SCIDEV

INNOVATIVE SCIENCE • REAL VALUE

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ASX code: SDV

Companies Announcements
Australian Securities Exchange

28 February 2019

31 December 2018 Appendix 4D and Interim Report

SciDev Ltd (ASX:SDV, **SDV** or the **Company**) attaches for release its 31 December 2018 Appendix 4D and Interim Report.

Heath Roberts
Company Secretary
SciDev Ltd
0419 473 925

SciDev Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	SciDev Ltd
ABN:	25 001 150 849
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	25.7%	to	1,282,354
Loss from ordinary activities after tax attributable to the owners of SciDev Ltd	up	6.1%	to	(626,681)
Loss for the half-year attributable to the owners of SciDev Ltd	up	6.1%	to	(626,681)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $626,681 (31 December 2017: $590,624).

3. Net tangible assets

	Reportin g period Cents	Previous period Cents
Net tangible assets per ordinary security	3.89	0.47

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

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

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of SciDev Ltd for the half-year ended 31 December 2018 is attached.

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12. Signed

Signed: Kieran Rodgers

Date: 28 February 2019

SciDev Ltd

ABN 25 001 150 849

Interim Report - 31 December 2018

Directors	Trevor A Jones - Chairman Kieran G Rodgers - Managing Director Lewis E Utting - Executive Director Simone Watt - Non-executive Director
Company secretary	Heath L Roberts
Registered office and principal place of business	Suite 105 48 Atchison Street St Leonards NSW 2065
Share register	Boardroom Pty Ltd Level 12 225 George Street Sydney NSW 2000 Phone: (02) 9290 9600
Auditor	Rothsay Chartered Accountants Level 12 O'Connell Street Sydney NSW 2000
Stock exchange listing	SciDev Ltd shares are listed on the Australian Securities Exchange (ASX code: SDV)
Website	www.scidev.com.au
Corporate Governance Statement	www.scidev.com.au/corporate-governance

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of SciDev Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

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

Trevor A Jones - Chairman
Kieran G Rodgers - Managing Director
Simone Watt - Non-executive Director (appointed 29 October 2018)
Lewis E Utting - Executive Director (appointed 29 October 2018)
Daniel J Cronin - Non-executive Director (resigned 31 December 2018)

Principal activities
The principal activity of the consolidated entity is the manufacture and supply of organic and inorganic chemicals for industrial wastewater treatment.

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

Review of operations
For the half-year ended 31 December 2018 the consolidated entity incurred an operating loss after income tax of $626,681 (31 December 2017: $590,624) and had net cash outflows from operating activities of $700,133 (31 December 2017: $522,404).

Significant operational developments during the half-year were:

- The deployment of an OptiFlox® System to a major coking coal operation in the Bowen Basin, Queensland. The system is being trialled on one Phoenix dewatering process unit. The aim of the trial is to establish the most optimal way to control chemical dosing to the twenty-four Phoenix dewatering process units on the site. The chemical sales opportunity remains open and it is expected that an outcome and path forward will become evident for both the OptiFlox® technology and the chemical sales opportunity during the first half of 2019. This initiative supports SciDev's Memorandum of Understanding (MOU) with Phoenix in which the companies agreed to identify cases where the OptiFlox® technology could be integrated into Phoenix's equipment offering.

- Iluka Resources installed an OptiFlox® system at their South Australian heavy mineral sands operation. The multi-month trial began in December 2018 and is underway with initial results promising. The aim of the trial is to deliver greater insight into the colloidal behaviour of the tailings and ensure an optimal chemical treatment regime, allowing for increased water recovery and improved tailings deposition. The chemical trial, originally due to start in late 2018, was pushed to February 2019 for reasons outside of the company's control. The 15 metric tonne chemical trial is expected to last for 5-10 days and will be controlled by the OptiFlox® system.

- Commencement of chemical sales into a Peabody Energy coal mine in the United States. This initiative further supports SciDev's MOU with Phoenix and provides a platform to pursue other sales opportunities in North America. In addition, local warehousing has been established in Denver, Colorado in support of the supply and will provide a basis to explore other supply options. Subsequent to year-end, the company received a purchase order for a commercial trial of an OptiFlox® system at this site.

