	(794)	(70,670)	48,025
Profit after income tax expense for the year	-	-	2,175	2,175
Other comprehensive loss for the year, net of tax	-	(63)	-	(63)
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>(63)</b>	<b>2,175</b>	<b>2,112</b>
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (Note 20)	-	100	-	100
<b>Balance at 30 June 2024</b>	<b>119,489</b>	<b>(757)</b>	<b>(68,495)</b>	<b>50,237</b>

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



# Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		109,244	95,201
Payments to suppliers and employees (inclusive of GST)		(101,259)	(89,173)
		7,985	6,028
Interest and other finance costs paid		(363)	(353)
Income taxes paid		(1,142)	(861)
Net cash from operating activities	33	6,480	4,814
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	13	(2,002)	(4,113)
Payments for intangibles	14	(63)	(179)
Payments for security deposits		(180)	(482)
Payments for business acquisitions	15	(1,587)	(3,620)
Proceeds from disposal of property, plant and equipment		123	-
Net cash used in investing activities		(3,709)	(8,394)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	187
Principal elements of lease payments		(1,065)	(3,012)
Net cash used in financing activities		(1,065)	(2,825)
Net increase/(decrease) in cash and cash equivalents		1,706	(6,405)
Cash and cash equivalents at the beginning of the financial year		7,732	14,064
Effects of exchange rate changes on cash and cash equivalents		(13)	73
Cash and cash equivalents at the end of the financial year	8	9,425	7,732

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

# Notes to the Consolidated Financial Statements

30 June 2024

## Note 1. 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 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	Principal place of business
Level 8 210 George Street Sydney NSW 2000	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 28 August 2024. The directors have the power to amend and reissue the financial statements.

## Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, 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.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value.

### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.



## Notes to the Consolidated Financial Statements (continued)

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 30.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SciDev Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. SciDev Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets, including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Functional and presentation currency

The financial statements are presented in Australian dollars, which is SciDev Limited's functional and presentation currency.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## Notes to the Consolidated Financial Statements (continued)

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

#### Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### Financial assets at fair value through other comprehensive income

Upon initial recognition, the consolidated entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through Other Comprehensive Income (OCI) when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The consolidated entity elected to classify irrevocably its non-listed equity investments under this category.

#### Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

#### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.



## Notes to the Consolidated Financial Statements (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### 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.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

The following Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet completed a detailed review of these, however does not expect any of them to have a material impact on the financial results upon adoption.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

#### AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 *Presentation of Financial Statements*, with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a change to the layout of the statement of profit or loss and other comprehensive income.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

## Notes to the Consolidated Financial Statements (continued)

### Carrying value of goodwill and non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the consolidated entity is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the consolidated entity. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 14.

### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future profits and the availability of past losses for use.

## Note 4. Operating segments

### Identification of reportable operating segments

The reportable operating segments were previously presented on a geographic basis. Over the past 12 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 30 June 2023 comparatives have been restated to reflect the changes made for the 30 June 2024 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:

<b>Chemical Services</b>	Develop, manufacture and supply a range of chemistries and performance solutions that improve operational efficiencies, reduce waste and minimise water consumption across industry.
<b>Water Technologies</b>	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.
<b>Corporate</b>	Includes Head Office and group services.



## Notes to the Consolidated Financial Statements (continued)

### Intersegment transactions

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

### Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

### Major clients

During the year ended 30 June 2024, revenue from 1 client amounted to \$45,368,000 (2023: 30,778,000) arising from sales in the Chemical Services segment, and revenue from 1 client amounted to \$6,543,000 (2023: \$4,850,000) arising from sales in the Water Technologies segment.

No other client contributed 10% or more to the consolidated entity's revenue for both 2024 and 2023.

### Operating segment information

2024	Chemical Services \$'000	Water Technologies \$'000	Corporate \$'000	Eliminations and adjustments \$'000	Total \$'000
<b>Revenue</b>					
Sales to external clients	86,551	22,541	–	–	109,092
Intersegment sales	89	–	–	(89)	–
Total sales revenue	86,640	22,541	–	(89)	109,092
Other revenue	–	–	144	–	144
<b>Total revenue</b>	<b>86,640</b>	<b>22,541</b>	<b>144</b>	<b>(89)</b>	<b>109,236</b>
<b>EBITDA*</b>	<b>11,952</b>	<b>(335)</b>	<b>(2,848)</b>	<b>75</b>	<b>8,844</b>
Depreciation and amortisation					(4,092)
Finance costs					(650)
<b>Profit before income tax expense</b>					<b>4,102</b>
Income tax expense					(1,927)
<b>Profit after income tax expense</b>					<b>2,175</b>
<b>Assets</b>					
Segment assets	34,612	27,361	10,041	–	72,014
<b>Total assets</b>					<b>72,014</b>
<b>Liabilities</b>					
Segment liabilities	13,811	5,729	2,237	–	21,777
<b>Total liabilities</b>					<b>21,777</b>

\* This is a non-IFRS measure, reconciled above to Profit before income tax expense.

## Notes to the Consolidated Financial Statements (continued)

2023	Chemical Services \$'000	Water Technologies \$'000	Corporate \$'000	Eliminations and adjustments \$'000	Total \$'000
<b>Revenue</b>					
Sales to external clients	77,746	11,972	–	–	89,718
Intersegment sales	91	–	–	(91)	–
Total sales revenue	77,837	11,972	–	(91)	89,718
Other revenue	–	–	123	–	123
<b>Total revenue</b>	<b>77,837</b>	<b>11,972</b>	<b>123</b>	<b>(91)</b>	<b>89,841</b>
<b>EBITDA*</b>	<b>6,379</b>	<b>850</b>	<b>(3,494)</b>	<b>181</b>	<b>3,916</b>
Depreciation and amortisation					(3,508)
Finance costs					(630)
<b>Loss before income tax expense</b>					<b>(222)</b>
Income tax expense					(117)
<b>Loss after income tax expense</b>					<b>(339)</b>
<b>Assets</b>					
Segment assets	30,949	25,709	10,716	–	67,374
<b>Total assets</b>					<b>67,374</b>
<b>Liabilities</b>					
Segment liabilities	10,524	6,421	2,404	–	19,349
<b>Total liabilities</b>					<b>19,349</b>

\* This is a non-IFRS measure, reconciled above to Loss before income tax expense.

