



31 August 2020

ASX: IGE

Appendix 4E - Preliminary Final Report

The directors of Integrated Green Energy Solutions Ltd ("IGES" or "the Company") are pleased to provide the Company's Preliminary Final Report.

All businesses have encountered significant challenges in 2020 due to the COVID-19 pandemic and the associated impacts on business systems and processes. Some businesses have been forced to closure and others into hibernation, whilst many, like IGES, have taken conservative steps to limit exposure whilst continuing to work on the opportunities ahead. In these unprecedented times, IGES has been successful in reducing expenses and cash out-flows whilst positioning the Company to deliver on its international strategy to roll-out 20 sites. At the same time, the Company funder, Structured Growth Capital Inc ("SGC") has been and remains fully committed to our projects and their contributory role, despite the economic uncertainty that exists.

The conservative steps taken by IGES are reflected in the financial results. Specifically, in view of the change in international activity, the company has taken active measures to respond to the business impacts of the global pandemic and implemented steps to reduce expenses and conserve cash. As a result of these measures, the reduction in cash flows in the 2020 financial year when compared to the 2019 financial year is significant:

- Payments to suppliers and employees included in the cash flows from operating activities had fallen by \$3,157,875 (or 58.1%) from \$5,431,236 to \$2,273,361.

In line with this reduction in cash flows related to operating activities, there has also been achieved a large reduction in costs over most expense categories in the last year and particularly in the last 6 months.

Specifically, in comparison to the 6 months to 31 December 2019, the Company has achieved the following:

- Administration costs were reduced by \$331,059, or 75.3%
- Consultants expenses were reduced by \$137,443, or 27.1%
- Employment expenses were reduced by \$670,019, or 55.1%; and
- Other expenses were reduced by 55,481, or 76.8%

Against this trend, the two major expense increases related to:

- The Company taking a conservative stance and impairing the plant and equipment held in Amsterdam. On the basis that it is an incomplete construction as at financial period-end, an estimate was made regarding the recoverable asset value and accordingly an impairment of \$14,206,751 was recognised. This impairment is a non-cash items and will be reversed upon commencement of production activities.
- Further, the Company has incurred costs of \$2,881,914 in relation to the matter with Mac Wealth Holdings Pte Ltd ("MWH"). These costs include legal fees to defend action taken by MWH, costs associated with mediation, and interest costs associated with the amount due and the attempts to find a satisfactory resolution. \$2,273,189 of this expense was incurred in just the last 6 months. This represents 65.9% of the total expenses incurred in the last 6 months in a period when IGES spent only \$263,606 on wages and salaries in an effort to conserve company resources.

In overview, of the total loss of \$22,487,378 incurred in the year to 30 June 2020, \$16,479,940 (or nearly three quarters) relates to the above two decisions by the Directors regarding impairment on assets and the Mac Wealth matter.

That is, excluding these two major items, expenses fell by over one-third in the last 12 months compared to the 12 months to 30 June 2019.

This reduction of the underlying operating costs and cash expenditures is a reflection of the efforts by management and the directors to conserve resources whilst we put in place the building blocks that will allow us to undertake a successful implementation of strategy.

Despite the challenges of the restrictions on business activity and the one-off costs recognised, IGES remains well positioned to complete the Amsterdam facility, to commence construction at the Northampton and Thailand sites and proceed with the international strategy of a 20-site roll out.

About IGES

IGES is focused on creating a cleaner planet for the next generation through the conversion of end of life plastic into valuable fuels. Plastic used in the process would otherwise be sent to landfill or be discarded into the environment. The Company has a patented plastic to fuels process that results in a range of fuels and products, including EN590 (Road Ready Diesel), EN228 (Road Ready Petrol), Naphtha, Marine fuel and Marine Diesel Oil (MDO). The specific products we provide from our range are determined by the territory requirements for each individual site location. The Company believes that utilising its technology will inevitably reduce the amount of plastic entering the environment. It will also help to develop circular economies, thereby creating a cleaner planet for the next generation, while bringing value to shareholders.

FOR FURTHER INFORMATION CONTACT:

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This announcement is authorised for release to the ASX by the Board of IGES.

