



Innovations that work.

ACN 109 200 900

## Appendix 4E Unaudited Preliminary Financial Report Year Ending 30 June 2018

The current reporting period is the year ended 30 June 2018. The previous corresponding period is the year ended 30 June 2017.

### Results for announcement to the market:

		30 June 2018 \$000's	30 June 2017 \$000's	% Change	Up / Down
2.1	Revenue from ordinary activities	1,318	949	38.9%	Up
2.2	Loss from ordinary activities after tax attributable to shareholders	(10,825)	(11,264)	3.9%	Down
2.3	Loss for the year attributable to shareholders	(10,825)	(11,264)	3.9%	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.

	30 June 2018 \$000's	30 June 2017 \$000's	% Change
EdenCrete® Sales	712	248	+187.1%
OptiBlend® Sales	606	619	-2.1%
Other Sales*	-	82	-100%
Total Sales	1,318	949	+38.9%

\* - Other sales related to the sale of used equipment.

### Financial Position

During the financial year, net assets of the company and its controlled entities decreased by \$1.8 million from \$19.6 million as at 30 June 2017 to \$17.8 million as at 30 June 2018 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 2018	30 June 2017
Net tangible* assets per share	\$0.0093	\$0.0126

\* - 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 2018**

	Note	Consolidated Group	
		2018 \$	2017 \$
Revenue		1,317,960	949,467
Other income		5,252	7,093
Changes in inventories		(4,128)	121,859
Raw materials and consumables used		(204,404)	(419,782)
Depreciation and amortisation expense		(1,023,344)	(479,997)
Employee benefits expense		(7,355,821)	(6,770,049)
Finance costs		(24,572)	(19,941)
Other financial items		(77,312)	(390,483)
Other expenses		(3,640,661)	(4,305,276)
Loss before income tax		(11,007,030)	(11,307,109)
Income tax (expense)/benefit		182,323	43,339
Loss for the year		(10,824,707)	(11,263,770)
<b>Other Comprehensive Income / Loss</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation reserve		418,570	(31,083)
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		418,570	(31,083)
<b>Total Comprehensive Income / (Loss) attributable to members of the parent</b>		<b>(10,406,137)</b>	<b>(11,294,853)</b>
Basic/Diluted loss per share (cents per share)	2	(0.8267)	(0.9138)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Consolidated Group	
		2018	2017
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,489,730	7,984,726
Trade and other receivables		309,656	103,421
Inventories		617,320	613,192
Other current assets		117,630	104,844
TOTAL CURRENT ASSETS		4,534,336	8,806,183
NON-CURRENT ASSETS			
Property, plant and equipment		10,690,384	10,463,280
Intangible assets		4,907,542	3,711,401
TOTAL NON-CURRENT ASSETS		15,597,926	14,174,681
TOTAL ASSETS		20,132,262	22,980,864
CURRENT LIABILITIES			
Trade and other payables		1,049,639	1,939,047
Interest bearing liabilities		230,058	217,452
Provisions		89,269	104,783
TOTAL CURRENT LIABILITIES		1,368,966	2,261,282
NON-CURRENT LIABILITIES			
Interest bearing liabilities		984,296	1,154,260
Other liabilities		17,430	-
TOTAL NON-CURRENT LIABILITIES		1,001,726	1,154,260
TOTAL LIABILITIES		2,370,692	3,415,542
NET ASSETS		17,761,570	19,565,322
EQUITY			
Issued capital		91,230,956	83,385,716
Reserves		7,864,993	6,689,278
Accumulated losses		(81,334,379)	(70,509,672)
TOTAL EQUITY		17,761,570	19,565,322

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2018

	Share Capital				Total
	Ordinary	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	
	\$	\$	\$	\$	\$
<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>	<b>83,385,716</b>	<b>6,911,632</b>	<b>(222,354)</b>	<b>(70,509,672)</b>	<b>19,565,322</b>
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>	<b>91,230,956</b>	<b>7,668,777</b>	<b>196,216</b>	<b>(81,334,379)</b>	<b>17,761,570</b>