### Note 5. Revenue

	2024 \$'000	2023 \$'000
<b>Revenue from contracts with customers</b>		
Treatment fees and product sales	109,092	89,718
<b>Other revenue</b>		
Rent	144	123
Revenue	109,236	89,841



## Notes to the Consolidated Financial Statements (continued)

### Disaggregation of revenue

The disaggregation of revenue from contracts with clients is based on the location of the clients as follows:

	2024 \$'000	2023 \$'000
<b>Geographical regions</b>		
Australia	45,333	31,918
United States	61,224	55,752
Asia	572	1,039
Other	1,963	1,009
	109,092	89,718
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	84,710	76,333
Services transferred over time	24,382	13,385
	109,092	89,718

### Accounting policy for treatment fees and product sales

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the client such as discounts, rebates and refunds, any potential bonuses receivable from the client and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

For design and construction contracts with clients, revenue is recognised over time, typically based on an input method using an estimate of costs incurred to date as a percentage of total estimated costs. These contracts are typically executed on the customer's site so they control the assets as they are being built. Differences between amounts recognised as revenue and amounts billed to customers are recognised as contract assets or liabilities in the Statement of Financial Position.

The measurement of revenue is an area of accounting judgement. Management uses judgement to estimate:

- Progress in satisfying the performance obligations within the contract, which includes estimating contract costs expected to be incurred to satisfy performance obligations; and
- The probability of the amount to be recognised as variable consideration for approved variations and claims where the final price has not been agreed with the customer.

Revenue is invoiced based on the terms of each individual contract, which may include a periodic billing schedule or achievement of specific milestones.

## Notes to the Consolidated Financial Statements (continued)

Any warranties associated with contracts, that give rise to financial obligation, are recorded as provisions.

### Note 6. Expenses

	2024 \$'000	2023 \$'000
Profit/(loss) before income tax includes the following specific expenses:		
<b>Finance costs</b>		
Interest and finance charges paid/payable on lease liabilities	349	347
Interest paid/payable on amount due to the vendors of Haldon Industries	287	–
Interest on insurance premium funding and other finance costs	14	7
Unwinding of the discount on provisions	–	276
Finance costs expensed	650	630
<b>Superannuation expense</b>		
Defined contribution superannuation expense	993	739

### Note 7. Income tax

	2024 \$'000	2023 \$'000
<b>Income tax expense</b>		
Current tax	1,905	686
Deferred tax – origination and reversal of temporary differences	22	(569)
Aggregate income tax expense	1,927	117
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	22	(569)
<b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>		
Profit/(loss) before income tax expense	4,102	(222)
Tax at the statutory tax rate of 30%	1,231	(67)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	262	195
	1,493	128
Tax losses not recognised	1,139	–
Current year temporary differences not recognised	89	–
Difference in overseas tax rates	(794)	(433)
Prior year adjustment	–	422
Income tax expense	1,927	117



## Notes to the Consolidated Financial Statements (continued)

	2024 \$'000	2023 \$'000
<b>Amounts (credited)/charged directly to equity</b>		
Deferred tax (credit)/expense	-	(346)
<b>Tax losses not recognised</b>		
Unused tax losses for which no deferred tax asset has been recognised	55,167	53,200
Potential tax benefit	16,440	15,960

Management has recognised prior year tax losses in the amounts included above and are in the process of assessing the availability of other historical tax losses.

Tax losses will only be recognised and obtained if it is probable:

- the consolidated entity will derive future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses and temporary difference to be realised;
- the consolidated entity complies with the conditions for deductibility imposed by the tax legislation such as continuity of ownership and same business test; and
- no changes in tax legislation adversely affect the consolidated entity in realising the benefit from deductions for the losses and temporary differences.

	2024 \$'000	2023 \$'000
<b>Deferred tax asset</b>		
The net deferred tax asset comprises temporary differences attributable to:		
Breakdown of closing deferred tax balances:		
Tax losses	4,758	4,758
Employee benefits	136	136
Accrued expenses	598	598
Share issue costs	172	172
Property, plant and equipment	(144)	(122)
Prepayments	(144)	(144)
Customer contracts	(569)	(569)
Trademark and intellectual property	(694)	(694)
Deferred tax asset	4,113	4,135
Movements:		
Opening balance	4,135	3,505
Credited/(charged) to profit or loss	(22)	569
Credited to other comprehensive income	-	61
Closing balance	4,113	4,135
	2024 \$'000	2023 \$'000
<b>Provision for income tax</b>		
Provision for income tax	570	-

## Notes to the Consolidated Financial Statements (continued)

### Accounting policy for income tax

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

SciDev Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

### Note 8. Cash and cash equivalents

	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Cash at bank	9,375	7,682
Cash on deposit	50	50
	9,425	7,732



## Notes to the Consolidated Financial Statements (continued)

### Note 9. Trade and other receivables

	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Trade receivables	7,355	7,263
Other receivables	–	203
	7,355	7,466
<b>Non-current assets</b>		
Other receivables	–	312
	7,355	7,778

#### Accounting policy for trade and other receivables

The consolidated entity calculates its expected credit losses (ECL) based on the consolidated entity's historical credit loss experience, adjusted for forward-looking factors specific to its receivables and the economic environment.

The consolidated entity does not have any history of impairment of its trade receivables. The consolidated entity transacts with a limited number of established clients and operates under strict credit policies approved by the Board of Directors.

No impairment loss has been recognised for trade receivables.

### Note 10. Contract assets

	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Contract assets	4,930	601
<b>Non-current assets</b>		
Contract assets	157	–
	5,087	601

Differences between amounts recognised as revenue and amounts billed to customers are recognised as contract assets. The change in the balance at 30 June 2024 can be largely attributed to the timing of project completion in the Chemical Services segment.

