



Innovations that work.

ACN 109 200 900

## Appendix 4E Unaudited Preliminary Financial Report Year Ending 30 June 2017

The current reporting period is the year ended 30 June 2017. The previous corresponding period is the year ended 30 June 2016.

### Results for announcement to the market:

		30 June 2017 \$000's	30 June 2016 \$000's	% Change	Up / Down
2.1	Revenue from ordinary activities	949	1,207	21.3%	Down
2.2	Loss from ordinary activities after tax attributable to shareholders	(11,264)	(3,314)	239.9%	Up
2.3	Loss for the year attributable to shareholders	(11,264)	(3,341)	237.2%	Up

### Operating Results

Revenues decreased due to reduced OptiBlend® sales following continued low oil prices and increased focus the development of EdenCrete® sales. The loss from ordinary activities for the year increased due to decreased revenues and additional expenses including of the expansion of the workforce in Colorado, the establishment of an EdenCrete® sales team, engagement of consultants and research expenditure.

### Financial Position

During the financial year, net assets of the company and its controlled entities increased by \$4.5 million from \$15 million as at 30 June 2016 to \$19.5 million as at 30 June 2017 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 2017	30 June 2016
Net tangible* assets per share	\$0.0126	\$0.0103

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

### 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.

**Eden Innovations Ltd**  
**Unaudited Preliminary Financial Report**  
**For the year Ended 30 June 2017**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR YEAR ENDED 30 JUNE 2017**

	Note	Consolidated Group	
		2017 \$	2016 \$
Revenue		949,467	1,206,849
Other income		7,093	6,821
Changes in inventories		121,859	(64,464)
Raw materials and consumables used		(419,782)	(491,284)
Advertising and marketing expense		(399,540)	(321,443)
Consultants expense		(1,010,435)	(332,127)
Depreciation and amortisation expense		(479,997)	(196,830)
Employee benefits expense		(6,770,049)	(2,328,056)
Finance costs		(19,941)	(64,586)
Management fees		(300,000)	(194,670)
Other financial items		(390,483)	197,061
Research expense		(370,065)	(32,000)
Travel and accommodation expense		(664,580)	(193,587)
Other expenses		(1,560,656)	(645,446)
Loss before income tax		(11,307,109)	(3,453,781)
Income tax (expense)/benefit		43,339	139,842
Loss from continuing operations		(11,263,770)	(3,313,939)
Loss after tax from discontinued operations		-	(26,594)
Loss for the year		(11,263,770)	(3,340,533)
<b>Other Comprehensive Income / Loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		(31,083)	(125,048)
Income tax relating to comprehensive income		-	-
<i>Items reclassified to profit or loss</i>			
Foreign currency translation reserve		-	(519,189)
Total Other Comprehensive Income / (Loss), net of tax		(31,083)	(644,237)
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		<b>(11,294,853)</b>	<b>(3,984,770)</b>
Basic/Diluted loss per share (cents per share)	2	(0.9138)	(0.3226)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	Consolidated Group	
		2017	2016
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		7,984,726	11,249,445
Trade and other receivables		103,421	189,024
Inventories		613,192	491,333
Other current assets		104,844	75,392
TOTAL CURRENT ASSETS		8,806,183	12,005,194
NON-CURRENT ASSETS			
Property, plant and equipment		10,463,280	690,659
Intangible assets		3,711,401	3,009,306
Deposits		-	106,945
TOTAL NON-CURRENT ASSETS		14,174,681	3,806,910
TOTAL ASSETS		22,980,864	15,812,104
CURRENT LIABILITIES			
Trade and other payables		1,939,047	622,130
Interest bearing liabilities		217,452	-
Provisions		104,783	148,553
TOTAL CURRENT LIABILITIES		2,261,282	770,683
NON-CURRENT LIABILITIES			
Interest bearing liabilities		1,154,260	-
TOTAL NON-CURRENT LIABILITIES		1,154,260	770,683
TOTAL LIABILITIES		3,415,542	770,683
NET ASSETS		19,565,322	15,041,421
EQUITY			
Issued capital		83,385,716	68,890,525
Reserves		6,689,278	5,396,798
Accumulated losses		(70,509,672)	(59,245,902)
TOTAL EQUITY		19,565,322	15,041,421

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2017

	Share Capital				Total
	Ordinary	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	
	\$	\$	\$	\$	\$
<b>Balance at 30 June 2015</b>	55,567,452	2,046,258	452,966	(55,905,369)	2,161,307
Shares issued during the year, net of issue costs	13,323,073	-	-	-	13,323,073
Options issued during the year	-	3,541,811	-	-	3,541,811
Loss for year	-	-	-	(3,340,533)	(3,340,533)
Other comprehensive loss	-	-	(644,237)	-	(644,237)
Total comprehensive loss	-	-	(644,237)	(3,340,533)	(3,984,770)
<b>Balance at 30 June 2016</b>	68,890,525	5,588,069	(191,271)	(59,245,902)	15,041,421
Shares issued during the year, net of issue costs	14,495,191	-	-	-	14,495,191
Options issued during the year	-	1,323,563	-	-	1,323,563
Loss for year	-	-	-	(11,263,770)	(11,263,770)
Other comprehensive loss	-	-	(31,083)	-	(31,083)
Total comprehensive loss	-	-	(31,083)	(11,263,770)	(11,294,853)
<b>Balance at 30 June 2017</b>	83,385,716	6,911,632	(222,354)	(70,509,672)	19,565,322