- A joint project with the Sinoz Group was initiated to evaluate the ability of the OptiFlox® system to reduce base metal concentrate losses at Sinoz Group customer sites. A major copper producer in SE Asia was chosen as the proof of concept testing site. Laboratory evaluations illustrated that the OptiFlox® system could be effective in reducing copper losses and the site may move toward a full plant trial of both SciDev chemicals and OptiFlox® technology in Q1 2019.

- Multiple rounds of product and technology evaluations on tailings from a major iron ore producer illustrated significant performance benefits over the incumbent treatment regime. SciDev chemicals have been submitted for independent testing with positive results likely to lead to full scale plant evaluations.

- During the half-year, the Company also completed the move of its manufacturing operations to a combined warehouse and production facility at Kings Park in western Sydney.

- Due to a re-structuring that involves the divestment by Lion Dairy & Drinks (Lion) of its dairy manufacturing business, the company was advised by Lion that it is standardising its chemical sourcing requirements across its 20+ sites in Australia under one supplier. Consequently, the company will no longer be a supplier of chemicals to Lion from the end of January 2019. Historically, Lion has been the Company's largest customer by revenue, however, its share of Company sales has been in decline due to increased sales in other sectors, principally the mining sector. Management have undertaken significant steps in support of cost reduction to mitigate the commercial impact.

Significant corporate developments during the half-year were as follows:

- The completion of the second tranche of the $860,000 share placement announced on 25 June 2018. All relevant resolutions in relation to the second tranche of the share placement were approved at a General Meeting of Shareholders held on 2 August 2018.

- The securing of a US$350,000 working capital facility with Kanins International Pty Ltd (Kanins International), which is part of the Sinoz Group of companies. The facility will be utilised principally for the purchase of chemical feedstocks and OptiFlox® Systems.

- The appointment of Mr Lewis Utting as an Executive Director and Ms Simone Watt as a Non-Executive Director and the resignation of Mr Don Cronin as a Non-Executive Director.

- The company progressed discussions with Tartana Resources Limited (Tartana) in relation to a revised agreement relating to the sale of the Zeehan Project. See matters subsequent to the end of the financial year for an update on this matter.

Significant changes in the state of affairs

On 4 December 2018 the company completed a 10 to 1 consolidation of its issued shares and options.

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

Matters subsequent to the end of the financial half-year

Acquisition of exclusive distribution and marketing rights
On 11 February 2019, the company announced it had entered into a binding Heads of Agreement (HOA) to acquire the exclusive distribution and marketing rights in Australia and other Oceanic countries for polymer products produced by the China-based Nuoer Group (Nuoer Group). Under the terms of the HOA, the company's wholly owned subsidiary, Science Developments Pty Ltd (SDPL), has been granted the exclusive distribution and marketing rights from the Nuoer Group's Australian operating entity, Nuoer Chemical Australia Pty Ltd (NCA) for a 10-year period. In consideration for the grant of the exclusive distribution and marketing rights by the Nuoer Group, the company has issued 1,666,667 shares at a deemed issue price of $0.06 per share to Nuoer Group's Australian operating entity, Nuoer Chemical Australia Pty Ltd (NCA), equating to $100,000 in value. The shares issued to NCA are subject to a voluntary 12-month escrow.

$1.25 million placement

1st Tranche Placement:
On 11 February 2019, the company announced that it had issued 5,000,000 shares at an issue price of $0.06 per share to Dr Zhang and associates (employees of NCA) to raise a total of $300,000 The shares issued to Dr Zhang and associates are subject to a voluntary 12-month escrow. Additionally, on 11 February 2019, a further placement of 2,833,333 shares to unrelated investors was announced at an issue price $0.06 per share to raise $170,000.

The company has undertaken the above share issues under its 15% placement capacity pursuant to ASX Listing Rules Chapter 7.