## Notes to the Consolidated Financial Statements (continued)

### Note 11. Inventories

	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Stock in transit – at cost	916	1,076
Stock on hand – at cost	6,613	5,854
	7,529	6,930

#### Accounting policy for inventories

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Cost is based on the weighted average cost principle including expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. In the case of manufactured inventories, cost includes an appropriate share of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. No inventory on hand at 30 June 2024 is being recorded at net realisable value.

### Note 12. Financial assets at fair value through other comprehensive income

	2024 \$'000	2023 \$'000
<b>Non-current assets</b>		
Unlisted equity securities	3	3
Listed equity securities	449	408
	452	411
<b>Reconciliation</b>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	411	1,730
Revaluation (decrements)/increments recognised in profit or loss	–	(164)
Revaluation increments/(decrements) recognised in other comprehensive income	41	(1,155)
Closing fair value	452	411

Refer to Note 24 for further information on fair value measurement.



## Notes to the Consolidated Financial Statements (continued)

### Note 13. Property, plant and equipment

	2024 \$'000	2023 \$'000
<b>Non-current assets</b>		
Office buildings and warehouses – at cost	2,970	2,819
Less: Accumulated depreciation	(1,285)	(518)
	1,685	2,301
Plant and equipment – at cost	15,368	13,661
Less: Accumulated depreciation	(6,942)	(4,679)
	8,426	8,982
Motor vehicles – at cost	1,879	1,553
Less: Accumulated depreciation	(748)	(426)
	1,131	1,127
Office equipment – at cost	456	390
Less: Accumulated depreciation	(184)	(73)
	272	317
	11,514	12,727

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial 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	–	3,756	–	357	4,113
Disposals	–	(36)	–	–	(36)
Lease termination	(91)	–	–	–	(91)
Exchange differences	22	12	4	–	38
Transfer	(3)	3	–	–	–
Adjustments	–	–	(31)	–	(31)
Recognition of right-of-use assets	2,819	202	728	–	3,749
Depreciation expense	(570)	(1,921)	(250)	(46)	(2,787)
Balance at 30 June 2023	2,301	8,982	1,127	317	12,727
Additions	–	1,878	58	66	2,002
Disposals	–	(136)	–	–	(136)
Lease termination	–	–	(63)	–	(63)
Write offs	–	(5)	(6)	–	(11)
Exchange differences	–	4	–	–	4
Rent adjustments	154	7	11	–	172
Recognition of right-of-use assets	–	–	364	–	364
Depreciation expense	(770)	(2,304)	(360)	(111)	(3,545)
Balance at 30 June 2024	1,685	8,426	1,131	272	11,514

## Notes to the Consolidated Financial Statements (continued)

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 2022	124	4,067	233	4,424
Recognition of right-of-use asset	2,819	202	728	3,749
Exchange differences	22	(11)	6	17
Disposals	–	(7)	–	(7)
Transfers*	(3)	(2,895)	–	(2,898)
Lease termination	(91)	–	–	(91)
Adjustments	–	–	(31)	(31)
Depreciation expense	(570)	(1,047)	(141)	(1,758)
Balance at 30 June 2023	2,301	309	795	3,405
Recognition of right-of-use asset	–	–	364	364
Exchange differences	–	2	–	2
Lease termination	–	–	(63)	(63)
Rent adjustments	154	7	11	172
Depreciation expense	(770)	(197)	(247)	(1,214)
Balance at 30 June 2024	1,685	121	860	2,666

\* Included within right-of-use plant and equipment transfers is the recognition of owned assets formerly held under an equipment lease. The lease was initiated as part of the business acquisition from Haldon Industries in May 2021 and ended on 30 June 2023.

#### Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Right-of-use assets are measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments of \$1,769,000 on short-term and low value leases were expensed to profit or loss as incurred (2023: \$980,000).

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	4–7.5 years
Office buildings and warehouses (leasehold improvements)	Lease term of 3–5 years
Motor vehicles	4–5 years
Office equipment	2–5 years



## Notes to the Consolidated Financial Statements (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

### Note 14. Intangibles

	2024 \$'000	2023 \$'000
<b>Non-current assets</b>		
Goodwill – at cost	20,833	20,861
Trademarks and intellectual property – at cost	3,729	3,729
Less: Accumulated amortisation	(1,087)	(865)
	2,642	2,864
Customer contracts – at cost	2,600	2,600
Less: Accumulated amortisation	(1,028)	(703)
	1,572	1,897
	25,047	25,622

#### Reconciliations

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

	Goodwill \$'000	Trademarks and intellectual property \$'000	Customer contracts \$'000	Total \$'000
Balance at 1 July 2022	20,576	3,077	2,221	25,874
Additions	–	179	–	179
Exchange differences	285	7	–	292
Write off of assets	–	(2)	–	(2)
Amortisation expense	–	(397)	(324)	(721)
Balance at 30 June 2023	20,861	2,864	1,897	25,622
Additions	–	63	–	63
Exchange differences	(28)	(1)	–	(29)
Write off of assets	–	(62)	–	(62)
Amortisation expense	–	(222)	(325)	(547)
Balance at 30 June 2024	20,833	2,642	1,572	25,047

## Notes to the Consolidated Financial Statements (continued)

### Impairment testing for goodwill

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1 year projection period approved by the Directors and extrapolated for a further 4 years (within the company's 5-year plan) using variable rates, together with a terminal value.

Goodwill is monitored by management at the following level:

	2024 \$'000	2023 \$'000
Chemical Services – Mining and Construction	3,002	3,002
Chemical Services – Energy	7,777	7,805
Water Technologies	10,054	10,054
	20,833	20,861

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Key assumptions in the discounted cashflow model for the Chemical Services – Mining and Construction CGU (measured by value-in-use) include:

- Post-tax discount rate of 14% (2023: 14%) per annum;
- Average revenue growth over the five-year period of 14% (2023: 12%);
- Average increase in gross margin over the five-year period of 10% (2023: 14%); and
- Average increase in operating expenses over the five-year period of 6% (2023: 12%).

Key assumptions in the discounted cashflow model for the Chemical Services – Energy CGU (measured by value-in-use) include:

- Post-tax discount rate of 14% (2023: 14%) per annum;
- Average revenue increase over the five-year period of 18% (2023: decline of 2%);
- Average increase in gross margin over the five-year period of 16% (2023: decline of 6%); and
- Average increase in operating expenses over the five-year period of 21% (2023: decline of 1%).