**Eden Innovations Ltd**  
**Unaudited Preliminary Financial Report**  
**For the year Ended 30 June 2017**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2017**

	Note	Consolidated Group	
		2017	2016
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,164,991	1,183,680
Payments to suppliers and employees		(9,646,694)	(4,323,411)
Income taxes paid / (received)		43,338	139,842
Interest paid		(19,941)	(71,431)
Interest received		7,093	6,783
Net cash used in continuing operations		(8,451,213)	(3,064,537)
Net cash used in discontinued operations		-	(30,297)
Net cash used in operating activities		(8,451,213)	(3,094,834)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(7,943,781)	(510,588)
Payment for research and development		(949,884)	(1,329,650)
Proceeds on sale of subsidiary, net of cash		-	(34,189)
Net cash provided by (used in) investing activities		(8,893,665)	(1,874,427)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares, net of issue costs		14,513,859	16,278,186
Proceeds from borrowings		-	1,745,968
Repayment of borrowings		-	(1,931,074)
Net cash provided by financing activities		14,513,859	16,093,080
Net increase (decrease) in cash held		(2,831,019)	11,123,819
Net increase (decrease) due to foreign exchange movements		(433,700)	(381,878)
Cash at beginning of financial year		11,249,445	507,504
Cash at end of financial year		7,984,726	11,249,445

**Eden Innovations Ltd**  
**Unaudited Preliminary Financial Report**  
**For the year Ended 30 June 2017**

NOTE 1: BASIS OF PREPERATION

The financial information included in this document for the year ended 30 June 2017 is unaudited. The financial information does not constitute the Eden Group's (the Group) full financial statements for the year ended 30 June 2017, 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 2017 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2016 financial statements contained within the 2016 Annual Report of the Group. As required and unless stated otherwise, comparative statutory financial information for the Group has been presented for the 2016 financial year. Comparative figures have been prepared on the same basis as the current year figures.

NOTE 2: EARNINGS PER SHARE

	2017 \$	2016 \$
a. Reconciliation of earnings to profit or loss		
Profit/(loss)	(11,263,770)	(3,340,533)
Earnings used to calculate basic EPS	(11,263,770)	(3,340,533)
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,232,634,131	1,035,442,691

The options on issue are not potentially dilutive shares.

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 (continuing operations)	Discontinued Operations
	\$	\$	\$	\$	\$
<b>2017</b>					
External sales	813,961	135,505	-	949,466	-
Internal sales	874,071	-	(874,071)	-	-
Total segment revenue	1,688,032	135,505	(874,071)	949,466	-
Segment Result	(8,972,224)	(78,273)	(901,881)	(8,148,616)	-
Unallocated expenses				(3,138,552)	-
Result from operating activities				(11,287,168)	-
Finance costs				(19,941)	-
Loss before income tax				(11,307,109)	-
Income tax benefit				43,339	-
Loss after income tax				(11,263,770)	-
Segment assets	13,314,940	143,270	-	13,458,210	-
Unallocated assets				9,522,654	-
Total assets				22,980,864	-
Segment liabilities	41,454,988	750,416	(38,997,347)	3,208,057	-
Unallocated liabilities				207,485	-
Total liabilities				3,415,542	-
Capital expenditure	10,073,783	-	-	10,073,783	-
Depreciation and amortisation	232,208	-	247,789	479,997	-
Impairment expense	-	-	-	-	-

**Eden Innovations Ltd**  
**Unaudited Preliminary Financial Report**  
**For the year Ended 30 June 2017**

NOTE 3: SEGMENT REPORTING CONTINUED

	Eden Innovations LLC	Eden Innovations India Pvt Ltd	Eliminations	Economic Entity (continuing operations)	Discontinued Operations
	\$	\$	\$	\$	\$
<b>2016</b>					
External sales	940,274	266,575	-	1,206,849	-
Internal sales	1,493,056	-	(1,493,056)	-	-
Total segment revenue	2,433,330	266,575	(1,493,056)	1,206,849	-
Segment Result	(2,132,866)	(70,172)	639,945	(1,563,093)	(26,594)
Unallocated expenses				(1,826,102)	-
Result from operating activities				(3,389,195)	(26,594)
Finance costs				(64,586)	-
Loss before income tax				(3,453,781)	(26,594)
Income tax expense				139,842	-
Loss after income tax				(3,313,939)	(26,594)
Segment assets	2,037,609	198,080	-	2,235,689	-
Unallocated assets				13,576,415	-
Total assets				15,812,104	-
Segment liabilities	22,060,547	723,625	(22,213,443)	570,729	-
Unallocated liabilities				199,954	-
Total liabilities				770,683	-
Capital expenditure	584,609	-	1,329,650	1,914,259	-
Depreciation and amortisation	70,283	1,381	125,166	196,830	-
Impairment expense	-	-	25,000	25,000	-