



Innovations that work.

ACN 109 200 900

## Appendix 4E Unaudited Preliminary Financial Report Year Ending 30 June 2019

The current reporting period is the year ended 30 June 2019. The previous corresponding period is the year ended 30 June 2018.

### Results for announcement to the market:

		30 June 2019 \$000's	30 June 2018 \$000's	% Change	Up / Down
2.1	Revenue from ordinary activities	2,335	1,318	77.2%	Up
2.2	Loss from ordinary activities after tax attributable to shareholders	(9,216)	(10,825)	14.9%	Down
2.3	Loss for the year attributable to shareholders	(8,594)	(10,825)	20.6%	Down

### Operating Results

Revenues increased due to increased sales of EdenCrete®. The loss from ordinary activities for the year decreased due to largely due to the increased sales and decreased employee benefits expense.

	30 June 2019 \$000's	30 June 2018 \$000's	% Change
EdenCrete® Sales	1,615	712	+126.8%
OptiBlend® Sales	720	606	+18.8%
Total Sales	2,335	1,318	+77.2%

### Financial Position

During the financial year, net assets of the company and its controlled entities increased by \$3.2 million from \$17.8 million as at 30 June 2018 to \$21.0 million as at 30 June 2019 primarily reflecting the net effect of the capital raised during the year less the loss for the year.

### Dividends and Other Returns to Shareholders

No dividends are proposed and no dividends were declared or paid during the current or prior period. There were no share buy backs or proposed share buy backs during the financial year.

### Net tangible assets per share

	30 June 2019	30 June 2018
Net tangible* assets per share	\$0.0087	\$0.0093

\* - This does not include any value for Eden's investment in its pyrolysis, EdenCrete® or OptiBlend® technology as these are intangible assets.

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**Audit**

This preliminary financial report is based on accounts which are in the process of being audited. No disputes or qualifications are likely to occur. As the company and its controlled entities are currently reliant on raising capital to continue as a going concern, an emphasis of matter paragraph, which is not a qualification, regarding going concern may be included in the audit report.

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR YEAR ENDED 30 JUNE 2019**

	Note	Consolidated Group	
		2019	2018
		\$	\$
Revenue		2,334,901	1,317,960
Other income		28,046	5,252
Changes in inventories		82,586	(4,128)
Raw materials and consumables used		(489,447)	(204,404)
Depreciation and amortisation expense		(1,089,362)	(1,023,344)
Employee benefits expense		(5,526,330)	(7,355,821)
Finance costs		(34,167)	(24,572)
Other financial items		(8,893)	(77,312)
Other expenses		(4,587,341)	(3,640,661)
Loss before income tax		(9,290,007)	(11,007,030)
Income tax (expense)/benefit		73,687	182,323
Loss for the year		(9,216,320)	(10,824,707)
<b>Other Comprehensive Income / Loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		622,754	418,570
Income tax relating to comprehensive income		-	-
<i>Items reclassified to profit or loss</i>			
Foreign currency translation reserve		-	-
Total Other Comprehensive Income / (Loss), net of tax		622,754	418,570
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		<b>(8,593,566)</b>	<b>(10,406,137)</b>
Basic/Diluted loss per share (cents per share)	2	(0.5969)	(0.8267)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated Group	
		2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,217,555	3,489,730
Trade and other receivables		315,267	309,656
Inventories		735,290	617,320
Other current assets		58,307	117,630
<b>TOTAL CURRENT ASSETS</b>		<b>4,326,419</b>	<b>4,534,336</b>
NON-CURRENT ASSETS			
Property, plant and equipment		12,463,621	10,690,384
Intangible assets		6,524,192	4,907,542
<b>TOTAL NON-CURRENT ASSETS</b>		<b>18,987,813</b>	<b>15,597,926</b>
<b>TOTAL ASSETS</b>		<b>23,314,232</b>	<b>20,132,262</b>
CURRENT LIABILITIES			
Trade and other payables		1,069,010	1,049,639
Interest bearing liabilities		247,422	230,058
Provisions		156,954	89,269
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,473,386</b>	<b>1,368,966</b>
NON-CURRENT LIABILITIES			
Interest bearing liabilities		772,355	984,296
Other liabilities		28,757	17,430
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>801,112</b>	<b>1,001,726</b>
<b>TOTAL LIABILITIES</b>		<b>2,274,498</b>	<b>2,370,692</b>
<b>NET ASSETS</b>		<b>21,039,734</b>	<b>17,761,570</b>
EQUITY			
Issued capital		102,636,700	91,230,956
Reserves		8,953,733	7,864,993
Accumulated losses		(90,550,699)	(81,334,379)
<b>TOTAL EQUITY</b>		<b>21,039,734</b>	<b>17,761,570</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2019

	Share Capital				Total
	Ordinary	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2017</b>	83,385,716	6,911,632	(222,354)	(70,509,672)	19,565,322
Shares issued during the year, net of issue costs	7,845,240	-	-	-	7,845,240
Options issued during the year	-	757,145	-	-	757,145
Loss for year	-	-	-	(10,824,707)	(10,824,707)
Other comprehensive loss	-	-	418,570	-	418,570
Total comprehensive loss	-	-	418,570	(10,824,707)	(10,406,137)
<b>Balance at 30 June 2018</b>	91,230,956	7,668,777	196,216	(81,334,379)	17,761,570
Shares issued during the year, net of issue costs	11,405,744	-	-	-	11,405,744
Options issued during the year	-	465,986	-	-	465,986
Loss for year	-	-	-	(9,216,320)	(9,216,320)
Other comprehensive loss	-	-	622,754	-	622,754
Total comprehensive loss	-	-	622,754	(9,216,320)	(8,593,566)
<b>Balance at 30 June 2019</b>	102,636,700	8,134,763	818,970	(90,550,699)	21,039,734