Key assumptions in the discounted cashflow model for the Water Technologies CGU (measured by value-in-use) include:

- Post-tax discount rate of 14% (2023: 14%) per annum;
- Average revenue growth over the five-year period of 16% (2023: 34%);
- Average increase in gross margin over the five-year period of 27% (2023: 29%); and
- Average increase in operating expenses over the five year period of 6% (2023: 10%).



## Notes to the Consolidated Financial Statements (continued)

The discount rate reflects management's estimate of the time value of money and the weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rate is prudent and justified, based on management's expectations of the business development pipeline for each CGU.

The budgeted gross margin is based on past performance and management's expectations for the future.

Management has budgeted for operating costs based on the current structure of each CGU, adjusting for inflationary increases but not reflecting any future restructurings or cost saving measures.

### Sensitivity to change of assumptions:

Increases in discount rates or changes in other key assumptions, may cause the recoverable amount to fall below carrying values. The Water CGU is sensitive to changes in key assumptions. The CGU carrying value would be breakeven with the recoverable value under the following scenarios – revenue growth reduction of 15% from forecast, a 3% reduction in gross margin from forecast, or a 3% increase in the WACC.

Based on current economic conditions and CGU performances, there are no reasonably possible changes to key assumptions used in the determination of CGU recoverable amounts that would result in a material impairment to the consolidated entity.

### Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### Trademarks and intellectual property

Significant costs associated with trademarks and intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 10 and 20 years.

### Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of eight years.

## Notes to the Consolidated Financial Statements (continued)

### Note 15. Trade and other payables

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Trade payables and accruals	15,031	11,150
Payable to the vendors of Haldon Industries*	-	3,620
	15,031	14,770

\* The payable to Haldon Industries represents the balance of consideration owed to Haldon Industries, a related party.

Refer to Note 23 for further information on financial instruments.

### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Note 16. Contract liabilities

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Unearned revenue	395	648

### Unsatisfied performance obligations

Performance obligations of contract liability balance of \$648,000 recognised as at 30 June 2023 were satisfied during the current year. \$648,000 was recognised as revenue in the reporting period.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$395,000 as at 30 June 2024 (\$648,000 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	2024 \$'000	2023 \$'000
Within 6 months	395	648



## Notes to the Consolidated Financial Statements (continued)

### Note 17. Lease liabilities

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Lease liability – land and buildings	805	684
Lease liability – motor vehicles	254	200
Lease liability – equipment	107	180
	1,166	1,064
<b>Non-current liabilities</b>		
Lease liability – land and buildings	1,042	1,714
Lease liability – motor vehicles	582	578
Lease liability – equipment	15	123
	1,639	2,415
	2,805	3,479

Refer to Note 23 for further information on financial instruments.

#### Land and buildings:

The consolidated entity has leases for warehouses and offices. Rental contracts are typically made for a fixed period of 3 – 5 years with options to extend. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position. The consolidated entity classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Where relevant, most extension options have been included in the lease liability.

#### Motor vehicles:

The consolidated entity leases motor vehicles under finance lease and hire purchase. The leases are secured over the individual motor vehicles that the lease relates to.

#### Equipment:

The consolidated entity leased water treatment equipment under a lease from Haldon Industries Pty Limited that expired on 30 June 2023. On that date, following payment of \$1 consideration, the legal and beneficial title of the asset was transferred to SciDev Limited. The lease was secured over the individual asset the lease related to. See Related Party Transactions Note 29 for further details.

In addition, there are other leases for vehicles and equipment that extend beyond 30 June 2024.

## Notes to the Consolidated Financial Statements (continued)

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2024 \$'000	2023 \$'000
Balance at 1 July	3,479	2,895
Additions	364	3,749
Lease termination	(75)	(115)
Payments	(1,065)	(3,012)
Exchange differences	(70)	(14)
Disposal	–	(8)
Rental adjustment	172	(16)
Balance at 30 June	2,805	3,479

### Note 18. Employee benefits

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Annual leave	633	449
Long service leave	23	3
	656	452

### Note 19. Interest bearing liabilities

	2024 \$'000	2023 \$'000
<b>Current liabilities</b>		
Payable to vendors of Haldon Industries	2,320	–

The payable to Haldon Industries represents the balance of consideration owed to Haldon Industries, a related party, and accrues interest at 12% per annum.

Refer to Note 23 for further information on financial instruments.



## Note 20. Issued capital

	2024 Shares	2023 Shares	2024 \$'000	2023 \$'000
Ordinary shares – fully paid	189,853,077	189,853,077	119,489	119,489

## 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	\$0.100	80
Options exercised	19 July 2022	250,000	\$0.120	30
Options exercised	22 July 2022	200,000	\$0.100	20
Options exercised	22 July 2022	475,000	\$0.120	57
Shares issued to employee under ESS	1 December 2022	221,843	\$0.290	65
Balance	30 June 2023	189,853,077		119,489
Balance	30 June 2024	189,853,077		119,489

## Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

## Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings and lease liabilities (current and non-current) less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2023 Annual Report.

The consolidated entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The net working capital (current assets less current liabilities) of the consolidated entity at 30 June 2024 was \$9,902,000 (2023: \$6,606,000).

## Note 21. Reserves

	2024 \$'000	2023 \$'000
Financial assets at fair value through other comprehensive income reserve	(1,051)	(1,092)
Foreign currency reserve	(221)	(117)
Share-based payments reserve	515	415
	(757)	(794)

## Financial assets at fair value through other comprehensive income (FVOCI) reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

## Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

## Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

## Movements in reserves

Movements in each class of reserve during the current and previous financial 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	(1,155)	–	–	(1,155)
Deferred tax	61	–	–	61
Foreign currency translation	–	369	–	369
Balance at 30 June 2023	(1,092)	(117)	415	(794)
Revaluation – gross	41	–	–	41
Foreign currency translation	–	(104)	–	(104)
Share-based payments	–	–	100	100
Balance at 30 June 2024	(1,051)	(221)	515	(757)



## Note 22. Dividends

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

## Note 23. Financial instruments

### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

Risk management is carried out by company management and the Board of Directors. Financial risks are identified and evaluated and where considered necessary strategies are put in place to investigate and/or minimise such risks.