INTEGRATED GREEN ENERGY SOLUTIONS LTD
ABN 23 003 669 163

APPENDIX 4E
UNAUDITED PRELIMINARY FINAL REPORT

1. Results for Announcement to the Market

Current reporting period: Year ended 30 June 2020
Previous corresponding period: Year ended 30 June 2019

	Amount \$	% Change up(+)/down(-)
Revenue from ordinary activities	-	N/A
Loss from ordinary activities after tax attributable to members (from continuing operations)	(22,543,799)	236.57%
Net loss for the period attributable to members	(22,543,799)	236.57%

2. Dividend Information

The directors do not recommend the payment of a dividend in relation to the financial year ended 30 June 2019 (2019: Nil).

3. Earnings per ordinary share

	2020 \$	2019 \$
Basic and diluted profit/(loss) per share	(0.054)	(0.025)

4. Net tangible assets per security

	2020 \$	2019 \$
Net tangible asset backing per ordinary share	(0.066)	(0.063)

5. Details of entities over which the company has control

Name of Entity	% Interest	Country of Registration	Date of gain of control
Integrated Green Energy Singapore Pte Ltd	100%	Singapore	25 February 2016
Integrated Green Energy Amsterdam B.V.	90%	The Netherlands	1 January 2018
Integrated Green Energy Thailand	90%	Thailand	10 May 2019
Integrated Green Energy USA, Inc	100%	USA	14 November 2016
Integrated Green Partners, LLC	50%	USA	14 November 2016
Integrated Green Energy UK Ltd	100%	United Kingdom	1 June 2017
Integrated Green Energy HK Company Ltd	70%	Hong Kong	18 May 2018
FOY (H.K.) Group Limited	100%	Hong Kong	25 September 2017
Integrated Green Energy Tri-State 1, LLC	100%	USA	16 July 2018
Integrated Green Energy Tri-Cities, LLC	100%	USA	25 April 2017
Integrated Green Energy California, LLC	100%	USA	25 April 2017
Integrated Green Partners Indiana LLC	50%	USA	22 December 2016
Titan Metals Limited	100%	PNG	15 October 2010
Titan Mines Limited	100%	PNG	16 March 2015
Fairway Resources Limited	100%	PNG	2 August 2008

6. Details of joint venture entities

The Company does not have any interests in joint ventures. The joint ventures organised in the United States, Hong Kong and China are entity investments.

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**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
Finance income	1	179
Other income	342,179	-
Expenses		
Administrative expenses	(458,489)	(2,123,807)
Consultants expenses	(602,994)	(2,228,831)
Other expenses	(178,918)	(153,280)
Depreciation and amortisation	(27,708)	(36,744)
Employment expenses	(1,763,070)	(2,426,380)
Finance costs	(5,263,988)	(1,930,645)
Impairment Expense	(14,206,751)	-
Occupancy expenses	(327,640)	(306,813)
Share based payments	-	(824,416)
Loss before income tax expense	(22,487,378)	(9,529,533)
Income tax benefit	-	-
Net loss for the period	(22,487,378)	(9,529,533)
Other comprehensive income		
Exchange differences arising in translation of foreign operations	(783,530)	(291,704)
Total comprehensive income for the period, net of tax	(23,270,908)	(9,821,236)
Earnings per share		
Basic and dilutive loss per share (cents per share)	(0.054)	(0.025)

The accompanying notes form part of these financial statements.

INTEGRATED GREEN ENERGY SOLUTIONS LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	2020	2019
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	2,664,417	1,137,078
Trade and other receivables	33,764	77,695
Other current assets	37,313	45,345
Funds held in escrow	847,888	2,921,286
TOTAL CURRENT ASSETS	3,583,382	4,181,404
NON-CURRENT ASSETS		
Plant and equipment	22,013,768	35,774,313
Intangible assets	34,634	75,286
TOTAL NON-CURRENT ASSETS	22,048,402	35,849,599
TOTAL ASSETS	25,631,784	40,031,003
CURRENT LIABILITIES		
Trade and other payables	40,284,330	27,072,423
Loans and other liabilities	12,756,105	17,561,972
TOTAL CURRENT LIABILITIES	53,040,435	44,634,395
TOTAL LIABILITIES	53,040,435	44,634,395
NET ASSETS	(27,408,651)	(4,603,392)
EQUITY		
Issued capital	63,286,296	62,792,620
Share reserve	4,184,333	4,184,333
Foreign currency translation reserve	(1,296,147)	(512,617)
Non-controlling interest	(153,786)	(125,760)
Accumulated losses	(93,429,347)	(70,941,969)
TOTAL EQUITY	(27,408,651)	(4,603,392)