2nd Tranche Placement:
On 13 February 2019, the company announced that a further $780,000 capital raising by way of share placement will take place at an issue price of $0.06 per share. Issue of the 2nd Tranche Placement shares will be conditional on the approval of shareholders as this issue will exceed the company's 15% placement capacity. Approval of shareholders will be sought at an Extraordinary General Meeting (EGM) to be held on 28 March 2019.

$1.25 million underwritten non-renounceable entitlement offer
On 13 February 2019, the company announced that it will undertake an underwritten non-renounceable entitlement offer to raise $1.25 million before costs. The entitlement offer will be carried out on a 2:7 basis and priced at $0.06 per new share.

Variation of the terms relating to the divestment of Intec Zeehan Residues Pty Ltd
On 30 November 2017 shareholders approved the Sale of Intec Zeehan Residues Pty Ltd (IZR) to Tartana Resources Limited (TNA) for the issue of 15,000,000 TNA shares at a deemed issue price of $0.10 per share and payments totalling $500,000 in cash. Subsequent to receiving shareholder approval, a total of $300,000 of the $500,000 cash component has been paid by TNA and 7,760,000 TNA shares issued to the company. ASX in considering the listing application of TNA considered that the terms of the sale of IZR to TNA did not meet the requirements of ASX Listing Rule 1.1 Condition 11 in that it could not be established to ASX's satisfaction that the $500,000 cash component of the sale consideration represented a reimbursement of expenditure incurred by the Company in developing a classified asset.

Accordingly, the company and TNA have agreed to vary the terms of the sale arrangements to provide that:

1. The consideration for the sale of IZR to TNA will be 20,000,000 shares issued at a deemed issue price of $0.10 per share (an increase of 5,000,000 TNA shares);
2. The $500,000 cash component of the consideration would be deleted; and
3. The company would repay the $300,000 received to date to TNA.

The revised terms are subject to approval by shareholders at the EGM to be held on 28 March 2019. In the event of shareholder approval, the company will need to repay TNA the $300,000 which has been received to date. In order to repay TNA, the company has agreed to the sale of 6,410,256 shares it currently holds in TNA at $0.078 per share to unrelated third parties. That sale will raise $500,000 allowing the company to repay the $300,000 in cash to TNA and raise $200,000 cash for general working capital purposes.

No other matter or circumstance has arisen since 31 December 2018 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.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.
This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Kieran G Rodgers
Managing Director
28 February 2019

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The Directors of SciDev Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2018 there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

Rothsay Chartered Accountants

Frank Vrachas

Partner

Sydney, 6 February 2019

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General information

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

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

Suite 105
48 Atchison Street
St Leonards
NSW 2065

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 21 February 2019.

SciDev Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018

	Note	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Revenue	3	1,269,653	1,015,540
Other income	4	332,981	11,589
Interest revenue calculated using the effective interest method		12,701	4,555
Expenses			
Changes in inventories		156,435	23,908
Raw materials and consumables used		(881,768)	(574,309)
Employee benefits expense		(539,803)	(442,883)
Depreciation and amortisation expense		(86,180)	(89,010)
Engineering and other consultant expenses		2,500	(3,800)
Insurance		(20,289)	(11,791)
Listing and share registry expenses		(46,784)	(26,908)
Professional fees		(390,141)	(257,481)
Rent and related expenses		(109,942)	(75,478)
Travel, accommodation and conference		(118,243)	(77,332)
Other expenses		(175,391)	(88,714)
Finance costs		(4,316)	(2,581)
Loss before income tax (expense)/benefit		(598,587)	(594,695)
Income tax (expense)/benefit		(28,094)	4,071
Loss after income tax (expense)/benefit for the half-year attributable to the owners of SciDev Ltd		(626,681)	(590,624)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of SciDev Ltd		(626,681)	(590,624)
		Cents	**Cents**
Basic earnings per share	14	(1.01)	(1.19)
Diluted earnings per share	14	(1.01)	(1.19)