### Market risk

#### Foreign currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The consolidated entity has not entered into any foreign currency hedging contracts during the year.

The carrying amount in AUD of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	2024 \$'000	2023 \$'000
Assets – cash – US dollars	49	48
Assets – receivables – US dollars	597	410
Liabilities – US dollars	(2,460)	(2,109)
Net liabilities denominated in foreign currencies	(1,814)	(1,651)

The following table shows how profit or loss and equity would have been affected by changes in USD that were reasonably possible at the reporting date. The percentage change is the expected overall volatility of the USD, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

2024	AUD Strengthened			AUD Weakened		
	% change	Effect on profit before tax \$'000	Effect on equity \$'000	% change	Effect on profit before tax \$'000	Effect on equity \$'000
US Dollar	10%	181	181	10%	(181)	(181)

2023	AUD Strengthened			AUD Weakened		
	% change	Effect on profit before tax \$'000	Effect on equity \$'000	% change	Effect on profit before tax \$'000	Effect on equity \$'000
US Dollar	10%	150	150	10%	(183)	(183)

The actual foreign exchange loss for the year ended 30 June 2024 was \$20,000 (2023 loss: \$194,000).

### Price risk

SciDev Limited is exposed to equity price risk arising from its investment in R3D Resources Limited (R3D). A 1c (2023: 1c) change in the share price results in a \$135,890 (2023: \$135,890) change in the value of the investment in R3D.

### Interest rate risk

The consolidated entity was exposed to variable interest rate risks on cash deposits. A reasonably possible increase of 175 basis points (2023: 175 basis points) in interest rates at the reporting date would have increased the profit before tax by \$165,000 (2023: \$135,000). The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

As at the reporting date, the consolidated entity had the following deposits:

	2024		2023	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Cash at bank and on deposit	–	9,425	–	7,732
Net exposure to cash flow interest rate risk	9,425	7,732		

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

### Credit risk

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all clients of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. There was no expected credit loss provision at 30 June 2024 and 30 June 2023 and there were no movements in the provision during the 2023 financial year as there were no changes in the credit risk of clients. There were no debts written off during the 2024 financial year (2023: nil).

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The consolidated entity evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. There is no significant concentration of credit risk to any single entity. At the reporting date, the maximum exposure to credit risk for financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. There is no trade debtor or other receivable amount where collateral has been received as security or pledged.

### Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves, continuously monitoring actual and forecast cash flows, and by matching the maturity profiles of financial assets and liabilities.



## Notes to the Consolidated Financial Statements (continued)

### Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>2024</b>					
<b>Non-interest bearing</b>					
Trade payables and other payables	15,031	–	–	–	15,031
<b>Interest-bearing – fixed rate</b>					
Lease liability	1,402	1,095	598	–	3,095
Interest bearing liabilities	2,320	–	–	–	2,320
<b>Total non-derivatives</b>	<b>18,753</b>	<b>1,095</b>	<b>598</b>	<b>–</b>	<b>20,446</b>
<b>2023</b>					
<b>Non-interest bearing</b>					
Trade payables and other payables	14,770	–	–	–	14,770
<b>Interest-bearing – fixed rate</b>					
Lease liability	1,366	1,280	1,443	26	4,115
<b>Total non-derivatives</b>	<b>16,136</b>	<b>1,280</b>	<b>1,443</b>	<b>26</b>	<b>18,885</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## Note 24. 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; and
- **Level 3:** Unobservable inputs for the asset or liability. Other than the assets and liabilities included in the table below, other financial assets and liabilities are short term in nature and as such the carrying value approximates fair value.

## Notes to the Consolidated Financial Statements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2024</b>				
<b>Assets</b>				
Equity securities – listed	449	–	–	449
Equity securities – unlisted	–	3	–	3
<b>Total assets</b>	<b>449</b>	<b>3</b>	<b>–</b>	<b>452</b>
<b>2023</b>				
<b>Assets</b>				
Equity securities – listed	408	–	–	408
Equity securities – unlisted	–	3	–	3
<b>Total assets</b>	<b>408</b>	<b>3</b>	<b>–</b>	<b>411</b>

Management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

### Transfers between levels 1 and 2

There were no transfers between levels during the financial year.

### Valuation techniques for fair value measurements categorised within level 2

The fair value of equity securities 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 25. Key management personnel disclosures

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2024 \$	2023 \$
Short-term employment benefits	1,345,943	1,187,863
Post-employment benefits	87,248	82,819
Share-based payments	99,999	–
	<b>1,533,190</b>	<b>1,270,682</b>



## Notes to the Consolidated Financial Statements (continued)

### Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company:

	2024 \$	2023 \$
<b>Audit services – Ernst &amp; Young</b>		
Audit or review of the financial statements	271,420	293,360
<b>Other services – Ernst &amp; Young</b>		
Tax compliance services	22,301	23,949
	293,721	317,309

### Note 27. Contingent liabilities

The consolidated entity did not have any contingent liabilities as at 30 June 2024 and 30 June 2023.

### Note 28. Commitments

The consolidated entity did not have any commitments as at 30 June 2024 and 30 June 2023.

### Note 29. Related party transactions

#### Parent entity

SciDev Limited is the parent entity.

#### Subsidiaries

Interests in subsidiaries are set out in Note 31.

#### Key management personnel

Disclosures relating to key management personnel are set out in Note 25 and the remuneration report included in the directors' report.

#### Transactions with related parties

Details of transactions between the consolidated entity and related parties are disclosed below:

	2024 \$	2023 \$
Payment for other expenses:		
Interest payments to entity associated with key management personnel	287,207	–
Other transactions:		
Consideration paid to entity associated with key management personnel	1,300,000	3,620,000
Lease payment to entity associated with key management personnel	–	2,308,000

## Notes to the Consolidated Financial Statements (continued)

Seán Halpin, CEO is also a director of Haldon Industries Pty Limited (HIPL). On 12 May 2021, SciDev Limited acquired the assets and business of Haldon Industries Limited. In relation to that transaction, during the financial year 2024, SciDev Limited paid consideration of \$1,300,000. In 2023, SciDev Limited paid a contingent consideration of \$3,620,000, lease payments of \$2,308,000 and cash on settlement of \$879,685 to HIPL.