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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2018**

	Note	Consolidated Group	
		2018	2017
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,013,433	1,164,991
Payments to suppliers and employees		(10,380,806)	(9,646,695)
Income taxes paid / (received)		182,323	43,339
Interest paid		(24,572)	(19,941)
Interest received		5,252	7,093
Net cash used in operating activities		<u>(9,204,370)</u>	<u>(8,451,213)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,350,253)	(7,943,781)
Payment for research and development		(1,514,619)	(949,884)
Net cash provided by (used in) investing activities		<u>(2,864,872)</u>	<u>(8,893,665)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares, net of issue costs		7,845,240	14,513,859
Repayment of borrowings		(221,740)	-
Net cash provided by financing activities		<u>7,623,500</u>	<u>14,513,859</u>
Net increase (decrease) in cash held		(4,445,743)	(2,831,019)
Net increase (decrease) due to foreign exchange movements		(49,253)	(433,700)
Cash at beginning of financial year		<u>7,984,726</u>	<u>11,249,445</u>
Cash at end of financial year		<u><u>3,489,730</u></u>	<u><u>7,984,726</u></u>

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**NOTE 1: BASIS OF PREPERATION**

The financial information included in this document for the year ended 30 June 2018 is unaudited. The financial information does not constitute the Eden Group's (the Group) full financial statements for the year ended 30 June 2018, 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 2018 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2017 financial statements contained within the 2017 Annual Report of the Group. As required and unless stated otherwise, comparative statutory financial information for the Group has been presented for the 2017 financial year. Comparative figures have been prepared on the same basis as the current year figures.

**NOTE 2: EARNINGS PER SHARE**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
a. Reconciliation of earnings to profit or loss		
Profit/(loss)	(10,824,707)	(11,263,770)
Earnings used to calculate basic EPS	<u>(10,824,707)</u>	<u>(11,263,770)</u>
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<u>1,309,434,644</u>	<u>1,232,634,131</u>

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
	\$	\$	\$	\$
<b>2018</b>				
External sales	1,196,743	114,087	-	1,310,830
Internal sales	1,416,928	-	(1,416,928)	-
Total segment revenue	<u>2,613,671</u>	<u>114,087</u>	<u>(1,416,928)</u>	<u>1,310,830</u>
Segment Result	(8,166,794)	(14,455)	(217,913)	(8,399,162)
Unallocated expenses				<u>(2,583,295)</u>
Result from operating activities				(10,982,457)
Finance costs				<u>(24,573)</u>
Loss before income tax				(11,007,030)
Income tax benefit				182,323
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

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NOTE 3: SEGMENT REPORTING CONTINUED

	Eden Innovations LLC \$	Eden Innovations India Pvt Ltd \$	Eliminations \$	Economic Entity \$
<b>2017</b>				
External sales	813,961	135,505	-	949,466
Internal sales	874,071	-	(874,071)	-
Total segment revenue	<u>1,688,032</u>	<u>135,505</u>	<u>(874,071)</u>	<u>949,466</u>
Segment Result	(8,972,224)	(78,273)	(901,881)	(9,952,378)
Unallocated expenses				<u>(1,334,790)</u>
Result from operating activities				(11,287,168)
Finance costs				<u>(19,941)</u>
Loss before income tax				(11,307,109)
Income tax benefit				<u>43,339</u>
Loss after income tax				<u>(11,263,770)</u>
Segment assets	13,314,940	143,270	-	13,458,210
Unallocated assets				<u>9,522,654</u>
Total assets				<u>22,980,864</u>
Segment liabilities	41,454,988	750,416	(38,997,347)	3,208,057
Unallocated liabilities				<u>207,485</u>
Total liabilities				<u>3,415,542</u>
Capital expenditure	10,073,783	-	-	10,073,783
Depreciation and amortisation	232,208	-	247,789	479,997