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

SciDev Ltd
Statement of financial position
As at 31 December 2018

	Note	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Assets			
Current assets			
Cash and cash equivalents		311,719	568,187
Trade and other receivables	5	801,688	727,946
Inventories		392,619	236,184
Other		11,298	1,754
Total current assets		1,517,324	1,534,071
Non-current assets			
Financial assets at fair value through other comprehensive income	6	1,502,900	1,502,900
Property, plant and equipment	7	259,466	260,954
Intangibles	8	1,254,689	1,266,033
Total non-current assets		3,017,055	3,029,887
Total assets		4,534,379	4,563,958
Liabilities			
Current liabilities			
Trade and other payables	9	469,887	370,279
Borrowings	10	99,215	31,938
Employee benefits		186,906	167,247
Total current liabilities		756,008	569,464
Non-current liabilities			
Deferred tax		40,003	44,108
Total non-current liabilities		40,003	44,108
Total liabilities		796,011	613,572
Net assets		3,738,368	3,950,386
Equity			
Issued capital	11	74,533,290	74,118,627
Reserves		2,210,703	2,210,703
Accumulated losses		(73,005,625)	(72,378,944)
Total equity		3,738,368	3,950,386

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

SciDev Ltd
Statement of changes in equity
For the half-year ended 31 December 2018

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	73,673,290	2,169,223	(73,380,813)	2,461,700
Loss after income tax benefit for the half-year	-	-	(590,624)	(590,624)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(590,624)	(590,624)
Transactions with owners in their capacity as owners:				
Share-based payments	-	41,480	-	41,480
Balance at 31 December 2017	73,673,290	2,210,703	(73,971,437)	1,912,556

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	74,118,627	2,210,703	(72,378,944)	3,950,386
Loss after income tax expense for the half-year	-	-	(626,681)	(626,681)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(626,681)	(626,681)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 11)	414,663	-	-	414,663
Balance at 31 December 2018	74,533,290	2,210,703	(73,005,625)	3,738,368

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

SciDev Ltd
Statement of cash flows
For the half-year ended 31 December 2018

	Note	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,245,415	1,102,117
Payments to suppliers and employees (inclusive of GST)		(2,254,715)	(1,626,495)
		(1,009,300)	(524,378)
Interest received		12,701	4,555
R&D tax offset received		332,981	-
Interest and other finance costs paid		(4,316)	(2,581)
Income taxes paid		(32,199)	-
Net cash used in operating activities		(700,133)	(522,404)
Cash flows from investing activities			
Payments for property, plant and equipment	7	(64,494)	(5,063)
Payments for intangibles	8	(23,781)	(27,788)
Proceeds from disposal of Zeehan Project		50,000	250,000
Net cash from/(used in) investing activities		(38,275)	217,149
Cash flows from financing activities			
Proceeds from issue of shares	11	414,663	-
Proceeds from borrowings		73,007	-
Repayment of borrowings		(5,730)	(6,863)
Net cash from/(used in) financing activities		481,940	(6,863)
Net decrease in cash and cash equivalents		(256,468)	(312,118)
Cash and cash equivalents at the beginning of the financial half-year		568,187	938,714
Cash and cash equivalents at the end of the financial half-year		311,719	626,596

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

Note 1. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

At the date of initial application (1 July 2018) the consolidated entity assessed that there were no classification, measurement and impairment adjustments required to any of its financial assets and liabilities.

'Interest revenue' is no longer included in the 'Revenue' note and is now shown separately on the face of the statement of profit or loss and other comprehensive income, resulting in a reclassification of $4,555 for the half-year ended 31 December 2017.

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.
The adoption of this standard has no impact on the financial performance and position of the consolidated entity.

Going concern
For the half-year ended 31 December 2018 the consolidated entity incurred an operating loss after income tax of $626,681 and had net cash outflows from operating activities of $700,133. At 31 December 2018 the consolidated entity had cash balances of $311,719. Additionally, the consolidated entity will no longer be a supplier of chemicals to Lion Dairy & Drinks (Lion) from early 2019. Historically, Lion has been the consolidated entity's largest customer by revenue.