### Receivable from and payable to related parties

As at 30 June 2024, SciDev has a payable balance of \$2,320,000 to HIPL (2023: \$3,620,000). There is also a trading balance owing by SciDev to HIPL of \$77,940 at 30 June 2024 (2023: \$355,940).

### Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

#### Statement of profit or loss and other comprehensive income

	Parent	
	2024 \$'000	2023 \$'000
Loss after income tax	(3,621)	(3,377)
Other comprehensive income/(loss) for the year, net of tax	41	(1,094)
Total comprehensive loss	(3,580)	(4,471)

#### Statement of financial position

	Parent	
	2024 \$'000	2023 \$'000
Total current assets	377	687
Total non-current assets	40,072	43,407
Total assets	40,449	44,094
Total current liabilities	1,605	1,313
Total non-current liabilities	634	1,091
Total liabilities	2,239	2,404
Net assets	38,210	41,690
Equity		
Issued capital	119,796	119,796
Financial assets at fair value through other comprehensive income reserve	(1,051)	(1,092)
Share-based payments reserve	515	415
Accumulated losses	(81,050)	(77,429)
Total equity	38,210	41,690



## Notes to the Consolidated Financial Statements (continued)

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023, other than under the terms of the acquisition of the Haldon business by SciDev Water Services Pty Limited (SWSPL). The parent entity irrevocably and unconditionally guarantees the due and punctual performance of SWSPL's present and future obligations and the payment of all present and future liabilities of SWSPL under that acquisition agreement.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

### Capital commitments – property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

## Note 31. Interests in subsidiaries and joint ventures

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries and joint ventures:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		2024 %	2023 %
<b>Subsidiaries</b>			
SciDev Developments Pty Ltd	Australia	100%	100%
SciDev Water Services Pty Ltd	Australia	100%	100%
Science Developments (NSW) Pty Ltd	Australia	100%	100%
SciDev (NT Operations) Pty Ltd <sup>1</sup>	Australia	100%	–
Intec Copper Pty Ltd	Australia	100%	100%
Intec Envirometals Pty Ltd	Australia	100%	100%
SciDev International Holdings Pty Ltd	Australia	100%	100%
SciDev (US) LLC <sup>2</sup>	United States	100%	100%
SciDev Energy Services Inc <sup>3</sup>	United States	100%	100%
SciDev Ltd	United Kingdom	100%	100%
SciDev Canada Ltd <sup>1</sup>	Canada	100%	–
<b>Joint ventures</b>			
Nuoer SciDev Pte. Ltd. <sup>1</sup>	Singapore	50%	–

1. Incorporated during the year ended 30 June 2024.

2. SciDev (US) LLC is a wholly-owned subsidiary of SciDev International Holdings Pty Ltd.

3. SciDev Energy Services Inc is a wholly-owned subsidiary of SciDev (US) LLC.

## Notes to the Consolidated Financial Statements (continued)

## Note 32. Events after the reporting period

On 23 August 2024, SciDev Limited executed a finance facility for \$10.0 million with Westpac Limited. The package comprises of a revolving business loan facility for \$5.0 million to provide working capital flexibility, a \$2.0 million equipment finance facility and up to \$3.0 million amortising and non-revolving facility.

No other matter or circumstance has arisen since 30 June 2024 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 33. Cash flow information

### Reconciliation of profit/(loss) after income tax to net cash from operating activities

	2024 \$'000	2023 \$'000
Profit/(loss) after income tax expense for the year	2,175	(339)
Adjustments for:		
Depreciation and amortisation	4,092	3,508
Net gain on lease termination	(12)	(24)
Share-based payments	100	–
Write off of assets	73	17
Net loss on disposal of non-current assets	13	28
Net fair value loss on other financial assets	–	164
Other expenses – non-cash	–	11
Expenses settled by the issue of shares	–	65
Finance costs – non-cash	287	277
Foreign currency differences	(136)	(48)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	423	2,490
Increase in contract assets	(4,486)	(601)
Decrease/(increase) in inventories	(599)	416
Decrease/(increase) in income tax refund due	175	(175)
Decrease/(increase) in deferred tax assets	22	(569)
Decrease/(increase) in prepayments	94	(194)
Increase in other operating assets	(143)	–
Increase in trade and other payables	3,881	2,983
Increase/(decrease) in contract liabilities	(253)	406
Increase in provision for income tax	570	–
Increase in employee benefits	204	20
Decrease in other provisions	–	(3,621)
Net cash from operating activities	6,480	4,814



## Notes to the Consolidated Financial Statements (continued)

### Non-cash investing and financing activities

	2024 \$'000	2023 \$'000
Shares issued for services rendered by consultant	–	65
Additions to right-of-use assets	364	3,749

### Changes in liabilities arising from financing activities

Refer to Note 17 for changes in lease liabilities.

## Note 34. Earnings per share

	2024 \$'000	2023 \$'000
Profit/(loss) after income tax attributable to the owners of SciDev Limited	2,175	(339)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	189,853,077	189,684,812
Weighted average number of ordinary shares used in calculating diluted earnings per share	189,853,077	189,684,812

	Cents	Cents
Basic earnings/(loss) per share	1.15	(0.18)
Diluted earnings/(loss) per share	1.13	(0.18)

## Note 35. Share-based payments

### (a) Options

There were no options granted or exercised during the financial year ended 30 June 2024. As of 30 June 2024, there are no options on issue.

The following information relates to options that were on issue during the 2023 Financial Year.

#### Employee Share Scheme

Share-based compensation benefits are provided to employees via the SciDev Employee Share Scheme.

At the 2014 Annual General Meeting, shareholders approved the SciDev Employee Share Scheme (the Scheme). All Directors, employees and consultants are eligible to participate in the Scheme. Options granted under the Scheme to eligible participants are for no additional consideration. Options granted under the Scheme carry no dividend or voting rights. The granting of options is at the Board's discretion and no individual has a contractual right to receive options.