The accompanying notes form part of these financial statements.

INTEGRATED GREEN ENERGY SOLUTIONS LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued capital	Share reserve	Foreign currency reserve	Revaluation surplus reserve	Accumulated losses	Non-Controlling Interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
BALANCE 1 JULY 2017	170,239,953	3,927,894	-220,913	-	-173,646,708	-101,181	199,045
Net profit / (loss) for the year	-	-	-	-	-9,517,284	-12,249	-9,529,533
Other comprehensive income	-	-	-291,704	-	-	-12,330	-304,034
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	-	-	(291,704)	-	(9,517,284)	(24,579)	(9,833,567)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:							
Share based payments	6,435,859	256,440	-	-	-	-	6,692,299
Shares issued net of transaction costs	-1,661,170	-	-	-	-	-	-1,661,170
Acquisition of Bin 2 Barrel	-112,222,023	-	-	-	112,222,023	-	-
TOTAL TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY	(107,447,334)	256,440	-	-	112,222,023	-	5,031,129
BALANCE AT 30 JUNE 2018	62,792,619	4,184,334	(512,617)	-	(70,941,969)	(125,760)	(4,603,393)
	62,792,619	4,184,334	(512,617)	-	(70,941,969)	(125,760)	(4,603,393)
BALANCE AT 30 JUNE 2018							
Net profit / (loss) for the year	-	-	-	-	(22,487,378)	(25,067)	(22,512,445)
Other comprehensive income	-	-	(783,530)	-	-	(2,959)	(786,489)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	-	-	(783,530)	-	(22,487,378)	(28,028)	(23,298,936)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS							
Shares issued net of transaction costs	493,676	-	-	-	-	-	493,676
Shares based payment						-	-
Cancellation of share capital						-	-
TOTAL TRANSACTIONS WITH OWNERS RECORDED DIRECTLY IN EQUITY	493,676	-	-	-	-	-	493,676
BALANCE AT 30 JUNE 2019	63,286,295	4,184,334	(1,296,147)	-	(93,429,347)	(153,788)	(27,408,651)

The accompanying notes form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Government grants received	610,027	1,350,580
Payment to suppliers and employees inclusive of goods and services tax	(2,273,361)	(5,431,236)
	(1,663,334)	(4,080,656)
Interest received	1	179
Finance costs paid	-	(28,774)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(1,663,333)	(4,109,251)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(791,853)	(12,206,729)
Proceeds from disposal of property, plant and equipment	-	-
Proceeds for acquisition of IGE assets	-	-
Payment for acquisition of Bin 2 Barrel, net of cash acquired	-	-
Payments for patents	(12,273)	(6,597)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(804,126)	(12,213,326)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares net of transaction costs	493,676	1,694,107
Reclassification of funds held in escrow	2,073,398	-
Net proceeds from borrowings	1,427,725	14,418,836
NET CASH INFLOW FROM FINANCING ACTIVITIES	3,994,799	15,120,226
NET OUTFLOW IN CASH AND CASH EQUIVALENTS	1,527,340	(209,633)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,137,077	1,346,711
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,664,417	1,137,077

The accompanying notes form part of these financial statements.

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It is important to read the following definitions in order to assist with understanding this report.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The preliminary final report has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under the Australian Accounting Standards. The financial statements accompanying this Appendix 4E have not been audited and are currently in the process of being audited.

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by Integrated Green Energy Solutions Ltd, during the reporting period, in accordance with the continuous disclosure requirements of the ASX listing rules.

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.