These matters give rise to a material uncertainty that may cast doubt whether the consolidated entity can continue as a going concern and realise its assets and extinguish its liabilities in the ordinary course of business and at amounts stated in the financial statements. The continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the consolidated entity being successful in the following:

- New customer acquisition;
- Commercialisation of the OptiFlox® System with resultant increased product sales and technology leasing fees; and
- The raising of sufficient capital by way of either additional debt and/or equity capital.

The directors have concluded that the going concern basis of preparation of the financial statements is appropriate and any uncertainty regarding going concern is mitigated by the following:

- On 11 February 2019, the company announced it had entered into a binding Heads of Agreement (HOA) to acquire the exclusive distribution and marketing rights in Australia and other Oceanic countries for polymer products produced by the China-based Nuoer Group (Nuoer Group) (refer note 13). Under the terms of the HOA, the company's wholly owned subsidiary, Science Developments Pty Ltd (SDPL), has been granted the exclusive distribution and marketing rights from the Nuoer Group's Australian operating entity, Nuoer Chemical Australia Pty Ltd (NCA) for a 10-year period. The exclusive distribution and marketing rights to Nuoer Group's water-soluble polymers is expected to deliver expanded market opportunities for the company: and

- Since 31 December 2018 the company has raised an additional $470,000 in equity capital (refer note 13). The company has also announced that it will undertake a share placement and an underwritten non-renounceable entitlement offer to raise $780,000 and $1,256,000 respectively in equity capital (refer note 13).

Based on the above, the directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than twelve months from the date of signature of the audit report on this financial report to the date of signature of the audit report on the financial report for the half-year ending 31 December 2019, and have accordingly prepared the financial report on a going concern basis.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
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 customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer 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 initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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 are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. 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.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Note 2. Operating segments

Identification of reportable operating segments
The consolidated entity operates in primarily one geographical segment, namely Australia. The primary business segment is the treatment of industrial waste including the manufacture and supply of chemicals for the treatment of waste water.

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

Note 3. Revenue

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Sales revenue		
Treatment fees and product sales	1,136,211	934,207
Other revenue		
Other revenue	133,442	81,333
Revenue	1,269,653	1,015,540

Note 4. Other income

	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Subsidies and grants	332,981	-
Reimbursement of expenses	-	11,589
Other income	332,981	11,589

Note 5. Current assets - trade and other receivables

	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Trade receivables	545,860	457,430
Other receivables	39,578	14,266
Amount due by Tartana Resources Limited	216,250	256,250
	801,688	727,946

Note 6. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Unlisted equity securities	1,502,900	698,900
Consideration from disposal of Intec Zeehan Residues Pty Ltd*	-	804,000
	1,502,900	1,502,900

* On 25 October 2017, the company entered into a conditional sale agreement to dispose of Intec Zeehan Residues Pty Ltd (IZR), whose principal asset was the Zeehan Zinc Project. The disposal was in order to generate cash flow for the expansion of the consolidated entity's core businesses. The disposal was completed on 22 January 2018, on which date control of IZR passed to the acquirer, Tartana Resources Limited (Tartana).

The total consideration was $2,000,000 in cash and shares in Tartana. The first payment of $250,000 was received in December 2017. A further payment of $50,000 was received on 9 July 2018. The remaining payment of $210,000, including accrued interest, has not yet been paid. In the 30 June 2018 financial year, the company was allotted 6,960,000 shares in Tartana at a deemed issue price of 10 cents per share and a further 800,000 shares in the half-year ended 31 December 2018. The balance of the Tartana shares to be issued to the company, totalling 7,240,000 shares, will be issued prior to 30 June 2019.