## Notes to the Consolidated Financial Statements (continued)

On 16 May 2019 and approved by shareholders on 23 July 2019, the Nomination and Remuneration Committee recommended, and the Board approved that the Company granted 5,200,000 unquoted options, 2,000,000 options have an exercise price of \$0.10 and 3,200,000 options have an exercise price of \$0.12. All options had an expiry date of 23 July 2022. As noted below, the Managing Director and Chief Executive Officer was ultimately issued 1,600,000 options at an exercise price of \$0.10, being less than his contracted entitlement (2,500,000), and less than approved by Shareholders approval (2,000,000), as a result of his voluntary allocation to other executives and new staff.

On 16 May 2019, the company granted 2,150,000 unquoted options to executives and staff (not Directors). 1,750,000 had an exercise price of \$0.12 and 400,000 had an exercise price of \$0.10. All options had an expiry date of 23 July 2022. The first tranche of 1,075,000 options were not subject to any vesting conditions and vested on grant date and the second tranche of 1,075,000 options were subject to a service vesting condition. The value of the options granted was \$46,500.

On 23 July 2019, following the 16 May 2019 Board approval, the company held a General Meeting which approved the grant of 2,750,000 unquoted options to Directors. All options had an expiry date of 23 July 2022. The Managing Director was granted 1,600,000 options. The options granted to the Managing Director had an exercise price of \$0.10. The Non-executive Directors were granted 1,150,000 options which had an exercise price of \$0.12 and which vested on grant date. The value of the options granted to the Directors was \$366,500.

On 3 February 2020, the company granted 150,000 unquoted options to the Chief Financial Officer. The options had an exercise price of \$0.12 and an expiry date of 23 July 2022. The first tranche of 75,000 options were not subject to any vesting conditions and vested on grant date and the second tranche of 75,000 options were subject to a service vesting condition. The value of the options granted was \$93,000.

On 11 November 2019, the company granted 150,000 unquoted options to an employee. The options had an exercise price of \$0.12 and an expiry date of 23 July 2022. The first tranche of 75,000 options were not subject to any vesting conditions and vested on grant date and the second tranche of 75,000 options were subject to a service vesting condition. The value of the options granted was \$84,000.

Set out below are summaries of options on issue during the 2023 Financial Year:

2023							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/Other	Balance at the end of the year
16/05/2019	23/07/2022	\$0.100	400,000	–	(200,000)	(200,000)	–
16/05/2019	23/07/2022	\$0.120	600,000	–	(400,000)	(200,000)	–
23/07/2019	23/07/2022	\$0.100	800,000	–	(800,000)	–	–
23/07/2019	23/07/2022	\$0.120	250,000	–	(250,000)	–	–
11/11/2019	23/07/2022	\$0.120	75,000	–	(75,000)	–	–
			2,125,000	–	(1,725,000)	(400,000)	–
Weighted average exercise price			\$0.109	\$0.000	\$0.108	\$0.110	\$0.000

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2023 was \$0.21.



**(b) Performance rights**

SciDev will formally approve the issuance of 2,234,636 performance rights in relation to the FY24 Long Term Incentive Plan on 28 August 2024. These rights vest based on a three-year service period as well as an EPS target and will only vest if the EPS hurdle and the service conditions have been met. The vesting measurement period is from 1 July 2023 – 30 June 2026.

The company granted performance rights to nominated employees on 15 December 2020 and 26 May 2021. The vesting of any performance rights had non-market conditions assigned to each individual based on their business unit, an employment condition and a single market condition of the company share price of \$2.00 per share for 10 consecutive days. The performance rights granted on 15 December 2020 and 26 May 2021 vested on 30 June 2022 and 31 October 2022 respectively.

Set out below are summaries of performance rights granted under the plan:

2023							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ Other	Balance at the end of the year
15/12/2020	31/10/2022	\$0.000	1,408,399	-	-	(1,408,399)	-
			1,408,399	-	-	(1,408,399)	-

**(c) Expenses arising from share-based payment transactions**

The total expense arising from share-based payment transactions recognised during the period as part of employee benefits expense was \$99,999 (2023: \$65,000).

# Consolidated Entity Disclosure Statement

As at 30 June 2024

**Basis of preparation**

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

**Determination of tax residency**

Section 295 (3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

**(a) Australian tax residency**

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

**(b) Foreign tax residency**

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest %	Tax residency
SciDev Ltd (parent entity)	Body corporate	Australia	Australia	
SciDev Developments Pty Ltd	Body corporate	Australia	100%	Australia
SciDev Water Services Pty Ltd	Body corporate	Australia	100%	Australia
Science Developments (NSW) Pty Ltd	Body corporate	Australia	100%	Australia
SciDev (NT Operations) Pty Ltd	Body corporate	Australia	100%	Australia
Intec Copper Pty Ltd	Body corporate	Australia	100%	Australia
Intec Envirometals Pty Ltd	Body corporate	Australia	100%	Australia
SciDev International Holdings Pty Ltd	Body corporate	Australia	100%	Australia
SciDev (US) LLC	Body corporate	United States	100%	United States
SciDev Energy Services Inc	Body corporate	United States	100%	United States
SciDev Ltd	Body corporate	United Kingdom	100%	United Kingdom
SciDev Canada Ltd	Body corporate	Canada	100%	Canada
Nuoer SciDev JV Pte. Ltd.	Body corporate	Singapore	50%	Singapore



# Directors' Declaration

30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



**Vaughan Busby**  
Chairman

28 August 2024  
Sydney

# Independent Auditor's Report

to the members of SciDev Limited



**EY**  
Building a better  
working world

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Sydney NSW 2000 Australia  
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## Independent auditor's report to the members of SciDev Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of SciDev Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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**Carrying Value of the Water Services Cash Generating Unit ("CGU")**