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2019

	Note	Consolidated Group	
		2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,400,657	1,013,433
Payments to suppliers and employees		(9,623,820)	(10,380,806)
Income taxes paid / (received)		73,687	182,323
Interest paid		(27,677)	(24,572)
Interest received		3,167	5,252
Net cash used in operating activities		<u>(7,173,986)</u>	<u>(9,204,370)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,983,077)	(1,350,253)
Payment for research and development		(2,065,638)	(1,514,619)
Net cash provided by (used in) investing activities		<u>(4,048,715)</u>	<u>(2,864,872)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares, net of issue costs		11,298,297	7,845,240
Repayment of borrowings		(355,086)	(221,740)
Net cash provided by financing activities		<u>10,943,211</u>	<u>7,623,500</u>
Net increase (decrease) in cash held		(279,490)	(4,445,743)
Net increase (decrease) due to foreign exchange movements		7,315	(49,253)
Cash at beginning of financial year		<u>3,489,730</u>	<u>7,984,726</u>
Cash at end of financial year		<u><u>3,217,555</u></u>	<u><u>3,489,730</u></u>

**Eden Innovations Ltd**  
**Unaudited Preliminary Financial Report**  
**For the year ended 30 June 2019**

**NOTE 1: BASIS OF PREPERATION**

The financial information included in this document for the year ended 30 June 2019 is unaudited. The financial information does not constitute the Eden Group's (the Group) full financial statements for the year ended 30 June 2019, which will be approved by the board, reported on by the auditors and filed with the Australian Securities and Investment Commission. The Group's full financial statement will be prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial information in this document for the year ended 30 June 2019 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2018 financial statements contained within the 2018 Annual Report of the Group. As required and unless stated otherwise, comparative statutory financial information for the Group has been presented for the 2018 financial year. Comparative figures have been prepared on the same basis as the current year figures.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year, including AASB 9 and AASB 15. The new and revised Standards and amendments thereof and Interpretations do not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

AASB 9 Financial Instruments – There were no changes required to the consolidated financial report to recognise the revised requirements of AASB 9.

AASB 15 Revenue – The Group recognises revenue when the goods are shipped to the customer or for services when the services have been completed, this is in line with AASB 15 and has not resulted in any changes.

**NOTE 2: EARNINGS PER SHARE**

	<b>2019</b>	<b>2018</b>
	\$	\$
a. Reconciliation of earnings to profit or loss		
Profit/(loss)	(9,216,320)	(10,824,707)
Earnings used to calculate basic EPS	<u>(9,216,320)</u>	<u>(10,824,707)</u>
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<u>1,544,110,867</u>	<u>1,309,434,644</u>

The options on issue are not potentially dilutive shares.

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NOTE 3: SEGMENT REPORTING

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining allocation of resources. Activities of the Group are managed on Group structure basis and operating segments are therefore determined on the same basis. In this regard the following list of reportable segments has been identified.

- Eden Innovations LLC – US EdenCrete® sales and development and US Optiblend® sales, service and manufacturing.
- Eden Innovations (India) Pvt Ltd – Optiblend® sales, service and manufacturing in India.

	Eden Innovations LLC	Eden Innovations India Pvt Ltd	Eliminations	Economic Entity
	\$	\$	\$	\$
<b>2019</b>				
External sales	2,021,064	313,837	-	2,334,901
Internal sales	1,920,087	-	(1,920,087)	-
Total segment revenue	<u>3,941,151</u>	<u>313,837</u>	<u>(1,920,087)</u>	<u>2,334,901</u>
Segment Result	(6,060,223)	98,243	(338,571)	(6,300,551)
Unallocated expenses				<u>(2,955,589)</u>
Result from operating activities				<u>(9,255,840)</u>
Finance costs				<u>(34,167)</u>
Loss before income tax				<u>(9,290,007)</u>
Income tax benefit				<u>73,687</u>
Loss after income tax				<u>(9,216,320)</u>
Segment assets	13,839,397	340,364	-	14,179,761
Unallocated assets				<u>9,134,471</u>
Total assets				<u>23,314,232</u>
Segment liabilities	2,015,006	497,179	-	2,512,185
Unallocated liabilities				<u>(237,687)</u>
Total liabilities				<u>2,274,498</u>
Capital expenditure	2,151,726	-	-	2,151,726
Depreciation and amortisation	363,359	-	726,003	1,089,362
Impairment expense	-	-	-	-
<b>2018</b>				
External sales	1,204,298	113,662	-	1,317,960
Internal sales	1,416,928	-	(1,416,928)	-
Total segment revenue	<u>2,621,226</u>	<u>113,662</u>	<u>(1,416,928)</u>	<u>1,317,960</u>
Segment Result	(8,166,794)	(14,455)	(217,913)	(8,399,162)
Unallocated expenses				<u>(2,583,296)</u>
Result from operating activities				<u>(10,982,458)</u>
Finance costs				<u>(24,572)</u>
Loss before income tax				<u>(11,007,030)</u>
Income tax benefit				<u>182,323</u>
Loss after income tax				<u>(10,824,707)</u>
Segment assets	11,969,698	241,236	-	12,210,934
Unallocated assets				<u>7,921,328</u>
Total assets				<u>20,132,262</u>
Segment liabilities	2,105,846	605,224	(569,468)	2,141,602
Unallocated liabilities				<u>229,091</u>
Total liabilities				<u>2,370,693</u>
Capital expenditure	608,390	-	-	608,390
Depreciation and amortisation	679,858	-	343,486	1,023,344
Impairment expense	-	-	-	17,437