Note 7. Non-current assets - property, plant and equipment

	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Plant and equipment - at cost	684,443	619,949
Less: Accumulated depreciation	(424,977)	(358,995)
	259,466	260,954
Office equipment - at cost	31,028	31,028
Less: Accumulated depreciation	(31,028)	(31,028)
	-	-
	259,466	260,954

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

Consolidated	Plant and equipment $	Total $
Balance at 1 July 2018	260,954	260,954
Additions	64,494	64,494
Depreciation expense	(65,982)	(65,982)
Balance at 31 December 2018	259,466	259,466

Note 8. Non-current assets - intangibles

	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Goodwill - at cost	1,030,018	1,030,018
Trademarks and intellectual property - at cost	451,723	427,942
Less: Accumulated amortisation	(227,052)	(191,927)
	224,671	236,015
	1,254,689	1,266,033

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

Consolidated	Goodwill $	Trademarks and intellectual property $	Total $
Balance at 1 July 2018	1,030,018	236,015	1,266,033
Additions	-	23,781	23,781
Amortisation expense	-	(35,125)	(35,125)
Balance at 31 December 2018	1,030,018	224,671	1,254,689

Note 9. Current liabilities - trade and other payables

	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Trade payables	361,414	260,079
BAS payable	49,437	67,376
Other payables	59,036	42,824
	469,887	370,279

Note 10. Current liabilities - borrowings

	Consolidated 31 Dec 2018 $	Consolidated 30 June 2018 $
Loan - Kanins International Pty Ltd	73,007	-
Lease liability	26,208	31,938
	99,215	31,938

Kanins International Pty Ltd has provided the company with a US$350,000 working capital facility for an initial 12-month term. The initial term of the facility ends in October 2019. The facility is secured against the consolidated entity's inventory and bears interest at 15% per annum.

Note 11. Equity - issued capital

	Consolidated			
	31 Dec 2018 Shares	**30 June 2018 Shares**	**31 Dec 2018 $**	**30 June 2018 $**
Ordinary shares - fully paid	63,815,201	569,041,473	74,533,290	74,118,627

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	569,041,473		74,118,627
Share placement	10 August 2018	52,443,867	$0.006	314,663
Share placement	11 August 2018	16,666,667	$0.006	100,000
Share consolidation (10 to 1)	4 December 2018	(574,336,806)	$0.000	-
Balance	31 December 2018	63,815,201		74,533,290

Share placement
On 10 August 2018 and 11 August 2018, the company completed Tranche 2 of the share placement previously announced on 25 June 2018. Tranche 2 comprised the placement of 69,110,534 shares at an issue price of 0.6 cents per share to raise $414,663. An Extraordinary General Meeting of the company was held on 2 August 2018 to approve matters relating to both Tranches of the share placement announced on 25 June 2018.

Share consolidation
On 4 December 2018 the company completed a 10 to 1 consolidation of its issued shares and options.

Note 12. Equity - dividends

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

Note 13. Events after the reporting period

Acquisition of exclusive distribution and marketing rights
On 11 February 2019, the company announced it had entered into a binding Heads of Agreement (HOA) to acquire the exclusive distribution and marketing rights in Australia and other Oceanic countries for polymer products produced by the China-based Nuoer Group (Nuoer Group). Under the terms of the HOA, the company's wholly owned subsidiary, Science Developments Pty Ltd (SDPL), has been granted the exclusive distribution and marketing rights from the Nuoer Group's Australian operating entity, Nuoer Chemical Australia Pty Ltd (NCA) for a 10-year period. In consideration for the grant of the exclusive distribution and marketing rights by the Nuoer Group, the company has issued 1,666,667 shares at a deemed issue price of $0.06 per share to Nuoer Group's Australian operating entity, Nuoer Chemical Australia Pty Ltd (NCA), equating to $100,000 in value. The shares issued to NCA are subject to a voluntary 12-month escrow.

$1.25 million placement
1st Tranche Placement:
On 11 February 2019, the company announced that it had issued 5,000,000 shares at an issue price of $0.06 per share to Dr Zhang and associates (employees of NCA) to raise a total of $300,000 The shares issued to Dr Zhang and associates are subject to a voluntary 12-month escrow. Additionally, on 11 February 2019, a further placement of 2,833,333 shares to unrelated investors was announced at an issue price $0.06 per share to raise $170,000. Cash receipts from these share issues were received on 12 February 2019 for a total amount of $$470,000.

The company has undertaken the above share issues under its 15% placement capacity pursuant to ASX Listing Rules Chapter 7.