Why significant	How our audit addressed the key audit matter
<p>In accordance with the requirements of the Australian Accounting Standards, the Group is required to test all cash generating units (CGUs) for impairment annually or when impairment indicators are present.</p> <p>Indicators of impairment have been identified for the Water Services Cash Generating Unit. The Group assesses the recoverable amount of the Water Services CGU using a discounted cash flow forecast to determine value in use (VIU).</p> <p>As disclosed in Note 15 to the financial statements, no impairment was identified as at 30 June 2024.</p> <p>Assumptions used in the forecast of cash flows are highly judgmental and inherently subjective. Specifically, judgement is required to assess the reasonability of forecast growth rates, margins, operating costs, discount rates and terminal growth rates.</p> <p>As a result of the above, the significance of the carrying value and the extent of audit effort and judgement required, we considered the Water Services CGU carrying value assessment to be a key audit matter.</p>	<p>With the assistance of our valuation specialists, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We assessed whether the impairment testing methodology used met the requirements of Australian Accounting Standards.</li> <li>We tested the mathematical accuracy of the discounted cash flow model.</li> <li>We assessed the basis of preparing the cash flow forecasts and considered the CGU's current performance and accuracy of the previous forecasts and budgets.</li> <li>We assessed the appropriateness of the cash flow forecasts, including forecast revenue growth and margins, with reference to current trading performance, historical growth rates achieved, historical costs incurred, contracts and purchase orders in place or highly probable.</li> <li>For significant new contracts we obtained supporting revenue and cost estimates (over the contract life) and on a sample basis agreed the amounts to third party support such as vendor quotes. We recalculated the forecast profit margin based on the cost support and compared this recalculated amount to the margin applied in the forecasted cashflows.</li> <li>We assessed the appropriateness of the discount rates and terminal growth rates with reference to publicly available information for comparable companies in the industry and markets in which the Group operates.</li> <li>We performed sensitivity analyses to evaluate whether reasonably possible changes in assumptions could cause the carrying amount of the CGU to exceed its recoverable amount.</li> <li>We cross-checked the EBITDA multiples represented by the recoverable amount derived from the discounted cashflow models against a range of comparable companies and transactions.</li> <li>We considered the carrying value of the Group's net assets against its market capitalisation.</li> </ul> <p>We evaluated the adequacy of the disclosures relating to the goodwill carrying values in the financial report, including those made with respect to judgements and estimates.</p>

**Information other than the financial report and auditor's report thereon**

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

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Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and;
- a. The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

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detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**Report on the audit of the Remuneration Report**

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of SciDev Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Ernst & Young*  
Ernst & Young

*Siobhan Hughes*  
Siobhan Hughes  
Partner  
Sydney  
28 August 2024

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# Additional ASX Information

## Shareholder Information

The shareholder information set out below was applicable at 26 September 2024.

### A. Distribution of equity securities

Analysis of numbers of equity securities buy size of holding

Holdings Ranges	Class of Equity Security Ordinary Shares	
	Number of Shareholders	Number of Shares
1-1,000	505	175,118
1,001-5,000	659	1,736,826
5,001-10,000	292	2,304,923
10,001-100,000	636	21,482,640
100,001-999,999,999	168	164,104,014
<b>Totals</b>	<b>2,260</b>	<b>189,803,521</b>

### B. Substantial holders

Substantial shareholders at 26th September 2024 as listed below:

Perennial Value Management Limited (PVM)	15.17%
Australia Super Pty Ltd	8.69%

## Additional ASX Information (continued)

### C. Quoted equity security holders

The names of the twenty largest holders of quoted equity securities at 26 September 2024 are listed below:

Name	Ordinary Shares Number Held	Percentage of Issues Shares
HSBC CUSTODY NOMINEES	29,170,885	15.369%
J P MORGAN NOMINEES AUSTRALIA	18,673,045	9.838%
FIRST TRUSTEE COMPANY (NZ)	7,750,000	4.083%
BNP PARIBAS NOMS	7,606,919	4.008%
BNP PARIBAS NOMINEES PTY LTD	7,562,046	3.984%
CITICORP NOMINEES PTY LIMITED	6,382,589	3.363%
HALDON INDUSTRIES PTY LTD	5,100,000	2.687%
KANINS AUSTRALIA PTY LTD	5,000,000	2.634%
LYNTER PTY LTD	4,000,000	2.107%
MR ANDREW MACBRIDE PRICE	4,000,000	2.107%
BNP PARIBAS NOMS	2,997,592	1.579%
H&G HIGH CONVICTION LIMITED	2,250,000	1.185%
NUOER CHEMICAL AUSTRALIA	2,161,137	1.139%
MR KIERAN GREGORY RODGERS &	2,006,467	1.057%
MR JAMES LEE PARKS	2,000,000	1.054%
MOORE & SOTOMI INVESTMENTS	1,750,000	0.922%
MERRILL LYNCH (AUSTRALIA)	1,729,127	0.911%
JIANFENG ZHANG &	1,528,572	0.805%
MR MARTIN EDWARD MEYER	1,466,667	0.773%
MRS KATHLEEN WATT	1,466,667	0.773%
LONGWIN CAPITAL FINANCE LTD	1,466,667	0.773%
<b>Total Securities of Top 20 Holdings</b>	<b>116,068,380</b>	<b>61.152%</b>
<b>Total of Securities</b>	<b>189,803,521</b>	



## Additional ASX Information (continued)

### D. Unquoted equity security holders

The names of the largest holders of unquoted equity securities at 26 September 2024 are listed below:

Name	Performance Rights Exp. 2026 Held	Percentage of Performance Rights
Sean Halpin	1,303,538	58%
Anna Hooper	931,098	42%
Total of Securities	2,234,636	100%

### E. Voting Rights

The voting rights attached to each class of equity securities are set out below:

#### (a) Ordinary shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

#### (b) Performance Rights

No voting rights.

# Corporate Directory

30 June 2024

### Directors

Vaughan Busby – Non-executive Chairman  
Simone Watt – Non-executive Director  
Jon Gourlay – Non-executive Director  
Dan O’Toole – Non-executive Director  
Michael Utsler – Non-executive Director

### Company secretary

Heath L Roberts

### Registered office

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](http://www.scidevltd.com)

### Corporate governance statement

[www.scidevltd.com/governance](http://www.scidevltd.com/governance)



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