2nd Tranche Placement:
On 13 February 2019, the company announced that a further $780,000 capital raising by way of share placement will take place at an issue price of $0.06 per share. Issue of the 2nd Tranche Placement shares will be conditional on the approval of shareholders as this issue will exceed the company's 15% placement capacity. Approval of shareholders will be sought at an Extraordinary General Meeting to be held on 28 March 2019.

$1.25 million non-renounceable entitlement offer
On 13 February 2019, the company announced that it will undertake a non-renounceable entitlement offer to raise $1.25 million before costs. The entitlement offer will be carried out on a 2:7 basis and priced at $0.06 per new share.

Variation of the terms relating to the divestment of Intec Zeehan Residues Pty Ltd
On 30 November 2017 shareholders approved the Sale of Intec Zeehan Residues Pty Ltd (IZR) to Tartana Resources Limited (TNA) for the issue of 15,000,000 TNA shares at a deemed issue price of $0.10 per share and payments totalling $500,000 in cash. Subsequent to receiving shareholder approval, a total of $300,000 of the $500,000 cash component has been paid by TNA and 7,760,000 TNA shares issued to the company. ASX in considering the listing application of TNA considered that the terms of the sale of IZR to TNA did not meet the requirements of ASX Listing Rule 1.1 Condition 11 in that it could not be established to ASX's satisfaction that the $500,000 cash component of the sale consideration represented a reimbursement of expenditure incurred by the Company in developing a classified asset.

Accordingly, the company and TNA have agreed to vary the terms of the sale arrangements to provide that:

4. The consideration for the sale of IZR to TNA will be 20,000,000 shares issued at a deemed issue price of $0.10 per share (an increase of 5,000,000 TNA shares);
5. The $500,000 cash component of the consideration would be deleted; and
6. The company would repay the $300,000 received to date to TNA.

The revised terms are subject to approval by shareholders at the EGM to be held on 28 March 2019. In the event of shareholder approval, the company will need to repay TNA the $300,000 which has been received to date. In order to repay TNA, the company has agreed to the sale of 6,410,256 shares it currently holds in TNA at $0.078 per share to unrelated third parties. That sale will raise $500,000 allowing the company to repay the $300,000 in cash to TNA and raise $200,000 cash for general working capital purposes.

No other matter or circumstance has arisen since 31 December 2018 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 14. Earnings per share

	Consolidated	
	31 Dec 2018 $	**31 Dec 2017 $**
Loss after income tax attributable to the owners of SciDev Ltd	(626,681)	(590,624)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	62,303,740	49,481,867
Weighted average number of ordinary shares used in calculating diluted earnings per share	62,303,740	49,481,867
	Cents	**Cents**
Basic earnings per share	(1.01)	(1.19)
Diluted earnings per share	(1.01)	(1.19)

The weighted average number of ordinary shares for 2017 has been restated for the effect of the share consolidation (10 to 1) completed in December 2018, in accordance with AASB 133 'Earnings per share'.

	Number
Weighted average number of ordinary shares used in calculating basic earnings per share (before restatement)	494,818,673
Adjustment required by AASB 133 'Earnings per share'	(445,336,806)
Weighted average number of ordinary shares used in calculating basic earnings per share (after restatement)	49,481,867

Share transactions after the end of the reporting period
On 12 February 2019, the company issued a total of 9,500,000 ordinary shares. These share transactions would have changed significantly the number of ordinary shares outstanding at 31 December 2018 if these transactions had occurred before the end of the reporting period.

:

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Kieran G Rodgers
Managing Director

28 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SciDev Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year consolidated financial report of SciDev Limited, which comprises the consolidated statement of financial position as at 31 December 2018, and 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 half-year ended on that date, notes comprising summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity (or "Group") comprising SciDev Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As the auditor of SciDev Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of SciDev Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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

a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss from operations of $626 (2017: $590,624) and net operating cash outflows of $700,133 (2017: $522,404) for the half-year ended 31 December 2018. This condition, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Rothsay Chartered Accountants

Frank Vrachas

Partner

Sydney, 28 February 2019